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**THE ROLE OF POLITICAL POWER IN THE BUDGETING
PROCESS: HOW TO ACCOMMODATE THEM?
A CASE STUDY**

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ABSTRACT

This research has two main objectives. The first objective is to identify the role of political power in the budgeting process, while the second is to propose a control mechanism to enable a budgeting process to accommodate political power in terms of accountability. Indonesia's Corruption Eradication Commission reports on the misuse of political power to manipulate budgeting in an organized manner. Execution of the budgeting process that does not follow the prevailing strategic policy constitutes fraud. The functions of budgeting are allocation, distribution, and stabilization. This study analyzes budgeting that intertwines with the wielding of political power. The study employed qualitative research supplemented by a case study to explain why and how such phenomena are occurring. The analysis was conducted using the thematic method by way of open-ended questionnaires to explain the data and information that were accumulated concerning the topic at hand and their relevance. Results show that political power plays both negative and positive roles. The positive aspect of the exercise of political power is that it is used as a public channel between society and the government, while its negative impact is the various risks that it poses, such as political power being used to advance self-interests. Political power does not share the same degree of impartiality as statutory rules. The form of politics can alter a budgeting activity or program. The application of a certain budgeting system is proposed to reduce errors and record activity history. Concerning the evaluation of APBD by the DPRD, APIP must help enforce control by reviewing budget changes against the relevant goals and objectives.

KEYWORDS:

Political power; DPRD; head of local government; budget; accountability

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INTRODUCTION

The Indonesian government adopts the concept of participatory budgeting as laid out in Government Regulation (Peraturan Pemerintah, PP) Number 8 of 2008. Participatory budgeting involves a step where negotiations occur between the government and the public represented by the Regional Houses of Representatives (Dewan Perwakilan Rakyat Daerah, DPRD). The local government budget plan (Rencana Anggaran Pendapatan dan Belanja Daerah, RAPBD) is prepared and submitted by the head of the local government and subsequently discussed by the DPRD (PP Number 58 of 2005, as amended by PP Number 12 of 2019). However, as news media have reported, many of these institutions have not undertaken these roles as required, abused their authority, and misappropriated the budget in an organized and structured manner, with those involved being dubbed as the "budget mafia" acting in concert to manipulate the budget. Misappropriation of the budget in contravention with the strategic policy constitutes fraud. Indonesia's Corruption Eradication Commission (Komisi Pemberantasan Korupsi, KPK) (2020a) published data showing that the number of corruption cases involving members of the local parliament or DPRD is rising, as shown in Figure 1.

The national newspaper Kompas on October

17, 2018, reported that there have been 38 heads of local government and 86 DPRD members on the Sumatra Island arrested by the KPK on account of corruption (Gabrillin, 2018). The arrests were made on charges of violation of the Corruption Act, such as in the procurement of helicopters, medical devices, infrastructure components, other goods, and services, as well as involving business travels. Districts and cities on the island have ranked the highest in terms of number corruption cases nationally (KPK, 2020b).

Presently the Indonesian government is still struggling with issues relating to the state's financial management, as highlighted in the Summary of Semester Audit Report (Ikhtisar Hasil Pemeriksaan Semester, IHPS) published by The Audit Board of The Republic of Indonesia (Badan Pemeriksa Keuangan Republik Indonesia, BPK RI) in 2018. The report reveals that there have been 9,808 findings, consisting of 15,773 issues, with 7,539 of those relating to the internal control system, 8,030 items with a total value of 10.06 trillion rupiah relating to non-compliance, and 204 issues with a value of 1.46 trillion rupiah stemmed from inefficiency, inefficiency, and ineffectiveness (BPK RI, 2019). Indonesia's Central Bureau of Statistics (Badan Pusat Statistik, BPS) in 2018 reported that the number of poor people in the country was at 25.95 million, representing 10 percent of Indonesia's overall population of

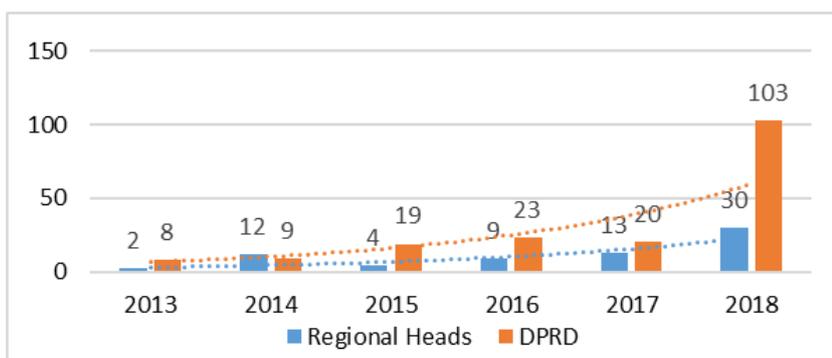


Figure 1 Corruption Cases by Heads of Local Government and DPRD Members
 Source: KPK (2020a) Corruption Cases by Heads of Local Government and DPRD

265.05 million (BPS, 2019).

