



Research Article

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Local Governments' Financial Accountability Responses in Critical Time: Reflection from Intergovernmental Management in Indonesia During the Early Covid-19 Pandemic

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Abstract

The article aims to analyze the complexity of financial accountability initiatives at the local level during the Covid-19 pandemics. Research on government accountability during Covid-19 shows how covid-19 have laid bare the fragility of governance process in various countries including Indonesia. The pandemic reveals how several governments do not have sufficient accountability measures in handling critical times. One worthy cause of government lackluster accountability stems from the emergency nature of the Covid-19 pandemic in which governments immediately create short time policies to reduce the spread of Covid-19 on the expense of accountability measures. Our case study is derived from the experience of two local governments in Indonesia and is illustrative to show the weak coordination mechanism to ensure financial accountability during Covid-19 pandemic. We find that local governments have different mechanisms and capacities to conduct financial accountability measures. In place with larger administrative capacity, the financial accountability mechanism involves more mitigation process which eventually leads to more scrutiny and accountability. In contrast, those with lower administrative capacity and more political fragmentation faces challenges to enforce financial accountability measures due to low coordination among local government units.

Keywords: Financial Accountability, Intergovernmental Management, Local Government, Covid-19, Indonesia

1. Introduction

Covid-19 has proven to be a wicked problem of the world today. The impacts of Covid-19 pandemic do not only concern health problems but also involves long-term consequences such as increased poverty, rising unemployment, and weakened political stability (Handajani, 2020). Furthermore, the impacts of covid-19 laid bare the fragility of governance process in various countries. The pandemic reveals how many governments do not have sufficient accountability measures in handling critical times. The emergence of the Covid-19 pandemic forces governments to immediately create brief time policies to reduce the spread of Covid-19. Governments are “doing all it takes” to create policies that

could quickly respond to the pandemic. Governments must immediately allocate large sums of budgets to provide medical support as well as to help with the citizens.

Under such critical circumstances, traditional measures to preserving budgetary transparency, safeguarding public accountability, and sustaining institutional legitimacy have been challenged by the unprecedented reaction in terms of scope and speed. Various policies issued to deal with the spread of COVID 19 have been criticized as inconsistent, not transparent, and is lacking in coordination between one agency to another, especially between state institutions that are authorized to handle these problems as well as between the central and regional governments (Wendling et al., 2020). Further research suggests central government often overrides two core values of a political democracy: public accountability and transparency to fulfil this responsibility. These stem from the lack of competence of the government to exercise power. According to Sian & Smyth (2021), it is also from acute tension that exists between the need to react quickly in a supreme emergency and the potential pitfalls when normal transparency and accountability mechanisms for public spending are replaced by emergency procedures that are not adhered to and go unscrutinised organizations, businesses, governments and communities are mostly unprepared to deal with significant large-scale disruptions and their responses are reactive and adaptive, rather than anticipatory or transformational.

Indonesia, as one of the countries that have been hit hard by Covid-19, faces tremendous challenges not only in terms of Covid-19 casualties but also governance in general. To cope with the impacts of Covid-19, President Joko Widodo implements various policies started with Government Regulation in Lieu of Law No. 1 of 2020 (PERPPU 01/2020) concerning State Financial Policy and Financial System Stability for the Covid-19 Pandemic Handling on 31 March 2020. On April 3, 2020, the President issued Presidential Regulation (Perpres) No. 54 of 2020 concerning Changes in Posture Details and the 2020 State Budget. This Presidential Regulation is a follow-up to Government Regulation in Lieu of Law No. 1 of 2020. The budget of several ministries was cut to 97.42 trillion IDR. However, several Ministries experienced an increase in budget, such as the Ministry of Education and Culture by 36 trillion IDR to 70 trillion IDR; and the Ministry of Health from 57 trillion IDR to 76 trillion IDR (Setiawan & Albert, 2022).

