
Analysis of Factors Influencing Delays in the Absorption of the Local Government Revenue Expenditure Budget of the Regional Government of Papua Province

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ABSTRACT

The success of local governments in administering government and the wheels of development, including in the use of the budget so far, is determined by the percentage of budget absorption in each year. The greater the percentage, it is said that the performance is getting better. Related to this, the research aims to find out what factors hinder the absorption of regional revenue and expenditure budgets, especially in the Papua Provincial government. The study used a sample of 60 people from 20 work units or offices in the Papua provincial government related to financial management. The results of this study indicate that partially the government's commitment (X1) Budget Planning, (X2) Budget Implementation, (X3) has an effect on the delay in APBD absorption (Y) which can be seen from the t-test value based on the significant level. Simultaneously, the independent variables affect the delay in the absorption of the Regional Budget (Y) in the Papua Provincial Government by comparing the p_value (F-statistics) with a significant level. The results of the calculation of the magnitude of the F-statistics and the significant level are set at = 0.05, the f-count value is 25,454 with a significant level of 0.000, thus the influence and direction of the relationship of the variables determined by the correlation coefficient is positive, so that all independent variables have a unidirectional relationship as the results of the analysis from the value of the correlation coefficient (r) of 74.6% which shows a strong relationship between the independent variable and the dependent variable.

Keywords: Influencing Delays, Absorption, Government Revenue, Expenditure Budget

INTRODUCTION

The Regional Revenue and Expenditure Budget (APBD) is the structure of information for governing the funding to run the local government and regional development. The APBD consists of two types of information sources: regional revenues and regional expenditures. To realize the implementation and utilization of the budget as stipulated in regulations and legislation, the local government's expenditure budget serves as essential data to control the implementation of each government activity. However, during the Covid-19 pandemic, especially in Papua Province, the implementation and realization of the budget have been slow, resulting in suboptimal achievements. Until August 2021, the budget absorption only reached 30%, partly due to the government's focus on organizing the 20th National Sports Week (PON XX) and handling Covid-19. Among the 20 Regional Work Units (SKPD) studied, it was observed that budget absorption ranged from 40% to 95%, indicating that some SKPDs had absorption rates below 60%. Abdul Halim (2014) explained that delayed budget absorption reflects weak and

premature government planning. Budget planning serves as a control and direction-setting tool for organizations to achieve their objectives. The budget functions as a planning tool to execute work plans, and therefore, budget absorption and utilization can be measured to show the government's accomplishments. Additionally, the budget functions as a control tool to demonstrate resource allocation and expenditures, representing approved public funds by the legislative body.

Budget absorption is one of the indicators of the government's success in managing financing or budget spending to ensure smooth economic growth and achieve developmental targets in the local government. The performance of the local government is evaluated based on the achievement of budget targets and the level of success attained. Performance assessment is conducted by comparing actual performance with the budgeted targets (Mardiasmo, 2009). Budget absorption is closely related to the government's commitment to development goals, budget planning, and implementation. If the budget variance is smaller than the budget, weaknesses in budget planning

may occur, leading to inaccurate expenditure estimates and unabsorbed budget due to programs and activities not being implemented despite being presented in the budget structure. The Directorate General of Financial Balance (DJPB) report in 2013 revealed that the level of regional expenditure absorption in public spending heavily depends on budget planning. This is supported by Sudasri's research in 2010, which stated that budget planning significantly influences budget absorption, and better budget planning by government officials leads to higher absorption rates.

Budget absorption is the comparison between the allocated budget and the realized budget, so higher percentages of budget utilization or realization indicate higher levels of budget absorption, serving as a performance indicator for the government. According to Kuncoro (2013), the achievement of budget absorption measures how well an institution has reached its target plans. The measurement of budget absorption is done by calculating the ratio/percentage of total budget realization to the total budget allocation in one fiscal year (Noviwijaya and Rohman, 2013). Failure to meet the budget absorption target results in the loss of spending benefits as not all allocated funds are utilized.

Research by Musnawati, Yesi, and Nasrizal (2017) indicated that factors influencing the delay in budget absorption include planning, administration, human resources, procurement of goods and services, and regulations, all of which have partial and significant effects on budget absorption delays. Kennedy et al. (2020) also stated that budget planning, the quality of human resources, organizational commitment, administrative recording, and the government's internal control system significantly influence budget absorption.

This study aims to analyze the factors causing delays in budget absorption for the Revenue and Expenditure Budget of Papua Province. The results are expected to contribute valuable insights for policy-making to improve budget absorption percentages in local government.

