Collection Realization of Shopping Budget in the Year End: Case Study on DP2KBP3A Bangka Regency Endriana

by Isni Andriana

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Endriana Luckita Sari [a], Muhamad Adam [b], Marlina Widiyanti [c], Isni Andriana [d]

Corresponding Author [a]

Abstract

This study wanted to determine the factors that caused the accumulation of year-end budgets in the DP2KBP3A Bangka Regency for the 2017-2019 fiscal year. The data sources are field studies and documentation in related offices at the Bangka Regency Regional Work Unit. Based on the primary data analysis and discussion of the results, we report that the causes of budget accumulation are, among others, still more dominant, characterized by item line systems, incremental, rigid, overlapping, conflicts of interest, motives for seeking personal and group benefits, budget wastage, and does not provide benefits for improving the performance of the apparatus and public services. The factors for the procurement of goods/services related to the procurement of goods/services are the lack of knowledge about the regulations in the process of procuring goods/services, the weak management commitment of the SKPD head, and the commitment of the employees involved in the procurement of goods/services. The process of procuring goods/services and the SKPD environment is not yet conducive to coordination and teamwork. Other problems include the human resource deficit that manages finances. We hope that this result will be a valuable input for developing the following study.

Keywords

Contents

[a]   Master of Management, Sriwijaya University, Palembang, Indonesia
[b]   Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
[c]   Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
[d]   Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia

1 Introduction

Based on the Law on Regional Government Number 9 of 2015, it is stated that the granting of autonomy to regions aims to accelerate the realization of community welfare through increased empowerment, services, and the role of the community (Tukker & Tischner, 2006; Bagstad et al., 2013). The results are expected that local governments can achieve their goals through maximum budget absorption, and each region can take advantage of all the potential resources it has. Law on State Finance Number 17 of 2003 states that a budget is a tool of accountability, management, and economic policy. Budget is an economic policy that functions to realize economic growth, stability, and income distribution to achieve state goals.

The public sector budget is a document that describes an organization's financial condition, which includes information on revenues, expenditures, and activities and contains what the organization will do (Kaliky et al., 2020). The content of the budget is a plan of activities in a period represented in the form of an income and expenditure plan. The budget also contains an estimate of what the organization will do in the future (Mardiasmo, 2009). A public sector budget is a form of accountability from organizational leaders to their subordinates or an instrument of accountability for the management of public funds and implementation in the form of program plans financed and implementation in the form of program plans financed with public money (Sujarweni, 2015).

The budget functions as a planning tool and as a control tool. As a planning tool, the budget indicates the target that must be achieved by the government, while the budget as a control tool indicates the allocation of public funds that are approved by the legislature to be spent. The source of funding used by the government in running the wheels of government is the APBD (Regional Revenue and Expenditure Budget). The budget that has been made plays a role as a controller for the implementation of government activities can be seen in the budget/government organization or the expenditure account data (Martini et al., 2017).

APBD (Regional Revenue and Expenditure Budget) is a regional government work plan in units of money within one year oriented towards public welfare. Budget absorption is one of the performance evaluation indicators on implementation aspects according to the Minister of Finance Regulation Number 249/PMK.02/2011 (Bastian, 2019). The discrepancy between budget absorption and the target is a significant budget problem in the government. Budget absorption is low at the beginning of the year (early quarter) and spikes drastically at the end of the year (Quarter IV) is a classic problem that often occurs. Ideally, the budget can be absorbed evenly by 25% per quarter or accumulatively by 25% in Quarter I, 50% in Quarter II, 75% in Quarter III, and 100% in Quarter IV or the final quarter.

Government Agency Performance Accountability Report (LAKIP) is one element of accountability, namely budget absorption. The slow absorption of the budget in Indonesia is a classic problem that occurs every year resulting in the slow realization of the implementation of government programs and activities. In the Bangka district government, a similar phenomenon occurred, namely, during the 2017-2019 fiscal year period, the Bangka district government's budget realization report noted that almost every year budget absorption was low at the beginning of the year (early quarter) and jumped dramatically at the end of the fiscal year (Arief et al., 2021).