The Indonesian government further issued Presidential Regulation Number 72 of 2020 to accelerate state spending to manage COVID-19 pandemic and to ensure that a nationwide economic recovery program has been in place. The budget allocation for COVID-19 management is 695 trillion IDR. In details, the Indonesian government allocates 87.55 trillion IDR for health measures, 203,9 trillion f IDR or social protection, 120.61 trillion IDR for business incentives 123.46 trillion IDR for incentives to Micro, Small and Medium Enterprises, 53.57 IDR for corporate subsidy, and 106.11 trillion IDR for special transfer to Ministries/Agencies and Local Governments.

The additional budget allocation came after strong criticism from the public. Civil Society Coalition for the Accountability of Covid-19 Managing argues that the Indonesian government was late in taking preventive steps to minimize the spread of Covid 19 at the beginning of its emergence. At first, the Indonesian government underestimated the threat of Covid-19. While other countries had started to tighten and restrict the public, Indonesia was still open to foreign tourist arrivals and was not ready to face the worst possibility of Covid-19. The initial policy responses increased the consequences of the uncontrolled spread of Covid-19 due to the government's unpreparedness in anticipating the emergence of Covid-19 in Indonesia. Furthermore, the Indonesian government has also been criticized for its lack of focus on making Covid-19 a health problem. The Indonesian government focuses on economic growth and is more interested in handling economic problems that arise as the implications of the Covid-19 pandemic.

The criticism grows even stronger after a corruption case in Covid-19 social assistance budget revealed by the Indonesian Anti-Corruption Commission in December 2020. The corruption was conducted by the Minister of Social Affairs. Some local government heads have also been caught of corrupting Covid-19 emergency funds. In the case of West Bandung district, the district head was accused of bribery for goods procurement. In many corruption cases in Indonesia, procurement

process has been known as source of direct corrupt practices. The process of procuring goods and services often becomes opportunities for bribery, hidden contracts, excess prices, and collusion (Nhubu, 2021; Thi Tran, 2022). These cases show that despite the critical situation during the pandemic, the pandemic became a new site of corruption both in central and local governments. The crisis makes strict supervision to maintain transparency and accountability in the procurement of goods and services, especially those related to medical interests, became loose for the sake of providing immediate response (Anowara & Hossain, 2021).

In addition to direct corruption practices, Indonesian government also faces potential economic loss due to ineffective procurement policy decision. In the beginning of the pandemic of March 2020 for example, the government authorized the Ministry of State Enterprises to purchase 500,000 fast test kits from China. However, because the accuracy of the purchased fast test kits is just 30%, this transaction is considered ineffective. As a result of the purchase, the government faces economic loss. The government was unable to accurately count Covid-19 mortality rate due to the inaccuracy of testing kit. As a global challenge that forces government to produce policies and to allocate enormous budgets, it is therefore imperative to look at the accountability aspect of Covid-19 policy responses. In Indonesia, role to manage the spread of Covid-19 pandemic is decentralized to local government at provincial level. In this paper, we examine how the provincial governments in Java respond to the accountability challenges in the beginning of Covid-19 pandemic. Regional Governments are given the authority to prioritize the use of budget allocations for certain activities (refocusing), changes in allocations, and the use of Regional Revenue and Expenditure Budgets (Wahyuni & Huda, 2021).

2. Literature Review and Conceptual Framework

2.1 *Accountability Perspective in Intergovernmental Management*

According to Sian & Smyth (2021), accountability is a social relation of control, imbued with notions of openness, transparency, the requirement to present an account or report justifying the action taken on behalf of others. It is a means of constraining power. Accountability is an inseparable part of good governance. Accountability includes procedures and processes where one party is responsible to answer when external parties ask and demand (Emanuel & Emanuel, 1996). The discussion of accountability focuses on the opportunity to call someone to account; that they provide information and justification for their actions. In this sense, external oversight, social interactions, and potential sanctions for those responsible are essential element (Mattei, 2016). Mattei (2016) defines accountability as 'vertical' or hierarchical when those who ask for accountability have higher authority than those who are responsible. Accountability is a legal and social obligation on the part of those holding political, bureaucratic, or technical positions to carry out certain clearly defined responsibilities or functions (Dilanthi et al., 2019). If these functionaries neglect their obligations and fail to perform the expected functions without justifiable reasons or excuses, they may be held liable for their commission or negligence, and legal sanctions may be imposed on them as a deterrent effect (Dilanthi et al., 2019).

