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## Strategy of Management of The Supply Money (UP) and The Additional Supply Money (TUP) within the National Resilience Council

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### **Abstract:**

*This study aims to identify and analyze the causes of suboptimal management of Supply Money (UP) and Additional Supply Money (TUP) within the National Resilience Council and to develop strategies to optimize their management. This research employs a case study method with a qualitative approach. The results showed that in 2022, the management of UP and TUP within the National Resilience Council was not optimal. Despite having a clear legal basis, appropriate procedures, and a competent treasurer, there are still obstacles such as delays in TUP accountability, a low percentage of UP changes, and TUP deposits. This is partly due to the absence of specific internal policies to manage UP and TUP according to the conditions of the National Resilience Council. Additionally, although cashless payment facilities are available, the National Resilience Council has not optimized them, even though this can reduce the risk of delays and fraud. The government's commitment to appreciating work units that manage budgets well also supports this effort. In terms of cash flow forecasting management, the role of leadership in the information system is crucial, but the lack of awareness of each unit to calculate consistently hinders the accuracy of forecasting. Furthermore, an effective forecasting model has not been implemented, and internal supervision focuses more on operational audits rather than the management of UP and TUP, which are only evaluated during coordination meetings and the preparation of financial statements at the end of the period. Based on the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, the National Resilience Council is in quadrant 3, indicating weaknesses but significant opportunities. This condition can also be interpreted as facing great opportunities despite existing weaknesses. The strategy focus that can be implemented under these conditions is to change the previous strategy to minimize problems and better utilize opportunities.*

**Keywords:** *The Supply Money, The Additional Supply Money, National Resilience Council*

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## **1. Introduction**

The history of state financial reform in Indonesia began in 2003 with the issuance of three laws: Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury, and Law Number 15 of 2004 concerning Audit of State Financial Management and Responsibility. These laws established a comprehensive framework for managing state finances, highlighting the need for a structured financial management system to achieve government objectives. The President, as the Head of State, holds ultimate power over financial management, delegating this authority to Ministers and Leaders of state ministries and institutions (Doan Van, 2020; Liu, et al., 2020; Mamiro, 2020).

Law Number 1 of 2004 outlines the division of financial management responsibilities, transferring the administrative authority from the President to the Ministers and Leaders of state ministries and institutions, who act as Budget Users. Additionally, it appoints the Minister of Finance as the State General Treasurer. This division ensures a checks and balances system in financial management, where Expenditure Treasurers are responsible for implementing budget activities and ensuring financial accountability (Matto, 2021a; Matto, 2021b; Mchopa, 2015).

Financial management in Indonesia is organized into five main cycles: planning, budgeting, budget implementation, supervision, and accountability. Planning involves creating short, medium, and long-term development plans. Budgeting links these plans to government resources. Budget implementation details the execution of revenues and expenditures to realize development goals. Supervision involves monitoring budget implementation, while accountability demonstrates the achievement of financial management objectives. Effective budget implementation is crucial for achieving desired financial performance (Miller & Lehoux, 2020; Morillos & Amekudzi, 2008; Mahuwi & Panga, 2020).

The issuance of the Budget Implementation List (DIPA) marks the beginning of budget implementation within state ministries and institutions. DIPA contains essential information for control, implementation, reporting, supervision, and government accounting. It serves as a fundamental reference for actions or activities that result in budget expenditures, ensuring that budget ceilings are adhered to. Budget ceilings, categorized as small, medium, or large, dictate the allocation of resources and present unique challenges, especially for entities like the National Resilience Council with smaller budgets (Matto, 2021a; Matto, 2021b; Mchopa, et al., 2014).

The National Resilience Council, as a state ministry with a small budget ceiling, faces significant challenges in budget implementation. Guided by Minister of Finance Regulation number 210/PMK.05/2022, the Council must adapt to technological advancements, procurement processes, and electronic payment

systems. Effective payment mechanisms are vital to managing the increasing volume and value of transactions, aligning with modern financial management practices (Farida Wijayanti, 2020; Dinh Doan Van, 2019; Matto, et al., 2021a).