A well-absorbed budget is carried out maximally in the early quarters so that in the final quarter, the government is not overwhelmed to absorb the budget. The current phenomenon that occurs in Bangka Regency is that there is a lot of budget absorption not optimally according to the ideal limit of budget absorption per quarter, where budget absorption tends to be low in the early quarter and increases in the final quarter, one of which is in DP2KBP3A Bangka Regency.
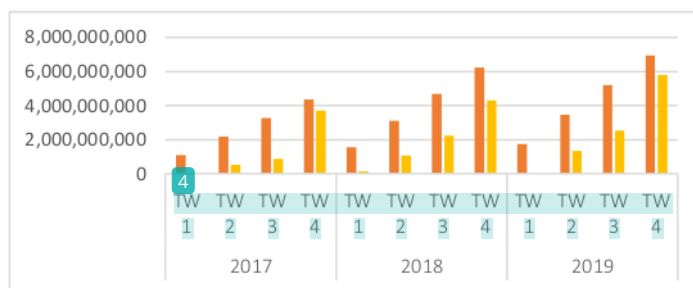
Figure 1.2017-2019 Budget Realization Report DP2KBP3A
Data Source: www.silakip.bangka.go.id, 2019

From the data in Graph 1.1, it can be seen that the budget targets that have been set quarterly by DP2KBP3A are not following the number of realizations, causing a buildup of budget absorption in the last quarter, as seen in quarter four, the realization showed a drastic increase from quarter 3. In quarter three, the realization was below 1 billion, and in the fourth quarter, the realization rose above 3.5 billion, which is close to the target set by DP2KBP3A. Data for 2018 shows that all quarterly targets set by DP2KBP3A are almost realized following the set targets, although there are still quarterly targets set that still do not meet the set quarterly realizations. Data in 2019 shows that the targets in quarters 1, 2, and 3 that DP2KBP3A has set have been realized following the targets that have been set. However, the realization in the fourth quarter showed a drastic increase which caused a buildup of budget absorption at the end.

Based on the description of the background of the problem above, there is a phenomenon of accumulation of budget realization at the end of the year in DP2KBP3A of Bangka Regency. This phenomenon reflects that in DP2KBP3A Bangka Regency, there are problems related to implementing the budget. The accumulation of payments in the fourth quarter reflects the absorption of the budget that is not following the previously determined activity plan (Randa & Tangke, 2015; Susanto, 2015). Many factors cause the accumulation of budget realization at the end of the year, including budget planning, budget execution, procurement of goods and services, to human resources (Anand & Bärnighausen, 2004; Strauss & Thomas, 1995). Inappropriate budget planning will make it challenging to realize the budget, so there will be revisions and rearrangements, which of course, will require extra time in a budget-setting process. The planning aspect that is not mature in determining the budget to be presented will impact the ineffectiveness of the work program to be implemented so that it becomes one of the factors causing the lack of budget absorption.

It is necessary to find a solution for this phenomenon, so it is imperative to study what factors cause the disbursement of capital expenditure funds near the end of the fiscal year (Wynstra et al., 2018; Grega & Nemec, 2015). Thus, it is hoped that the SKPD in the regional government of the Bangka Regency can evaluate what things need to be improved so that the disbursement of capital expenditure funds is on time and no longer accumulates at the end of the fiscal year.

Research from Zulaikah & Burhany (2019), Ndaparoka & Tomasowa, (2019), Sudarwati et al., (2017), Gagola et al., (2017), and Setyawan, (2017), shows the results that the implementation of the budget, budget planning, human resources, as well as the procurement of goods and services have a positive and significant impact on budget absorption (Cato, 2012; Wen et al., 2005). Meanwhile, the research results from Zaenudinsyah (2016), show that the accumulation of budget absorption at the end of the year indicates that the budget implementation has not been optimal and can even be a cause of economic loss state.

The research results from Miliasih (2012), show that this research focuses on realizing the work unit budget in the Pekanbaru KPPN payment area. In this study, it was concluded that 75.25% of work units experienced delays in budget absorption. Internal work unit problems are the leading cause of delays. While the results of research from Siswanto & Rahayu, (2010), revised several regulations and made improvements so that problems can be overcome, both in the medium and short term, are recommendations from the team.

2 Materials and Methods

This research is qualitative descriptive, intending to explain the implementation of year-end budget realization at DP2KBP3A Bangka district in 2017-2019., as well as revealing the problems that cause accumulation of year-end budget realization DP2KBP3A Bangka district. In this study, the author uses several methods or techniques to ensure that the data that the author gets is the information needed for the study's final results. The data collection method in this study refers to the general approach that is most often used in qualitative research, namely the semi-structured interview format. This is based on the opinion that it is good to develop an interview guide that helps interviewers stay focused on the interview material without imposing too much structure (Elliott & Timulak, 2005).