Key elements embedded in the notion of accountability includes the dimensions of answerability, enforcement and responsiveness (Koliba et al., 2011). Responsiveness denotes the capacity of the government to respond and react to the demands or the needs of the society they administer. Answerability and Enforcement speak at the level of the ability of the Government to justify the actions and policies they formulated and the extent to which the Government is subject to legal scrutiny and even sanctions should their actions and policies deem to be unsatisfactory. Accountability can be further seen from three specific frameworks, namely democratic, market and administrative accountability. The democratic framework is often referred to as political accountability, it is a response to the needs and concerns of political constituents and public stakeholders. The structure of political accountability depends on public access to government decision-making processes directly through open law meetings, freedom of information laws,

maximum participation possibilities, or indirectly through the representation of elected officials (Koliba et al., 2011). The market frame can be understood by distinguishing between capital and production markets. The market accountability frame can be divided into two distinct but interrelated components, namely shareholder accountability, (accountability that applies to owners and shareholders who have the right to call company managers to account for company performance) and consumer accountability (accountability to those who have the right to refuse to buy) (Koliba et al., 2011). The last one would be the administrative framework which includes the implementation of policies and decisions and is directed at the relationship between actors who, by their positions of authority within (and across) the organization, interact with each other to achieve some collective goal. The administrative frame focuses on the processes, procedures, and practices used in formal organized social administration and management (Koliba et al., 2011). Some control systems are intended to hold individuals (or sometimes groups of individuals) accountable for the actions they take or for the results they get (Merchant & Otley, 2006; & Bilbil, et al 2020). Being held accountable means that everyone will be rewarded when good things happen and punished when dreadful things happen. In administrative accountability, there are six aspects that have to be fulfilled by institution, namely: why managers are generally held accountable for something more than they can control; are performance targets necessary, and if so, what constitutes good performance; what do we know about the choice of accountability style; what are the main problems with incentive system design, and what do we know about them; how and why do control systems differ in different settings, and lastly how can we recognize progress, i.e. positive innovation is different from fashion?

2.2 *Accountability in Disaster Management*

A disaster is an extraordinary event that requires an emergency response that must be conducted quickly, precisely, and according to the target. One of the things that have been heavily criticized in the context of disaster emergency response is the slow response to the needs and shortage of victims, as well as the lack of transparency and accountability in disaster delivery (Tierney, 2012). This happens because the extraordinary conditions caused by a disaster cause many spontaneous things to be done to meet the needs of the community, especially disaster victims, and often in disaster management involves many resources that cannot be managed and controlled properly during limited conditions of disaster.

Factors related to the implementation of accountability in disaster management such as legal instruments, rules, practices, cultural, and morals are the main concerns among researchers (Jayasinghe et al., 2020). The concerns arise because of enduring corruption and waste of public resources, slow response to disaster recovery, and persistent failure to reach the intended target groups in many of government interventions during disaster. An important topic of the issue of disaster accountability is to distinguish between 'calculative accountability' and 'narrative accountability' (Jayasinghe et al., 2020). The term 'calculative liability' relates to facts, hard evidence, and figures. In contrast, the 'narrative accountability' in disaster situations relates to the emotions and qualitative judgments of stakeholders (Jayasinghe et al., 2020).

Concerning current conditions, a COVID-19 pandemic is an extraordinary event which is a global health disaster that requires tight relation with the procedure underlying and sustaining the entire operations of said domain. It is imperative to look at the extent to which the element of accountability has been present to the whole procedure. In general, there are two components of the accountability procedure namely evaluation of compliance or compliance with certain criteria and dissemination of evaluations and responses by the party or parties responsible. Evaluation and dissemination procedures can be conducted formally or informally. Formal evaluation procedures may include examination of facilities, records, and policies by the Organization and review of outputs from the institution. At the international level, International Monetary Fund (2021) provides Frame of Vulnerabilities to Corruption and Misuse during Covid-19 pandemic (Table 1).

