

IMPLICATIONS OF THE GOVERNMENT REGULATION NUMBER 44 OF 2024 ON THE BUDGET CEILING FOR PERSONNEL EXPENDITURE OF THE BANDUNG HIGH COURT

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ABSTRACT

This research aims to examine the implications of the Government Regulation Number 44 of 2024 on the budget ceiling for personnel expenditure of the Bandung High Court. The management of personnel expenditure is a critical component in maintaining financial equilibrium at the Bandung High Court. Therefore, the research focus is directed toward analyzing the impact and solutions to the effects caused by Government Regulation Number 44 of 2024. This research method employs a descriptive qualitative approach to understand how the policy of the Government Regulation Number 44 of 2024 may lead to a shortfall in the 2025 personnel expenditure budget, necessitating a revision of the Personnel Expenditure Budget in the Budget Implementation Document (Daftar Isian Pelaksanaan Anggaran - DIPA) for the year of 2025 as a response to this policy. Data were collected through in-depth interviews with the planning and finance departments, analysis of the Work Unit's Detailed Work Paper (Rincian Kertas Kerja Satker - RKKS), and the Budget Realization Report (Laporan Realisasi Anggaran - LRA). The research findings provide a comprehensive overview of the implications of the Government Regulation Number 44 of 2024.

Key words: government; regulation; personel expenditure; budget ceiling; budget revision

INTRODUCTION

The Bandung High Court is one of the judicial institutions in West Java that has the authority and responsibility in the use of the budget allocated by the Government. Financial stability is a fundamental pillar for the operations of judicial institutions such as the Bandung High Court, where the management of the employee expenditure budget plays a crucial role in maintaining the independence and performance of the institution. Nafarin (2010) explains that a budget is a written plan concerning an organization's activities expressed quantitatively for a specific period and generally stated in monetary units, but can also be stated in units of goods/services. Employee Expenditure is all compensation in the form of money or goods that is the right of government employees for the performance of their duties in supporting the operations of government organizational units, with the exception of work activities directly related to capital formation (Ministry of Finance, 2023). Therefore, to support its main duties and functions as a judicial institution, careful and adaptive budget management is needed in response to policy changes that can alter the structure and amount of fund allocation.

In 2024, the Government issued Government Regulation Number 44 of 2024 concerning the Third Amendment to Government Regulation Number 94 of 2012 concerning the Financial Rights and Facilities of Judges under the Supreme Court, bringing direct implications for the calculation and allocation of employee expenditure. This policy has the potential to cause the planned employee expenditure budget ceiling for 2025 to no longer be in accordance with actual needs. The existence of this potential discrepancy creates a risk of a budget shortfall which, if not anticipated, could disrupt the financial stability and operations of the Bandung High Court. This condition demands an in-depth analysis and strategy to respond to this policy by revising the Employee Expenditure Budget in the Budget Implementation Entry List (DIPA) for the year 2025.

The revision of the employee expenditure budget is a mechanism for adjusting the details of the employee expenditure budget in the budget implementation document, which is carried out based on Government Regulation Number 44 of 2024. In the process, the revision is carried out in two categories, namely the revision of a fixed budget ceiling and the revision of a changing budget ceiling. This mechanism is carried out to obtain budget suitability in the public sector based on real needs on the ground (Daum, 2002).

Besides the revision of the employee expenditure budget in the DIPA, the application of the Beyond Budgeting concept can also be an innovative solution to face the problems currently experienced by the Bandung High Court. According to Hope and Fraser (2003), Beyond Budgeting is a managerial approach that encourages organizations

to abandon the rigid annual budget system and replace it with a management system based on performance, continuous learning, and decentralized decision-making. This concept emphasizes that planning and budgeting should be done dynamically by responding to real conditions such as policy changes that occur where the Government issues Government Regulation Number 44 of 2024, not just by referring to fixed figures in the annual budget document.

The Beyond Budgeting approach encourages the planning and financial management departments to periodically update activity projections, strengthen non-financial performance indicators, and increase autonomy in compiling and adjusting activities to the dynamics on the ground. In addition, strengthening the principle of results-based evaluation also supports the effectiveness of activities, because the focus is no longer just on absorbing the budget, but also on providing concrete results for public services (Wijaya et al., 2025).

