

**FINANCIAL MANAGEMENT AND ACCOUNTABILITY IN IMPLEMENTATION
OF DECONCENTRATION AND SUPPORTING DUTY
(Government Regulation No.106/2000 dated November 10, 2000)**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA.

Considering:

that to implement the provisions in Articles 17 and 18 of Law No.25/1999 on the Financial Equilibrium between the Central Government and the Regional Administration, it is necessary to stipulate a Government Regulation on the Financial Management and the Accountability in the Implementation of Deconcentration and the Supporting Duty:

In view of:

1. Article 5 paragraph 2 of the Constitution of 1945 as already amended by the Second Amendment to the Constitution of 1945:
2. Law No.22/1999 on the Regional Administration (Statute Book No.60/i 999, Supplement to Statute Book No.3839):
3. Law No.25/1999 on the Financial Equilibrium between the Central Government and the Regional Administration (Statute Book No.72/i999, Supplement to Statute Book No.38481);

DECIDES:

To Stipulate:

GOVERNMENT REGULATION ON FINANCIAL MANAGEMENT AND ACCOUNTABILITY IN
IMPLEMENTATION OF DECONCENTRATION AND SUPPORTING DUTY.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation referred to as

1. The Central Government shall be the apparatus of the Unitary State of the Republic of Indonesia consisting of the President and the Ministers.
2. The Regional Administration shall be the Head of Region and the other apparatus of the Autonomous Region as the regional executive body.
3. The Autonomous Region, hereinafter referred to as the Region, shall be the entity of society of law which has certain regional boundaries, and the authority to govern and manage the local community's interests in accordance with its initiative based on social aspirations in the Unitary State of the Republic of Indonesia.
4. The Village or called with another name, hereinafter referred to as the Village, is the entity of society of law which has the authority to manage and govern the interests of the local community based on the local custom recognized in the national government system and is in the Regency.
5. Decentralization shall be the transfer of government authority by the Central Government to the Autonomous Region in the context of the Unitary State of the Republic of Indonesia.
6. Deconcentration shall be the delegation of authority from the Central Government to the Governor as the Representative of the Central Government.
7. The Supporting Duty shall be the assignment by the Central Government to the Region or Village to perform certain duties accompanied with financing, infrastructure and facilities as well as human resources with the obligation to report the performance and accountability to the assignor.
8. The State Budget, hereinafter abbreviated to the A PBN, shall be the State annual financial plan which is stipulated on the basis of the Law on the State Budget.
9. The Regional Budget, hereinafter abbreviated into the APBD, shall be the Regional annual financial plan which is stipulated on the basis of the Regional Regulation on the Regional

Budget.

CHAPTER II
**GENERAL PRINCIPLES FOR IMPLEMENTATION OF
DECONCENTRATION AND SUPPORTING DUTY**

Article 2

1. The authority of the Central Government in Provincial Region in the context of implementing the Deconcentration is delegated to the Governor as the Representative of the Central Government.
2. The authority as referred to in paragraph 1 is conducted by the Provincial Service as the apparatus of the Provincial Region.
3. The implementation of the Deconcentration as referred to in paragraph 1 is financed with the development expenditure of the APBN
4. The recording and financial management in the implementation of the Deconcentration are conducted separated from the APBD.
5. The Governor notifies the DPRD Regional Legislative Assembly about the activity of the Deconcentration

Article 3

1. The Supporting Duty is performed by the Regional and Village Administration with the obligation to report its implementation and accountability to the Central Government.
2. The performance of the supporting duty as referred to in paragraph 1 is financed with the development expenditure of the APBN,
3. The recording and the financial management in the performance of the Supporting Duty are separated from the APBD and the Village Budget.
4. The Regional Administration notifies the Supporting Duty to the DPRD and the Village Administration notifies it to the Village Representative Body.

CHAPTER III
**MANAGEMENT AND ACCOUNTABILITY FOR IMPLEMENTATION OF
DECONCENTRATION**

First Part

Budgeting of Implementation of Deconcentration

Article 4

1. The budgeting of the implementation of the deconcentration is conducted in accordance with the provisions which are valid for the APBN
2. The budget for the implementation of the Deconcentration is part of the budget for the Ministry/Non-Ministry Government institution concerned.
3. Further provisions on the budgeting as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance by taking into account the technical consideration from the related Minister.

