



BUDGETING PROCESS ANALYSIS IN APBD COMPILATION OF FISCAL YEAR 2023 BENGKULU TENGAH REGENCY

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ABSTRACT

The purpose of the study is to analyze the Budgeting Process In the preparation of the 2023 Budget for Bengkulu Tengah Regency. The study It uses qualitative methods . The informants in this study were the Local Government Budget Team (TAPD) and the DPRD Budget Agency (Banggar). Data analysis in this study consists of Data Reduction, Data Presentation, and Conclusion Drawing (Verification). The results showed that the budgeting process in the preparation of the 2023 Budget for Bengkulu Tengah Regency was still experiencing delays at the stage of agreement between the Regional Head and the DPRD on the KUA Draft and PPAS Draft which resulted in delays in the determination of the 2023 Regional Budget which had a direct impact on the implementation of development in the regions, this was because there were still many indicators that had not been met in the budget preparation process. As for the conclusions based on research aspects, planning that does not pay attention to existing time limits, poor working relationships between work units, still needs to be optimized for performance, and it is necessary to make alternative solutions in the future so that there are no more delays in the preparation of the Bengkulu Tengah Regency APBD



INTRODUCTION

A budget is a written plan of an organization's activities that is expressed quantitatively for a certain period of time and is generally expressed in units of money. In the context of the budgets of public sector organisations, budgets include plans for how much the plan will cost and how much money will be raised to fund the plan. According to Law 33/2004 on financial balance between the central government and local governments, the APBD is a plan. finance made by local governments on a 4-year basis through discussion and agreement between the DPRD and local governments and then ratified in regional regulations. APBD is certainly not a product produced through an instant process APBD preparation can be divided into two, namely the planning stage and the budgeting stage. The budgeting process that began in July and ended with the determination of the regional budget in December was carried out based on the Local Government Work Plan (RKPD) in order to realize services to the community in order to achieve state goals (Deddi Nordiawan et al, Government Accounting, Jakarta: Salemba Empat, 2007, p. 43.). Broadly speaking, the APBD budgeting process consists of 6 (Six) stages, namely:

1. Preparation of the Draft General Policy of the Regional Budget (KUA) and the Draft of Priorities and Temporary Budget Ceiling (PPAS);
2. Preparation of Circular Letter (SE) of Regional Heads concerning Guidelines for Preparing Work Plans and Budgets for Local Government Work Units (RKA SKPD);
3. Completion of APBD District Regulatory Plan (Ranperda);

4. Submission and Discussion of Raperda on APBD;
5. Evaluation of the Regional Budget and Regional Budget Regulation on the Description of the Regional Budget.
6. Designation of Perda APBD and Perkada on APBD Designation.

As a guideline in the preparation of the 2023 Fiscal Year Regional Budget, the government issued Minister of Home Affairs Regulation Number 84 of 2022 concerning Guidelines for Preparing Regional Revenue and Expenditure Budgets for Fiscal Year 2023 which is the basis and reference for Regional Governments in carrying out the budget preparation process.

Stages and Schedule of the APBD Determination Process and Realization of the Bengkulu Tengah Regency Government Budget Preparation in 2023

| No | Description | Time | Old |
|----|---|---|---------------|
| 1 | 2 | 3 | 4 |
| 1. | Presentation of KUA Plan and PPAS Plan by TAPD Head to District Head who has been reviewed by APIP district | no later than the first week of July | 1 (one) week |
| 2. | Presentation of KUA Plan and PPAS Plan by District Head to DPRD | no later than the second week of July | 5 Lima Minggu |
| 3. | Agreement between District Head and DPRD on KUA Plan and PPAS Plan | no later than the second week of August | |



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| No | Description | Time | Old |
|----|--|--|--|
| 1 | 2 | 3 | 4 |
| 4. | Publication of District Head's Circulation Letter on RKA-SKPD Compilation Guidelines | no later than the third week of August | 3 (three) weeks + 1 (one) week review by APIP district |
| 5. | Preparation and discussion of RKA-SKPD by related SKPD and verification by TAPD | | |
| 6. | RKA-SKPD as in number 5 must be reviewed by the regional APIP | | |
| 7. | Compilation of Perda's Plan on APBD | No later than the second week of September for regions that implement 5 (five) working days per week | 60 (sixty) working days |
| 8. | Presentation of Perda Plan on APBD by District Head to DPRD | | |
| 9. | Joint Agreement of DPRD and District Head | At least 1 (one) month before the commencement of the relevant Fiscal Year | |
| 10 | Delivering Perda's Plan on APBD and Perkada Plan on APBD Ranking to the Minister of Home Affairs/Governor for evaluation | 3 (three) working days after mutual approval | |

