PROCEEDINGS
2019 IAPA ANNUAL CONFERENCE

STRENGTHENING THE ROLE OF PUBLIC ADMINISTRATION IN THE GLOBAL CHANGING SOCIETY: PUBLIC SECTOR REFORM & DIGITAL TRANSFORMATION IN ASIA

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AIMS & SCOPE

Over the last ten years, the world has been gripped by rapid, wide ranging changes. The world today is a society that is experiencing and living a new world order, which many today refer to as the "global and digital society". Rapid advancements in information technology have made territorial boundaries no longer relevant in relations among nations. Today global values can easily permeate the society in remote areas. Consequently, marginalized people, who are often considered to be very far from the center of power, also have access to drivers of global developments. Local population has easy access to information on global politics taking shape in other countries. Meanwhile, local phenomena is easily picked up by international community to become international issues. The most recent issues such as terrorism, human trafficking, cybercrime, are examples of some of the issues that can be regarded as being global and local at the same time. Within the context of the above change, what is the actual position and role of public administration? Based on the general perception of public administration science experts, public policy is often regarded as the product of the interaction among domestic actors such as bureaucrats, politicians, members of business and civil society community who conduct their work based on conventional mechanisms. The reality is that there many international actors who play various roles in public policy process of any given country. Donor agencies (IMF and World Bank), Multi-National Corporations, international non-governmental organizations, regional bloc organizations (ASEAN, AFTA, etc) are institutions that often influence policy in a certain country. To that end, issues and problems which any government face today have changed as well. What problems do governments face today?; which public will influence and be influenced by policy?; what institutional mechanisms can be used to solve social problems that governments face today?; To what extent can local institutions collaborate with global institutions in resolving public problems? The International IAPA Conference will attempt to explore and delve into the above issues in order to enrich extant research on this theme in the realm of public administration science.

1. Studying and Learning Public Administration: Global Perspective
Studying and learning public administration needs to be brought into the broader domain, namely in the global context. This global context will open insight into the theory and practice of public administration based on learning from across state-nations. This panel will discuss studying and learning public administration in a global and international context.

2. Ethics and Integrity in the Digital Era
The digital revolution has changed the way people live and communicate. It has an influence on various aspects including in public administration study. Beside offers benefits, the digital era has negative excesses that will affect the ethics and integrity in governance. To reduce the negative impact, policy and regulation of the cognitive and affective aspects of the state civil apparatus need to be discussed and created. This panel discusses how ethics and integrity in the digital era.

3. Accountability and Performance in Public Service
In governance and particularly in public services, accountability and performance play importance role. With the existence of clear principles of accountability and performance, a better, cheaper, faster and smarter public service could be provided. This panel discusses theory and practice of accountability and performance in public services.

4. Politics, Administration and Governance Relations in Globalized World
Public administration can never be released from a broader context, especially in the context of politics and governance. Politics, administration and governance are always inseparable and interrelated. What is the current and future issue of politics,

administration and governance relations particularly in the globalized world? This panel will strengthen the understanding and identification of interlinkage between politics and administration to build a more democratic and effective government.

5. Artificial Intelligence (AI) and the Future of Government
   The development of AI is in line with the objectives of creating a better performance and consistency of government. AI will slowly change the way civil servants do their jobs, from paperwork to IT based work. Artificial intelligence (AI) is more than just technology. AI is the road to public administration transformation. This panel discusses AI and the future of government.

6. Best Practice and Lesson Learned of Public Sector Reform in Asia
   Public sector reform becomes a necessity and a prerequisite for the success of a development process. It could enhance accountability, capability and improving public services provision. This session will discuss specifically related to the best practice and lesson learned from public sector reform in Asia.

Editor:
Dr. Bevaola Kusumasari, S.IP., M.Si

Smart Governance in Public Financial Management:

A Study of Government Resources Management System (GRMS)in the City of Surabaya

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Abstract

This paper aims to examine the implementation of the Government Resource Management System (GRMS) in order to address problems in local government and local financial management from the Smart Governance point of view. It is based on a qualitative descriptive research involving interviews with various stakeholders, observation and analysis of relevant document. In line with its focus, this research uses smart city theory focusing on one of the dimensions that is relevant to this research problem, namely, smart governance. This research finds that the City Government of Surabaya has implemented the concept of Smart Governance in the management of regional finance through the GRMS system. The implementation of Smart Governance is evidence from five criteria, which include: 1) Participation in decision making: manifested in E-Planning process; 2) Public and social services: materialized in E-Procurement process; 3) Transparent Governance: manifested in e-Planning and e-Procurement processes in which in E-Planning the community is involved in the formulation of development planning through E-Musrenbang, and the auction process in E-Procurement; 4) Political strategies and perspectives: materialized in all GRMS processes because the whole system of GRMS is a strategy that integrates bureaucratic activities from upstream (the top or decision making level) to the downstream (to the community or citizen) so that it represents good local government and especially local financial management. By using GRMS, the overall local government and regional financial management process in the City of Surabaya can be done easily, effectively, efficiently, participatory and accountably.