Shah (2007), in his introduction to participatory budgeting literature, states that participatory budgeting runs the risk that it will only be used by groups that attempts to achieve a certain self-serving purpose, with the decision-making processing being controlled by such groups. The phenomenon makes an interesting research subject, as the budgeting process is vital in financial management at the local level. The study is driven by the following research questions: (1) what is the role of political power in the budgeting process, and (2) how does the budgeting process able to accommodate political power in terms of accountability. The analysis conducted in this study used an open-ended questionnaire organized by thematic topics. The analysis used the NVIVO application to collate the responses given by the respondents to the topic. The topic explains the phenomenon that occurs.

Participatory Budgeting and Budgeting Process in Indonesia

Shah (2007) defines participatory budgeting as a decision-making process, where the outcomes generated by the forum feed into negotiations for public resources. Participatory budgeting first appeared in 1989 in Porto Alegre, Brazil, where participatory budgeting voting was based on public participation. In a democracy, participatory budgeting reflects strategic priorities in determining public policy (Bassoli, 2011). Benjamin and Schurgrensky (2019) further discuss participatory budgeting interlinked with democracy and find that participatory budgeting is a tool used as a media for learning democracy among states with an interest in politics in decision making. Therefore decision making is undertaken to achieve the goals of the public. Budgeting plays a role in planning, control, and decision making. Budgeting coordinates communication between sections,

which covers planned revenue targets and projected expenses. In some cases, the budget is intended as an action plan for a company to achieve the desired goal or target. The successful outcome of a budget is determined by the commitment of the person carrying out the budget. The results of the budget implementation are evaluated to improve future performance (Hansen, Mowen, & Guan, 2009).

Governments in Indonesia implement the participatory budgeting concept (PP Number 8 of 2008). One step in the participatory budgeting process is a discussion where negotiations occur between the government and the public represented by the local representatives. Government Regulation Number 8 of 2008 on Stages, Drafting Requirements, Control and Evaluation of Local Development Plans, specifically its Article 1, stipulates that the process of local planning and development must involve these stakeholders for future development projects that make use of existing resources. The involvement of the government and the public in such discussions is facilitated through the development planning consultation process, called the Development Consultative Assembly (Musyawarah Perencanaan Pembangunan, Musrenbang). The purpose of Musrenbang is to draft the Local Long Term Development Plan (Rencana Pembangunan Jangka Panjang Daerah, RPJPD). The RPJPD serves as guidelines in preparing the local government budget (Anggaran Pendapatan dan Belanja Daerah, APBD).

Government Regulation Number 58 of 2005 on the Financial Management of Local Governments, as amended by Government Regulation Number 12 of 2019, sets forth the process of preparing the Local Budget, with begins with the preparation of the Local Government Work Plan (Rencana Kerja Pemerintah Daerah, RKPD) that in turn produces the Local Medium Term Development

Plan (Rencana Pembangunan Jangka Menengah Daerah, RPJMD) which is essentially a breakdown of the vision and mission of the head of the local government in line with RPJPD. From this RKPD, the local government then sets the General Budget Policy (Kebijakan Umum Anggaran, KUA) and the Provisional Priority Budget Ceiling (Prioritas Plafon Anggaran Sementara, PPAS). KUA PPAS consists of the programs and budget of every sector. KUA PPAS is approved jointly by the head of the local government and the DPRD and incorporated in a memorandum of agreement. Based on the memorandum of agreement, the head of local government issues guidelines for preparing the Budget Work Plan (Rencana Kerja Anggaran, RKA) of the Local Government Work Unit (Satuan Kerja Perangkat Daerah, SKPD). The RKA SKPD consists of programs, activities, and budgets, taking into account estimations, performance outcomes, and performance analysis. The RKA SKPD is compiled and merged into RAPBD. The RAPBD is then submitted by the head of the local government to and discussed with the DPRD. The discussion covers the alignment of the KUA PPAS with activities laid out in the RAPBD. The results of the discussion are then evaluated at the provincial level and subsequently formalized through their incorporation in a by-law or local regulation (Peraturan Daerah, Perda) governing the local government budget.

The government regulation sets forth the implementation of the APBD, which is further laid out in detail in a Budget Implementation Document (Dokumen Pelaksanaan Anggaran, DPA) of the SKPD, used by the administration to implement and create the APBD. Budget implementation covers the process of realization of revenue and expenditure for programs and activities. Concerning such implementation, the local government is required to account for what has been realized and report the same to the na-

tional government and the public as a form of accountability. The local government is accountable for its activities.

Accountability Theory

Vance, Lowry, and Eggett (2015) explain that accountability theory is a process in which a person should explain what has been done to those that are required to know (the stakeholders). Accountability according to Mulgan (2003) in Boven (2005) is a relationship that arises between actors and forums, where actors, in this case, are the governments that must be responsible for what has been done to the forum. The forum, in this case, is society. Boven (2005) explains further on how persons use the responsibility mandated in terms of managing finances. This responsibility is then published through reports which the forum will use or concerning which the public has the opportunity to ask what has been done and this process is called accountability.