Currently, the Bandung High Court is still focused on a rigid traditional budget system, where the revision of the employee expenditure budget in the Budget Implementation Entry List (DIPA) through the Additional Cost Budget (ABT) mechanism becomes a reactive step to cover a funding shortfall, not as a strategic planning tool. This is where the gap lies between existing practices and the ideal approach. Research by Wijaya et al. (2025) mentions that budget management with the Beyond Budgeting approach focuses on achieving results and proactive and responsive processes. Therefore, this research focuses on the implications of Government Regulation Number 44 of 2024 on the employee expenditure budget ceiling of the Bandung High Court, where the aim is to analyze the impact caused by Government Regulation Number 44 of 2024 and offer innovative solutions through the application of Beyond Budgeting.

METHOD

Research Design

This study uses a descriptive qualitative approach to examine in-depth and contextually the implications of Government Regulation Number 44 of 2024 on the employee expenditure budget ceiling at the Bandung High Court. The qualitative approach was chosen because it allows the researcher to understand the meaning, processes, and experiences of stakeholders in interpreting and implementing the new policy (Willig, 2008). Specifically, the descriptive method is used to paint a systematic and factual picture of the real impact of this regulation on the allocation and dynamics of the employee expenditure budget at the Bandung High Court.

Participants

Participants were selected using purposive sampling based on specific criteria and who could provide rich and in-depth information in accordance with the research objectives. The participant criteria in this study are officials involved in the preparation and management of the budget, namely:

1. Head of the Program Plan and Budget Subdivision
2. Supervisory Financial Officer for the State Budget

Data Collection Procedures

Data were collected through two main techniques:

1. In-depth interviews with a semi-structured approach were used to explore two main aspects, namely: a) To explore the perceptions of stakeholders regarding the implications of Government Regulation Number 44 of 2024 on the employee expenditure budget ceiling at the Bandung High Court. b) To uncover practical experiences and adaptive strategies applied in budget management to overcome various challenges that arose after the implementation of the regulation.
2. Document review, which is the analysis of documents in budget management such as the Work Unit Working Paper Details (RKKS) document and the Budget Realization Report (LRA).

Data Analysis

Data analysis in this study adopts the interactive model of Miles and Huberman (1994), which is a qualitative analysis process that runs cyclically and continuously through three main stages, namely:

1. The data reduction stage, where all raw data from interviews and documents are sorted, focused, and simplified to identify the most relevant information to the research objectives.
2. The data display stage, where the reduced information is presented systematically in the form of narrative descriptions, matrices, or tables to map patterns and relationships between data in budget management.
3. The final stage is conclusion drawing/verification, where the researcher interprets the emerging findings, validates their meaning through the member checking technique with informants, and formulates a credible final conclusion.

RESULTS AND DISCUSSION

Impact of Government Regulation Number 44 of 2024

The research results reveal that the enactment of Government Regulation Number 44 of 2024 concerning the Third Amendment to Government Regulation Number 94 of 2012 concerning the Financial Rights and Facilities of Judges under the Supreme Court, caused a discrepancy between the employee expenditure budget ceiling that had been set for 2025 and the real needs of the organization. In response to this policy change, the Bandung High Court conducted a revision of the Employee Expenditure Budget in the Budget Implementation Entry List (DIPA) for 2025.

Based on the analysis of the Work Unit Working Paper Details (RKKS) and Budget Realization Report (LRA) documents for the period of January to September 2025, it shows that the revision of the employee expenditure budget in the DIPA has been carried out 13 times, as presented in Table 1.

Table 1. Employee Expenditure Budget Revision for the Period of January to September 2025

No.	Revision	Implementation	Previous Budget Ceiling	Budget Ceiling After Revision	Note
1.	Initial Ceiling	November 29, 2024	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
2.	Revision – 1	January 7, 2025	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
3.	Revision – 2	February 23, 2025	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
4.	Revision – 3	March 5, 2025	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
5.	Revision – 4	March 24, 2025	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
6.	Revision – 5	April 22, 2025	Rp. 37.368.844.000,-	Rp. 37.368.844.000,-	Fixed
7.	Revision – 6	May 29, 2025	Rp. 37.368.844.000,-	Rp. 40.574.244.000,-	Changed
8.	Revision – 7	July 9, 2025	Rp. 40.574.244.000,-	Rp. 40.574.244.000,-	Fixed
9.	Revision – 8	July 23, 2025	Rp. 40.574.244.000,-	Rp. 43.002.060.000,-	Changed
10.	Revision – 9	August 7, 2025	Rp. 43.002.060.000,-	Rp. 43.002.060.000,-	Fixed
11.	Revision – 10	August 13, 2025	Rp. 43.002.060.000,-	Rp. 43.002.060.000,-	Fixed
12.	Revision – 11	August 21, 2025	Rp. 43.002.060.000,-	Rp. 43.002.060.000,-	Fixed
13.	Revision – 12	September 23, 2025	Rp. 43.002.060.000,-	Rp. 54.365.402.000,-	Changed
14.	Revision – 13	September 25, 2025	Rp. 54.365.402.000,-	Rp. 45.200.030.000,-	Fixed