Table 1: Frame of Vulnerabilities to Corruption and Misuse during Covid-19

Aspects of Corruption Potentials	International Examples
Emergency situations can offer a fertile ground for vested interests to use public funds for private gain, making it critical that vulnerabilities to corruption and misuse be recognized and mitigated	Misuse of funds during humanitarian crises including Hurricane Katrina and the Ebola outbreak attest to such vulnerabilities.
Cash transfers or provision of basic goods to households	Allocation criteria for cash transfers and procurement of are prone to misuse particularly for aid-in-kind, given the organization and procurement implications
Procurement of goods and services in the health sector	highly vulnerable to mismanagement by public officials. A main concern (apart from outright corruption) relates to the acquisition of defective material or theft in the distribution or procurement of goods and services.
Loan and Guarantees Programs	These instruments often involve complex financial schemes that are prone to corruption.
Health workforce recruitment and management	bonuses to healthcare workers for exceptional strain and risks incurred may be diverted to officials less involved in “frontline” tasks
Wage subsidy schemes	Wage subsidy schemes can also be abused, requiring an initiative-taking approach ensure to safeguard the amounts at stake.
Service delivery level	Forms of corruption such as informal payments, over-prescribing, and nepotism are likely to be exacerbated during a pandemic as the system experiences a greater patient load.
Research and development	Considerable amounts of public money are being spent in this area. This may give rise to opportunity of misuse by vested interests.

Source: IMF (2021)

To mitigate risks (e.g. hidden contracts, overpricing, and collusion), governments should: (i) publish all public contracts; (ii) use open and competitive bidding, and use emergency non-competitive processes only when followed by adequate forms of control, auditing and reporting scrutinizing such processes; (iii) publish beneficial ownership information of companies that are awarded contracts; (iv) empower existing anti-monopoly agencies to monitor market conditions in critical sectors, and (v) foster cooperation among various authorities and with the civil society on matters related to transparency of public finances and the delivery of goods and services (Neu, 2021). It is important that the government publicize ex ante measures (e.g., publication of the plans on the use of emergency funding) and define ex post measures (e.g., publication of all information on attribution of procurement contracts or selective audit of procurement contracts once the crisis abates).

3. Methodology

This research is conducted in July-December 2020. These months are critical months during the first year of Covid-19 pandemic in Indonesia. The approach of the paper is qualitative research with in-depth interview and regulatory content analysis as the main data collection methods. We conducted interviews with two local governments in Java Island namely, district of Surabaya and Yogyakarta Province. We interviewed the main policy players including health offices, office of disaster responses, local government financial accountability offices, and the heads of Covid-19 task force in each city. We also conducted regulatory content analysis to examine the content of national and local government financial accountability arrangements.

4. Results

Efforts to provide health equipment and supplies are a priority for the government, after shortages in the early weeks of the pandemic. On March 31, 2020, the President issued Government Regulation in

Lieu of Law Number (Perppu) No. 1 of 2020 about State Financial Policy and Financial System Stability for Managing the Corona Virus Pandemic (Perppu 1/2020). One of the policy follow-ups from this Perppu is the decision to allocate funds for managing the outbreak of 405.1 trillion IDR, for four categories, namely: 1) health sector spending of 75 trillion; 2) Tax incentives and people's business credit stimulus in the amount of 70.1 trillion IDR; 3) Social protection of IDR 110 trillion; and 4) Recovery program economy of IDR 150 trillion. Resources allocated other than for equipment and health facilities, as well as to deal with the socioeconomic impact of the pandemic in the form of tax cuts and social assistance (Barrueco, 2020).

Regarding the mobilization and use of resources in times of crisis, there are rules that can be used as a reference, one of which is Presidential Regulation Number 16 of 2018 concerning Procurement Government Goods/Services (Perpres 16/2018), Article 59 paragraph (5). For managing the situation, emergency as referred to in paragraph (2), PPK appoints the nearest Provider who is conduct the procurement of similar goods/services or other business actors who are considered capable and meet the qualifications to conduct the procurement of similar goods/services (Sugimin, 2022). The top technical derivative of this rule is LKPP Regulation No. 13/2018 concerning the Procurement of Goods/Services in Handling Emergencies, where in an emergency, the process is shortened to 3 stages: planning, execution, and payment. In responding to the pandemic situation, LKPP specifically issued Circular Letter Number 3 of 2020 concerning Explanation of the Implementation of PBJ COVID-19 Emergency Handling to speed up the procurement process. As regulated in Law No. 24/2007 concerning Disaster Management, article 50 paragraph 1: "In the event that a disaster emergency status is determined, The National Disaster Management Agency and the Regional Disaster Management Agency have ease of access which includes: Mobilization of human resources; deployment of equipment; logistics deployment; immigration, excise, and quarantine; licensing; procurement of goods/services; management and accountability for money and/or goods; rescue; and command to command sector/institution"(Saputra, 2021). All adjustments and the adoption of these regulations is intended to ensure speed and accuracy in the process procurement and distribution of much-needed health resources in emergency situations due to the pandemic.