United Nations Economic and Social Commission for Asia and The Pacific (UNESCAP) (2020) explains that good governance is a decision-making process that decides whether or not the results of decisions are implemented. In this process, there is an actor, which is the government itself, who consider various factors before making decisions as their decisions have a bearing on public interest. As it can be agreed that the local governments' budget constitutes a decision formalized through local bylaws, the budgeting process is a form of governance. UNESCAP explains that there are eight main principles of good governance: participation, orientation towards consensus, accountability, transparency, responsiveness, sensitivity, and effectiveness, also compliance with rules.

UNESCAP (2020) states that accountability is an important element in realizing govern-

ance. Accountability is the actors' responsibilities on how to make decisions and what considerations are used to produce the decisions. This responsibility also carries forward to the implementation of the decisions that have been made. The government as the actor will be responsible for the forum or the public affected by the decision and the implementation of decisions it has made.

Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019 explains accountability in managing local government finances. The government's responsibility includes the process of preparing the budget, implementing it, up to the reporting stage. Accountability is a form of public control over the government. The government is accountable for the managerial duties it has undertaken and the execution of its mandate. Musgrave and Peacock (1958) explain the framework of public finance. The government as a public sector actor has three important roles to play, namely:

1. Allocation; the government provides needed goods, services, and facilities to the public.
2. Distribution; the government must equitably distribute public resources.
3. Stabilization; the government is tasked with maintaining stability in the main areas of governance, such as the economy, law, social affairs, defense, and security.

The government is responsible for discharging its tasks and duties. To discharge its responsibilities, it must pay attention to the planning process up to the reporting phase. Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019 explains the government's responsibility includes budget preparation, budget implementation, and reporting.

Spada (2009) developed research about the

political and economic effects of participatory budgeting. Results generated by the study found that there is a political and economic appeal for the head of the local government to adopt participatory budgeting. The wider the extent by which a region adopts participatory budgeting, the higher the budget for public spending of such region. Krenjova and Raudla (2013) did similar research on participatory budgeting at the local government. The study offered a different perspective on participatory budgeting, namely concerning different sets of challenges and opportunities for democracy. It was found that participatory budgeting stimulates democracy within society. Tsurkan et al (2016) expanded upon the effect of participatory budgeting on economic and infrastructural development. Infrastructure represents a measure of economic growth. It was found that the public was engaged via participatory budgeting in determining infrastructure budget to meet local economic needs. Svaljek, Bakaric, and Sumpor (2019) support previous research findings on participatory budgeting. They explain that participatory budgeting is crucial for decision making and it is a product of democracy. Public capacity is accommodated via participatory budgeting, allowing the government to bring more value to the public.

Alt and Lassen (2006) researched the budgeting processes in developed countries and how politics influenced the process. This research was an empirical study using a regression model. The results of this study indicate that budgeting involving different political groups would influence those who are not from the group. The research reveals that political influence is rendered by the president and the parliament in the budget drafting process. Palanjian (2008) examined the effect of politics on budgeting in developed countries.

The result of the study also found that politi-

cal interference is present in the budgeting process. Koeswara, Liesmana, Hanida, and Muluk (2013) examined how the budget is used for political financing, namely for post-conflict local elections funding using local budgetary sources. The result of the study found that political funding in post-conflict local elections using the local budget created ineffectiveness and non-compliance in the use of the budget.

Astuti and Yulianto (2016) examined good governance in village financial management in anticipation of the coming into effect of Law Number 6 of 2014. The result of the study established that good financial management can be achieved through good governance, namely the application of the principles of transparency, accountability, and public participation in financial and village management. Pratiwi (2012) examined the extent of politics being present in the budgeting process in Batu City. The study explained that political power strongly influenced the preparation of the budget and provided public space through Musrenbang, although it failed to make its way into the agenda of political institutions due to insufficient public control in the management of the local budget. Schulze and Sjahrir (2014) explain that in Indonesia the phenomenon of politics influencing the local budget represents a democratic, decentralized, and public service delivery. Meanwhile, Mo (2008) has shown the negative effect of political instability that causes reduced economic growth and that political instability within governance is partly the cause of failure in accountability.

Shopiana and Panjaitan (2017) found that characteristics of a budget's purpose influence the performance of civil servants. Such influence has a positive effect, meaning that the properly allocated budget with a sound objective will create a good performance. Patty (2019) found that errors in a budget

forecast will result in budget deviation. Budget plays an important role in local governance, where potential surpluses and deficits are determined during the planning and implementation phases.

