

Evaluation of Transparency in the Governance of Regional Drinking Water Companies in Minahasa Regency

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Abstract: This study aims to evaluate the implementation of the principle of Transparency in the Regional Drinking Water Company (PDAM) of Minahasa Regency whether it is in accordance with Government Regulation Number 54 of 2017 article 92 concerning Good Corporate Governance based on the GCG policy instrument by the National Committee on Governance Policy in 2006.

The research method uses a type of descriptive qualitative research, and data collection techniques: interviews, observation, and documentation. In-depth interviews were conducted with logical questions based on guidelines, interviews were conducted with strong intimacy, and researchers appreciated the value of interviews as a data collection tool. Data analysis techniques: qualitative data analysis with data reduction, presentation, and data verification. The results of the research show that transparency is not optimal. Recommendations for Regional Heads as Capital Owners (KPM) and PDAM Management Transparency need to be optimized by maximizing the right technology and policies.

Keyword: Evaluation Implementation; Transparency; GCG.

INTRODUCTION

Good corporate governance is a policy instrument in order to create prosperity, integrity and social cohesiveness of society which is necessary for political economy and administrative authority for various levels of state affairs. Good governance rests on three pillars, namely the government, the private sector and Public. In the era of regional autonomy, the government has provided broad opportunities for regional governments to improve the welfare of their people.

184 | Intan Puspita Anggraeny¹, Mas Roro Lilik Ekowanti², M. Husni Tamrin³

Local governments can regulate several aspects of life in their area, including economic, educational, health, social and cultural aspects. In the economic aspect, regional governments have the authority to form a Regional Owned Enterprise (BUMD). In essence, BUMDs have a strategic role in the current era of regional autonomy, apart from providing benefits for the economic development of a region and to obtain profits and/or profits, they must also be able to play a role in organizing public benefits in the form of providing quality goods and/or services to fulfill the people's needs according to the conditions. , regional characteristics and potential based on good corporate governance (Peraturan Pemerintah No. 54 Tahun 2017 Tentang BUMD, 2017). The management concept of non-persero BUMD (regional company/regional public company) is made possible by the BUMD management model with an "independent self-management" system. This management concept uses a system of supervision or coaching in a responsible and intensive manner. BUMD management is carried out with direct supervision and guidance by policy makers who are carried out by the regional head as the highest authority in the regional government. The authority of the Regional Government as the authority holder can carry out "policy intervention" in a positive context related to the performance of BUMD through the supervisory board. Law Number 23 of 2014 concerning Regional Government states that in the management of BUMD one of them must contain elements of good corporate governance. The Management System consists of 5 principles namely Transparency, Accountability, Responsiveness, Independence, Fairness (TARIF) (Pemerintah Republik Indonesia, 2014).

Research from Basri found that the GCG principles applied by the company had a positive effect on the quality of service at the state electricity company with the exception of the principle of independence. These findings imply that in order to continue to provide good service quality for customers, companies must further increase the application of GCG principles in all aspects of the company's activities (Basri et al., 2017).

Minister of Home Affairs Tjahjo Kumolo (2014-2019) noted that the performance of Regional Companies currently known as Regional Owned Enterprises (BUMD) until the end of 2019 was still poor, this condition was reflected in the financial condition of BUMDs, the Ministry of Home Affairs notes that there are 1,097 BUMDs throughout Indonesia with total assets reached IDR 340.118 trillion, but unfortunately of the thousands of BUMDs, the amount of profit generated was only IDR 10.372 trillion or an average profit to asset ratio of 3.0 percent. Tjahjo Kumolo said the small amount of profit occurred because many BUMDs were losing money. One of these BUMDs is the Regional Drinking Water Company (PDAM). There are 999 PDAMs in Indonesia and 70% of PDAMs are losing money. even though so far the government has disbursed Rp. 5 trillion in subsidies for these loss-making PDAMs (CNN-Indonesia, 2019). The low level of return on assets (ROA) shows that the management of BUMD is not optimal, both from a financial and performance perspective.

