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The Analysis of the Government Internal Control System on the Effectiveness of Social Assistance Management Affected by COVID-19

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Abstract:

This study aims to know and analyze the Government's Internal Control System Control ('SPIP') towards the effectiveness of social assistance for those affected by COVID-19. While the study object was conducted at SKPD Social Services of District X, the methods used were qualitative approaches, such as collecting data from interviews and observations. The internal control has five elements (control environment, risk assessment, activity control, information and communication, and monitoring) and 25 sub-elements. Meanwhile, the effectiveness management of social assistance affected by COVID-19 was measured based on 5 indicators (understanding the program, targeting accurately, timeliness, goal achievement, and tangible change). Results showed that there were 17 adequate SPIP sub-elements, and 2 sub-elements were not adequate enough. On the other hand, there were 3, 1 and 1 elements assessed as 'effective', 'quite effective', and 'ineffective', respectively, on the effectiveness of social assistance affected by the COVID-19 variable.

Keywords: Government internal control system, effectiveness management of social assistance affected by COVID-19

1. Introduction

COVID-19 has had a significant impact on the economies of countries worldwide, including Indonesia, causing slowdowns that affect the industrial sector (Ibrahim, 2020). This has resulted in national economic growth deceleration, a decrease in state revenues, and an increase in government spending and financing. These impacts have led to many workers being laid off, income reductions, and businesses experiencing losses, with some even having to close (Liana, 2020). Government efforts have included increasing total expenditure and financing in the 2020 state budget by IDR 405.1 trillion to address and minimize problems caused by COVID-19. This additional funding has been allocated to four areas – Healthcare expenditure;

- Tax incentives of micro, small, and medium enterprise (MSME) credit stimulus;
- National economic recovery program financing, and
- Social assistance.

Social assistance, as part of the budget allocation, requires the Government to ensure that the beneficiary data referenced has been verified to prevent the possibility of manipulative actions by field officers that could harm the public (Kartyadi, 2020). In emergency situations like the current one provided, the distribution of social assistance is particularly susceptible to opening avenues for corruption. One of the users is called the Regional Work Unit ('SKPD') of the Social Service in District X. Table 1 provides the following information:

| No. | Group of Social Assistance Recipient | Target of Social Assistance Recipients (Person/Household) | Realization of Social Assistance Recipients (Person/Household) | Percentage of Social Assistance Recipients Achieved |
|-----|---|---|--|---|
| 1 | "Family Hope" Regular and Expansion Program | 80,000 | 75,048 | 94% |
| 2 | Non-Cash Food Assistance | 118,000 | 100,973 | 85% |
| 3 | Expanded Non-Cash Food Assistance | 55,150 | 39,815 | 72% |
| 4 | Cash Staple Food Assistance | 50,000 | 46,613 | 93% |
| 5 | Direct Cash Assistance from Village Funds | 20,000 | 19,043 | 95% |
| 6 | Presidential Assistance | 0 | 0 | 0% |

| No. | Group of Social Assistance Recipient | Target of Social Assistance Recipients (Person/Household) | Realization of Social Assistance Recipients (Person/Household) | Percentage of Social Assistance Recipients Achieved |
|-------|---|---|--|---|
| 7 | District Government Assistance | 75,144 | 54,536 | 72% |
| 8 | Provincial Government Assistance 'DTKS' | 45,000 | 16,500 | 37% |
| 9 | Provincial Government Assistance 'Non-DTKS' | 95,000 | 82,553 | 87% |
| Total | | 538,294 | 435,081 | 81% |

*Table 1: Number of Social Assistance Recipients Impact of COVID-19 at the Department of Social Affairs ('SKPD') of District X
Source: Department of Social Affairs at District X, 2021*

From table 1 above, the recipients of social assistance in District X averaged 81%. However, there are social assistance programs that have not achieved their targets with recipients below 80%, such as Expanded Non-Cash Food Assistance, District Government Assistance, and Provincial Government Assistance DTKS. Hence, an analysis is needed on the implementation of the Government Internal Control System at the Department of Social Affairs District X towards the effectiveness of managing social assistance for those affected by COVID-19.