Government actions lead to accountability and responsibility. Brandsma and Schillemans (2013) have developed an accountability model consisting of a cube that measures government accountability. Participatory budgeting is one responsibility of a government that operates under a democratic political system. It is established that accountability is divided into three dimensions, namely discussion, information, and consequences. The more discussions are held, the more the consequences are and information needed, which represent higher accountability. Previous research on the budget was mostly conducted using quantitative methods and case studies, whereas this study was undertaken using qualitative methods as well as case studies in explaining how and why such phenomena occurred.

RESEARCH METHOD

This study employs a qualitative method and case studies. Stake (1995) describes a case study as a methodology that deals specifically with a case by looking at the main important points that are discussed in the case. A case study will reveal what happened and explain why it happened and how it happened. The authors used questionnaires with thematic analysis as a means of data collection.

Braun and Clarke (2006) explain that one technique for analyzing qualitative data is thematic analysis. The methods used in the thematic analysis are identification, analysis, and presentation of the topics represented by the data. The method explains in greater detail the data and information gathered and

provides an explanation of the phenomenon and its relevance. The present study aims to acquire the information directly from the relevant persons on the application of political power in the budgeting process and how political influence can lead to the financial loss suffered by the local government. The authors intend to reveal the phenomenon and explain at greater length on how this phenomenon occurs and what the effects are. Following the collection process, the authors processed the data inductively, ultimately drawing out the phenomenon and linking it with existing theories.

Content of the responses given in the open-ended questionnaires was analyzed using content analysis, in which the sentences and words contained in the answers are analyzed. Additionally, data processing was carried out using the thematic analysis method to identify the topics or themes raised by the political policies in the preparation of the budget, and subsequently evaluate participation that enables good governance. According to Creswell (2014), data analysis requires a specific step to analyze qualitative data. As such, the authors used the NVIVO application to analyze data to extract texts from the results of the questionnaires. Respondents who filled out questionnaires were unrelated persons as they had no personal interest in the research. Validity was proven by the answers from unrelated respondents. There was no relationship between the authors and the respondents. Link to the online questionnaire was distributed using the Whatsapp application. The research focused only on the relevant answers, thus in order to avoid biased information the open-ended questionnaires were adapted to the research questions.

RESULT AND DISCUSSION

Political Power in the Evaluation Phase between the Head of Local Go-

vernment and DPRD as well as the Role of Political Power in the Budget Formulation Process

One of the steps in the budgeting process is the involvement of political power in the RAPBD evaluation. The RAPBD is submitted by the head of local government to the DPRD to be discussed and approved as a local regulation concerning APBD. This is under the mandate of Article 44 of the Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019. The analysis target of this study is one of the districts on the island of Sumatra with employees as respondents who have been involved in the budget preparation process based on the results of a questionnaire on how political power has carried out its duties and functions accordingly as shown in Figure 2.

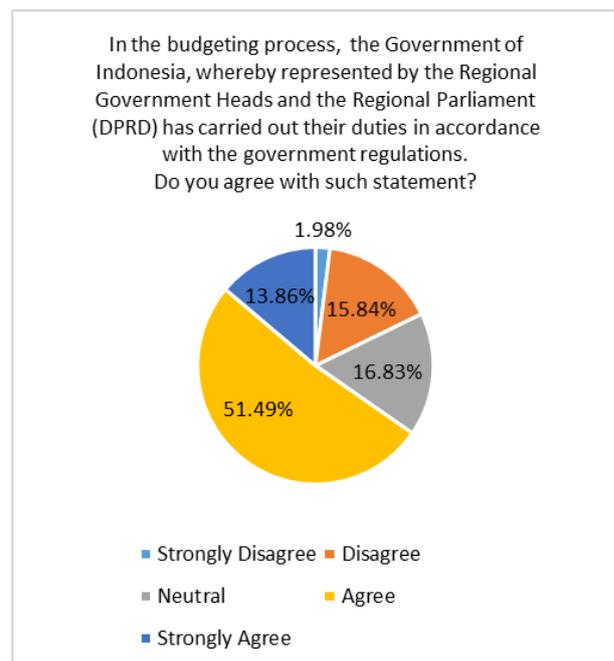


Figure 2. Percentage of Local Governments that had performed well during the Budgeting Process

It can be seen that some of the respondents or 51.49% and 13.86% strongly agreed that the head of local government and DPRD had carried out their functions accordingly in the budgeting process. The remaining 1.98% expressed their strong disagreement, 15.84%

less agree, 16.83% expressed their neutrality. This percentage portion proved that the government had fulfilled the mandate of government regulations to carry out the budget preparation process properly.

Governments who perform their functions and their duties properly represent good responsibilities and accountability. One sign of the realization of good governance is the process of preparing a budget following the mandate of Government Regulation, and it is expected to reduce the chances of fraud. The results are shown in Figure 3.