| No | Description | Time | Old |
|----|---|--|-----|
| 1 | 2 | 3 | 4 |
| 11 | Evaluation Results of the Perda Plan on APBD and the Perkada Plan on APBD Ranking | No later than 15 (fifteen) working days after the Draft Regional Regulation on the Regional Budget and the Draft Perkada on the elaboration of the Regional Budget are received by the Minister of Home Affairs/Governor | |
| 12 | Improvement of the Regional Regulation Draft on the Regional Budget in accordance with the evaluation results determined by the decision of the DPRD leadership regarding the improvement of the Regional Regulation Draft on the Regional Budget | No later than 7 (seven) working days (since the decision on the evaluation results is received) | |
| 13 | Submission of the decision of the DPRD leadership regarding the improvement of the Regional Regulation Draft on the Regional Budget to the Minister of Home Affairs/Governor | 3 (three) working days after the decision of the DPRD leadership is determined | |



| No | Description | Time | Old |
|----|---|---|-----|
| 1 | 2 | 3 | 4 |
| 14 | Determination of Regional Regulations on APBD and Perkada on APBD Elaboration in accordance with the evaluation results | no later than the end of December (December 31) | |
| 15 | Submission of Regional Regulations on APBD and Perkada on APBD Elaboration to the Minister of Home Affairs/Governor | No later than 7 (seven) working days after Perda and Perkada are stipulated | |

Source: Permendagri Number 84 of 2022

KUA Plan Deal Stage and PPAS Plan Bengkulu Tengah Regency Fiscal Year 2023

| No. | Stages | Schedule | Number | Date |
|-----|--|---|--|-----------------|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Agreement between Regional Heads and DPRD on the Draft KUA for Fiscal Year 2023 | No later than the second week of August | <u>14</u> <u>MoU/B.2/2</u> <u>022</u> 13 of 2022 | 15 Sept 2022 |
| 2. | Agreement between Regional Heads and DPRD on the PPAS Draft for Fiscal Year 2023 | | <u>15</u> <u>MoU/B.2</u> <u>/2022</u> 14 of 2022 | 15 Sept 2022 |

Source: Regional Finance Agency of Bengkulu Tengah Regency 2022

Based on the table above, the rules containing the schedule have not been able to overcome the phenomenon that is happening in the preparation of the APBD in Indonesia. This phenomenon is the delay in the preparation of the regional budget. This delay in preparing the APBD has occurred for a long time, even during the reform period many local governments are still late in preparing the APBD. The APBD that has been delayed in preparation is an APBD that has been determined or ratified by the local government together with the DPRD before or during December 31.

The same happened to the budgeting process in the preparation of the Bengkulu Tengah Regency Budget for Fiscal Year 2023 in the stage of agreement between the Regional Head and the DPRD on the KUA Draft and PPAS Draft which should have been determined no later than the second week of August but in its implementation there was a delay of 1 (one) month where the KUA Draft and PPAS Draft for Bengkulu Regency in the Middle of Fiscal Year 2023 were set on September 15, 2022. The delay resulted in delays in the next stage until the stage of determining the 2023 Fiscal Year APBD.

This is caused by several things including; coordination between SKPD is still weak, there is intervention during the planning process, team work and commitment factors and human resources who are less competent in planning and budgeting management. In addition to the many regions that experience delays in determining the APBD, delays in the APBD can have a negative impact. The impact of delays in the preparation of the regional budget in general is the late implementation of local government programs, which generally most of the program funding comes from the regional budget. Programs that are



implemented late can affect public services to the community. APBD that is late in the preparation process can also affect the regional economy. With the delay in setting the budget, it hampers the implementation of planned work programs. So that the resulting budget realization does not reach 100%.

The budget determination process is a political process with stages that are quite complicated and contain high political nuances, where there is a bargaining process between the executive, namely the Regional Government Budget Team (TAPD) chaired by the Regional Secretary and the legislature, namely the DPRD Budget Agency, each of which has different interests in the APBD. Based on the above problems, the purpose of this study is to find out and analyze the budgeting process in preparing the APBD against delays in preparing the 2023 budget in Bengkulu Tengah Regency.

MATERIALS AND METHODS

The method used in this study is descriptive qualitative. The descriptive method is a method of examining the status of a group of people, an object, a set of conditions, a system of thought, or a class of events in the present. The purpose of descriptive research is to make a systematic, factual and accurate description, picture or painting of the facts, properties and relationships between the phenomena investigated. The selection of informants in this study used purposive sampling and snowball sampling techniques. Data collection techniques by means of interviews, observation, and documentation. The steps of data analysis in this study are data reduction, data presentation, and conclusion drawing (verification). To test the validity of the data in this study using source triangulation and triangulation techniques.

RESULTS AND DISCUSSION

Based on interviews, observations, and documentation, the budgeting process in the preparation of the 2023 Budget for Bengkulu Tengah Regency is still not optimal because it is still experiencing delays in ratifying the APBD. In this study based on the theory of M. Nafarin (2014: 14) which suggests that the budget preparation procedure consists of four stages, namely:

1. Stage of determining planning guidelines

The first stage is the determination of planning guidelines, according to Nafarin (2014: 14) this stage is the stage that determines the budget to be made in the coming year, the budget is prepared several months before the previous budget year begins. This is in accordance with what is found in the location of Bengkulu Tengah Regency where in preparing the budget starting from the end of March, then prepared a few months before the next fiscal year starts until the end of December. Bengkulu Tengah Regency also determines planning guidelines, which is the stage that determines the budget for 2022 achievements to be used as guidelines for the preparation of the 2023 Regional Budget. The budget determination is guided by Minister of Home Affairs Regulation Number 84 of 2022 concerning Guidelines for Preparing Regional Revenue and Expenditure Budgets for Fiscal Year 2023. Budget determination is guided by the E-Budgeting System, vision, mission, goals and objectives to be achieved by Bengkulu Tengah Regency.

