



## Research proposal on the budgeting function of the legislative body in the local government System (A study in the practice of determining the Pidie APBK)

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### Abstract

Based on the provisions of Article 312 paragraph (1) of Law Number 23 of 2014 concerning Regional Government, regional heads and DPRD must jointly approve the draft Regional Regulation on the Regional Budget no later than 1 (one) month before the start of the fiscal year each year. However, in 2020, DPRK Pidie was late in determining the Pidie APBK for Fiscal Year 2021, which was set on January 28, 2021, which was supposed to be set no later than November 30, 2020, thus impacting the late implementation of the Pidie Regency Government program which in general was sourced from APBK. This study aims to find out and analyze the factors that cause the implementation of the budgeting function has not materialized in accordance with the concept of regional autonomy in DPRK Pidie, and to find out and analyze the causes of DPRK Pidie's legislative function which cannot determine the APBK Draft on time. The research method used in this study is juridical-empirical research. The approach used is; A qualitative research approach by exploring facts in depth based on the scientific characteristics of individuals or groups to understand and uncover something behind the phenomenon by collecting the main research data through interviews and direct observation. Primary data is data obtained from interviews with respondents and informants. Secondary data is data in the form of primary legal material and secondary legal material. The results showed that in the preparation, discussion and determination of APBK, DPRK Pidie had done so in accordance with the applicable flows and mechanisms based on the provisions of laws and regulations. So far, the ratification and determination of the Pidie Regency Qanun regarding the Pidie APBK has often been late from the schedule set in the laws and regulations, the delay factor is generally caused by the disharmonious relationship between the Pidie Regent and his apparatus and the Pidie DPRK. It is recommended to the Pidie Regency Government to establish good and harmonious communication and relations with the Pidie DPRK, so that the process of determining the direction of policy and development in Pidie Regency can be completed in a timely manner, especially related to the determination of the Pidie Regency Qanun Design on Pidie APBK. It is recommended to DPRK Pidie to optimize its role in supervising the preparation and determination of APBK Pidie as a form of the implementation of the budgeting function in the context of good governance within the framework of regional autonomy, so that the implementation of budgeting runs on time.

**Keywords:** Budgeting function, local government

### Introduction

Based on the provisions of Article 312 paragraph (1) of Law Number 23 of 2014 concerning Regional Government, regional heads and DPRD must jointly approve the draft Regional Regulation on the Regional Budget no later than 1 (one) month before the start of the fiscal year each year. However, in 2020, DPRK Pidie was late in determining the Pidie APBK for Fiscal Year 2021, which was set on January 28, 2021, which was supposed to be set no later than November 30, 2020, thus impacting the late implementation of the Pidie Regency Government program which in general was sourced from APBK.

The budget function referred to in Article 149 paragraph (1) point b is manifested in the form of discussion for mutual approval of the Draft District/City Regional Regulation on District/City Revenue and Expenditure Budget (APBK) submitted by the regent/mayor. Article 150 paragraph (2) of Law Number 23 of 2014 concerning Regional Government is implemented by: discussing the abbreviated General Budget Policy (KUA) and the abbreviated temporary Budget Ceiling Priority (PPAS) prepared by the regent/mayor based on the Local Government Work Plan abbreviated as RKPd, discussing the draft of the District/City Regional Regulation on district/city APBK, discussing the draft District/City Regional Regulation on

changes to the district/city APBK; and discuss the draft of the District/City Regional Regulation on the accountability of the implementation of the district/city APBK.

According to Article 20A paragraph (1) of the Constitution of the Unitary State of the Republic of Indonesia Year 1945 contains the functions of the House of Representatives namely the function of legislation, budget function and supervisory function. However, the State of the Republic of Indonesia gives rights, authorities and obligations to each Regional Government to regulate and manage government affairs according to the principle of regional autonomy and assistance duties, directed to accelerate the realization of community welfare through improving services, empowerment and community participation, as well as increasing regional competitiveness by taking into account the principles of democracy, equity, justice, privileges, and distinctiveness of a region in the State system Unity of the Republic of Indonesia <sup>[1]</sup>. Local governments obtain delegation of government authority from the center, which includes the authority to take every action for the benefit of the people based on applicable legislation <sup>[2]</sup>.