The same thing happened in the PDAM of Minahasa Regency, which has been entangled in various problems since 2011 until now, as can be seen from the 2018 performance evaluation report by the Agency for Increasing the Implementation of Drinking Water Supply Systems (BPPSPAM) ranked 111th with a performance value of 1.49 in the Sick category out of 115 BUMDs in Region III (Kalimantan and Sulawesi), it is far from its neighbor PDAM Duasudara Bitung City at rank 35 with a performance value of 3.05 in the Healthy category. Nationally PDAM Minahasa Regency is in position 372 out of 380 total number of BUMDs providing

SPAM, whereas when viewed from the perspective of the number of PDAM Minahasa Regency customers which total 10,829 Subscription Connections (SL) are in the 10,000-20,000 (SL) category, the position of PDAM Minahasa Regency is in basic position, namely 99 out of 99 BUMDs implementing SPAM (Kementerian-Pekerjaan-Umum-dan-Perumahan-Rakyat, 2019).

Table 1. Performance of PDAM Minahasa Regency 2011-2019

Performance PDAM Minahasa Regency	Year								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance	0,42	0,36	0,36	0,42	0,47	0,31	0,31	0,31	0,49
Service Area	0,9	0,48	0,4	0,6	0,4	0,40	0,60	0,40	0,40
Field of Operation	0,76	0,85	0,85	0,8	0,76	0,84	0,69	0,63	0,42
HR field	0,15	0,15	0,15	0,15	0,15	0,15	0,15	0,15	0,36
Total Performance	2,23	1,84	1,76	1,94	1,78	1,7	1,75	1,49	1,67
Category*	Unhealthy	Sick	Sick	Sick	Sick	Sick	Sick	Sick	Sick

*Source: Data processed from reports on performance audit results of the Agency for Improvement of Drinking Water Supply System Implementation, Ministry of Public Works and Public Housing (Kementerian-Pekerjaan-Umum-dan-Perumahan-Rakyat, 2019). *Assessment is divided into 3 categories, namely Healthy with a score of > 2.8, Unhealthy with a score of 2.2-2.8 and Sick with a score of <2.2.*

As a BUMD engaged in the clean water supply sector, PDAM Minahasa Regency is expected to be managed optimally and get a healthy title to meet social needs in the form of clean water to the community and increase dividends for Regional Original Revenue (PAD) of Minahasa Regency. Based on this, the researcher wants to explore and study (1). How is the transparency of PDAM Minahasa Regency?.

Initially, good corporate governance emerged closely related to principal-agency theory, namely to avoid conflicts between principals and agents. Conflicts arising from differences in interests must be managed so as not to cause harm to the parties (stakeholders).

A corporation that is formed and is a separate separate entity is a legal subject, so that the existence of the corporation and interested parties (stakeholders) must be protected through the implementation of GCG. In addition to the Agency Theory model approach and Stakeholders Theory as above, studies of GCG problems by academics and practitioners are also based on Stewardship Theory, as well as Management Theory (BPKP, 2021). According to the BPKP website, GCG is "Commitments, rules of the game, and practices of conducting business in a healthy and ethical manner" (BPKP, 2021). According to the Big Indonesian Dictionary, principles are truths that form the basis of thinking, acting and so on (Badan Pengembangan dan Pembinaan Bahasa, 2016), based on Government Regulations No. 54 of 2017 concerning Regional Owned Enterprises (BUMD) Good Corporate Governance is a management system that directs and controls companies to produce sustainable economic benefits and balanced

relations between stakeholders. There are several institutions that put forward the principle - GCG principles include the Organization for Economic Co-operation and Development (OECD), the Center for Good Corporate Governance at Gajah Mada University (CGCG UGM), and the Financial and Development Supervisory Agency (BPKP).