At the national level, the governments implement regulations that are aimed to prevent financial misconducts during the pandemic. The regulations are (table.)

Table 2: National Legal Framework on Financial Accountability

No.	Regulations	Summary
1	Government Regulation Number 1 of 2020	State financial policy, including budgeting and financing, the policy of regional finance, the policy of taxation, implementation of the National Economic Recovery Program, and the implementation of state financial policies, and reporting. The policy of financial system stability, including the authority and implementation of policies by Bank Indonesia, the Deposit Insurance Agency, Financial Services Authority, and the Government. Provisions of sanctions.
2	Circular Letter Number 3 of 2020 by the Agency of Policy Government Procurement of Goods and Services	The explanation of the procurement of goods/services in handling Covid-19, including the steps that must be conducted by budget users or the Budget User Power, and the steps that must be made by commitment-making officials in the implementation of the procurement of goods/services based on the types of procurement made.
3	S-336/K/2020 by The Development Financial Supervisory Agency	As a follow-up to Presidential Decree No. 9 of 2020 and Presidential Instruction No. 4 of 2020. The Development Financial Supervisory Agency has formed a Technical Team of the Financial Accountability Guard in the context of the acceleration of handling Covid-19 at the central level and representatives in charge of organizing mentoring related to state / regional financial accountability for the acceleration of handling Covid-19. The Provincial Government that requires the assistance of the Development Financial Supervisory Agency can contact the Representative of the Development Financial Supervisory Agency in their respective work areas.

4	Circular Letter Number 8 of 2020 by the Corruption Eradication Commission	<p>Guidance from the Corruption Eradication Commission so that the procurement of goods/services still pay attention to applicable regulations including regulations specifically issued by the Agency of Policy Government Procurement of Goods and Services on the Procurement of Goods / Services in the context of handling Covid-19</p> <p>The Corruption Eradication Commission encourages the activity of the government's internal supervision officers and the Development Financial Supervisory Agency to carry out the escort and assistance process of the procurement of goods/services to consult a policy institution for the procurement of government goods and services</p> <p>Principles of Procurement of Goods/services in Emergency conditions are effective, transparent, and accountable while holding on to Value for Money.</p> <p>The Corruption Eradication Commission reminded that in all stages of the procurement of goods/services always avoiding the actions that are included in the Corruption, including not collusion with providers, not getting a kickback from providers, and does not contain elements of bribery, gratification, cheating and/or maladministration, does not intend evil by utilizing emergency conditions so that it harms the financial or economic economy, and does not allow the occurrence of corruption.</p>
5	Circular Letter Number 700/859/IJ by the Minister of Home Affairs	<p>As a follow up to Presidential Instruction No. 4 of 2020 and Minister of Home Affairs Regulation No. 20 years 2020.</p> <p>Appeal for performing the oversight function-oriented to risk mitigation and prevention of irregularities through the assistance to refocusing activities and reallocation of regional income and expenditure budgets, assistance, and audits on the implementation of the procurement of goods/services in handling emergencies from the planning process to payment</p> <p>In conducting urgent tasks such as local government financial statements and review of performance reports and reports on the implementation of regional government must be completed before 30 April 2020</p>

The provision of medical equipment and facilities is a serious challenge in handling COVID-19. The government uses two strategies, namely: imports to meet the shortfall as soon as possible in medical equipment and at the same time revitalize the basic equipment industry domestic health. Given the extremely limited availability of health equipment, at the beginning of the pandemic President Jokowi instructed that the process of importing raw materials and various medical devices to the handling of COVID-19 is made easier, especially for the need for PPE which is estimated to reach 3 million units.