Introduction

Reforms of local and national government system, have been a mandatory requirement worldwide, including in Indonesia. In the Indonesian local financial

management especially, the reform is urge following the fact that previous public financial management has tended to have lack of transparency, participatory, and accountability. In the current public financial reform, there are certain conditions for good regional financial management. According to Arnold Poli, the Regional Secretary of the City of Tomohon, Indonesia, the criteria are: 1) the punctuality of determination of local government budget (APBD), 2) the increasing portion of local government budget spent on public welfare; 3) the high percentage of the realization of local government budget and, the reduction on unrealized or unused budget (known in Indonesia as SILPA or *Sisa Lebih Pembiayaan Anggaran*); 4) the punctuality of submission of Regional Government Financial Reports (LKPD); 5) Improvement in the quality of financial supervisory agency and Regional Government Financial Reports' audit (Admin, 2018). To overcome various financial management problems in Indonesia and make good financial management, the government needs to innovate. Importantly, following the development of Information, Communication and Technologies (ICTs) as well as digital or Industrial Revolution 4.0; innovations in public service, including in public financial management have been clearly marked by the use of technology in the hope of increasing professionalism, transparency, and efficiency.

E-Government is a new interaction mechanism between the government and the community and other interested parties that involves the use of information technology (especially the internet) with the aim of improving the quality of government activities (Indrajit, 2002). E-Government has existed in order to provide solutions for various problems in public service and management. Currently, the use of E-Government is endorsed by the latest Presidential Regulation Number 95/2018 on an electronically based Government System, in which in the regulation such electronic system has to be effectivities, integrated, sustainable, efficient and accountable, interoperability and security. Far before this presidential regulation, the use of e-government has been comprehensively implemented in the City Government of Surabaya, that make the City one of advance local governments to implement electronically based government. As the capital of East Java, the City Government has developed an integrated electronic-based services for its government agency, as shown in the figure below: (https://web.kominfo.go.id/).

Figure I. 1
E-Government of Surabaya City

As can be seen from the above figure, E-Government has been implemented extensively in Surabaya. Importantly, since 2003, The City Government of Surabaya has developed the Government Resources Management System (hereafter, GRMS), which is a government resource management information system that integrates the regional financial management from upstream to downstream bureaucratic activities (in the context of direct spending). GRMS includes the process of preparing a budget (e-Budgeting), work planning (e-Project Planning), electronic auctions (e-Procurement), contract administration and work disbursement (e-Delivery), monitoring the implementation of activities (e-Controlling) and measurement civil servant performance (e-Performance).

**Figure
I.2
Surabaya City Government Resources Management System Chart**
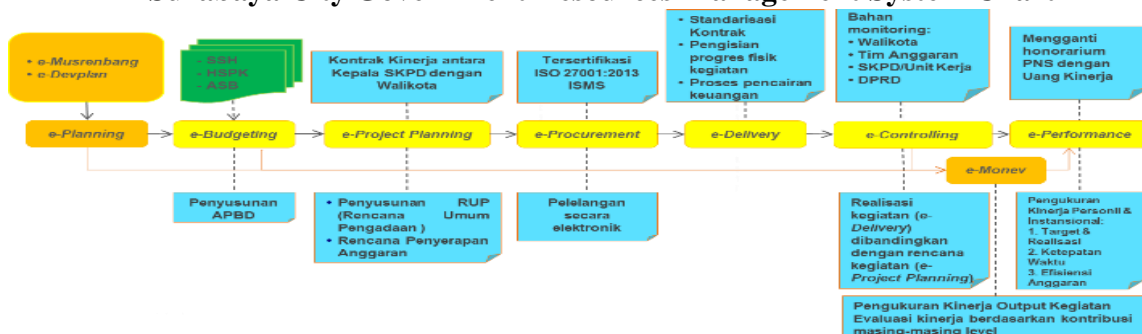
A report from beritasurabaya.net said that a government management system based on GRMS makes the performance of the City Government of Surabaya more effective and easily monitored because all of the activities are electronically connected. This system is also