The analysis of the budget revision in Table 1 shows that employee expenditure became the main focus, where 8 out of the total 13 revisions made were aimed at adjusting the employee expenditure budget, namely revision-1, revision-6, revision-7, revision-8, revision-9, revision-11, revision-12, and revision 13. Cumulatively from the period of January to September 2025, an increase in the budget amount in the employee expenditure budget ceiling of Rp. 7,831,186,000,- was recorded. This budget increase is an impact of the implementation of Government Regulation Number 44 of 2024 and represents the difference between the initial ceiling and the final ceiling after the 13th revision. Without a revision of the employee expenditure budget, the Bandung High Court would face a potential budget shortfall (deficit) of the same nominal amount. Furthermore, the types of employee expenditure budget revisions listed in the Budget Implementation Entry List (DIPA) of the Bandung High Court can be carried out through two mechanisms as follows:

1. Fixed Ceiling Budget Revision

According to Batubara (2021), a fixed ceiling budget revision is a change in the expenditure details at the Ministry/Institution (K/L) or State General Treasurer (BA BUN) level that does not change the total budget ceiling. This change is made by shifting budget details, either within the same program, between programs, or between budget sub-sections. In line with this concept, the Bandung High Court has revised the employee expenditure budget without changing the budget amount in the ceiling 5 times, namely in revision -1, revision to-7, revision-9, revision-11, and revision-13, where the revision was implemented through a shift of the ceiling between accounts, so that budget implementation became more optimal.

2. Changed Ceiling Budget Revision

According to Batubara (2021), a changed ceiling budget revision is a change in budget details caused by an addition or reduction in the expenditure ceiling of the Ministry/Institution budget section and the State

General Treasurer Budget Section (BA BUN) including the shifting of its budget details. In line with this concept, the Supreme Court of the R.I. revised the employee expenditure budget to be able to distribute the Additional Cost Budget (ABT). Referring to the Ministry of Finance (2023), ABT is an additional budget needed by the Bandung High Court to carry out programs and activities not yet listed in the work plan and budget for the current fiscal year. The Supreme Court of the R.I. can provide ABT to the Bandung High Court for urgent or unexpected additional needs such as the policy of Government Regulation Number 44 of 2024. The process begins with inputting realization data and budget needs of the Bandung High Court into the e-Bima application so that the Supreme Court of the R.I. can monitor budget management directly. This becomes a consideration for the Supreme Court of the R.I. in providing ABT through the changed ceiling budget revision mechanism. Regardless of the acquisition process, it should be noted that the Bandung High Court obtained ABT in stages, where in each period the amount obtained was different, as presented in Table 2.

Table 2. Additional Cost Budget (ABT) for Employee Expenditure Budget

No.	Revision	Previous Budget Ceiling	Budget Ceiling After Revision	Amount of Additional Cost Budget (ABT)
1.	Revision – 6	Rp. 37.368.844.000,-	Rp. 40.574.244.000,-	Rp. 3.205.400.000,-
2.	Revision – 8	Rp. 40.574.244.000,-	Rp. 43.002.060.000,-	Rp. 2.427.816.000,-
3.	Revision – 12	Rp. 43.002.060.000,-	Rp. 54.365.402.000,-	Rp. 11.363.342.000,-

The Additional Cost Budget (ABT) for employee expenditure received by the Bandung High Court, based on Table 2, has different allocations:

- a. ABT in Revision - 6 and Revision - 8 is allocated specifically for the employee costs of the Bandung High Court.
- b. ABT in Revision - 12 includes an additional budget for employee costs for the Bandung High Court and the District Courts within its jurisdiction.

