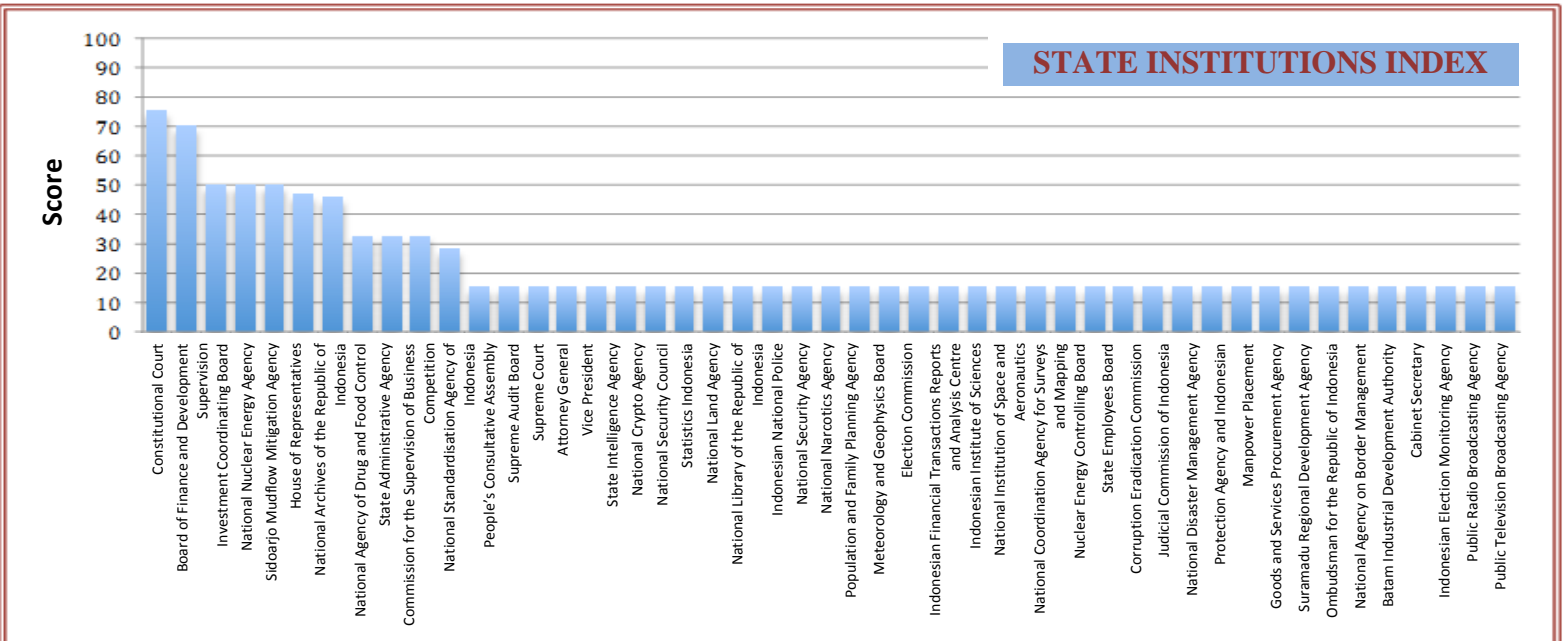
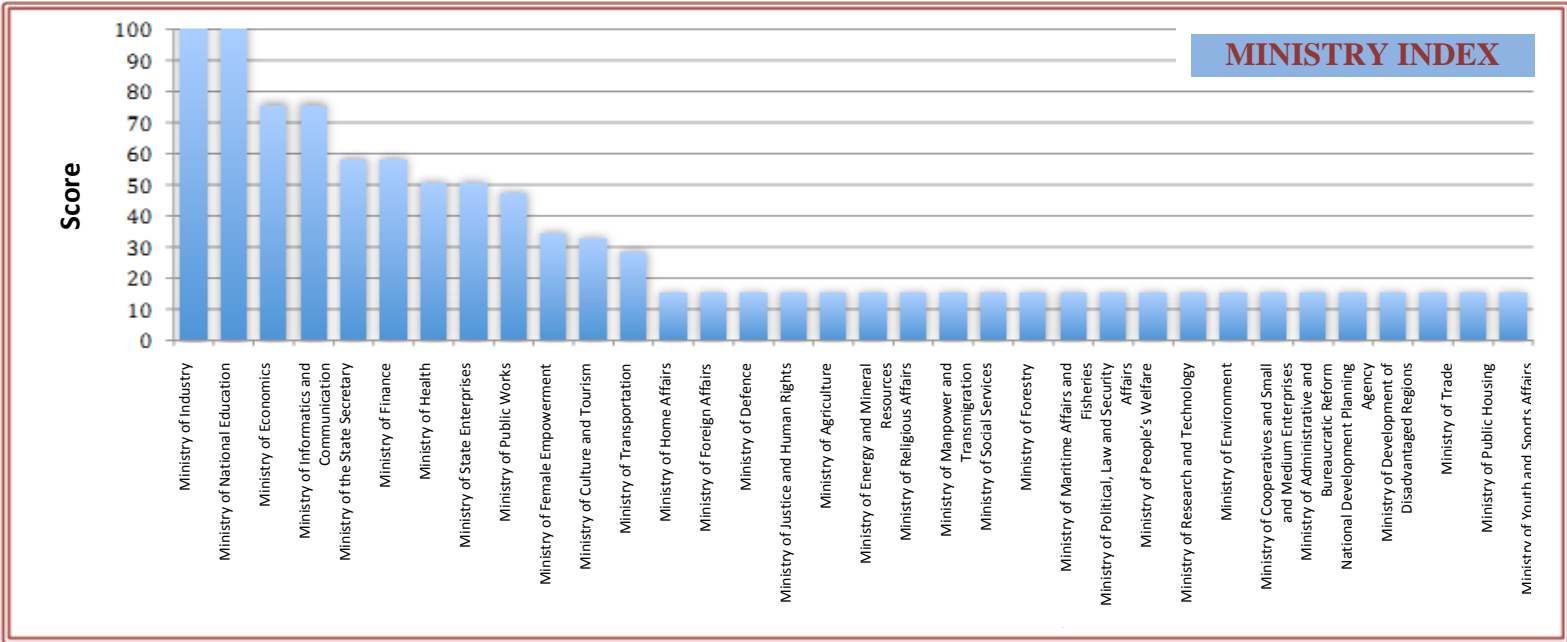