Aceh Province, as a province that has special autonomy rights in Indonesia through the implementation of Law Number 11 of 2006 concerning the Government of Aceh, has governance that is quite different from other regions,

especially those that do not have special autonomy rights. In general, when viewed from institutional elements, the DPRK is not too much different from the DPRD in non-special autonomous provinces in Indonesia. DPRK is a representative institution of the people of districts / cities in Aceh that has the functions of legislation, budget, and supervision. The DPRK and the Regional Government are partners in making regional policies and regulations to implement regional autonomy so that the two institutions support each other. APBK is a budget process in the public sector that should be a priority and a concern for local governments. Delays in the determination of APBK if it continues to occur will become pathologies of legislation that will continue, it will have implications for hampering regional development.

So that local governments and DPRK efforts to overcome the effect of delays in discussions at the Budget Work Plan (RKA) level will affect delays in the determination and ratification of regional legislation<sup>[3]</sup>.

The preparation and determination of the APBD itself is regulated in Law Number 17 of 2003 concerning State Finance in Chapter IV. The stages of preparing the Regional Regulation / Qanun regarding the APBD start from the preparation of the Regional Regulation / Qanun Draft on the APBD / APBK, socialization, submission to the DPRD, discussion, decision making, evaluation and the last is the determination of the APBD<sup>[3]</sup>.

With the enactment of the APBD and Regional Head Regulation on the Elaboration of the APBD, it means that all material or content contained in the Draft APBD has been approved for implementation, in other words that the stages of planning, discussion and determination of the budget have ended for the relevant fiscal year. However, the determination of the regional budget often experiences delays due to several factors, namely human resources, executive relations with the legislature, regulations and performance. The discussion of the Pidie APBK Draft itself often has differences in perception between the Pidie Regency Government and the Pidie DPRK. First, about their respective authorities when discussing the Pidie APBK Draft and the differences in internal perceptions of DPRK Pidie. Second, the limited capacity of DPRK Pidie's Human Resources (HR) and institutions in understanding the process and material of regional budgeting as well as DPRK Pidie's contradictions. Third, differences in perception give rise to contravention (closed opposition) based on distrust<sup>[4]</sup>.

In 2020, DPRK Pidie was considered late in determining the Pidie APBK Draft for Fiscal Year 2021, resulting in delays in submission. Then the Government of Aceh as the representative of the central government in the regions cannot evaluate the Pidie APBK Draft for Fiscal Year 2021 because the decision between the executive and legislature within the Pidie Regency Government has exceeded the predetermined time.

### **Results and Discussion of Research on the Budgeting Function of the Legislative Body in the Local Government System (A Study in the Practice of Determining the Pidie APBK)**

The budget reflects the activities of organizations whose emphasis is on the short term. Through the budget, government management can control the implementation of operational activities directed at implementing strategies in

order to realize the vision and mission of the Regional Government. A budgeting system is a combination of *information flows* with administrative processes and procedures that are generally an integral part of an organization's short-term planning and control system.

Regional budgeting is a mechanism for financing regional development, and the financing is inseparable from the Regional Budget (APBD). Talking about the regional budget is inseparable from talking about planning. Mardiasmo believes that from the planning aspect, regions really need regional officials (both executive and legislative) who are of high quality, have strategic vision and are also able to think strategically, and have good morals so that they can manage regional development well<sup>[6]</sup>.

The party that can be said to be most responsible related to budgeting is the District People's Representative Council (DPRK). The DPRK as a representative institution of the people has three strategic functions, namely legislation, supervision and budget, as stated in Article 22 paragraph (1) and Article 23 of Law Number 11 of 2006 concerning the Government of Aceh.<sup>7</sup> With these three functions, the DPRK is an important public institution with a very strategic position in Pidie Regency. Part of the three functions of the DPRK in question which is the focus and object of this study is the budget function or *budgeting* function or budget function.

