

THE CONTROLLING USING TECHNICAL INSTRUCTIONS OF OPERATIONAL

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Abstract

LKM Bakti Mandiri is the community agencies that led by collective of collegial, autonomous, independent, initiated and formed directly by community members in Urban Village Handil Bakti, Province of East Kalimantan – Indonesia. LKM aims to community empowerment, under the auspices of PNPM Mandiri. This study compares implementation of the controlling by LKM Bakti Mandiri with principles and procedures set forth in Technical Instructions of Operational for PNPM). Controlling consist of Monitoring and Supervision; Evaluation; Reporting; and Management of Complaints and Problem. Controlling is done on LKM Bakti Mandiri includes Tridaya activities namely Activities of Social, Environmental Activities and Economic Activities. Source of data is obtained from interviews, and observations on LKM Bakti Mandiri. The results showed that implementation of the Tridaya LKM Bakti Mandiri not yet accordance with Technical Instructions of Operational for PNPM. Some of the weaknesses that need improvement as follows: Analysis of loan; Examination and eligibility loan of prospective borrower; Supervision and controlling to the business analysis of LKM members; The absence of a loan rejected; Clarification of beneficiaries educational activities; Examination of the realization of the activities and costs; Preparing reports based on the summary evidence of transactions. The Conclusion of study that Tridaya LKM Bakti Mandiri activities not yet accordance with Technical Instructions of Operational for PNPM. Many procedures of activities of the technical Instructions are not fulfilled will affect the achievement of goals and objectives in LKM especially and PNPM generally.

Key words: controlling, technical instructions of operational

INTRODUCTION

Economy and welfare of the community is done through an increase in development in the all aspects of life. Efforts to improve this construction, to improve the effectiveness of the reduction of social inequalities (poverty) and job creation through increased revenue. The Indonesian government proclaimed various programs in an effort to empower people one of which is through the National Program for Community Empowerment. It is called PNPM-Mandiri

The government launched the National Program for Community Empowerment (It is called as PNPM-Mandiri) in 2007. [3] The program is formulating participatory development process involving elements of society. This is a raise awareness of critical and independence of the community, especially the poor. The National Program for Community Empowerment (PNPM-Mandiri)

expanded starting in 2008 with the involvement of the Program of Social Infrastructure Development Regional Economics to integrate the centers of economic growth in the surrounding area. The National Program for Community Empowerment (PNPM) reinforced with various community development programs implemented by various ministries or sectors and local government. The implementation of the National Program for Community Empowerment (PNPM-Mandiri) in 2008 more prioritized on the poor villages.

Community Institution “LKM Bakti Mandiri” was formed in 2010, The Community Institution is do Tridaya activities namely social, environmental, and economic.

Tridaya activities constitute universal principles of sustainable development which is the principle of balanced development, which in according the National Operational

Programme for Community Empowerment (PNPM) translated as social activities, economic and environmental. [4]

"LKM Bakti Mandiri" is the Community Institution that led by collective of collegial, autonomous, independent, initiated and formed directly by community members in Urban Village Handil Bakti, Province of East Kalimantan – Indonesia. LKM aims to community empowerment, under the auspices of PNPM Mandiri. Activities of Community Institution "LKM Bakti Mandiri" obtain funding source comes from the State Budget, Local Budget, community, and Participation Business. [1]

Implementation activities Community Institution "LKM Bakti Mandiri" in regulated in the Technical Instructions of Operational, National Program for Community Empowerment (PNPM). It is listed in the Circular Letter of the Minister of the Interior, represented by the Director General of Community No. 414.2/3717/PMD in 2008 [6] that "To improve the effectiveness of the performance, the Technical Instructions of Operational in order to become a reference in the technical implementation of the operational of program that contains the program policies, the role of the actors, the activities, and control of implementation".

The Technical Instructions of Operational is expected as controlling of activities Tridaya in the decision making process and to realize the vision and mission of the institution.

Implementation activities Tridaya on the Community Institution LKM Bakti Mandiri (environmental activities, social, and economic) note there are still some nonconformities with the Technical Instructions of Operational that apply, causing irregularities such as bad credit, mismatches of budget against its realization, data manipulation and so on.

This is due not implemented the principles and procedures set forth in the Technical Instructions of Operational of PNPM, among other things, not made weekly reports, final reports based only on a summary of the fund expenditure of activities in the absence of a detailed study of the realization in the field, non-compliance with the provisions of the

revolving fund management mechanism.

Formulation of the problem in this paper is as follows: (1) Is the controlling of Tridaya activities Community Institution "LKM Bakti Mandiri" in accordance with the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM) applicable? (2) Are the causes of nonconformities application of the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM) on Tridaya activities of Community Institution "LKM Bakti Mandiri"

MATERIALS AND METHODS

This study compares the application of controls by Community Institution "LKM Bakti Mandiri" with the principles and procedures set forth in the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM). Based on the Circular Letter of the Minister of the Interior, represented by the Director General of Community No. 414.2/3717/PMD in 2008 [1], Chapter V (fifth) of Controlling. Controlling consists of: Monitoring and Supervision; Evaluation; Reporting; and Complaints Handling and Problem.

The Controlling is done at Community Institution LKM Bakti Mandiri include Tridaya activities [3], namely Social Activity, Environmental Activity and Economic Activity. Source of data obtained from interviews, and observations on community institution "LKM Bakti Mandiri". The study was conducted in the period January to June 2014.