# Openness of Public Institutions Index

## Providing Periodic Budget Information

Measuring the Openness of Budget Information Based on Website Content



## About the Study

- Article 9 of the Law on Openness of Public Information (KIP) mandates all public institutions to periodically provide and publicise public information. Included in the public information category is any information relating to public institutions; their activities, performance and financial reports, as well as any other information stipulated in statutory laws. Specifically, Article 9 is regulated in Article 11 of the Central Information Commission's Law No. 1/2010 on Public Information Service Standards. The article states that one of the responsibilities of public institutions is to provide and publicise any budget information used and managed in the performing of its tasks and functions.
- Indonesia is one of eight founding countries of the Open Government Partnership (OGP), that's committed to increasing the availability of information, supporting public participation, applying the highest level of integrity, and increasing technological support to obtain access to information. One of the plans and actions of Open Government Indonesia (OGI) in 2012 was to support all public institutions to publish their "Work Plan and Budget" (RKA) and "Budget Implementation Checklist" (DIPA). One of the primary prerequisites for achieving this commitment is the successful implementation of Law No. 14/2008.
- The study aims to measure the availability of budget information over a two year period, marked by:
  - For ministries and institutions, availability of:
    1. Financial reports (2010-2011)
    2. RKA-DIPA (2011-2012)
    3. Information on goods and services procurement (2011-2012)
  - For provincial governments, availability of:
    1. Financial reports (2010-2011)
    2. Local government APBD (2011-2012)
    3. Types of expenditure and organisations (2011-2012)
    4. Information on goods and services procurement (2011-2012)
  - For political parties, availability of:
    1. Financial reports (2010-2011)
- The study is expected to provide base line data for the improvement of public budget information governance; information that should be regularly available and published. OGI, public institutions, NGOs and Indonesia's citizens should all be activists for the openness of public information.
- The study was undertaken using a quantitative approach. Ideal criteria for openness of budget information includes: readily available budget information, sufficient amounts of information, as well as easily accessible and timely published information. However, the study only uses two primary criteria: **availability** and **accessibility** of budget information. Availability demonstrates that budget information is provided by public institutions. Whilst accessibility demonstrates that the information provided can be downloaded. Every article of budget information is given a different weighting.
- The object of the study is public institutions that manage state/regional budgets sourced from APBN/D, including line ministries (80), provincial governments (31) and political parties (9). The number of line ministries was sourced from APBN appendices, which explain state expenditure in further detail by ministry. Whilst the number of provincial governments was captured overall, and the number of political parties refers to those who've secured seats in DPR.
- The data collection process was done by browsing through all the **official websites of public institutions**, firstly between October-December 2012, and then in January 2013. The second period in January checked for any changes in the availability of budget information.