3 Results and Discussions

Table 1
Budget realization in DP2KBP3A Bangka Regency
The fiscal Year 2017-2019

Year	Budget	Realization	The remaining funds	Realization (%)
2017	4,353,631,700	3,709,376,339	644,255,361	85.88%
2018	6,310,592,000	4,298,498,841	2.012.093.159	68.12%
2019	6,949,764,500	5,795,379,972	1,154,384,528	83.39%

Based on the data in Table 1 above, it can be seen that in 2017 the realized expenditure budget was IDR 3,709,376,339 with a percentage of 85.88% with the remaining funds of Rp. 644,255,361. In 2018, the budget for the DP2KBP3A of Bangka Regency showed the amount of the expenditure budget of IDR 6,310,592,000 with a budget realization of IDR 4,298,498,841 with a realization percentage of 68.12%. Whereas in 2019, the realization of the expenditure budget showed the available budget of IDR 6,949,764,500 with a budget realization of IDR 5,795,379,972 with a realization percentage of 83.39%. So it can be seen that the highest percentage of budget realization occurred in 2017 of 85.88%, with the remaining funds of IDR 644,255,361 while the lowest percentage of budget realization occurred in 2018 of 68.12% with the remaining funds of IDR 2,012,093,159.

It is known that budget absorption at the beginning of 2017-2019 tends to be low and uneven. This is shown in the absorption rate at the beginning of 2017 of 0.54%, while the absorption rate at the end of 2017 was 85.88%. In 2018, the absorption rate at the beginning of the year was 0%, while the absorption rate at the end was 68.12%. In 2019, the absorption rate at the beginning of the year was 0%, while the absorption rate at the end of the year was 83.39%. The low absorption of the budget at the beginning of the fiscal year will trigger high absorption at the end of the budget year. The tendency of the low level of absorption of the budget was at the beginning of the year. This triggers a high level of realization at the end of the fiscal year, as indicated by the variable rate of budget absorption each month. Budget absorption is not uniformly caused due to all kinds of shopping having a tendency not evenly distributed in each month.

Table 2
Realization of Budget Expenditure In DP2KBP3A Bangka
The year 2017-2019 (in Rupiah)

Year	Employee Shopping	Goods Shopping	Capital Expenditure
2017	1,137,277,000	2,513,649,339	58,450,000
2018	707,825,000	3,125,993,841	464,680,000
2019	1,383,970,000	4,308,950,760	102,459,212

Source: Internal Data DP2KBP3A Bangka Regency, processed 2021

Based on the data in Table 4.2, it is known that the cumulative expenditure budget realization in 2017-2019 at DP2KBP3A Bangka Regency for each expenditure, especially capital expenditure, experienced a downward trend when compared to personnel expenditure and goods expenditure. In 2017-2019, the highest realization of the expenditure budget in DP2KBP3A in Bangka Regency occurred in goods expenditure, and the lowest occurred in capital expenditure.

The data on the realization of the spending budget of the unit-wok above is also supported by the results of interviews conducted with research informants from informants, namely financial management officials in the work unit whose realization was in the 2017-2019 Fiscal Year. Not all financial management officials in the unit work were successfully interviewed. There are only two or three financial management officials because the officials concerned have activities or assignments outside the office. Interviews were conducted at the DP2KBP3A office in Bangka Regency using semi-structured interviews during working hours for approximately 20 minutes. During the interview process, the writer summarized the results of the interviews by making small notes and recording the interviews. Questions asked in the interview are about obstacles encountered in the realization of unit work budget implementation to dig up information on the factors that cause delays in the absorption of the budget that becomes the purpose of research.

4 Conclusion

a) Budget execution factor. Problems in budget implementation, among others, are still more dominant, characterized by item-line systems, incremental, rigid, overlapping, conflict of interest, motives for seeking personal and group benefits, budget waste, and do not provide benefits for improving the performance of the apparatus and public services. Implementing the budget for the Office of Population Control, Family Planning, Women's Empowerment, and Child Protection programs, Bangka Regency is ineffective - efficient, and uneconomical. It does not support the planning that has been prepared with a performance-based approach.

b) Factors for the procurement of goods/services. Problems related to the procurement of goods/services are the lack of knowledge about regulations from employees involved in the procurement process of goods/services, weak management commitment from the head of SKPD and commitment from employees involved in the process of procuring goods/services, and the environment within the SKPD that has not been conducive to a lack of coordination and good teamwork which causes less than maximizing budget absorption related to the procurement of goods/services. All behaviors and actions were taken by employees related to implementing the procurement of goods/services always follow their wishes, so the procurement process of goods and services at DP2KBP3A will be hampered and affect the absorption of the budget.

c) Factors are the source of the power of man. Problems with human resources managing finances include human resources who carry out activities that do not know, in-depth information about carrying out their duties and responsibilities following the fields they are involved in, and the lack of skills possessed by HR to carry out their duties or responsibilities the work assigned to him and the lack of discipline, professionalism, productivity and quantity of human resources.

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Biography of Authors

Master of Management, Sriwijaya University, Palembang, Indonesia
Email: endrianaluckita@gmail.com

Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
Email: mr_adam2406@yahoo.com

Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
Email: marlinawidiyanti68@yahoo.co.id

Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
Email: isni.andriana@gmail.com

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