2. Literature Review and Hypothesis Development

'SPIP' (re: translated from Indonesian abbreviation), which stands for Government Internal Control System, is comprehensively implemented within both central and local government environments. Its purpose is to provide adequate assurance in four areas: achieving effectiveness and efficiency in achieving the goals of state governance, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. It ensures that all state administrators, from leaders to employees in government agencies, perform their duties honestly and adhere to regulations. This guarantees that there will be no misuse that could cause losses to the state (Government Regulation No. 60, 2008). Its elements include control environment, risk assessment, control activities, information and communication, and monitoring (Arafat et al., 2021). There are five factors in the effectiveness of managing social assistance programs: understanding the program, targeting accurately, timeliness, goal achievement, and tangible change (Noerkaisar, 2021; Solihat et al., 2018).

Research related to 'SPIP' has been conducted by several scholars, such as:

Faishol (2016) conducted a study titled "The Influence of 'SPIP' on the Quality of Financial Reports (Case Study on Regional Work Units in Lamongan Regency Government)." The research focused on the Financial Department of 15 Regional Work Units ('SKPD') in Lamongan Regency, utilizing a quantitative research method. The study found that 'SPIP' significantly influences the quality of financial reports, thus enabling the measurement of financial reporting quality performance in each 'SKPD' (Faishol, 2016).

Similarly, Husna et al. (2018) conducted a similar study on 'SKPD' in North Aceh District, and their findings corroborated those of Faishol (2016), demonstrating 'SPIP's significant impact on financial reporting quality. Another study by Bulan et al. (2017) examined "The Impact of 'SPIP' on the Effectiveness of Local Financial Management at the Inspectorate of Manado City Government." Their research employed interviews and structured questionnaire distribution to 45 auditors in the City Inspectorate of Manado. The results indicated that 'SPIP' significantly influences the effectiveness of local financial management.

Furthermore, Josvidar (2017) investigated "The Influence of 'SPIP' on the Effectiveness of Regional Financial Management Information Systems ('SIMDA') in Sigi Regency." This quantitative study involved 42 'SKPD' units and found that 'SPIP', comprising control environment, risk assessment, control activities, information and communication, and monitoring, significantly impacts the effectiveness of 'SIMDA' financial systems in Sigi Regency. The study collectively underscored the importance and effectiveness of SPIP in enhancing various aspects of financial management and reporting within government agencies at both regional and local levels.

Cantika et al. (2021) conducted a study titled "COVID-19 Social Assistance in the Perspective of Administrative Ecology." The research focused on the effectiveness of social assistance programs during the COVID-19 pandemic, specifically evaluating the distribution of aid to affected communities in the Andir sub-district. This qualitative research highlighted that the implementation of social assistance in the Andir Sub-district was not yet effective.

Noerkaisar (2021) conducted research titled "Effectiveness of Government Social Assistance Distribution to Mitigate the Impact of COVID-19 in Indonesia." The study aimed to assess the effectiveness of government-provided social assistance in addressing the spread of COVID-19 in Indonesia. This qualitative research relied on a literature review oriented towards gathering secondary information from various relevant sources. The findings indicated that the social assistance distributed by the government up to that point was still not effective.

Wahyuni (2021) conducted research titled "Issues in the Distribution of Social Assistance during the Implementation of Community Activity Restrictions." The study focused on the challenges in distributing social assistance during the implementation of community activity restrictions ('PPKM') and proposed solutions. This qualitative research identified issues such as inaccuracies in data for each distribution of social assistance, inadequate adaptation of supporting resources to the COVID-19 pandemic situation, and weak coordination between institutions and supervision of social

assistance distribution, which opened up opportunities for corruption. The proposed solutions included enhancing mutual support between central and local governments, strengthening cross-institutional coordination, making data updates more transparent, and developing adaptive disaster social protection schemes. This study also provided insights into the challenges and effectiveness of social assistance programs during the COVID-19 pandemic in Indonesia, highlighting areas for improvement and proposing solutions to enhance the distribution and impact of aid.