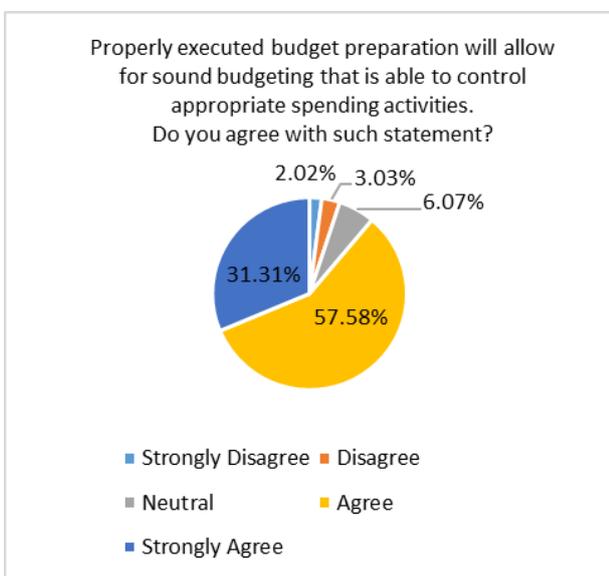


Figure 3. Aspects of the Budgeting Process that abides to the Regulation will Minimize the Chances of Fraud

Nearly 57.58% of respondents agree and 31.31% strongly agree. This reveals that budgeting processes that are well and properly executed and abides with the regulation will be able to reduce the chances of

fraud which constitutes local government’s losses. Only 2.02% stated strong disagreement, 3.03% stated disagreement and 6.06% gave a neutral opinion. Supported by Nordiawan and Hertianti (2010), they both explained that one of the functions of the budget was as a control tool. Properly executed budget preparation will allow for sound budgeting that can control appropriate expenditure activities.

The Role of Political Power in Budgeting Process

The role of political power in budgeting is participatory budgeting. The result of the study revealed that politics played a role in the process of budgetary contribution and explained by participatory budgeting. The results are shown in the form of a word map in Figure 4.

Based on Figure 4, it can be seen that political power in the process of preparing a budget is the activity of preparing a budget that involves local planning in the community where the process itself would be suitable with the regulations to meet the needs and interests of the society. Level seven and eight of the respondents expressed transparency and responsibility. The budget preparation process is a demonstration of government responsibility for the society whose implementation is expected to be transparent as a manifestation of accountability.

| Word Frequency Query | | | | | | | | | | | |
|----------------------|------------|------------|-----------|---------------|-------------|----------------|----------------|--------------------|-------------|----------|-------------|
| Level | | | | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Budget | Draft | Obligation | District | Channel | Social | Transparent | Embodie | Public | Priority | Result | Document |
| | | Matched | Interest | | Needs | Accountability | Accountability | Role | Source | Target | Duties |
| | Activities | Planning | People | Manifestation | Responsible | Function | Rare | Direct | Goal | | |
| Society | Government | Purpose | Available | Past Event | Public | Establish | Politic | Regional Head | Finance | Report | Rule |
| | | Reason | Process | Distribute | | Development | | Budget Preparation | Performance | Suitable | Ability |
| | | | | | | | | | Manageble | System | Information |

Figure 4. Word Map of The Role of Political Power in the Budgeting Process

On those levels, it is explained that political power in the budget process is related to the priority use of the budget as the budget has limited resources in an economic capacity and periods so it needs to be a priority. Some considerations become problematic and to set priorities, these considerations have been discussed by listening to the aspirations expressed by each community representative. Another important factor from this word map is the rise of effectiveness and efficiency during the budget process. These two words describe that the budget must follow principles that are effective and efficient. Mardiasmo (2009) reveals that the effectiveness and efficiency of the budget reflect the performance and productivity thus budget must have these two principles. Further, this study examines the role of political power in the budgeting process as shown in Figure 5.

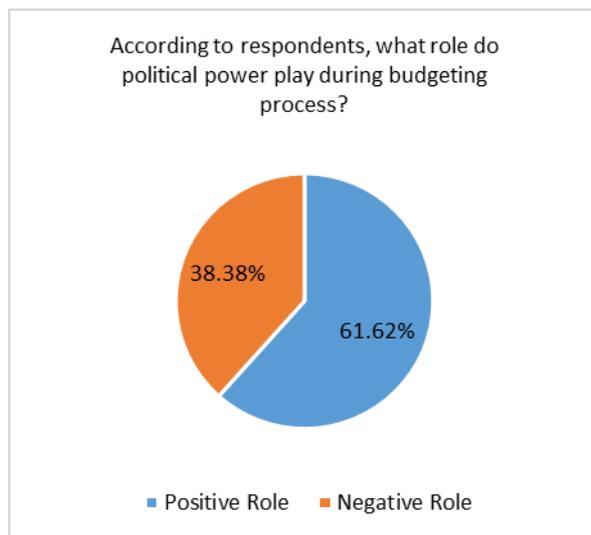


Figure 5. Percentage Shows Hows Political Power Influence the Budgeting Process

According to Figure 5, it is known that 61.62% state that political influence has a positive role and 38.38% state that political power has a negative role in the budget preparation process. It can be concluded that the budget preparation process requires a political element. The political element is a forum for capturing aspirations as expressed by Shah (2007) who says that the decision-making process is executed through the results of deliberations by considering the negotiation of

public resources. Meanwhile, the negative role of political power expressed by Shah (2007) is that there is a risk that groups with other intended objectives will benefit from the decision-making process. There is potential or opportunity to abuse authority which involves political influence in the budget preparation process.