Additionally, the Regulation of the Director General of Treasury Number PER-5/PB/2022 provides technical guidelines for assessing budget implementation performance. This regulation evaluates various indicators, including budget absorption, contractual spending, bill settlement, and the management of Supply Money (UP) and Additional Supply Money (TUP). The National Resilience Council's performance in managing UP and TUP scored 73.55, the lowest among other indicators, highlighting significant areas for improvement (Liu, et al., 2020; Mamiro, 2010; Matto, 2021).

Previous research has explored various aspects of public financial management, but gaps remain in understanding the specific challenges faced by entities with small budget ceilings, such as the National Resilience Council. This study aims to fill this research gap by analyzing the factors contributing to suboptimal UP and TUP management and developing strategies to enhance financial performance (Miller & Lehoux, 2020; Morillos & Amekudzi, 2008).

The novelty of this study lies in its focused examination of the National Resilience Council's financial management practices, particularly concerning UP and TUP. By identifying the underlying causes of inefficiencies and proposing targeted strategies, this research aims to contribute to the broader field of public financial management and support the effective allocation and utilization of state resources (Mamiro, 2020; Mchopa, 2015; Matto, et al., 2021b).

The urgency of addressing these issues is underscored by the increasing complexity of financial transactions and the need for robust management systems to ensure accountability and performance. This study's findings will provide valuable insights for policymakers and practitioners, fostering improvements in financial management practices within the National Resilience Council and similar institutions (Mahuwi & Panga, 2020; Mchopa, et al., 2014).

## **2. Theoretical Background**

### **State Financial Reform**

State financial reform in Indonesia commenced in 2003 with the enactment of three pivotal laws: Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury, and Law Number 15 of 2004 concerning Audit of State Financial Management and Responsibility. These laws were designed to establish a structured and efficient financial management system to achieve governmental objectives. The reforms empowered the President as the Head of

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Government to delegate financial management powers to Ministers and leaders of state ministries and institutions, promoting a more decentralized and effective management approach (Doan Van, 2020; Liu et al., 2020; Mamiro, 2020).

### **Financial Management Cycles**

Financial management in the public sector is organized into five key cycles: planning, budgeting, budget implementation, supervision, and accountability. Planning involves developing short, medium, and long-term development plans. Budgeting translates these plans into resource allocations. Budget implementation pertains to executing revenues and expenditures to realize development goals. Supervision ensures compliance with the planned budget, and accountability reflects the performance and achievement of financial management objectives. Effective budget implementation is crucial for achieving desired outcomes and ensuring fiscal discipline (Miller & Lehoux, 2020; Morallos & Amekudzi, 2008; Mahuwi & Panga, 2020).

### **Budget Implementation Challenges**

Budget implementation within state ministries and institutions begins with the issuance of the Budget Implementation List (DIPA), which provides detailed information for control, implementation, reporting, supervision, and accounting purposes. The allocation of budget ceilings into small, medium, and large categories poses unique challenges. Entities with smaller budget ceilings, such as the National Resilience Council, face specific difficulties in achieving optimal budget implementation. The Council's performance is further assessed based on various indicators such as budget absorption, contractual spending, bill settlement, and the management of Supply Money (UP) and Additional Supply Money (TUP), with the latter areas showing significant room for improvement (Matto, 2021a; Matto, 2021b; Mchopa et al., 2014; Farida Wijayanti, 2020).

### **Thinking Framework**

**Figure 1.** UP and TUP Thinking Framework

Source: Yibin Mu Effective Government Cash Management

**3. Methodology**

This research uses a case study research method with a qualitative approach that makes the researcher the main instrument and there are triangulation data collection techniques and research data analysis. The research was conducted to observe the phenomena experienced by researchers with the aim of analyzing the causes of the management of UP and TUP within the National Resilience Council are not optimal yet and to develop the strategies used to be optimal. The way that the research objectives are obtained by exploring each activity of the implementation of the management of UP and TUP within the National Resilience Council in accordance with the implementation, operational standards, and applicable regulations. The research was conducted by collecting direct data in a discriptive manner as a result of interviews with sources complemented by data that is documentation and direct observation in the National Resilience Council environment. This qualitative research adapts the Treasury Director Regulation policy number PER-5/PB/2022 and the Effective Government Cash Management theory by Yibin Mu.