Arafat et al. (2021) conducted a qualitative study titled "Analysis of Government Internal Control Systems on COVID-19 Social Assistance at the Jakarta Provincial Social Service". The research concluded that overall, the implementation of SPIP in COVID-19 social assistance has been effective and adequate according to Government Regulation No. 60 of 2008. However, they noted the need for additional data collection and social support officers.

Usmar (2021) researched "Effectiveness of Government Internal Control Systems (Survey on Local Government in Jakarta)". This quantitative study focused on 10 SKPD units in Jakarta, using primary data collected through questionnaires distributed to section heads and sub-section heads. Findings indicated that reporting systems had a significant negative impact, budget target clarity had a significant positive impact, financial accounting information systems had a negative impact, and role conflict had a significant positive impact on the effectiveness of internal control systems in Jakarta's local government.

Nurwani (2018) conducted an analysis of Government internal control systems in social assistance expenditure management at the Parepare City social service, focusing on the PMKS social welfare problem program. This qualitative research included interviews with social service employees, Bappeda (Local Planning Agency), inspectorate officials, and the community of Parepare City. The study concluded that management of social assistance spending for PMKS was inadequate in terms of two sub-elements: control over information system management and accurate and timely recording, as well as monitoring, including continuous monitoring and separate evaluation.

Susanto (2018) researched "The Influence of Internal Control Systems on Government Performance at the Regional Financial Management Agency of Belopa City, Luwu Regency." This study used primary data collected through questionnaire distribution and concluded that the internal control system significantly influences government performance at the Regional Financial Management Agency of Belopa City.

Solihat et al. (2018) conducted "The Influence of Internal Control Implementation on the Effectiveness of Regional Revenue and Expenditure Budget Management (Study in Six Regencies/Cities in West Java Province)". This quantitative study used questionnaires distributed to auditors as respondents and found that internal control implementation significantly and positively affects the effectiveness of regional revenue and expenditure budget management in six regencies/cities in West Java Province.

Manullang & Abdullah (2019) studied "The Influence of Internal Control, Budget Target Clarity, and Changes in SKPD Heads on Performance Accountability". The research focused on 41 agency units in North Sumatra Province, utilizing a mixed-methods approach (quantitative and qualitative). Results indicated that internal control had a positive impact on performance accountability, budget target clarity positively influenced performance accountability, and changes in SKPD heads negatively affected performance accountability.

Bay & Tunti (2019) researched "The Influence of Government Internal Control Systems and Human Resource Competence on the Effectiveness of Local Financial Management (Case Study at the Local Finance Agency of Kupang City)." The study focused on employees of the Local Finance Agency of Kupang City, particularly Heads of Sub-Sections, Heads of Departments, and Civil Servants (ASN). Findings showed that the internal control system has an influence on the effectiveness of local financial management. However, there is no significant influence of human resource competence on the effectiveness of local financial management.

Indika & Ramadhani (2020) studied "The Influence of Government Internal Control Systems and Human Resource Competence on the Effectiveness of Local Financial Management in North Musi Rawas Regency Government." This quantitative research focused on SKPD units that had implemented government internal control systems. Findings indicated that both variables—government internal control systems and human resource competence—significantly influence the effectiveness of local financial management. The study collectively highlighted the importance of internal control systems in enhancing government performance, financial management effectiveness, and accountability across various local government settings in Indonesia.

In terms of hypothesis, this study observed that there is a positive, significant effect of the Government Internal Control System at the Department of Social Affairs District X towards the effectiveness in managing social assistance for those affected by COVID-19.

3. Method

This study employed a descriptive qualitative research model, where data are obtained through interviews and observations. Informants are individuals involved in the process of managing and distributing COVID-19-impacted social assistance within the Department of Social Affairs ('SKPD') of District X. There are a total of 7 informants, each from the following areas:

- Planning and Budgeting Division;
- Updating Data of Beneficiary Families;
- Empowerment of Social Welfare Resources and PPUB/UGB;
- Handling of the Poor;
- Social Empowerment;
- Family Social Welfare Empowerment and

- Identification and Data Collection of the Poor.
The findings from the interviews will be synthesized using source triangulation and weighted as shown in table 2.