Political Power with a Positive Role

There were 61.62% of respondents who expressed that political power had a positive role in the budget preparation process. They provided further explanation of the intended positive role. The researcher used NVIVO to summarize words that were often expressed in respondents' explanations. The top eight words are shown in Table 1.

Table 1. Top Eight Words in the Descriptions of Respondents Who Consider that Political Power has a Positive Role

| Word | Length | Count | Weighted Percentage (%) |
|------------|--------|-------|-------------------------|
| Society | 10 | 27 | 4.11 |
| Budget | 8 | 14 | 2.13 |
| Public | 6 | 14 | 2.13 |
| Politic | 7 | 13 | 1.98 |
| Channel | 7 | 11 | 1.67 |
| Aspiration | 8 | 9 | 1.37 |
| Reason | 6 | 9 | 1.37 |
| Needs | 9 | 9 | 1.37 |

The word "public" or "public community and society" are the top three expressed by respondents who shared that political power has a positive role. Respondents informed that the positive role of political influence derived from the budget participation process. The participatory process is the platform to convey the aspirations of the community. Political power provides a public hearing space to be delivered to the government during the budget process. Political

power is a place of aspiration. Community needs are conveyed through representatives of the DPRD. Political power functions as a channel connecting community needs with the government.

The most dominant problem of this positive role is reflected in three words, namely aspirations, needs, and society. As declared by Nordiawan and Hertianti (2010), they say one of the functions of the budget is to serve as a means for coordination and communication. The public cannot directly participate in the budget preparation process. They communicate their aspirations through representatives in the DPRD. Therefore, the DPRD's authority is to ensure that community needs are satisfied and those needs can be met through the implementation of programs and activities within the APBD. Every time programs and activities in the APBD have been accomplished would mean that public aspirations have been heard and political forces are functioning well.

Political Power with a Negative Role

There are 38.38% of respondents declared that political power has a negative role in the budget preparation process. They were given further explanations about the intended negative role. The researcher utilized NVIVO to summarize the words that are often expressed in the respondents' explanations. The top nine words are described in Table 2.

On the other hand, political power also has a negative role in the budget preparation process. Politics and interests are the top two words raised by respondents. The authority of the DPRD in the budget preparation process can be misused. Political influences representing people's aspirations and needs are used to meet personal needs. As such, it is one of the weaknesses of the participatory budgeting. The power that is abused for personal purposes will be controlled by taking

advantage of political power in the budget preparation process. This study is supported by a theory concluded by Pratiwi (2012), that revealed the same notion where political influence is very strong in budgeting by providing public space through Musrenbang but unsuccessful due to hidden agendas of political institutions.

Table 2. Top Nine Words in the Descriptions of Respondents Who Declares that Political Power has a Positive role

| Word | Length | Count | Weighted Percentage (%) |
|------------|--------|-------|-------------------------|
| Politic | 7 | 16 | 4.32 |
| Interest | 11 | 13 | 3.51 |
| Budget | 8 | 5 | 1.35 |
| Parliament | 7 | 5 | 1.35 |
| Society | 10 | 5 | 1.35 |
| Influence | 8 | 5 | 1.35 |
| Delegation | 6 | 4 | 1.08 |
| Personnal | 7 | 4 | 1.08 |
| Entrusted | 7 | 4 | 1.08 |

Factors Affecting Changes in the APBD

Several factors influence changes in the APBD, therefore this study explains further the factors in the APBD evaluation process which take place between the heads of local government and DPRD. There are various explanations on how to change the budget in the evaluation process. According to the questionnaires, three factors contributed to the changes, namely the first is the priority, the second is political power in the form of ideas and recess, and other factors such as national government, strategic issues, government functions, and policy changes. Further elucidation of these factors is shown in Figure 6.

Priorities

Forty percent of respondents said that the changes occurred due to priority considera-