able to cut the potential acts of corruption collusion and nepotism (KKN) by up to 80 percent. This was conveyed by the Mayor of Surabaya, Tri Rismaharini, on Thursday, November 8, 2012, in a seminar held by the Corruption Eradication Body, *Komisi Pemberantasan Korupsi* (KPK) in Graha Sawunggaling. Likewise in carrying out its supervisory functions, the City Government of Surabaya utilizes e- Controlling , so that all parties including the public have the right to participate in supervising the project, online licensing, especially non-levies such as SIUP, IUJK, jastel, permit for disturbances also cut time for the community because they do not need to come to the office. GRMS's ability to reduce KKN up to 80% has informed this research to focus more on the local financial management system (rather than focus on overall GRMS system), so that comprehensive findings can be obtained.
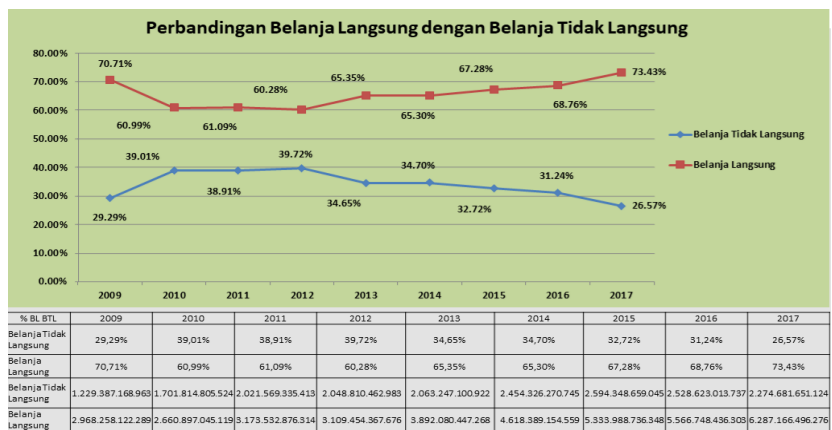
With this integrated system, the City's bureaucracy can work effectively and efficiently. The adoption of e- budgeting until e-procurement has made significant efficiency in the local budget. While e- delivery has assisted all levels of the municipal government bureaucracy to produce contract documents related to the procurement of goods and services within minutes after the auction winner is announced. Meanwhile, the head of the regional work unit (SKPD) can control the activities of implementing activities and absorbing the budget with e- controlling instruments. Problems that arise in the administration process of a project can also be known by the leader online (online).

Before the e-controlling instrument was applied, the municipal government often received false reports resulting from the implementation of the project. "The project has not yet been completed, but it is said to have been completed and has been paid 100 percent," said Head of the Surabaya City's Planning and Development Agency (BAPPEKO) Agus Imam Sonhaji. He also added that the false report was revealed from the findings of the Financial and Development Supervisory Agency (BPKP). The findings were also used as input to continue to improve and perfect the implementation of e-government that is already running. "With e-controlling, we cannot be fooled by contractors anymore," he said.

The last set of GRMS is e-performance. This instrument was implemented in 2010 and is closely related to the development of Employee Achievement Allowances (TPP). During this time, the provision of TPP is often disputed because the amount of take-

home pay received by each employee tends to be the same. In fact, the workload between diligent employees and lazy employees is clearly not the same. The most pronounced impact of implementing e- performance is the improvement in the performance of the municipal employees. Not only provide an appreciation for work performed well, e- performance also provides penalties for lazy employees by deducting allowance points. Another function, e-performance is also an instrument for measuring agency performance. Especially related to the target and realization of budget absorption, timeliness and budget efficiency that can be done by each head of the regional work unit. All refer to the budget implementation documents (DPA) that have been prepared previously (http://jipp.jatimprov.go.id/).

Figure
I.3
Comparison Charts of Direct and Indirect Spending

% BL BTL	2009	2010	2011	2012	2013	2014	2015	2016	2017
Belanja Tidak Langsung	29,29%	39,01%	38,91%	39,72%	34,65%	34,70%	32,72%	31,24%	26,57%
Belanja Langsung	70,71%	60,99%	61,09%	60,28%	65,35%	65,30%	67,28%	68,76%	73,43%
Belanja Tidak Langsung	1.229.387.168.963	1.701.814.805.524	2.021.569.335.413	2.048.810.462.983	2.063.247.100.922	2.454.326.270.745	2.594.348.659.045	2.528.623.013.737	2.274.681.651.124
Belanja Langsung	2.968.258.122.289	2.660.897.045.119	3.173.532.876.314	3.109.454.367.676	3.892.080.447.268	4.618.389.154.559	5.333.988.736.348	5.566.748.436.303	6.287.166.496.276

Source: Data on Development Administration

The graph above is a comparison of direct and indirect expenditures made by the City Government of Surabaya. It can be seen that in the last 5 years there were significant differences in regional expenditure. The budget-related to development which benefits the general public has increased significantly, inversely proportional to the indirect expenditure aspect which in the last 5 years has tended to decrease in the framework of efficiency. This shows that the Government of the City of Surabaya is focusing on improving basic aspects that touch the community so that a good local financial management system is needed. GRMS is an innovation in regional financial management carried out by the Surabaya City Government which is expected to be able to support the efforts made to provide welfare to the community.