This research will formulate strategies to obtain optimal management of UP and TUP by using research tools in the form of Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. SWOT analysis is basically an activity of maximizing strengths and opportunities while simultaneously minimizing weaknesses and threats. SWOT analysis further shows the combination of internal factors or Internal Factor Analysis Strategy (IFAS) and external factors or External Factor Analysis Strategy (EFAS). IFAS consist of strengths and weaknesses while EFAS consist of opportunities and threats and then compared them to produce a summary of strategic factor analysis according to quadrant groups to achieve a grand strategy.

#### **4. Empirical Findings/Result**

##### **The management of UP and TUP within the National Resilience Council in 2022 has not been optimal**

The management of UP and TUP is regulated in PER-5/PB/2022 which states that optimal management is influenced by the timeliness of accountability, the percentage of UP's change, and TUP deposits. The management of UP and TUP is in line with Yibin Mu's theory related to effective government cash management which explains the foundation of a functional system in the form of cash payment management and cash flow forecasting.

##### **Cash Payment Management**

###### **Pre Authorization**

UP within the National Resilience Council is a form of advance payment given in the amount of Rp500,000,000.00 with details of Rp300,000,000.00 in pure cash and Rp200,000,000.00 in the form of Government Credit Cards (KKP). UP in pure cash which is an advance payment must be accounted for in the assesment of management of UP and TUP.

UP within the National Resilience Council had submitted in the first time on January 27, 2022 and continues for a year so that information is obtained that for UP there has never been a delay in accountability or on time during 2022. However, in the management of UP there is an assessment of the percentage of UP's change. The value of the percentage of UP's change is calculated based on the average value obtained from the percentage of UP's change disbursed against the amount submitted to the State Treasury Service Office (KPPN). Furthermore, the results of the TUP obtained information that was still delayed in accountability during 2022.

The pre authorization itself has a function to mean that the government does not need to spend the money immediately (Yibin Mu, 2006, p. 9). This explanation can be interpreted that projects owned by the government can be arranged so that payments are not made first with the aim of planning and accountability not being damaged. Linking to this explanation, basically the management of UP and TUP is carried out based on the applicable legal basis and regulations. The legal basis and applicable regulations are needed so that the government can control cash, one of which is related to the time to spend its cash. In line with this, the management of UP and TUP as cash needs to be regulated based on applicable laws and regulations so that its management can run properly and optimally.

Payment of activities through UP and TUP within the National Resilience Council is made after the activity accountability document is completed and submitted to the financial unit. All payments through UP and TUP are guided by the legal basis and applicable regulations, namely the Minister of Finance Regulation (PMK) number 210 of 2022 replacing number 178 of 2018 concerning payment procedures. Cash

management is carried out by treasurers who have a treasury certificate. However, the National Resilience Council does not yet have internal regulations related to the management of UP and TUP where it has opportunities and expectations as a state ministry or institution with a smallest budget ceiling to be able to carry out better and optimal cash management.

### **Cashless Payment**

Furthermore, the use of non cash payments is the second supporting structure in cash payment management. In the previous discussion, there was the term KKP which is part of technological advances that cannot be denied that it is currently developing very rapidly. This is one proof of the emergence of innovations that have been made related to technology in the payment process where there is no need to use payments in cash. One form of government commitment in an effort to expand the use of digital instruments in the payment process is the emergence of payment channels using KKP and cash management systems (CMS) on the treasury accounts of state ministries or institutions. Based on this, currently the management of UP and TUP is a cash management. Using non cash payments in cash payment management is needed to reduce the weight of using UP and TUP in cash which is considered less efficient and practical.

Currently, there are technological advances in non cash payments, but the KKP has not been optimally utilized and CMS does not have transactions yet so that the need for payment is still dominated by the mechanism of UP and TUP in cash. The benefits of non cash payments themselves are explained to reduce the possibility of fraud using cash. The use of non cash payments can reduce the quantity of UP and TUP in cash that must be accounted for because it is not an indicator of assessing the quality of budget implementation. In addition, the government has committed to giving appreciation to work units that are able to carry out budget implementation properly.