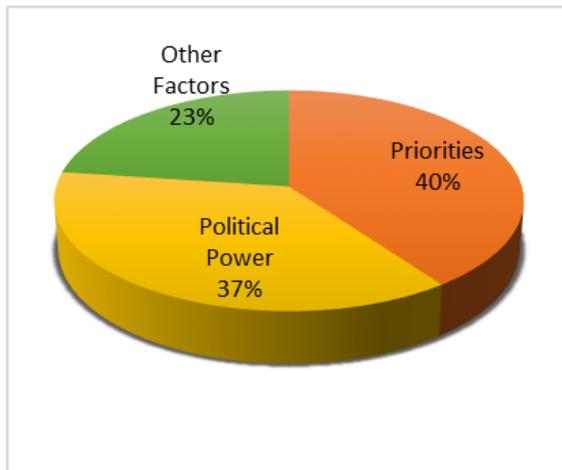


Figure 6. Factors that Affects Changes in APBD

tions. The ability of local government to plan budgets has several resource limitations. Among these limitations, there are two of them, namely limits on economic capacity and periods. Limitation of economic capacity is the ability of funds held by the region to create limited APBD. The region itself has its original local income, but this is not enough to meet existing needs. So far, most regions have been assisted with funds from the central government. Budget execution is also limited in one fiscal year. Therefore local governments have their priorities in determining the programs and activities that appear in the budget. Based on priorities, it is possible to change budgets.

Priorities are established based on which needs are most urgent and important. In preparation, there are business affairs that are mandatory and therefore must be treated as a priority. Some non-urgent items can be allocated in the following year's budget. The determination of functions must be regulated and established by the central government while the choices of functions are the authority of the local government. The theme to be promoted in priority is the ability of regions that are short of funding to ask local governments to determine which is more urgent to allow them to make budget changes.

Political Power

Thirty-seven percent of respondents said that the budget change occurred due to political power in the form of recess and the main ideas of the DPRD. The function of the DPRD is to represent the community or the media to communicate their aspirations and needs. There is a meeting forum from the community through Musrenbang. In this Musrenbang, DPRD members participate in discussions and provide perspectives. These ideas are then conveyed in an evaluation phase that is allowed for budget changes. Some respondents stated that this main idea was only a figure of speech. Based on the opinions of some respondents, this is an attempt to incorporate specific personal and group goals and it creates a conflict of interest resulting in budget changes.

Another factor similar to the DPRD's main ideas is recess. The recess takes place when DPRD visits the community. During their visit, the DPRD facilitated claims that community needs were not addressed during the Musrenbang therefore such aspirations could be conveyed during the recess. Not all recesses are the result of proposed activities to change the budget, however, through the recess, it can result in proposed changes. Recess also deals with setting priorities on urgent matters.

Other Factors

Twenty-three percent of respondents stated that budget changes occur as a result of other contributing factors such as problems at the central issues, strategic issues, main tasks, and functions, also policy changes. The rest of the respondents represent other factors that cause budget changes. The most dominant word in other factors is the central issue. It is the central government's authority to determine policies and strategic issues that might make changes to the budget.

Changes concerning the affairs of central and local authorities as well as changes in duties and main functions amongst SKPD.

The Form and Role of Government Accountability

Based on the content analysis derived from the questionnaires, the form and role of government accountability in the budget preparation process can be captured from the top nine words shown in Table 3.

Table 3. Top 9 words Provided By Respondents Regarding the Form and Role of Government Accountability

| Word | Length | Count | Weighted Percentage (%) |
|----------------|--------|-------|-------------------------|
| Society | 10 | 46 | 3.23 |
| Accountability | 18 | 30 | 2.11 |
| Budget | 8 | 29 | 2.04 |
| Channel | 7 | 25 | 1.76 |
| Aspiration | 6 | 23 | 1.62 |
| Government | 10 | 23 | 1.62 |
| Toward | 6 | 21 | 1.48 |
| Forum | 5 | 20 | 1.41 |
| Report | 7 | 18 | 1.26 |

The topic being presented is regarding accountability. The role of government accountability to the public is in the form of responsibility. Respondents are delivered through two platforms, namely forums and reports. Reports are mandated in Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019 whereas the government is obliged to make a report on its progress and accomplishments. In the budget preparation, a report refers to the disclosure of information regarding the APBD itself. So far reporting has been done but not yet fully utilized. The local government through its official Legal Documentation and Information Network (Jaringan Dokumentasi dan Infor-

masi Hukum, JDIH) website periodically uploads documents related to the APBD.

The second platform is a forum, a form of discussion that is rarely carried out between the community and the government also has not been implementing as it should be. The form of discussion so far has only been limited to top-down communication from the government to the community. Brandsma and Schillemans (2013) in the accountability cube introduces a forum of discussions between the government and the community. The more intensive discussions are carried out, the higher the accountability situation is reflected, compared to discussions that are rarely conducted.

Benefits of Accountability and Future Improvements

Based on the content analysis of the questionnaire result regarding the benefits of government accountability in the budget preparation process, the top nine words used to describe these benefits are shown in Table 4.