Implementation of e-Government by the City Government of Surabaya continues to be a magnet for other government institutions to visit and learn from Surabaya. Apart from the Government of the City of Tangerang and the Ministry of Communication and Information of the Republic of Indonesia, in 2016 Surabaya received another visit from Denpasar City and Semarang City who were interested in learning about the management system of Surabaya City.

For this advancement, the City Government of Surabaya has received many awards in 2017 for its persistence in improving the existing government system by carrying out various innovations. Some of the awards obtained by the City Government of Surabaya are the 2017 PPID Award for the best Regency / City Category A, the Award for the City Government category, the Mayor, and the best City Category in the 2017 Innovative Government Award (IGA), the 2017 Unesco Learning City Award, the 2017 Indonesia Smart City Award , Rating City Towards Smart (Smart City), Rating City Cerdas Indonesia (RKCI) in 2017, and many more (http://surabaya.go.id).

These awards show the progress of Surabaya City towards Smart City as targeted by Indonesia in 2018 for the addition of Smart City to reach 100 districts/cities. According to Samuel Abrijani Pangerapan, B.Sc, Director General of Information and Information Technology of the Ministry of Communication and Information, the smart city program is an opportunity to carry out various innovations by utilizing technology to improve community services. " Smart city is a whole concept of how to serve the community and better manage existing resources.

In applying the concept of smart city, there are several elements that must be developed, one of which is the concept of smart governance. Without smart governance, it is impossible to realize smart cities (Scytl, 2015). This is because Smart Governance is one of the dimensions that must be met to realize Smart City. In applying the Smart City concept, Surabaya City fully implements the Smart City dimensions. In this research, the main focus is the smart governance dimension. This is because smart governance is an important element in urban areas, that is, government agencies/institutions that are developed based on the function of information technology so that it can be accessed by those who are interested effectively and efficiently.

The city of Surabaya has declared as a smart city, which cannot be separated from how to solve the problems faced in order to maximize services to the community. One of these problems, which this research is focused on is local financial management. More especially, this study is concerned with how the concept of smart governance, which is an important element of the application of smart city, can reveal the extensive and innovative local financial management, such as in GRMS. The interest of this research is in the process of managing regional finances through the GRMS by solving problems that exist in the management of regional finances, which are expected to provide a good understanding for related parties/stakeholders.

Based on the above background this research is sought to answer the question of "How is GRMS process implemented in terms of the concept of smart governance in Surabaya?"

This research complements previous research conducted by Eva Hany Fanida (2015) entitled " *Effectiveness of Government Resources Management System Implementation in Surabaya Government Offices* ". The difference of Fanida (2015)'s research and this present case lies in the theory used, in which this research presents more contemporary theory of smart city, more specifically smart governance. Meanwhile, in the previous studies, the researcher used effectiveness variables based on to Darcy (in Indrajit 2002): political environment, leadership, planning, stakeholders, transparency, budgets, technology.

Another research entitled the *Government Resource Management System* (GRMS): Public Service Innovation in Regional Financial Management in the City Government of Surabaya by Fitrotun Niswan (2015) is also informed this study. This research explains the implementation of GRMS in Surabaya that is going well so that it has benefits for the government of Surabaya City.

This present research will also enrich previous study on smart governance, such as a study entitled " *City Branding Strategy of Bandung City Government Public Relations as Smart City Through Smart Governance Program* " by Annisa Dwi and Dini Salmiyah. In this study, the researchers tried to find out the city branding strategy carried out by the Bandung city government public relations to realize smart city through the smart governance program.

In short, besides documenting best practice in the implementation of extensive electronically based government system, thus re-confirm the importance of the concept of

smart governance and overall, the theory of smart city, this study is expected to provide input and evaluation to the City Government of Surabaya in relation to shortcomings that still need to be addressed in order to maximize the local financial management activities. In addition, this study provides a clear picture of the innovations made by the City Government of Surabaya, so that it can be more advanced and be able to compete with other regions, while also provides lesson learnt and motivates other regions to continue to be innovative in wide government affairs and public services.

Regional Financial Management

Financial management is the planning, organizing, and controlling of financial activities such as procurement and utilization of funds from companies that apply general management principles to financial resources (Senduk, 2009). By doing each stage in financial management, the basic functions and objectives of the implementation of financial management can be optimized as a few points below (Senduk, 2009):

1. Optimizing all planning activities that will be carried out in a certain period of time

2. Minimize the occurrence of an increase in expenditure of unwanted funds in the future in the implementation of a planning project.

3. Reach the planning target more efficiently because of the availability of sufficient funds and has been planned and can be allocated to the maximum.

4. Avoiding irregularities in the allocation of existing funds by separating each authority in financial management.

5. Streamlining all activities that occur in agencies/organizations because of the transparency of their finances.

6. Creating a healthy work environment because it is supported by a financial cycle that runs well and planned.

E-Government

In understanding GRMS, it cannot be separated from the discussions about e-Government. Because GRMS is a product of electronic-based government. There are various

notions about e-Government that have been defined by institutions, governmental or non-governmental institutions.