### **Cash Flow Forecasting Information Systems**

The first aspect of cash flow forecasting is related to information systems. The information system can be explained as an effort to collect data about payments to support reliable cash flow forecasts (Yibin Mu, 2006, p.21). Based on this explanation, this study considers this to be in line with the regulation of the Director General of Treasury number PER-5/PB/2022 concerning Technical Guidelines for Assessing Performance Indicators for Budget Implementation of Ministries and Institutions which explains that the TUP deposited is influenced by the number of requests and the amount accounted for. TUP is carried out by submitting applications by taking into account the calculation of the needs of each activity implementer.

Information systems related to cash flow forecasting need a leadership role in the hope that all work carried out by subordinates, treasurers, and implementing operators can run according to the rules and be monitored. This is expected to produce information as a means of decision making. Furthermore, the role of the leadership has been carried out within the National Resilience Council with one of them in the form of a signature of approval of the initial calculation of the request for UP and TUP which is used as information to the KPPN. However in practice, approval of the initial calculation of the request for UP and TUP has not been supported yet by a precise calculation of the needs of each unit. There is still a lack of awareness of each units or activity implementers to carry out calculations committedly and consistently. Calculation of needs is important as a basis for a leader to carry out initial calculations which will later be submitted to KPPN.

### **Forecasting Model**

The cash flow forecasting model is the second support structure in cash flow forecasting management. Forecasting models are needed in cash management. Supporting this, results of observations related to the deposit of TUP within the National Resilience Council that it has not been supported yet by a uniformed forecasting model. Besides that, there are no specific internal supervision activities because the focus is on operational audits. Internal supervision of the management of UP and TUP is carried out when attending coordination meetings and financial report preparation meetings by ensuring that there is no UP and TUP in the expenditure treasury at the end of the December 31 reporting period. In addition, information was obtained that UP and TUP are important and will indirectly reflect the quality of the financial statements themselves.

### **Strategies used to optimize the management UP and TUP within the National Resilience Council**

The optimization strategy was analyzed from data obtained from interviews, documentation reviews, and conservation by looking at the causes that affect the management of UP and TUP within the National Resilience Council. Efforts to formulate strategies were carried out using identification obtained from interviews related to the management of UP and TUP. The identification results are then analyzed by using research tools in the form of SWOT analysis with the following results:

#### **Internal Factor Analysis Strategy (IFAS)**

There are several factor analyses that can be used in determining internal factors in using tools in the form of SWOT analysis. The strengths factor in this study shows as a driver for the achievement of the objectives of UP and TUP to be optimal. The strength factor is analyzed by the results of interviews within the National Resilience Council as follows:

- 1) Legal basis

The interview results showed that there is a legal basis in the management of UP and TUP as well as clear payment procedures in the form of Regulation of the Director General of Treasury number PER-5/PB/2022 and PMK number 210 of 2022. This is in accordance with a statement from one of the informants who stated that the payment process is guided by rules such as the PMK on payment procedures.

2) Leadership role

The role of the leader based on the results of the interview was said to have been carried out in the management of UP and TUP within the National Resilience Council. This is in accordance with the informant's statement which states that the leadership role that has been carried out is in the form of giving signatures for the calculation of the application for TUP within the National Resilience Council.

3) Treasurer certification

The treasurer has a treasury certificate as a form of seriousness and carries out rules which show that the treasurer has met the criteria in the management of UP and TUP. This was reinforced by the results of an interview from one of the informants who said to become a treasurer it is necessary to have a certificate related to the treasury

The weakness factor in this study shows the weakness that still occurs in the management of UP and TUP within the National Resilience Council. The weakness factors is analyzed by the results of interviews held by the National Resilience Council as follows:

1) The awareness to calculate committedly and consistently is still low.

Awareness of the importance of managing UP and TUP within the National Resilience Council is still low where based on the results of interviews, there is no commitment and consistent procedures to be carried out.

2) There is no have a policy in the form of internal regulations

Based on the results of the interview, it was stated that the management of UP and TUP within the National Resilience Council did not have derivative rules yet from the PMK related to the management of UP and TUP. So it is still general and has not been adjusted to the circumstances and conditions in the internal environment.

3) Internal supervision focus on operational audit

Based on the results of the interview, information was obtained that internal supervision in the management of UP and TUP is still limited to information from the results of participating in monitoring and evaluation meetings. Internal supervision currently focus more on operational audits.