a. Organization for Economic Co-operation and Development (OECD)

The OECD through the ad hoc Taskforce Team issued the "OECD Principles of Corporate Governance", in April 1999, which are not binding on its member countries, namely first, the rights of shareholders (The rights of shareholders). This principle means that the CG framework should protect the rights of shareholders. Second, fair treatment for all shareholders (the equitable treatment of shareholders). This principle means that the CG framework should ensure equal treatment of all shareholders, including minority shareholders. Third, the role of stakeholders in corporate governance (The Role of Stakeholders in Corporate Governance). This principle means that the CG framework should recognize the rights of stakeholders in accordance with the provisions of the law and encourage active cooperation between companies and stakeholders in creating prosperity, employment and corporate sustainability. Fourth, the obligation of disclosure (disclosure) and transparency (transparency). This principle means that the CG framework should ensure that timely and complete disclosure is made of all material issues relating to the company, including the financial condition, performance, ownership and governance of the company. Fifth, the responsibilities of the Board of Directors and Commissioners (the responsibilities of the board). This principle means that the CG framework should ensure the company's strategic policies, the effectiveness of management oversight by the Board of Commissioners and Directors and the accountability of the Board of Commissioners and Directors to the company and shareholders (OECD, 2004).

b. Center for Good Corporate Governance at Gajah Mada University (CGCG UGM).

Warsono, who is better known in his book CGCG UGM's corporate governance rating model, stated that there are 5 basic principles of corporate governance namely Transparency, Accountability and Responsibility, Responsiveness, Independence, and Fairness.

Transparency, In carrying out their functions, all participants in the company must convey material information in accordance with the actual substance, and make this information easily accessible and understandable to other interested parties.

Accountability and Responsibility, In carrying out its functions, all participants in the company must account for the mandate received in accordance with applicable laws, regulations, moral/ethical standards and best practices, and anticipate the accountability required if the proposed accountability is rejected.

Responsiveness, In carrying out its functions, each participant in the company must respond to requests and feedback from interested parties and respond to various changes in the business world that can significantly affect the company.

Independence, In carrying out its functions, every participant in the company must free themselves from the interests of other parties that have the potential to create a conflict of interest, and carry out their functions according to adequate competence.

Fairness (justice), In carrying out its functions, each participant in the company must treat other parties somewhat based on generally accepted provisions (Pamungkas & Marsono, 2012).

c. Governance Policy National Committee

Every company must ensure that the principles of GCG are applied to every aspect of the business and at all levels of the company. The principles of GCG namely transparency, accountability, responsibility, independence as well as fairness and equality are needed to achieve corporate sustainability by taking into account stakeholders.

1. Transparency

What is meant by the principle of "transparency" is openness in carrying out the decision-making process and openness in disclosing relevant information about the company.

Basic principles

To maintain objectivity in conducting business, companies must provide material and relevant information in a way that is easily accessible and understandable to stakeholders. Companies must take the initiative to disclose not only issues required by laws and regulations but also important matters for decision making by shareholders, creditors and other stakeholders.

Main Implementation Guidelines

1.1. Companies must provide information in a timely, adequate, clear, accurate and comparable manner and easily accessible to stakeholders according to their rights.

1.2. Information that must be disclosed includes, but is not limited to, vision, mission, business objectives and company strategy, financial condition, composition and compensation of management, controlling shareholders, share ownership by members of the Board of Directors and members of the Board of Commissioners and their family members in companies and other companies, risk management systems, monitoring and internal control systems, GCG systems and implementation and levels of compliance, and important events that may affect the condition of the company.

1.3. The principle of openness adopted by the company does not reduce the obligation to comply with the provisions of corporate confidentiality by laws and regulations, professional secrets and personal rights.

1.4. Company policies must be written and proportionately communicated to stakeholders.

(Komite Nasional Kebijakan Governance, 2006).