E-Government is the use of information and communication technology in government activities aimed at facilitating government activities and making it easier for people to access various services provided by the government. The use of e-Government is expected to make government affairs more effective, efficient, transparent and accountable.

Conceptual characteristics of e-Government which have the focus below (Suaedi and Wardiyanto, 2010):

1) Focus on government services, the implementation of services with information technology is intended to increase the efficiency, speed, and smoothness of government services to the public.

2) Focus on bureaucratic structure, bureaucracy using information technology has evolved in the structure of the bureaucracy.

3) The focus on technology-based organizational models is the digital age organization model.

Smart City

The concept of a smart city is very popular as a concept of structuring cities in the world in recent years along with the rapid development of technology. The concept of smart city is now a dream of many big cities in Indonesia. This concept is considered as a solution in overcoming congestion, waste problems and various environmental conditions.

The meaning of "smart" according to Nam & Pardo (in Suaedi and Wardiyanto, 2010) are: is defined as strategic, especially in choosing priorities, directions, policies and so on, 2) related to technology, so "smart" contains the principles of automatic computing (self-configuration, self-healing, self-protection, self-optimization); shown to include sensors and actuators.

According to Annalisa Cocchia, a smart city has many meanings. From the word "smart" it can be defined that smart cities are intelligent cities, knowledge cities, ubiquitous cities, sustainable cities, digital cities, and many more. But from some literature the terms smart city and digital city are more often used to indicate the intelligence of

a city. Digital city is the management of the city where all using a sophisticated digital or technologies that facilitate in every job.

Griffinger et al (2007) explain the 6 (six) dimensions in the concept of the smart city as the basis for the implementation of smart city, which is then used in calculating the smart city index of 70 (seventy) cities in Europe. The six dimensions and their indicators can be seen in the following figure:

Table I.1.
The dimension of Smart City

SMART ECONOMY (Competitiveness)	SMART PEOPLE (Social and Human Capital)
- Innovative spirit - Entrepreneurship - Economic image & trademarks - Productivity - The flexibility of the labor market - International embeddedness - Ability to transform	- Level of qualification - Education - The social and ethnic plurality - Flexibility - Creativity - Cosmopolitanism/Open-mindedness - Participation in public life
SMART GOVERNANCE (Participation)	SMART MOBILITY (Transport and ICT)
- Participation in decision-making - Public and Social Services - Transparent governance - Political strategies and Perspectives	- Local accessibility (Inter)national accessibility - Availability of ICT-infrastructure - Sustainable, innovative, and safe transport systems
SMART ENVIRONMENT (Natural resources)	SMART LIVING (Quality of life)
- Attractivity of natural conditions - Pollution - Environmental protection - Sustainable resource management	- Cultural Facilities - Health conditions - Individual safety - Housing quality - Education facilities - Touristic attractivity - Social cohesion

Source: Griffinger et al, 2007

Griffinger's criteria above is used as an assessment process for cities that have implemented the smart city concept (UGM PSPPR Team, 2018). In line with its focus, this study only focuses on the concept of smart governance because it is an important element in urban areas, namely government agencies/institutions that are developed based on the function of information technology so that it can be accessed by those who are interested

effectively and efficiently. Smart governance focuses on empowerment and community

participation and specializes in governance. Smart governance includes all the conditions, criteria and objectives for the process of empowerment and participation from the community and government together.

According to Griffinger et al (2007), Smart governance indicators consist of 4 important parts, which are:

1. Participation in decision making

Form of community participation to voice opinions in decision making both directly and indirectly. In order to measure the dimensions of community involvement in planning, especially in planning development programs, can be seen through the following 5 indicators, which are: 1) involvement in meetings or deliberations, 2) willingness to provide data and information, 3) involvement in preparing the development plan, 4) involvement in determining the priority scale of needs and 5) involvement in decision making (Ndraha, 1990)

2. Public and social services

The essence of public services is the provision of excellent service to the community which is a manifestation of the obligations of the government apparatus as public servants (Septi, Atik & Ratminto, 2005). Excellent service is caring for the customer by providing the best service to facilitate the ease of meeting the needs and create a sense of satisfaction in the customer. The success of a service program depends on the alignment of capabilities, attitudes, appearance, attention and actions and responsibilities for its implementation (Atep, 2004)

3. Transparent governance

The form of government openness to the community in terms of service by opening public access to information needed in the form of policies, programs, projects, and so on. In the end, transparency will create accountability between the government and the people (Mustopadidjaja, 2003). Information disclosure is expected to produce healthy, tolerant political concerns and policies made based on public preferences.

4. Political strategies and perspectives

Political strategy is a strategy used to realize political ideals. Examples are the introduction of new regulations, the formation of a new structure in government administration, the implementation of deregulation, privatization and decentralization

programs (Scrooder, 2009) Without a long-term political change strategy and large projects cannot be realized.