The choice to import raw materials is based on the following considerations: imports of finished goods will be more difficult considering all countries need PPE and at the same time as an effort to provide raw materials for domestic industry. The ease of importing medical equipment, especially raw materials, has been stated in the Regulation of the Minister of Finance No. 171/PMK.04/2019 which exempts the import of goods for health purposes from import duties. In a pandemic situation, import permits were made easier, from previously being at the Ministry of Trade, they were moved to the Badan National Disaster Management with online system through National Single Window.

In a situation where the spread of the virus is fast and widespread every day, coordination between institutions is fundamental to minimize the risk of a worse pandemic. Coordination was not only in technocratic terms that show the existence of cooperation between agencies in the administrative context to ensure the functioning of the process handling. However, more as a logical system that becomes the automatic mentality of the authorities must be responsive in crisis situations. As a logical system, coordination can begin from any layer and not trapped in the power hierarchy and can be top-down as well as bottom-up. Many issues can be mapped out related to the crisis of coordination in handling of COVID-19, including the absence of coordination as a governance mindset, government actors, disconnections between government policies, and initiatives at the grassroots level.

4.1 Special Province of Yogyakarta

When it comes to mitigating Covid-19 in the Special Region of Yogyakarta, two primary local regulations become relevant. The first one is the Decree of the Governor of the Special Region of Yogyakarta Number: 65/KEP/2020 dated March 20, 2020 concerning the Determination of the Emergency Response Status for the Corona Virus Disease 2019 (COVID-19) Disaster in the Special

Region of Yogyakarta in addition to the Decree of the Governor of the Special Region of Yogyakarta Number: 78/KEP/2020 amendment to Governor's Decree Number 64/KEP/2020 dated March 17, 2020 concerning the Establishment of the Task Force for Handling Corona Virus Disease 2019 (COVID-19) Special Region of Yogyakarta. These regulations declared Covid-19 emergency and became the basis of the creation of the task force with main objective is to set and carry out a comprehensive strategic plan to mitigate the pandemic effectively.

To facilitate the implementation of the strategies that have been set, the activities/activities planned by each field of the task force are grouped into 3 handling groups which are a reflection or embodiment of the strategic activities, which is first, the Prevention and Handling of the Covid-19 Pandemic (HEALTH), emphasizing a collaborative work by the local government secretariat, Health Sector, Education Sector, Security and Law Enforcement Sector and Logistics Sector; secondly, the Handling of the Economic Impacts in order to restore and stimulate regional economic activities, which is a combination of activities from the Economic Sector, Logistics Sector and Secretariat; and lastly, the Provision of a social safety net, carried out by the Social Community and Logistics Sector.

According to the secretary of the Task Force for Handling Covid-19 and National Economic Recovery (PEN) in the region, one of the activities that they conduct is visiting the financial accountability body known as the DIY BPKP Representative. The agenda conducted was to coordinate with the DIY BPKP Representative regarding assistance related to optimizing the realization of the budget for handling COVID and PEN in the DIY region. The meeting was form of various coordination points that need to be conducted in the context of optimizing assistance to regions and the duties of their staff related to handling Covid-19 to be more effective, efficient, transparent, and accountable, as well as overseeing economic recovery efforts. Coordination is also important to gather information regarding the supervision that will be and has been conducted by the DIY BPKP Representative in the context of the Covid-19 and PEN handling program. It is hoped that the cooperation between the Covid-19 Managing Task Force and the DIY National Economic Recovery Police with BPKP DIY will produce the latest information and more strategic steps in overseeing the handling of the impact of Covid-19 and economic recovery in DIY.

One of the reasons for this coordination is the low realization of the absorption of the capital expenditure budget and the Covid 19 handling program by the regional government as well as health protection and social protection. The DIY Regional Police Task Force has coordinated with the DIY BPKP, the Attorney General's Office, and the DIY Inspector to contribute to assisting the absorption of local budget including social assistance in the DIY region. Law enforcement must prioritize efforts to provide maximum benefits to the community. The optimization that needs to be done is by synergizing with BPKP and various agencies and strengthening the role of financial accountability offices.