BUMD establishment aims to: a. provide benefits for regional economic development; b. organizing public benefits in the form of providing quality goods and/or services to fulfill the people's livelihood in accordance with the conditions, characteristics and potential of the area concerned based on good corporate governance; and c. earn profits and/or profits (Peraturan Pemerintah No. 54 Tahun 2017 Tentang BUMD, 2017).

RESEARCH METHOD

This research uses a qualitative descriptive research design which aims to describe, and summarize various conditions, various situations, or various phenomena of social reality that exist in society which are the object of research, and seeks to draw that reality to the surface as a characteristic, character, trait, model, signs, or descriptions of certain conditions, situations, or phenomena (Bungin, 2011). The qualitative research method is a research method based on the

philosophy of postpositivism, used to research on natural object conditions, where the researcher is the key instrument, sampling of data sources is carried out purposively and snowball, data collection techniques are triangulation (combined), data analysis is inductive /qualitative, and the results of qualitative research emphasize meaning rather than generalization (Sugiyono, 2010) Conducted through developing trust through consistent use of the advice given by Benny and Hughes to understand the importance of interviews in data collecting (Tumbel et al., 2023).

Basically qualitative research does not start from something empty, but is done based on one's perception of a problem. Problems in qualitative research are temporary, tentative, and will develop or change after the researcher is in the field (Sugiyono, 2005). Even so, it is necessary to make a limitation so that the research will be more focused. The limitation of the problem in qualitative research is called focus, which contains the main issues that are still general in nature. The intent in formulating a research problem by utilizing the focus is first, the determination of the focus can limit the study; second, the determination of the focus serves to meet the inclusion-exclusion criteria or inclusion-exclusion criteria of new information obtained in the field (Moleong, 2014). Basically the focus of the problem is determined based on the formulation of the problem that has been determined, although the focus can be reduced/increased according to conditions encountered in the field. Spradley in (Sugiyono, 2005), put forward 4 alternatives to set the focus viz

- (1) determine the focus on the problems suggested by informants,
- (2) determine the focus based on certain domains,
- (3) establish a focus that has value findings for the development of science and technology,
- (4) determine the focus based on problems related to existing theories.

The effectiveness of GCG implementation is reflected in the governance outcomes that have been obtained, from the performance results audited by BPPSPAM which the author has described from 2011 to 2019 which was relatively stagnant in the criteria for illness. In order to limit the research so that it does not get stuck in general and broad fields that are less relevant and end up being biased, also considering the limitations that the authors have, the authors only focus, describe, analyze and interpret specifically regarding the Evaluation of the implementation of the principle of Transparency in PDAM Minahasa Regency.

RESULT AND DICUSSION

From this, it is known that written and non-verbal communication from the leadership of the company, in this case, the supervisory board and directors, is going well, and the director's high commitment to repairing a diseased company is not sick anymore.

Table.2 Description Results

Principle of Transparency (Information Disclosure)	
Indicator	Findings
Convenience and Availability of Information	<ul style="list-style-type: none"> - reports (hardcopy) of receipts and expenditures as well as profit and loss calculations from the Company to the local government submitted every quarter of the current budget year, - obligation of PDAM to report quarterly to local government as capital owner.
Information Clarity	<ul style="list-style-type: none"> - the Strategic Plan (RENSTRA) and the Company's Budget Work Plan (RKAP) already contain information about the Company's vision, mission, strategic business objectives, financial condition, management, balance sheets and other information relating to the Company's operations and administration, and information submitted in the form of reports and stakeholders.
Information Disclosure and Corporate Confidentiality	<ul style="list-style-type: none"> - Information can be accessed/disclosed to stakeholders according to their respective portions, in the sense that there are limitations to specific stakeholders according to their respective interests and contributions - There are limitations to disclosure of information in the form of reports to local government/internal Company officials and non-government/external companies. There are confidential matters that cannot be accessed by external parties and may only be internal, for example, financial reports and employee data concerning employee personal rights. However, after further investigation, it was found that the informants did not know for sure what the company's secrets were that could only be consumed internally or that could be disclosed to the public and that the company seemed afraid of being audited by consumers or external parties.
Policy Submission/Communication	<ul style="list-style-type: none"> - Company policies are always communicated to stakeholders through the supervisory board besides that there is a supervisory board which also has a role in supervising and assisting the directors in managing the Company and bridging local governments with PDAMs. - an integral part of the report, namely the results of a performance audit by the BPKP and it is there every year and is always communicated to stakeholders and according to JT the company cannot assess its own performance. - Written and non-verbal communication from the leadership of the company, in this case, the board of