Methods

This research used a qualitative research method. Qualitative research methods are often referred to as an object naturalistic method and research on natural conditions (natural setting) is not contrived or planned. Qualitative research methods are methods used in a natural condition, namely researchers as key instruments, data collection techniques are carried out triangulated, data analysis is inductive, and the results of research emphasize more on meaning than generalization (Creswell 2014).

The main instrument in qualitative research is the researcher himself as a research instrument, and therefore required high accuracy and ability to obtain as much data as possible. Thus, the success or failure of this study depends on the ability of researchers to collect data. In addition to the researcher himself as the instrument, the research instrument also uses an interview guide which is used as a guide so that during the interview process, the information obtained does not deviate from the researchers' predetermined goals (Creswell 2014).

The type of research in this study is a descriptive approach. Descriptive research provides a description to provide a clear and detailed picture of a particular social phenomenon. As descriptive research in general, this study analyses and presents GRMS in terms of the concept of Smart Governance systematically so as to facilitate the process of drawing conclusions.

The field research was conducted in the City Government of Surabaya, more specifically in the Surabaya City Development Planning Board (BAPPEKO Surabaya) and the Surabaya City Development Administration Section (*Biro Administrasi Pembangunan* (BAP). BAPEKKO and BAP Surabaya were chosen as research sites is the systems associated with GRMS are widely used at these agencies, so accurate and abundant data and information related to the use of the Government Resources Management System can be obtained.

On the completion of this research, a total of 30 informants were interviewed, taken from with the Surabaya City Development Planning Agency, Department of Development

Administration (the general head, the head of sub-section and the staff of e-Budgeting, e-Project Planning, e-Controlling, and data center), LPSE (*Layanan Pengadaan Secara Electronik*), and some private company which participated in e-Procurement process (CV. Tiga Putra, CV. Pandji Agung Bersama, CV. Arga Pratama Putra), and some community members (such as Chairman of RW 01 and Head of RW 04 Sukolilo District, Medokan Semampir Village).

The analysis technique involved a qualitative data analysis, which consists of data reduction, data preparation, and drawing conclusions. Data reduction is a process undertaken by researchers to sort or simplify data or information obtained from the field. The process of presenting data was done by compiling the information obtained so that it is possible to draw conclusions from existing data. The next step of analysis was drawing conclusions. This stage is the verification or data review stage which has been presented during the research. The results obtained after the verification process are researchers can draw conclusions that tend to have strong validity and can be accounted for.

Results and Discussion

Government Resources Management System (GRMS) In terms of the concept of Smart governance

Regional Financial Management as explained in the theoretical framework is the overall activity that includes planning, implementation, administration, reporting, accountability, and supervision of regional financial department. In other words, the area of financial management is carried out of the spending area to meet the needs of government activities that will be returned to the public welfare (Law Number 58 of 2005).

As explained, GRMS) is a government resource management information system that integrates regional financial management from upstream to downstream bureaucratic activities which is expected to provide solutions for various problems of government activities and services.

Based on the findings, all local government apparatuses in Surabaya use GRMS. The City Development Planning Agency (BAPPEKO) manages the e-Planning. Meanwhile e-Budgeting, e-Project Planning, e-Procurement, e-Delivery, e-Controlling, and e-Performance are administered in the Surabaya City Development Administration Section. The GRMS, which has been developed since 2003 continues to be implemented and developed in order

to improve and adjust the laws and regulations aimed at realizing the integrity and transparency of public financial management. Next discussion is analysis of smart governance using Griffinger et al, 's criteria 2007. (See table I.1).

Participation in decision making

Empowerment and community participation in governance is important in the concept of smart governance. It is because with the collaboration between the government and the community is an avenue to realize clean, honest, fair, and democratic governance. Participation is a form of community participation in which the community has the right to voice opinions in decision making, both directly and through intermediation between legitimate institutions that represent their interests.

Based on the Griffinger et al (2007) in order to measure the dimensions of community involvement in planning, especially in planning development programs can be seen through the following 5 indicators, which are: 1) involvement in meetings or deliberations, 2) willingness to provide data and information, 3) involvement in development plan development planning, 4) involvement in determining the priority scale of needs and 5) involvement in decision making (Ndraha, 1990).

As findings reveal, the City Government of Surabaya has succeeded in involving community in development planning, but it did not run perfectly. This can be seen based on the explanation from the City Development Planning Board that the government facilitates proposals from the community. These proposals are managed in the e-Musrenbang system. In e-Musrenbang the community can provide proposals for development planning in their area. The proposal can be submitted to the RT, then the RT conveys RW, RW collects all proposals to be coordinated by the sub-district party. The sub-district will input the proposals and map them according to the demographics of the region.