Based on Table 1, a decrease in the budget ceiling is seen in the 13th revision. This decrease occurred because a large part of the ABT received by the Bandung High Court in the previous revision (revision - 12 amounting to Rp. 11,363,342,000,-) had been distributed to the District Courts within its jurisdiction amounting to Rp. 9,165,372,000,- so that the budget ceiling amount in the 13th revision changed to Rp. 45,200,030,000,-. Based on this, it shows that the Bandung High Court as the Regional Coordinator also has the authority to provide an additional cost budget to the work units under it.

Beyond Budgeting as an Innovative Solution

The traditional budget system that is currently used by the Bandung High Court shows significant limitations in responding to urgent operational needs, especially due to changes in government policy (such as Government Regulation Number 44 of 2024). These limitations originate from a dependency on a rigid annual cycle, a lack of flexibility in fund reallocation, and bureaucratic processes that hinder, which in the end delays support for operational activities.

In facing this problem, an approach is needed that is more adaptive and innovative. The Beyond Budgeting concept becomes the solution that is offered. This approach was developed as a response to the weaknesses of the traditional budgeting system that is static and rigid (Hope and Fraser, 2003). Beyond Budgeting encourages organizations to switch from the annual budget cycle towards a management system that is dynamic, participatory, and results-based. In the context of the problems faced by the Bandung High Court, this approach can overcome the mismatch between the established employee expenditure budget ceiling and real needs, as well as encourage the formulation of activity plans more periodically. There are two main principles of Beyond Budgeting that are relevant for the Bandung High Court are:

1. Decentralization of Decision-Making: Decentralization of the ABT submission process eliminates dependency on rigid structural directives (Wijaya et al., 2025). This accelerates the response to policy changes and prevents delays in the execution of payments. Active involvement of work units periodically also increases planning accuracy.
2. Results-Based (Performance) Evaluation: Beyond Budgeting emphasizes evaluation based on output and outcome, not merely the nominal absorption of the budget. The Bandung High Court is encouraged to formulate results-based performance indicators for activities financed by ABT. This allows the quality of

budget execution to be monitored, used as a basis for the following year's planning, as well as encouraging the use of the budget that is efficient and has a real impact.

Although it offers a solution, the application of Beyond Budgeting at the Bandung High Court has challenges. This system change demands the readiness of the organization and human resources in understanding performance-based evaluation mechanisms, formulating measurable achievement indicators, and conducting accountable reporting. Success in the public sector, according to Heupel and Schmitz (2015), is very dependent on the institution's ability to build a collaborative work culture and strengthen data-based management information systems. Therefore, Beyond Budgeting can be adopted gradually. The Bandung High Court can start it by improving the evaluation process, increasing the involvement of all parties, and using performance-based realization reports as a basis for activity revisions. This consistent innovation will build the foundation for a more adaptive budgeting system.

CONCLUSION

The implementation of Government Regulation Number 44 of 2024 directly caused a discrepancy between the 2025 employee expenditure budget ceiling of the Bandung High Court and its real needs, potentially creating a budget deficit. The step taken by the Bandung High Court in response to the policy change was to revise the employee expenditure budget in the DIPA 13 times from January to September 2025, where 8 out of the total 13 revisions made were aimed at adjusting the employee expenditure budget, which cumulatively resulted in an increase to the budget ceiling of Rp7,831,186,000,-.

The revision of the employee expenditure budget at the Bandung High Court was carried out through two mechanisms, namely:

1. **Fixed Ceiling Budget Revision:** 5 revisions were made by shifting funds internally between accounts without changing the total budget ceiling.
2. **Changed Ceiling Budget Revision:** Carried out to accommodate the Additional Cost Budget (ABT) from the Supreme Court, which was received in stages to cover the funding shortfall resulting from the new policy.

Although these budget revisions successfully addressed the funding shortfall, this research highlights the limitations of the traditional budgeting system, which is rigid and reactive. Therefore, this research recommends Beyond Budgeting as an innovative solution. This approach offers a more dynamic, adaptive, and performance-based management system through the principles of decentralized decision-making and results-based evaluation. The gradual implementation of Beyond Budgeting is expected to build the foundation for a more responsive and strategic budgeting system in the future, so that it does not solely rely on reactive measures like proposing an ABT.

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