Table 4. Top 9 words used by respondents to describe the benefits of government accountability

| Word | Length | Count | Weighted Percentage (%) |
|----------------|--------|-------|-------------------------|
| Society | 10 | 25 | 2.55 |
| Government | 10 | 20 | 2.04 |
| Accountability | 21 | 12 | 1.23 |
| Transparant | 10 | 10 | 1.02 |
| Effectiveness | 7 | 8 | 0.82 |
| Responsibility | 13 | 7 | 0.72 |
| Efficient | 7 | 7 | 0.72 |
| Budget | 12 | 7 | 0.72 |
| Performance | 9 | 6 | 0.61 |

In their responses, the respondents described the benefits in a variety of ways. The top nine words that carried the most profound meaning occupy only a small percentage but significantly represented the themes

discussed. The result was well saturated. It can be derived that the dominant theme of the benefits of accountability is the ability of the government to take proper responsibility for the budgeting process, duly considering performance. The various words used to describe the benefits intend to convey the concept of budgetary transparency, which allows the realization of an efficient and effective budget.

Following the discussion on the various forms of benefits and roles, the authors will further elaborate on what could be done to improve the current budgeting process. There are two main ideas put forward by respondents on bringing about improvements. The first idea involves fixing existing systems and procedures. The second requires a review of the process. An explanation of these two recommendations is outlined in Figure 7.

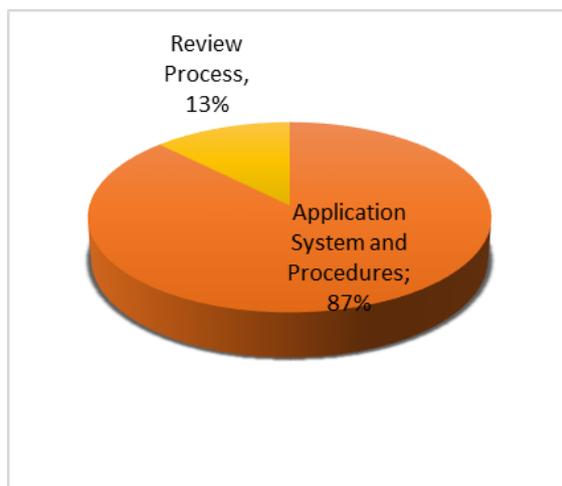


Figure 7. Aspects targeted for improvements in the current budget process

Application System and Procedure

Eighty-seven percent of respondents stated that improvements should be introduced through the application system and procedure. However, the organizations that were the subject of the present study have not yet adopted an application system. Their budget preparation process still uses a computer file

that is copied using a flash drive to allow review, adjustment, and incorporation as a formal APBD. Such a manner of preparation is highly probed to errors. Respondent suggests the use of an application system to counter such risk. The application system should integrate the overall process, from budget preparation, realization, to supervision.

The integrated system would also facilitate coordination and verification, thereby minimizing the possibility of mistakes and errors. The application system would also help the documentation process, thus all changes made during the budget preparation process can be tracked. The government has indeed developed and applied an application system to facilitate budget preparation called e-Budgeting. However, the application system is yet to be adopted by the local governments that were studied for this research.

Another recommendation is to improve the procedure. The mandate set forth in Article 44 of Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019 concerns evaluation conducted jointly by the head of the local government and DPRD. Evaluation is intended to maintain alignment between RAPBD, KUA, and PPAS.

Review Process

Thirteen percent of the respondents proposed for improvements to be made to the review process. During evaluation by the head of local government and DPRD, no further review of the evaluation results is conducted. Government Regulation Number 58 of 2005 as amended by Government Regulation Number 12 of 2019 does not provide for a review process by Government Internal Supervisory Apparatus (Aparat Pengawasan Internal Pemerintah, APIP) after the evaluation process carried out by DPRD. Results of the evaluation of RAPBD are then submitted to a higher level,

i.e. the province, to be subjected to another round of evaluation and subsequently approved. The absence of a review by APIP at this step creates a risk of abuse of political power. An idea raised by a respondent was for the evaluation results to be further reviewed by APIP, which is the Local Government Inspectorate. The recommendation of the review held by APIP should check any changes to budget items against the set objectives.

CONCLUSION

In participatory budgeting, the involvement of political power is a vital necessity, as such an aspect facilitates the delivery of the people's aspirations in a decision-making platform by taking into account negotiations for public resources. Political power has a positive role, serving as a channel for public aspirations. On the other hand, there also exists a risk that political power benefits only those who have their agenda. Abuse of authority, which can be for personal or group interest, is the risk caused by the presence of political power in the budgeting process. Political power is more independent than rules. However, this risk can be minimized by upgrading the mandatory procedures. APIP should be allowed to review the results of the evaluation jointly conducted by the head of the local government and DPRD also subsequently makes use of an integrated system to reduce mistakes and errors.

The principle of accountability must be maintained and upheld to ensure that the public is secure in the trust that the government can be held accountable for the budgeting process. This form of accountability takes the form of reports and forums. Accountability is something that must be maintained by the government as a form of responsibility. Although an automated budgeting system has been developed and in use for some time

(in the form of an application system), some users among civil servants do not yet understand the system. Therefore, for further research, it recommended that a simpler system can be introduced to overcome this problem. Further research could also improve the research sample, samples should not only be collected from the Sumatera Island but from wider geographical area to discover other factors that may influence the application of political power in the budgeting process.

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