This was corroborated by the explanation of 2 other informants namely Mr. Eka and Mr. Rachman as chairman of the RW in Sukolilo District Medokan Semampir Village. In the interview, he confirmed the existence of community involvement in the e-Musrenbang process.

Public and Social Services

According to Law No. 25 of 2009 states that, public services are a series of activities in the framework of meeting service needs in accordance with the laws and regulations for every citizen and population of goods, services, and/or administrative services provided by public service providers (Definition of Public Services according to Law No. 25 of 2009). Basically, good public services according to Minister of PAN Decree Number 63 / KEP / M.PAN / 7/2003, Public Service Standards at least include service procedures; Completion time; Service fee; Service products; Facilities and infrastructure; Competency of service officers.

The GRMS process is inseparable from the discussion of public services because in the GRMS series there is one public service that is carried out, namely the procurement of goods/services by the auction method. In this case, the Development Administration Section becomes a service provider or administrative service for the verification process for prospective bidders. Registration for prospective bidders can indeed be done through the LPSE website (lpse.surabaya.go.id), but after registering online, prospective participants are required to verify data in the Development Administration Section to get an account which will later be used to follow the auction process.

Based on the finding, the City Government of Surabayahas provided excellent service as intended in chapter I namely the success of a service program depends on the alignment of abilities, attitudes, appearance, attention, and actions and responsibilities for its implementation (Atep, 2004). In this case, the Development Administration Section has provided its services maximally by providing the ability of employees to serve prospective bidders well, quickly and responsively, friendly and polite attitudes, as well as the provision of facilities and infrastructure to support the service process.

This is evidenced by the results of interviews with the service provider, Mr. Wawan where he explained that the services provided were in accordance with established procedures, moreover, the facilities and infrastructure provided were considered to be very adequate compared to other services. This is indicated by the availability of a comfortable waiting room, air conditioning, computers, wi-fi, guest list books, sweets, and also banners warning that the services provided are free of administrative fees. This statement is reinforced by the results of observations by researchers in the field, employees can provide

services quickly, responsively, and can provide solutions to problems faced by prospective bidders, besides the information provided is also very clear and detailed.

Transparent Government

Transparency is a form of government openness to the community in terms of service by opening public access to information needed in the form of policies, programs, projects, and so on. Transparency will create accountability between the government and the people (Mustopadidjaja, 2003). Information disclosure is also expected to produce healthy, tolerant political concerns and policies made based on public preferences.

The government that is open to the community in the context of service by opening public access to the information needed is not only beneficial to the community but also government administrators. Because, if the head of the government administration agency has sufficient public information, it will be easier to utilize the supervision of the community to improve the performance and movement of the organization.

As explained in the data presentation, transparency in the GRMS process will be seen in the planning process, e-Planning, and in the process of procurement of goods and services using the auction method, e-Procurement. Based on the results of the research in the field, the researcher got the results from the BAPEKKO party which stated that transparency in the planning process had been realized through:

1. Socialization in sub-districts and villages related to the implementation of e-Musrenbang
2. Easy access to information through the bappeko.surabaya.go.id website
3. Banners contain e-Musrenbang in sub-districts and villages

These three things are the forms of space provided by the BAPPEKO Surabaya in realizing the freedom of space for the people of Surabaya to obtain public information. However, researchers get different results from the public regarding transparency as mentioned by the BAPPEKO. The community said the information obtained through the socialization carried out by BAPPEKO in the subdistricts and villages was not well conveyed to the community, the community tended to be merely a formality to participate in submitting proposals but did not know the continuation of the proposals.

In addition to transparency in terms of planning, in the GRMS process transparency is also applied in the process of procurement of goods/services using the auction method. Researchers get results from the Development Administration Section in the auction process that has been done based on a transparent system. This is indicated by the auction process carried out through the website without any face-to-face meetings between the government as the owner of the tender and the prospective supplier of goods/services. All processes are done online. Based on Robben's statement, this was to avoid the circulation of money and to avoid collusion between the two parties. All of the auction processes carried out through the website LPSE where goods/services providers to bid online, uploading data online, to the selection and announcement of the winners, all the information provided through the website. If the goods/service providers object to the decision of the winner, they can submit a rebuttal to question the reasons why the party can win the auction while their bid is higher. Matters that are deemed inappropriate can be questioned during the refutation period, and the previous auction winner has the opportunity to be canceled if proof of objection is received.

The explanation was also confirmed by 15 bidders from various company. According to them, the auction process was carried out transparently. The information they need can also be easily obtained through the LPSE website. The auction process carried out through the website makes it easy for them to monitor the course of the auction. In addition, bidders are given the opportunity to rebut if the winner at the auction feels that something is wrong or deviating because the winner should be the provider with the best offer and can meet the specifications required by the government regardless of who the owner and origin of the company is. After that, if there are participants who give their rebuttal, the committee must answer and give reasons for the rebuttal.