| Assessment of Government Internal Control System on Effectiveness Management of Social Assistance | Information |
|---|---|
| 80% - 100% | Internal control elements and sub-elements in social assistance management are adequate. |
| 51% - 79% | Internal control elements and sub-elements in social assistance management are sufficiently adequate. |
| < 50% | Internal control elements and sub-elements in social assistance management are inadequate. |

Table 2: The Assessment of Government Internal Control System on Effectiveness Management of Social Assistance

4. Results and Discussion

The results of interviews conducted with 7 informants regarding the implementation of the Government Internal Control System at the Department of Social Affairs District X towards the effectiveness in managing social assistance for those affected by COVID-19 using a triangulation approach are summarized in table 3 as follows:

| Element | Assessment | Description |
|--|------------|-----------------------|
| Control Environment | | |
| Enforcement of Integrity and Ethical Values | 51% - 79% | Sufficiently adequate |
| Commitment to Competence | < 50% | Inadequate |
| Conducive Leadership | 80% - 100% | Adequate |
| Formation of Appropriate Organizational Structure | 80% - 100% | Adequate |
| Delegation of Authority and Responsibility | 80% - 100% | Adequate |
| Healthy Policy on Human Resource Development | 80% - 100% | Adequate |
| Realization of the Internal Government Supervisory Role | 80% - 100% | Adequate |
| Good Working Relationships with Related Government Agencies | 80% - 100% | Adequate |
| Risk Assessment | | |
| Risk Identification | 51% - 79% | Sufficiently adequate |
| Risk Analysis | 51% - 79% | Sufficiently adequate |
| Control Activities | | |
| Performance Review | 80% - 100% | Adequate |
| Human Resource Development | 80% - 100% | Adequate |
| Control over Information Systems | 80% - 100% | Adequate |
| Physical Control over Assets | 80% - 100% | Adequate |
| Setting and Reviewing Performance Indicators | 80% - 100% | Adequate |
| Separation of Functions | 80% - 100% | Adequate |
| Authorization of Transactions and Significant Events | 80% - 100% | Adequate |
| Accurate and Timely Recording of Transactions and Events | < 50% | Inadequate |
| Restriction of Access to Resources and Recording | 80% - 100% | Adequate |
| Accountability for Resources and Recording | 51% - 79% | Sufficiently adequate |
| Good Documentation of Internal Control Systems and Significant Transactions and Events | 80% - 100% | Adequate |
| Information and Communication | | |
| Information | 51% - 79% | Sufficiently adequate |
| Effective Communication | 51% - 79% | Sufficiently adequate |
| Monitoring | | |
| Continuous Monitoring | 80% - 100% | Adequate |
| Separate Evaluation | 80% - 100% | Adequate |

Table 3: The Results of Interviews Regarding the Implementation of the Government Internal Control System at the Department of Social Affairs District X towards the Effectiveness of Managing Social Assistance

Source: Data Observation and Measurement

These results indicate the adequacy levels of various elements and sub-elements of internal control in the management of social assistance within the 'SKPD' Department of Social Affairs in District X. The findings will be further discussed in relation to their implications for improving the effectiveness and efficiency of social assistance management practices.

5. Conclusion

The Government Internal Control System ('SPIP') in the management process of social assistance for communities affected by COVID-19 at the Social Welfare Office ('SKPD') of District X complies with the elements and sub-elements outlined in Government Regulation Number 60 Year 2008 concerning the Government Internal Control System. The internal control system consists of five elements and 25 sub-elements: control environment, risk assessment, control activities, information and communication, and monitoring.

At the 'SKPD' Social Welfare Office of District X, 17 sub-elements of the internal control system are adequate, 6 sub-elements are sufficiently adequate, and 2 sub-elements are inadequate. Indicators for measuring the effectiveness of managing COVID-19-affected social assistance funds within the same institution include five elements: program understanding, targeting, timeliness, achievement of objectives, and tangible changes. Among these elements, program understanding, achievement of objectives, and tangible changes are deemed effective, while targeting is considered less effective, and timeliness is deemed moderately effective.

Future researchers are encouraged to develop this study further using different methods or focusing on different aspects.

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