### **Analysis of External Factors Strategy (EFAS)**

External factors that can be used in this study are opportunities factors which show opportunities in the management of UP and TUP. The opportunity factor is analysed by the results of interviews owned by the National Resilience Council as follows:

- 1) Budget ceiling  
The National Resilience Council is a state ministry or institution that has the smallest budget ceiling and based on the results of the interview, it was stated that with the budget ceiling, it should be able to better manage the UP and TUP.
- 2) Coordination meetings  
The results of the interview stated that there had been a meeting held as monitoring and evaluation of budget implementation by covering the management of UP and TUP within the National Resilience Council.
- 3) Technological advances  
Cash management has been supported by technological advances such as the use of payments using KKP and CMS which were mentioned by informants in research interviews.

Threat factors which indicate threats in the management of UP and TUP within the National Resilience Council. The factors is analysed by the results of interviews held by the National Resilience Council as follows:

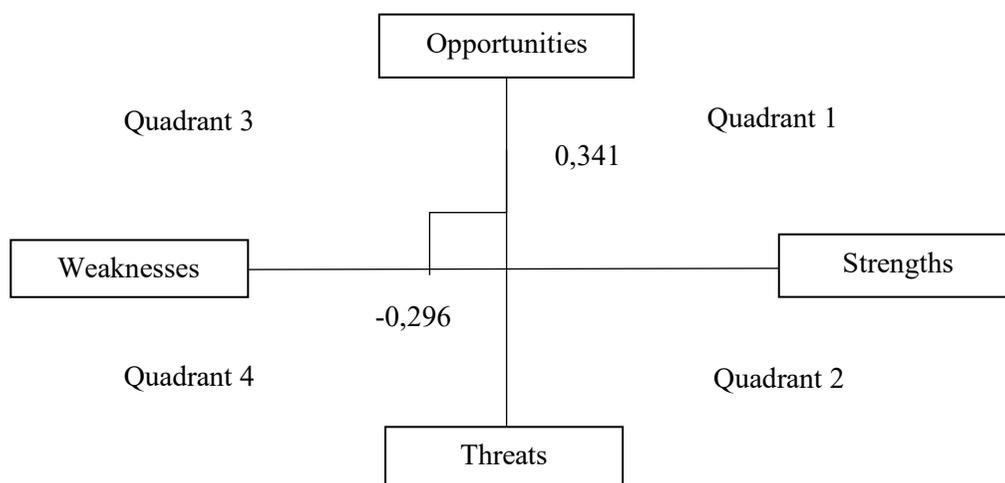
- 1) Influencing appreciation  
The management of UP and TUP is an influence in obtaining appreciation from the government. This was mentioned in an interview with an informant who stated that KPPN had committed to give appreciation to the work unit as seen from the achievements of its budget implementation.
- 2) Influencing financial statements  
UP and TUP are part of the balance sheet in the financial statements. Based on the results of the interview, it was stated that poor management would be based on the cash position on the balance sheet of the National Resilience Council's financial statements.
- 3) Influencing the quality assessment of budget implementers is not optimal  
Suboptimal management of UP dan TUP will affect the quality of budget implementation within the National Resilience Council.

**Table 1.** IFAS and EFAS SWOT Analysis

No	Strategy Factor	Weighted	Rating	Score
<b>Strengths</b>				
1	Legal basis	0,103	3,2	0,330
2	Leadership role	0,190	3,6	0,684
3	Treasurer certification	0,166	3,6	0,598
	Total			1,612
<b>Weaknesses</b>				
1	The awareness to calculate committedly and consistently is still low	0,163	3,4	0,554
2	There is no have a policy in the form of internal regulations	0,193	3,6	0,695
3	Internal supervision focus on operational audit	0,183	3,6	0,659
	Total	1		1,908

Total IFAS				- 0,296
<b>Opportunities</b>				
1	Budget ceiling	0,213	3,6	0,767
2	Coordination meetings	0,190	3,4	0,646
3	Technological advances	0,137	3,4	0,466
Total				1,879
<b>Threats</b>				
1	Influencing the appreciation	0,203	3,4	0,690
2	Influencing the financial statements	0,130	3,2	0,416
3	Influencing the quality of budget implementers	0,127	3,4	0,432
Total		1	1,538	
Total EFAS				0,341