Thus, from transparent government indicators in the GRMS process that has gone well in the process of procurement of goods/services using the auction method, this is proven by bidders who say that in the process is transparent and all information about the auction can be seen and monitored through the LPSE website , it's just that the planning process through e-Musrenbang has not been fully transparent

Political and Perspective Strategies

Political strategy is a strategy used to realize political ideals. Examples are the introduction of new regulations, the formation of a new structure in government administration, the implementation of deregulation, privatization and decentralization programs (Scrooder, 2009). Without a long-term political change strategy and large projects cannot be realized. The regional financial management system in the city of Surabaya which is based on the system or called the GRMS is one form of the strategy used to overcome financial management problems in the city of Surabaya. .

Based on findings, the researchers got the results from the BAPPEKO Surabaya and the Development Administration Section as the party that manages e-Planning to e-Performance. The following results are obtained and presented in the form of points to make it easier to understand:

1. The planning process using e-Planning has become easier and more coordinated. Communities can participate in development planning in their regions through e-Musrenbang.

2. The budgeting process using e-Budgeting makes work easier and faster to complete. Compared to using the manual method, this system can make the budgeting process more efficient.

3. By using e-Project Planning packaging work becomes easier. This is because in the e-Project Planning system already provided restrictions for the method of procurement of goods/services in accordance with the provisions. This is to avoid mistakes in the selection of procurement methods when packaging work.

4. E-Procurement or auction conducted electronically prevents any fraud that occurs between the tender owner and the goods/service provider. The auction process is carried out transparently through the LPSE website. All information and data regarding the auction process are reported openly through the LPSE website, so that bidders can directly monitor the auction.

5. The e-Delivery system helps to provide the administrative needs of government activities because e-Delivery facilitates the need for making contracts for the procurement of goods and services and the provision of documents for termination.

6. E-Controlling is a system to help the Mayor, Budget Team, Regional Apparatus, and DPRD to monitor work by comparing the realization of activities in the e-Delivery system with the planned activities in e-Project Planning.

7. By using an E-Performance system, giving performance money becomes more objective, measurable, and accountable. This is evidenced by the existence of targets and criteria that must be met for the measurement of individual performance values.

8. Surabaya City *Government Resources Management System* (GRMS) has become a national reference for other regions to study the system and implement it in their respective regions. This was evidenced by visits from various regions to learn more about GRMS.

Conclusion

This paper has sought to examine the implementation of the City Government of Surabaya's Government Resources Management System (GRMS). Findings reveal that GRMS has adopted the criteria of smart governance very well. This is shown by the fact that four criteria of smart governance were evident in the process and/or implementation of GRMS, although in some cases in its practice there are still obstacles or deficiencies. These criteria include participation in decision making, public and social services, transparency governance, and political strategies and perspectives. Participation in decision-making can be seen from the fact that the City has successfully implemented participatory approach, as evidenced in the community participation in development planning through e-Musrenbang

In the criteria of public and social services, the services provided by the Development Administration Section have been carried out to the fullest. This is evidenced by the capacity of employees who are in charge of serving prospective bidders that conducted the bidding very well, quickly, and responsively. Moreover, they have been very friendly and have polite attitude, while the provision of facilities and infrastructure to support the service process are also sufficient.

In the transparent governance criteria, the GRMS process can be seen from the transparency of the e-planning process and the procurement of goods/services using the auction method. Transparency in e-Planning is demonstrated by open public access to e-Musrenbang. Yet, in some ways, the transparency can be said to be still lacking. This is obvious from the tendency of incomplete publication and irregular updated information so

that people have difficulty to access information easily and quickly. This is different from the auction process. In the auction process, transparency can be said to be good because all auction processes are carried out openly through the website so that bidders can properly monitor the auction process. The information provided on the LPSE website was also complete, so that bidders can easily access information related to the auction process.

In the last criteria, GRMS can be seen as the City government political strategy and perspectives to overcome problems that occur in the local financial management. This is because GRMS is designed to be able to provide tools to facilitate the works and activities of the whole government process and functions, or specific to this research focus, to manage financial areas, ranging from e-planning, e-budgeting, procurement, disbursement and performance, so that all can be carried out effectively and efficiently.

Based on the above findings, clearly GRMS is an electronic-based system that represents extensive reform in management and governance of local government, including especially local financial management system. Yet, there are some avenues for improvements , namely: 1)the need to open more of information/data related to GRMS to the public to provide a better understanding of the financial management system implemented by the City of Government; 2) GRMS is the right strategy to overcome problems in the overall management of regional government and finances, that needs to be introduced and socialized to the public. This is so that the community can be involved, and later feel the fruit of extensive city development; and lastly 3) there is a need of supports for all stakeholders so that GRMS can facilitate the achievement of a clean, effective, efficient, and accountable government.

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