Measurement of the controlling parameters [5], as follows:

$$\text{Percentage} = \frac{\text{Good Answer}}{\text{Sum of All Answer}} \times 100\%$$

The measurement results of controlling are grouped [2] as follows:

- 76 % - 100 % = a good
- 56 % - 75 % = is quite good
- 40 % - 55 % = less well
- under 40 % = is not good

RESULTS AND DISCUSSIONS

The study using the comparative method, aiming to: (1) Compares conformance controlling on the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM) applicable on Tridaya activities of Community Institution "LKM Bakti Mandiri". (2) The cause of the mismatches controlling on the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM) applicable on Tridaya activities of Community Institution "LKM Bakti Mandiri".

Table 1. Results of Measurement Controlling

Activities	Category Percentage				Total
	A good	is quite good	less well	is not good	
Economy	20	1	2	1	24
Social	15	5	1	-	21
Environmental	14	7	2	-	23
Total	49	13	5	1	68

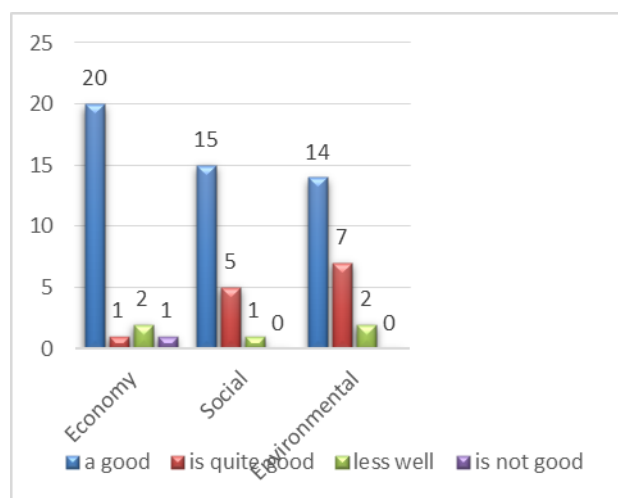


Fig. 1. The Measurement Results of Controlling

Based on the results of the comparison between the activities implementation of Tridaya at the community institutions "MFI Bakti Mandiri" against the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM), obtained the answers by the criteria of "Good" as many as 49 (forty nine) at 72.06% of all the answers as many of 68 (sixty eight). This shows that the community institution "LKM Bakti Mandiri"

in the implementation of activities not correspond with against the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM), This shows that the community institution "LKM Bakti Mandiri" in the implementation of activities not correspond with against the Technical Instructions of Operational of the National Operational Programme for Community Empowerment (PNPM),

This shows that there are some weaknesses in the activities Tridaya are Social Activity, Environmental Activity and Economic Activity. Weaknesses are:

Economic Activities:

(1) It may cause bad debts because there are flaws in the analysis of the loan is based on 5C (character, condition, capacity, capital and collateral) the following: *Character*: do not do information search about the disposition and character of prospective borrowers; *Condition*: see the condition of the business of the prospective borrower about the possible continuation of the business; *Capacity*: see the ability of business to earn profits; *Capital*: look at the ability of capital, debt guaranteed; *Collateral*: assessing items that can be used as collateral for loans; (2) There is a weakness in pemberian credit worthiness checks as PNPM target and as a potential borrower; (3) not done coaching by officers of Activity Management Unit to borrowers (visits to the place of business, or home of borrowers) so that allowing uncontrolled of business continuity and existence of debtor. This is can lead to bad credit.

Social Activities:

(1) Low controlling against business analysis of members enables deviation of data by the borrower, and can cause bad credit; (2) The absence of a clear measurement against level of understanding of the Social Management Unit as the executor of the principles of management of the activities undertaken; (3) In the community institutions "LKM Bakti Mandiri" it's found no loans were rejected, meaning that all loans declared eligible. This indicates the absence of selection activities offer; (4) It's not done clarification to the field against the beneficiaries of educational

activities, so lets not achieve its goals for social activities, both in terms of the criteria of the recipient and in terms of sustainability of activities.

Environmental activities

(1)Do not be announced to the public about the need for labor, working days, and wages. It is suspected among the parties who filed The Budget Plan utilize advantage of a given work; (2) Low of supervision of procurement activities of materials and tools valued at less than 15 million dollars; (3) photos shown do not meet the criteria of the documentation phase, namely photo showing women's participation in infrastructure activities (although in the budget realization report dikatahui the participation of women in the implementation); (4) Examination of the realization of the activities and costs (Budget Plan) is not fully made in accordance with the actual conditions, and shows the final target of the execution. Because the preparation of reports based only on summary evidences of transactions that occur.

Based on the findings - the above findings it can be concluded that social institutions "LKM Bakti Mandiri", its activities not yet accordance with the Technical Instructions of Operational, National Program for Community Empowerment (PNPM). Many of procedures of activities on the Technical Instructions of Operational that are not met certainly will affect the achievement of goals and objectives community institutions "LKM Bakti Mandiri" and National Program for Community Empowerment (PNPM) generally.

CONCLUSIONS

Based the study results revealed that the implementation of activities Tridaya on the Community Institution "LKM Bakti Mandiri" is still not going well, means community institutions of "LKM Bakti Mandiri" perform activities is not in accordance with the Technical Instructions of Operational, National Program for Community Empowerment (It's call as PNPM). This is

evidenced by the value percentage yield of 72.06% of the controlling measurements. The cause of nonconformities (weaknesses) that require improvement such as the following:

(1)Analysis of loans based on the 5C (character, condition, capacity, capital and collateral), which allows the emergence of bad debts; (2) Examination of the feasibility of loans and prospective borrower is not in accordance with the Technical Instructions; (3)Low of supervision, controlling and evaluation, analysis of business members and the presence of the borrower; (4) Do not do clarification to the field against the beneficiaries of educational activities; (5) Inspection of Actual Activity and Budget of Cost made not in accordance with the conditions and the target of implementation. Because preparation of reports based only on summary of evidences of any transactions that occur.

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