The budget function, by Article 152 paragraph (1) of Law Number 23 of 2014 concerning Regional Government, is manifested in the form of discussion for mutual approval of the draft regional regulation on the Regional Revenue and Expenditure Budget (APBD) for the Regency / City level.

In Pidie Regency, the implementation of DPRK Pidie's budget function in preparing and discussing the Pidie APBK Draft is not carried out by all DPRK equipment but is only limited to the DPRK Budget Agency. However, the determination of APBK Pidie was determined by DPRK Pidie by involving all members and factions in a plenary meeting that was open to the public. Based on a number of laws and regulations governing regional budgeting and finance, it indicates that, the authority of the DPRD in preparing the APBD is very limited and is under the Regional Head, the DPRD does not have the authority to plan the APBD. The DPRD in the budget function is only authorized to discuss and approve the Draft APBD submitted by the Regional Head / Regent. The Budget Agency as a tool for the Pidie DPRK, in the preparation stage of the Pidie APBK Draft, is only a partner in discussions with the Pidie Regency Government TAPD, not as a proposer<sup>[8]</sup>.

In Law Number 23 of 2014 concerning Regional Government, it is stated that the DPRD / DPRK has the function of forming local regulations / qanun (legislation), budget and supervision. Regarding the supervisory function, the Local Government Law explains that the DPRK carries out the supervisory function of the implementation of the qanun and the District Revenue and Expenditure Budget (APBK) that has been made together with the Regent. In the general explanation of the law, it is explained that supervision of APBK management carried out by the DPRK is the right of every DPRK member in order to fight for the interests of the community, including in their constituencies. APBK is in principle the same as APBN which requires internal and external supervision, external supervision is carried out by the DPRK and BPK, while internal

supervision is carried out by local governments and their staffs.

With the implementation of the legislative function by DPRK Pidie, the policies of the Pidie Regency Government will better reflect the will of the people in their region. But in practice this legislative function does not work as it should, because the right of initiative has never been implemented. As for DPRK Pidie in practice, in order to carry out the functions of the DPRD itself often has not run optimally due to obstacles. Limited human resource capabilities are quite a fundamental obstacle experienced by DPRK member Pidie. The educational background of DPRK member Pidie is still uneven

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the importance of the quality of human resources from the Pidie Regency Government and also the Pidie Regency People's Representative Council to achieve welfare for the Pidie community. However, in reality, the quality of human resources from the Executive and Legislative parties is doubtful because of the frequent delay in the discussion and ratification of the Qanun Draft on the District Budget and Expenditure (APBK) which can affect the absorption of the annual budget. The human resources of the Pidie Regency Local Government Budget Team (TAPD) are considered good quality, because it consists of the Regional Secretary of Pidie Regency as the Chairman of TAPD, the Secretary of Bappeda appointed by the Regent, while the members of the Pidie Regency People's Representative Council (DPRK) are not elected through selection at the Education Strata level, the council members are elected by the people who represent representatives of their constituencies.

Delays in preparing the regional budget have hit most regions in Indonesia, and it has been going on for quite a long time now. Pidie Regency is also one of the regions experiencing delays in the preparation of APBK, especially for Fiscal Year 2021. In general, delays in determining APBK can have a negative impact, which has an effect on the late implementation of Pidie Regency Government programs, most of which are sourced from APBK. Programs that are late in implementation can affect public services.

[6] Mardiasmo, *Regional Financial Autonomy and Management*, Andi Offset, Yogyakarta, 2002, p. 61 [7]. Law Number 11 of 2006 concerning the Government of Aceh [8] Observation, at DPRK Pidie Office, November 30, 2020.

The impact of delays in the preparation of APBK is actually the imposition of sanctions for regions that are late in drafting it. The sanctions are as stipulated in Article 312 paragraph (2) of Law Number 23 of 2014 concerning Regional Government, which reads: "DPRD and regional heads who do not jointly agree with the draft Regional Regulation on the Regional Budget before the start of the fiscal year each year as referred to in paragraph (1) are subject to administrative sanctions in the form of non-payment of financial rights stipulated in the provisions of laws and regulations for 6 (six) months [9]."