directors and supervisors, is going well, and the director's high commitment is to improve the company that is sick so it isn't sick anymore

Source: interview data.

Discussion of Research Results

The regulation regarding BUMD was first regulated based on Law Number 5 of 1962 concerning Regional Companies. Then further regulated through Permendagri Number 3 of 1998 concerning the Legal Form of Regional Owned Enterprises. After Law Number 23 of 2014 concerning Regional Government was promulgated, Law Number 5 of 1962 concerning Regional Companies was revoked and declared no longer valid.

After 3 years Law 23 was promulgated, Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises was issued, which regulated more specifically the classification of the legal form of BUMD, which was changed from Regional Company (PD) or Limited Liability Company (PT) to Regional Public Company or Regional Public Company, a mechanism for regional capital participation, and share ownership. PDAM Minahasa Regency is classified as a business entity that is wholly owned by 1 district. And the management must be based on good corporate governance which is defined in PP 54 as: a management system that directs and controls the company so as to produce sustainable economic benefits and balanced relations between stakeholders (Peraturan Pemerintah No. 54 Tahun 2017 Tentang BUMD, 2017). And specifically divided into 5 principles of governance in article 92 namely transparency, accountability, responsibility (responsibility), independence (independence) and also fairness (fairness).

Transparency.

Transparency has an operational definition in PP 54 Article 92 Paragraph (2) Letter a, namely openness in carrying out the decision-making process and openness in disclosing relevant information about the Company. In Transparency there are 4 more specific indicators as a reference for researchers to be discussed as follows:

1. Ease of Access and Availability of Information

Has the main objective, namely the company must provide information in a timely, adequate, clear, accurate and comparable manner and easily accessible to stakeholders in accordance with their rights (Komite Nasional Kebijakan Governance, 2006). Findings in the field PDAM Minahasa Regency already has information in the form of reports (hardcopy) of receipts and expenditures as well as profit and loss calculations from the Company to the local government submitted quarterly for the current budget year, this is an obligation/obligation of the PDAM to report quarterly to the local government as the owner capital. Researchers' analysis in terms of

ease of access and availability of company information for stakeholders has been carried out regularly according to regional regulation number 7 concerning PDAM Minahasa Regency:

"Article 30 letter f: the director compiles and submits quarterly reports on all operational and financial activities of the company, and letter g: compiles annual financial reports consisting of a balance sheet and profit and loss and management report signed by the adult and submitted to the regent. Article 20 letter f: the supervisory board evaluates quarterly reports and annual reports submitted by the director for approval by the regent".

Thus this is an obligation that must be conveyed by the company's organs to the owner of capital (principle) in this case the local government. From the findings it is known that what the company has done is in accordance with existing rules, but there are deficiencies in terms of the availability of information to the public as one of the stakeholders which is still low. So that the public as users still find it difficult to access information even though the information exists, even though the Central Government policy contained in the Law of the Republic of Indonesia Number 14 of 2008 concerning Public Information Disclosure very clearly classifies BUMD as a Public Agency, what is meant by a public body according to Article 1 number 3 UU KIP namely:

"Public bodies are executive, legislative, judiciary and other bodies whose main functions and duties are related to the administration of the state, which some or all of the funds are sourced from the State Revenue and Expenditure Budget and/or Regional Revenue and Expenditure Budget (APBN and/or APBD)), or non-governmental organizations as long as part or all of the funds come from APBN and/or APBD, donations from the community, and/or foreign countries" (Undang-Undang Republik Indonesia Nomor 14 Tahun 2008 Tentang Keterbukaan Informasi Publik, 2008).