Furthermore, after obtaining a score for each IFAS and EFAS, the quadrant position can be determined as a basis for developing a grand strategy by producing a summary matrix of strategic factor analysis which is explained as follows:



**Figure 2.** Quadrant SWOT Analysis

The analysis above is structured by placing the total score from the IFAS of  $-0.296$  on the X line and the EFAS of  $0.341$  on the Y line. The results of placing the score place the point in quadrant 3 which explains that an organization's position has weaknesses but has great opportunities. Besides of that, it can be interpreted as a situation where you are faced with a great opportunity but there are obstacles or weaknesses.

The results of IFAS and EFAS then used to describe the strategy that must be carried out by the National Resilience Council in managing UP and TUP using the TOWS model. The strategy formulation is as follows:

**Table 2.** TOWS Model Strategy Determination

Internal Exthermal	Strengths	Weaknesses
	<ol style="list-style-type: none"> <li>1. There is a legal basis for the management of UP and TUP in the form of Regulation of the Director General of Treasury number PER-5/PB/2022 and PMK</li> <li>2. The role of leadership has been carried out in the management of UP and TUP</li> <li>3. The treasurer has a treasury certificate as responsible for cash and finances</li> </ol>	<ol style="list-style-type: none"> <li>1. The awareness to calculate committedly and consistently is still low</li> <li>2. There is no have an internal regulatory policy related to the management of UP and TUP</li> <li>3. Internal supervision focuses more on operational audit rather than management of UP and TUP</li> </ol>
Opportunities	SO Strategy	WO Strategy
<ol style="list-style-type: none"> <li>1. National Resilience Council with the smallest budget ceiling</li> <li>2. Monitoring and evaluation of coordination meeting activities within the National Resilience Council</li> <li>3. Utilization of technological advances</li> </ol>	<ol style="list-style-type: none"> <li>1. Improved implementation management of UP and TUP in accordance with applicable regulations</li> <li>2. Increased leadership role in internal and external communication within the National Resilience Council</li> </ol>	<ol style="list-style-type: none"> <li>1. Preparation of internal regulations related to the management of UP and TUP and related to the use of technology used</li> <li>2. Improved implementation of coordination meetings related to monitoring and evaluation</li> </ol>
Threats	ST Strategy	WT Strategy
<ol style="list-style-type: none"> <li>1. Influencing the acquisition of appreciation</li> <li>2. Influencing financial statements</li> <li>3. Influencing the quality assessment of budget implementers is not optimal</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased awareness of the management of UP and TUP with reference studies</li> </ol>	<ol style="list-style-type: none"> <li>1. Sanction employees who are negligent in carrying out their duties</li> </ol>

The strategy in accordance with quadrant 3 with the results of table 4.2 above in efforts to manage UP and TUP to be optimal, is obtained as follows:

- a. Preparation of draft internal regulations related to the management of UP and TUP as well as related to the use of technology used within the National Resilience Council
- b. Improved implementation of coordination meetings related to monitoring and evaluation within the National Resilience Council

Based on the strategy in efforts to manage UP and TUP within the National Resilience Council to be optimal, management improvement programs can be prepared with the following explanation:

**Table 3.** Strategy and Program

No	Strategy	Program
1	Preparation of internal regulations related to the management of UP and TUP and information system technology	The greatest opportunity the National Resilience Council is to have the smallest budget ceiling. This is expected to be able to support the weakness that has the highest score, namely the absence of policies in the form of internal regulations related to the management of UP and TUP. Programs that can be carried out on this matter are in the form of recommendations for draft policies in the form of internal regulations related to cash management, cash flow forecasting models, and with opportunities in the form of technological advances, it needs to be one of the contents in the draft internal regulations within the National Resilience Council. The draft policy on internal regulations must follow and be in line with applicable regulations.
2	Implementation of coordination meetings related to monitoring and evaluation within the National Resilience Council	The implementation of coordination meetings is carried out as an effort to support existing weaknesses. Coordination meetings as opportunities can be used as a means of socialization and drafting internal regulations. Coordination meetings in the form of socialization can be used to support monitoring, evaluation, and internal supervision which has been focused on operational audits. Meanwhile, the meeting to draft internal regulations can be carried out by involving related human resources so that it is expected to increase awareness of the importance of managing UP and TUP within the National Resilience Council. Furthermore, the coordination meeting can present experts who have expertise in the field of UP and TUP management to run as intended.