The preparation of the APBK in Pidie Regency is still delayed and has not been oriented towards the welfare of the people, as conveyed by the Chairman of the Pidie Regency People's Representative Council (DPRK), Fadli A Hamid at the opening of the plenary meeting of the discussion of ABPK for Fiscal Year 2021 during the second session of the

DPRK Pidie in 2021, Fadli stated in Article 2 paragraph (1) which states that the preparation of APBK includes synchronization of local government policies with the central government. Then the drafting principles, drafting policies, technical drafting and other special things including timeliness. "For the umpteenth time, the discussion of the Pidie APBK Design has been delayed. Within the scope of Aceh Province, Pidie is the only district that has not completed the discussion of the APBK Draft, and has exceeded the predetermined time limit, which is 45 days of time that should have been for the determination of the APBK Draft no later than November 30, 2020, while in fact, Pidie's APBK Draft was only submitted on January 14, 2021.

The mechanism to provide a way out of the obstacles experienced by this time by looking at the budgeting function is also needed to be pro-active and critical of the discussion process of the Qanun Draft on the Pidie APBK, considering that the Pidie DPRK is also one of the elements of the Pidie Regency Government in accordance with the principle of regional autonomy. It is recommended to the Pidie Regency Government to establish good and harmonious communication and relations with the Pidie DPRK, so that the process of determining the direction of policy and development in Pidie Regency can be completed in a timely manner, especially related to the determination of the Pidie Regency Qanun Design on Pidie APBK. It is recommended to DPRK Pidie to optimize its role in supervising the preparation and determination of APBK Pidie as a form of the implementation of the budgeting function in the context of good governance within the framework of regional autonomy, so that the implementation of budgeting runs on time.

### **Conclusion**

The unclear relationship between programs and activities in PPAS with budget policy in KUA, makes the discussion of the KUA-PPAS draft take a longer time, this is because the draft KUA-PPAS is not connected in substance. In addition, the discussion process of APBK Pidie is also strongly influenced by the dynamics of the relationship that occurs between the executive and regional legislature. If the relationship is not harmonious, then as a result, coordination, cooperation and communication will not run well, so the discussion process becomes disrupted. In addition, the disharmonious relationship that occurred within DPRK Pidie, the capacity and competence of DPRK Pidie members in discussion, also influenced the process of drafting, discussing and determining the Pidie APBK.

In general, the factors causing delays in the preparation and determination of APBK Pidie occur on two sides of regional institutions, namely the regional executive (Regent and his apparatus) and the regional legislature (DPRK Pidie). The high interest of the regional executive and internal problems of SKPK in drafting the KUA-PPAS and RKA-SKPK, made the submission of these documents to DPRK Pidie delayed. Among the internal problems is poor coordination within SKPK and its relationship with TAPD in the preparation of the document. On the other hand, the DPRK also contributed to the delay in the preparation and determination of the Pidie APBK. DPRK member Pidie has not been fully involved in a number of important regional decision-making, especially regarding regional budgeting. For example, the participation of DPRK Pidie members in

Musrenbang activities is still lacking, the attendance rate of DPRK Pidie members in Budget Board meetings is also still lacking, as a result these meetings are late starting from the predetermined schedule, because they have to wait for the fulfillment of the quorum meeting from members of the Budget Agency.

In the preparation, discussion and determination of APBK, DPRK Pidie has done so in accordance with the applicable flows and mechanisms based on the provisions of laws and regulations. So far, the ratification and determination of the Pidie Regency Qanun regarding the Pidie APBK has often been late from the schedule set in the laws and regulations, the delay factor is generally caused by the disharmonious relationship between the regional executive (Regent of Pidie and his apparatus) and the regional legislature (DPRK Pidie), as well as the relatively low quality of human resources within the DPRK Pidie. The factors causing the delay include: the relationship between the Regional Head and the DPRK which is less harmonious, the educational background of the parties responsible for inappropriate budgeting, and the

<sup>[9]</sup> Law Number 23 of 2014 concerning Local Government many tug-of-war between the Executive and the Legislature, also influenced by budget proposals that are not in accordance with the needs of the community.

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