Thus the Minahasa Regency PDAM is a BUMD which is a Public Agency because the ownership of shares and assets is fully owned by the Regional Government in this case the Minahasa Regency and referring to Article 14 of the KIP Law:

"Public Information that must be provided by State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD) and/or other state-owned enterprises are:

- a. name and place of domicile, purpose and objective as well as the type of business activity, period of establishment, and capital, as stated in the articles of association;
- b. full names of shareholders, members of the board of directors and members of the board of commissioners of the company;
- c. audited annual reports, financial statements, income statement balance sheets, and corporate social responsibility reports;
- d. results of assessments by external auditors, credit rating agencies and other rating agencies;
- e. system and allocation of remuneration funds for commissioners/supervisory boards and directors;
- f. mechanism for determining directors and commissioners/supervisory board;
- g. legal cases based on open law as public information;
- h. guidelines for the implementation of good corporate governance based on the principles of transparency, accountability, responsibility, independence and fairness;
- i. announcement of the issuance of debt securities;
- j. replacement of the accountant who audited the company;

- k. changes in the company's fiscal year;
- l. government assignment activities and/or public service obligations or subsidies;
- m. mechanism for the procurement of goods and services; and/or
- n. other information determined by law relating to State Owned Enterprises/Regional Owned Enterprises.

The right to obtain information is very important because the more open state administration is to public scrutiny, the more accountable state administration will be. Everyone's right to obtain information is also relevant to improving the quality of community involvement in the public decision-making process. Community participation or involvement means little without guarantees of public information disclosure.

Thus the information is already available to stakeholders, but it is not easy to obtain information that is the right of the public because the documents available are only in hard copy form and there are no supporting facilities for publication, for example the official website of PDAM Minahasa Regency.

2. Clarity of Information

Has the main objective, namely the information that must be disclosed includes, but is not limited to, the vision, mission, business objectives and corporate strategy, financial condition, management composition and compensation, controlling shareholders, share ownership by members of the Board of Directors and members of the Board of Commissioners and their family members in companies and other companies, risk management systems, monitoring and internal control systems, GCG systems and implementation and levels of compliance, and important events that may affect the condition of the company (Komite Nasional Kebijakan Governance, 2006). Findings in the field in the Company's Business Plan and Work Plan and Budget (RKAP) already consist of information on the Company's vision, mission, strategic business objectives, financial condition, management, balance sheet and other matters relating to the Company's operations and administration, and other information submitted in the form of a report to stakeholders. Thus, in terms of clarity, the company's information has been disclosed through the Business Plan and RKA documents, which contain the vision, mission, business objectives, corporate strategy, and financial condition, but there is information that is not explained, namely the control system and good corporate governance, even though the explanation of Article 2 paragraph 2a Regulation of the Minister of Home Affairs No. 118 of 2018 concerning Business Plans, Work Plans and Budgets, Cooperation, Reporting and Evaluation of Regional-Owned Enterprises states that in preparing a Business Plan must pay attention to the principles of good company, which form the basis for preparing the Business Plan (Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 118 Tahun 2018 Tentang Rencana Bisnis, Rencana Kerja Dan Anggaran, Kerja Sama, Pelaporan Dan Evaluasi Badan Usaha Milik Daerah, 2018)