The DIY BPKP Representative had coordinated, supervised, monitored, and assisted various parties such as PT Pos, Bulog, Health Service, Hospital, and other related agencies in the context of handling Covid-19 and national economic recovery in DIY. Through the supervision carried out by BPKP, it is hoped that the distribution of social assistance is in the right amount, right on target, right in quality, on time, and in proper administration according to regulations. Representatives of BPKP DIY have conducted joint vaccine escorts with the local government since the beginning of the vaccine entering DIY. BPKP DIY also supervises Cash Social Assistance (BST) in the DIY Region which is an additional social assistance from the government for two months, May and June 2020. The distribution mechanism is implemented by PT Pos Indonesia. Like the Rice Social Assistance which is an addition from the government in the form of 10 kg of rice per KPM, BPKP DIY also monitored the implementation of the program. The obstacle is the readiness of distributors, both PT Pos and BULOG in the distribution pattern. Initially PT Pos and Bulog initiated by using the door-to-door concept considering the conditions were still in the emergency period, but one of the drawbacks was that it took longer. Therefore, the distribution pattern was changed to be localized in a certain place with a schedule division to avoid crowds.

BPKP DIY also monitors drug assistance for people who are positive for Covid-19 and are self-isolating. Coordination has been conducted with the Military Commander of Korem 072 Pamungkas

and the Commander of the Yogyakarta Regional Health Detachment. The distribution of assistance to the community involves the TNI, which is conducted by Babinsa in coordination with the puskesmas and local village midwives. The obstacle faced by the field is the absence of online distribution monitoring tools by Babinsa. Monitoring is still done manually so that reporting on distribution results cannot be compiled immediately. In addition to escorting social assistance, BPKP DIY also received mandates related to supervision of field hospitals or additional self-isolation places, incentives for health workers, and hospital claims. With this coordination and cooperation, it is hoped that it can help oversee the handling of Covid-19 and PEN in the DIY region in a more optimal, effective, efficient, accountable, and targeted manner, as well as being able to provide maximum results for a better and more prosperous society.

4.2 East Java

In anticipating the spread of the Covid-19 virus, the Governor of East Java through Decree No. 188/108/KPTS/013/2020 stipulates a state of emergency for a disease outbreak caused by the Covid-19 virus, where the status of this emergency is effective from the date of stipulation until no more disease is found or not become a health problem in all districts/cities in East Java.

Then responding to the SE Minister of Home Affairs Number 440/2622/SJ concerning the Establishment of the Task Force for the Acceleration of Handling Corona, the Governor's Decree Number 188/107/KPTS/013/2020 was changed to Governor's Decree Number 188/153/KPTS/013/2020 with the Governor of East Java became the Chair of the Task Force under which there were 7 Task Forces, namely: Public Relations Task Force, Planning, Data, Experts and Analysis Task Force, Operations Task Force, Logistics Task Force, Administration and Finance Task Force, Accountability and Supervision Task Force, Control Task Force and Operations.

The East Java Provincial Government allocated 2.384 trillion IDR or 6.8 percent of the East Java Regional Budget for Handling Covid-19 which was the result of refocusing activities and reallocating the budget. The funds will be used for all activities related to the handling of COVID-19. Starting from promotive and preventive, curative, tracing, to managing the socio-economic impacts due to the COVID-19 outbreak. This budget refocusing activity should also be followed at the city district level by the Regents and Mayors for the sake of handling COVID-19 which is believed to provide a strong social cushion for East Java. One of the budgets will be used to provide social cushioning to overcome the socio-economic impacts of people affected by COVID-19. Communities who are affected socio-economically will be given social assistance in the form of necessities or cash.

Strengthening the governance of BNPB as the agency appointed to coordinate the handling of covid 19 is one of the important elements in the government response. The BNPB has three main duties. BNPB becomes the spokesperson for upholding the quality of public information, to be the coordinator to bridge the current ineffective communication between central and regional institutions, as well as executive bodies and those in charge of resource management in dealing with pandemics (Civil Society Coalition for The Accountability of Covid-19 Managing, 2020). The local government also formulate a policy for the procurement of goods related to pandemics and services and a mechanism for the distribution of medical supplies for health workers in an appropriate, fast, and credible manner to stop potential leaks and maladministration. The government is obliged to issue policies based on input from other state institutions such as the KPK, BPK, and other institutions. In addition, the government should not ignore public opinion and the business world (Civil Society Coalition for the Accountability of Covid-19 Managing, 2020).