**The majority of public institutions don't publish budget information**

**Number of public institutions that published budget information in 2011-2012**

Budgetary Information	Ministries		State Agencies		Provincial Governments		Political Parties	
	Number	%	Number	%	Number	%	Number	%
Financial Report	11	32%	11	23%	7	23%	0	0%
RKA-DIPA/DPA	8	24%	3	6%	11	35%		
Goods and Services Procurement	34	100%	47	100%	31	100%		
Local Government APBD					13	42%		

**Information on goods and services procurement was published by all public institutions, although RKA-DIPA wasn't**

RKA-DIPA is the basis of all public institution budget documents that outlines the implementation of their programs and activities. For this reason, Article 9 of the KIP Law mandates public institutions to publish these two documents, but the details required aren't specified. On the other hand, the publication of goods and services procurement information has been specifically mandated in a Presidential Regulation on Goods and Services Procurement. However, Article 23 Paragraph 1 - a statutory law on state financial management – states that the basic principle of state financial management is openness. Despite the statutory law, the consequences for public institutions that don't publish RKA-DIPA aren't yet clear, unlike the publication of goods and services procurement information.

**Financial reports are more widely published than RKA-DIPA**

As the table above also demonstrates, although the number of public institutions that published financial reports is lower than 50%, quantitatively, financial reports are more widely published than RKA-DIPA. The benefits of listing financial reports and RKA-DIPA are a potential increase in public participation and trust in public institutions, meaning that the publication of RKA-DIPA is more useful for the public. With the publication of RKA-DIPA, the public would be aware of public institution's programs and activities, as well as the budget allocated to them. Only then will public trust and participation in public institutions increase. Furthermore, the monitoring of budget implementation would become increasingly rigorous and any potential diversions from the budget would decrease.

**Although Indonesia's Open Budget Index (OBI) score increased, publication of RKA-DIPA remained minimal**

Although there's been an increase in Indonesia's OBI score from 51 in 2010 to 62 in 2012, RKA-DIPA is still yet to be published by public institutions, despite the fact that the Ministry of Finance published a Presidential Decree on the elaboration of APBN over 2011 and 2012. The problem is that not all information users are aware that budget information for all line ministries is available on the Ministry of Finance's official website. For this reason, publishing RKA-DIPA on each public institution's website remains important.

### **The official websites of public institutions aren't well used as a medium for the publication of budget information**

Provincial governments provide specific channels for budget information, "budget transparency" and the like but so far no information has been provided. Furthermore, the website design complicates the accessibility of budget information and even then, not all official websites provide specific channels for public information. A number of them provide budget information under the institution's profile.

### **The format of RKA-DIPA publications isn't the same**

A number of public institutions only provide a one-pager of budget information, with a list of information on its programs and activities. Formatting inconsistencies occur because the Director General of the Ministry of Finance changes the RKA-KL application system every year. It's been found that public institutions who only publish summaries of RKA-DIPA only reference budget information on their activities and programs. However, those that are more accountable publish RKA-DIPA that also contains information on prices per unit.

### **The publication of RKA-DIPA information isn't timely**

Although timely release of information isn't a measured criterion, the study found that RKA-DIPA information isn't timely published. In the context of budget information, timeliness is very important as the information is only valid for one year. Budget information isn't useful when it's not published in line with the current financial year. For example, RKA-DIPA 2011 was only uploaded in July 2012, thereby decreasing its value and use.

## **Recommendations**

- The President needs to immediately create a Presidential Regulation which explains that RKA-DIPA are not confidential and must be published. Openness of budget information requires a commitment from the top leaders of government, namely, the President.
- The Ministry of Finance and Central Information Commission should prepare a section of RKA-DIPA to be published. Keeping in mind that RKA-DIPA consists of a number of sections, to avoid multiple interpretations.
- Public institutions should optimise the function of their websites to be a source of information adequate for public use, which can even be done by using a number of free facilities such as blogs. There is no reason why budgets should be closed information.
- Civil society groups need to put pressure on public institutions that haven't provided periodic budget information, coupling such pressure with capacity building and user-friendly information.