2. Budget preparation stage

According to Nafarin (2014: 14) this stage is a stage where it first takes time to prepare a



budget before preparing a budget to be implemented. From the results of the interview at this stage, it was found at the location that Bengkulu Tengah Regency had carried out budget preparation, namely by first taking 3 months to prepare a budget before preparing the budget which would be implemented by conducting a work plan meeting with the Regional Government Budget Team (TAPD) chaired by the Regional Secretary of Bengkulu Tengah Regency with all SKPD in Bengkulu Tengah Regency. This budget preparation stage is carried out by taking into account the realization and achievement of the previous year's budget performance. The principles used in the framework of budgeting are paying attention to the effectiveness, efficiency, and ability of Bengkulu Tengah Regency resources, both the APBD and the budget that has been determined by the Central government. Bengkulu Tengah Regency also prepares the annual budget by determining the level of income and expenditure (expenditure), determining income and expenditure, assisting in making policies and planning, empowering future expenses, providing a basis for controlling income and expenditure, using work evaluation standards, and motivating employees

3. Stages of approximate determination

According to Nafarin (2014: 14), this stage is the stage of holding meetings from all divisions, with meeting material in the form of negotiations on the preparation of plans end. Each component of the budget as well as the endorsement and discussion of the budget. Each component of the budget as well as the endorsement and discussion of the budget. Bengkulu Tengah Regency has

determined the budget, namely based on the previous year's budget realization report and from the results of the work plan meeting between TAPD and all SKPD in Bengkulu Tengah Regency, meeting material in the form of negotiations regarding the preparation of program plans and activities that will be implemented for the next one year. Each component of the budget as well as the endorsement and discussion of the budget. When determining the budget of Bengkulu Tengah Regency held a discussion meeting with the Budget Agency (Banggar) of the Bengkulu Tengah Regency DPRD, if the budget prepared and prepared at the previous stage was appropriate, to be able to use the budget must be approved by the chairman of the Bengkulu Tengah Regency DPRD. However, at this stage it is a political process with stages that are quite complicated and contain high political nuances, where there is a bargaining process between the executive and legislature, each of which has different interests in the APBD. so that the agreement between the local government and the DPRD never happened, which ultimately slowed down the process of determining the Regional Budget to become the 2023 Fiscal Year Budget in Bengkulu Tengah Regency.

4. Stages of approximate implementation

The fourth stage is budget implementation, according to Nafarin (2014: 14) this stage is the stage of budget implementation by all existing work units in accordance with the work plan that has been prepared previously. At this stage, it was found at the location that Bengkulu Tengah Regency had implemented the budget quite



efficiently, indicated by the percentage of achievement of programs and activities carried out each year. In the interview, the budget realization was stated to be up to 96% that it had been carried out well. Bengkulu Tengah Regency always tries to be as effective as possible to use the budget to be right on target for use by the people of Bengkulu Tengah district. Every year Bengkulu Tengah Regency always carries out evaluations both from SKPD budget users and from financial supervisors who always evaluate and supervise the budget implemented in Bengkulu Tengah Regency and will follow up.

CONCLUSION

Based on the results of research and discussion, it can be concluded that the stages of budgeting in Bengkulu Tengah Regency are in accordance with the study of Nafarin's theory (2014: 14) that the budgeting stage consists of four indicators, namely; determination of planning guidelines, budget preparation, budget determination and budget implementation. However, when compared between the budgeting cycle in the Minister of Home Affairs Regulation Number 84 of 2022 concerning Guidelines for Preparing Regional Revenue and Expenditure Budgets for Fiscal Year 2023 with the facts that occurred in Bengkulu Tengah Regency, there is still something that is not on schedule, in the stage of agreement between the Regional Head and the DPRD on the KUA Draft and PPAS Draft which should be determined no later than the second week of August but In its implementation, there was a delay of 1 (one) month where the KUA Draft and PPAS Draft for Bengkulu Regency in the Middle of Fiscal Year 2023 were determined on September 15, 2022, resulting in delays in the

next stage until the stage of determining the 2023 Fiscal Year APBD. thus causing delays in determining the regional budget. This is due to several things including; coordination between SKPD is still weak, there is intervention during the process of preparing and determining budgets, team work and commitment factors as well as human resources who are less competent in planning and budgeting management. From the conclusions that have been described, the researcher gives the following advice:

1. It is necessary to take disciplinary action from acting parties, for example both the DPRD and other local governments to schedule the preparation of the APBD in accordance with the regulations for the preparation of the APBD
2. Problems in the APBD are cyclical, ranging from planning, preparation, ratification to budget implementation. Therefore, good coordination management is needed between various interested parties in the preparation of the APBD.
3. SDM is needed by local government officials who have a mature mastery of finance and budgeting.

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