5. Discussion

Based on the responses we find that institutional response in each province differs. Yogyakarta provincial government implements stricter attempts to ensure financial accountability of the covidio pandemic response. They involve law enforcement actors such as police from the beginning to assist

financial accountability monitoring.

Second, internal conflict in Surabaya shifts government focus to respond quickly. In the case of Surabaya, the weak internal supervision/control stems from unclear division of authority from East Java Provincial Government to the district. Therefore, there are gaps in state administrators that create irregularities in managing the budget related to the Covid-19 outbreak. There were attempts to seriously review the policies that have been made related to the supervision and control system. The review was conducted to have a clearer guide / Standard Operating Procedure (SOP) for Supervision so that supervisory tasks can run effectively, efficiently and do not overlap.

BPKP as the supervisor of the Government Internal Supervisory Apparatus (APIP) hopes that they can coordinate well to synergize supervisory tasks between APIP and other supervisory institutions. Internal control by APIP is the most principal elements according to the Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning Government Internal Control System (SPIP). BPKP also hopes that channels for the community must be opened as wide as possible so that the community can participate by conducting supervision. To respond to the government's policy, and in the context of internal supervision of the implementation of budget revisions especially related to the procurement of goods and services in accelerating the handling of Covid-19 (procurement of PPE, medical devices, etc.), an adequate internal supervision guide is needed in accordance with non-natural disaster emergencies that are accountable and effective, to prevent fraud and fraud.

Handling Covid-19 with large budget size requires strict supervision from the Government Internal Supervisory Apparatus (APIP), both the Inspectorate General of Ministries/Institutions (Irjen K/L) and the Regional Inspectorate (Province/Regency/City). APIP as an Early Morning System and Quality Assurance is expected to be able to oversee and ensure accountability for state economic management in dealing with the Covid-19 pandemic in Indonesia.

This is a new challenge that is quite difficult for APIP to go directly to the field because apart from the need to pay attention to the physical distancing protocol, there are also other technical obstacles that need to be resolved. The APIP tried to solve the barriers by compiling a program Annual Supervision Work (PKPT) 2020 as a guideline for the implementation of supervisory tasks. In the PKPT, all existing resources have been prepared, allocated and directed for routine/regular supervisory tasks according to regional needs. Second, in an emergency like this, there is a need for APIP to perform supervisory duties in an Ongoing process (from the beginning, middle to the end) with the consequence that the supervision costs will be even greater which may not be accommodated in the 2020 budget. Third, the forms of APIP supervision will be more effective if carried out in the form of inspections / audits which are also combined with other types of supervision such as the Review of the Procurement of Goods and Services (PBJ), Monitoring, other reviews and evaluations, which of course are also constrained by the costs or budget for the implementation of activities. Therefore, in addition to APIP's demands for professionalism, the ability of APIP to objectivity and independently improve the quality of supervisory tasks was still far from what the public expects.

6. Conclusion

The article has analyzed the complexity of financial accountability initiatives at the local level during the Covid-19 pandemics. The impacts of covid-19 have laid bare the fragility of governance process in various countries including Indonesia. The pandemic reveals how several governments do not have sufficient accountability measures in handling critical times. The emergence of the Covid-19 pandemic forces governments to immediately create brief time policies to reduce the spread of Covid-19. Governments are "doing all it takes" to create policies that could quickly respond to the pandemic on the expense of financial accountability measures (Bilbil, 2020). The case of local governments in Indonesia is illustrative to show the weak coordination mechanism to ensure financial accountability during Covid-19 pandemic. We find that local governments have different

mechanisms and capacities to conduct financial accountability measures. In a place with larger capacity and less political competition, the financial accountability mechanism involves more enforcement actors. In contrast, those with lower capacity and more political fragmentation face more complex challenges in enforcing financial accountability.

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