Second Part

Distribution of Funds and Accountability
for Implementation of Deconcentration

Article 5

1. The distribution of funds for the implementation of the Deconcentration is conducted in accordance with the provisions which are valid for the APBN.
2. Further provisions on the distribution of funds as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance.

Article 6

1. In the case that the implementation of the Deconcentration produces revenue, the revenue is the revenue of the APBN.
2. The provisions on the collection and payment of the revenue as referred to in paragraph 1 are adjusted to the regulations which are valid for the APBN.

Article 1

1. All activities financial management carried out by the Governor to implement the Deconcentration is separated from the activities to manage the finance for the implementation of the Decentralization and the Supporting Duty.
2. The procedures for the financial management by the Governor in the implementation of the Deconcentration refer to the regulations on the procedures for implementation of the financial management of the APBN in force.
3. In the case that there is a balance in the budget of the implementation of Deconcentration, the balance is paid to the State Treasury.
4. The Governor submits the accountability financial report on the implementation of the Deconcentration to the Minister/Management of the relevant Non-Ministerial Government Institution.

Third Part

Reporting Implementation of Deconcentration

Article 8

1. The reporting of the implementation of the Deconcentration is conducted in accordance with the provisions which are valid for the APBN.
2. Further provisions on the reporting of the implementation of the Deconcentration as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance by taking into account the technical consideration from the related Minister.

CHAPTER IV

MANAGEMENT AND ACCOUNTABILITY FOR IMPLEMENTATION OF SUPPORTING DUTY

First Part

Budgeting for Implementation of Supporting Duty

Article 9

1. The budgeting for the implementation of the Supporting Duty is conducted in accordance with the provisions which are valid for the APBN.
2. The budget for the implementation of the Supporting Duty is part of the budget of the Ministry/Non Ministry Government Institution which gives the assignment.
3. Further provisions on the budgeting as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance by taking into account the technical consideration from the related Minister.

Second Part

Distribution of Funds and Accountability for Implementation of Supporting Duty

Article 10

1. The distribution of funds and the performance of the Supporting Duty are conducted in accordance with the provisions which are valid for the APBN.
2. Further provisions on the distribution of funds as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance

Article 11

1. In the case that the implementation of the Supporting Duty produces revenue, the revenue is the revenue of the APBN.
2. The provisions on the collection and payment of the revenue as referred to in paragraph 1 are adjusted to the regulations which are valid for the APBN.

Article 12

1. All activities for the financial management carried out by the Region and Village in the implementation of the Supporting Duty are separated from the activities to manage the finance for the implementation of the Decentralization and the Deconcentration.
2. The procedures for the financial management by the Regional Administration and Village Administration in the implementation of the Supporting Duty refer to the existing regulations on the procedures for the implementation of financial management of the APBN in force.
3. In the case that there is a balance in the budget for the implementation of the Supporting Duty, the balance is paid to the State Treasury.
4. The Regional Administration and the Village Administration submit financial accountability reports on the implementation of the Supporting Duty to Ministry/Non Ministry Government Institution which gives the assignment.

Third Part

Reporting of Implementation of Supporting Duty

Article 13

1. The reporting of the implementation of the Supporting Duty is conducted in accordance with the provisions which are valid for the APBN.
2. Further provisions on the reporting as referred to in paragraph 1 are stipulated by the Decree of the Minister of Finance by taking into account the technical consideration from the related Minister.

CHAPTER V

AUDIT OF IMPLEMENTATION OF DECONCENTRATION AND SUPPORTING DUTY

Article 14

The audit of the implementation, management and accountability of finance in the implementation of the Deconcentration and Supporting Duty is conducted in accordance with the existing regulation.

CHAPTER VI

CLOSING PROVISION

Article 15

This Government Regulation shall come into force as from January 1, 2001.
For public cognizance this Government Regulation shall be placed in the Statute Hook of the Republic of Indonesia.

Promulgated in Jakarta
on November 10, 2000
THE STATE SECRETARY
sgd
DJOHAN EFFENDI

Stipulated in Jakarta
on November 10, 2000
THE PRESIDENT OF THE REPUBLIC INDONESIA
sgd
ABURRAHMAN WAHID