## **5. Discussion**

### **Causes of Suboptimal Management of UP and TUP**

The management of Supply Money (UP) and Additional Supply Money (TUP) within the National Resilience Council in 2022 was found to be suboptimal. This can be attributed to several factors, including inadequate internal policies, insufficient utilization of cashless payments, and a lack of effective cash flow forecasting and internal supervision.

### **Cash Payment Management**

One significant cause of the suboptimal management is the absence of internal regulations that specifically address the unique conditions within the National Resilience Council. These internal regulations are crucial as they provide tailored guidelines that align with existing broader regulations while addressing the specific operational needs of the Council (Matto et al., 2021a; Liu et al., 2020). Without these internal policies, the management of UP and TUP remains inconsistent and less effective.

### **Cashless Payment**

The study highlights that the National Resilience Council has not fully leveraged cashless payment systems. The advantages of cashless payments, such as reducing fraud and violations in cash management, are well-documented in the literature (Doan Van, 2020; Mamiro, 2010). By minimizing the use of physical cash, cashless payments can streamline financial transactions and enhance transparency. Despite the availability of these systems, their underutilization by the Council indicates a missed opportunity to improve financial management practices.

### **Cash Flow Forecasting and Information Systems**

Effective cash flow forecasting is critical for managing UP and TUP. However, the National Resilience Council's current practices show a gap in this area. While leadership provides approval for initial calculations of UP and TUP requests, the accuracy of these requests is compromised by the lack of consistent and committed calculations from each unit (Mahuwi & Panga, 2020; Miller & Lehoux, 2020). This issue is compounded by the absence of a robust forecasting model, which is essential for predicting cash flow needs accurately.

### **Forecasting Model and Internal Supervision**

The research indicates that internal supervision at the National Resilience Council is predominantly focused on operational audits rather than the specific management of UP and TUP (Matto et al., 2021b; Mchopa, 2015). This limited focus means that internal supervision activities related to UP and TUP are only conducted during coordination meetings and financial report preparations. The lack of dedicated

internal supervision for UP and TUP management hampers the identification and rectification of issues in a timely manner.

### **Strategic Recommendations**

The SWOT analysis from the research places the National Resilience Council in quadrant 3, suggesting that the organization faces weaknesses but also holds significant opportunities for improvement. A strategic shift is necessary to address these weaknesses and capitalize on opportunities. This can be achieved by formulating internal regulatory policies tailored to the Council's needs and enhancing coordination meetings for monitoring and evaluation (Farida Wijayanti, 2020; Morillos & Amekudzi, 2008).

Implementing these strategies requires a concerted effort to develop internal regulations that do not contradict existing laws but provide clear guidelines for UP and TUP management. Additionally, increasing the frequency and depth of internal supervision and evaluation meetings can ensure continuous improvement and adherence to best practices (Mamiro, 2020; Liu et al., 2020).

## **6. Conclusions**

The study identifies several critical factors contributing to the suboptimal management of Supply Money (UP) and Additional Supply Money (TUP) within the National Resilience Council in 2022, including the lack of tailored internal policies, underutilization of cashless payment systems, and inadequate cash flow forecasting and internal supervision. Addressing these issues through strategic changes, such as developing specific internal regulations and enhancing supervision, is essential for improving financial management practices. These findings align with existing literature, which emphasizes the importance of modern financial management tools and tailored regulations in achieving optimal performance.

Future research should focus on developing and implementing internal regulations that align with broader legislative frameworks while addressing the specific needs of various governmental institutions. Additionally, studies should quantify the benefits and challenges of adopting cashless payment systems in public sector financial management, explore advanced cash flow forecasting models incorporating real-time data, and examine the impact of different internal supervision practices. Investigating the role of integrated information systems in improving the management of UP and TUP will also provide valuable insights, ultimately contributing to more efficient and transparent use of public funds in governmental institutions.

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