3. Disclosure of Company Information and Confidentiality

Has the main objective, namely the principle of openness adopted by the company does not reduce the obligation to comply with the provisions of corporate secrecy in accordance with laws and regulations, office secrets, and personal rights (Komite Nasional Kebijakan Governance, 2006). Findings in the field The information disclosed is limited to stakeholders

according to their respective interests and contributions. There are things that are confidential and cannot be accessed by external parties, only internal ones, for example financial reports and data regarding employee personal rights. However, after further investigation, it was found that the informants did not know what data could be disclosed to the public and which were company secrets. And here PDAM is guided by the Law on Public Information Disclosure article 6 regarding information that cannot be provided to the public, namely information: a. Information that can harm the state; b. Information relating to the interests of business protection from the unfair business competition; c. Information relating to personal rights; d. Information relating to job secrets; e. The requested public information has not been mastered or documented. From the findings it is known that PDAM does not yet understand the details of things that can be disclosed and become confidential because there has been no public request.

4. Submission of Policy

It has the main objective, namely that company policies must be written and proportionately communicated to stakeholders (Komite Nasional Kebijakan Governance, 2006). Findings in the field of company policies are always communicated to stakeholders through the supervisory board. Besides that, the supervisory board also plays a role in supervising and assisting the directors in managing the company and bridging local governments with PDAMs. Thus in terms of submitting policies from the Company, it is in accordance with the Regulation of the Minister of Home Affairs no. 118 of 2018 in chapter III articles 11-16 which regulates the mechanism for submitting business plans and work plans and the Company's budget (Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 118 Tahun 2018 Tentang Rencana Bisnis, Rencana Kerja Dan Anggaran, Kerja Sama, Pelaporan Dan Evaluasi Badan Usaha Milik Daerah, 2018).

Table. 3 Discussion Summary

Transparency Indicator	Discussion result
Convenience and Availability of Information	Thus the information is already available to stakeholders, but it is not easy to obtain information that belongs to the public because the available documents are only in hard copy form and there are no supporting facilities for publication, for example, the official website of PDAM Minahasa Regency.
Information Clarity	The information available is incomplete
Information Disclosure and Corporate Confidentiality	Lack of understanding of the rules
Policy Submission/Communication	It's been running well and in accordance with the rules

Source: Analysis of Research Result

In general, the implementation of the Transparency Principle has been carried out by existing regulations, but there are still obstacles to the absence of supporting facilities, namely the official PDAM website, incomplete information, lack of understanding of regulations.

When interpreted with the theory of transparency according to David Heald in Amitai Etzioni “Transparency is generally defined as the principle of enabling the public to gain information about the operations and structures of a given entity. Transparency is often considered synonymous with openness and disclosure, although one can find some subtle differences among these terms”(Etzioni, 2016).

Which means transparency is generally defined as the principle that allows the public to obtain information about the operation and structure of a particular entity. Transparency is often considered to be synonymous with openness and disclosure, although one can find some subtle differences between these terms. And that is in accordance with the definition of Transparency in Government Regulation No. 54 of 2017 concerning Regional Owned Enterprises, namely openness in carrying out decision-making processes and openness in disclosing relevant information about the company.

The principle of transparency has been carried out in accordance with existing regulations, but there are still obstacles in the absence of supporting facilities, namely the official PDAM website, incomplete information, lack of understanding of regulations.

CONCLUSION

The results of interviews, observations, and document reviews by researchers concluded in the implementation of good corporate governance as follows:

In general, the implementation of the Transparency Principle has been carried out in accordance with existing regulations, but there are still obstacles in the absence of supporting facilities, namely the official PDAM website, incomplete information, lack of understanding of PDAM Minahasa Regency organs regarding regulations.

Practical advice PDAM is obliged to create information delivery media in the form of websites or social media and open information to the public and government as well as make socialization and understanding to all implementing employees or what Lipsky calls street level bureaucrats (Lipsky, 2010)so that they can work according to the Standard Operating Procedures PDAM organs have been prepared. The limitations of this study include 4 other indicators of corporate governance that have not been examined, this can be used as reference material for further research. While the research suggestion is that other researchers can start with accountability indicators so that research can be structured and logical.

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