METHOD

The method used in this research is quantitative associative, aimed at determining the influence of the independent variables Government Commitment (X1), Budget Planning (X2), and Budget Implementation (X3) on the dependent variable Delay in the Absorption of Regional Revenue and Expenditure Budget (Y), both partially and simultaneously. Data collection is done through the questionnaire and literature study. This study used a sample of 60 individuals from 20 Government Agencies designated in the environment of Papua Province's government, where each agency is represented by 3 individuals directly involved in financial management. The method of data analysis used is Multiple Regression Analysis with the assistance of SPSS Application. This analysis is used to test the influence of the independent variables Government Commitment (X1), Budget Planning (X2), and Budget Implementation (X3) on the dependent variable Delay in the Absorption of Regional Revenue and Expenditure Budget (Y), both partially (the effect of each independent variable on the dependent variable) and simultaneously (the combined effect of the three independent variables on the dependent variable).

RESULT AND DISCUSSION

1. Multiple Regression Analysis

To find out and analyze the effect of the independent variable (X) which consists of Government Commitment (X1), Budget Planning, (X2) Budget Execution, (X3) on the dependent variable, namely Delays in Absorption of Regional Revenue Expenditure Budget (Y), multiple regression analysis was performed, to determine the partial effect of each independent variable on the dependent variable, including the level of significance of the effect. Based on the results of the analysis with the help of the SPSS Version 20.0 program, the results of multiple regression are shown as follows:

Table 1. Multiple Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
(Constant)	34,849	3012		11,569	0
1 Government Commitment	0.474	63	0.588	6,841	0
Budget Planning	0.033	0.064	42	0.51	0.611
Budget Execution	0.462	68	0.526	3,860	0

a. Dependent Variable: Delays in the Absorption of Regional Revenue and Expenditure Budgets

Based on the table above, the multiple regression equation can be arranged as follows:

$$Y = 34,849 + 0.474X_1 + 0.033X_2 + 0.462X_3 + e$$

The equation of the results of the regression analysis can be partially explained by the effect of the independent variables on the dependent variable. Its constant value is 34.849 which means that if there is no change in the variable government commitment (X1), budget planning (X2) and budget execution (X3) are considered constant or the value is zero then there is a delayAbsorption of the local government's Regional Revenue Expenditure Budget amounted to 34.849 percent. The coefficient value of the Government Commitment Variable (X1) is 0.474. This result explains that if the government's commitment increases by 1%, it will increaseAbsorption of the regional government's regional expenditure revenue budget is 47.4%. For the coefficient value of the Budget planning variable (X2) it has a value of 0.033 which means that if there is an increase in budget planning by 1% it will increaseThe absorption of the local government's regional expenditure revenue budget is 3.3% and vice versa if there is a decrease in budget planning, it will cause delays in budget absorption. The Budget Execution Variable (X3) has a coefficient value of 0.462. These results explain that if the implementation of the budget increases by 1% then the delay in the absorption of the regional expenditure revenue budget will increase by 46.2%. Based on this explanation, the government's commitment is the most dominant variable influencing the Absorption of the Regional Expenditure Budget.

2. Partial Test

Table 2. Simultaneous Effect Test (ANOVA)

	Model	Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	108,170	3	36,057	25,454	.000a
	residual	100,576	71	1,417		
	Total	208,747	74			

a. Predictors: (Constant), Budget Execution, Planning, Government Commitment

b. Dependent Variable: Absorption of Regional Revenue Expenditure Budget

Based on the table above, it shows that the F statistical test value is 25,454 with a significance level of 0.000 (smaller than 0.05). These results explain that simultaneously, the Government Commitment variable (X1), the Budget Planning variable (X2), the Budget Execution variable (X3) jointly or simultaneously have an effect on

Partial test was carried out to see how far the influence of each independent variable is determined on the dependent variable. In table 1. it can be seen that the results of the partial test (t-test) are based on their significance level. T-test results for the variable government commitment toAbsorption of Regional Expenditure Revenue Budgethas a significant effect as seen from the value of the t-test =6,841 with a significant level of 0.000(smaller than 0.05). It means government commitmenthas a positive and significant effect on the absorption of the APBD so thatthe better the government's commitment, the higher the percentageAbsorption of Regional Expenditure Revenue Budgetvice versa. Meanwhile, for budget planning, t-test value =0.510 witha significance level of 0.611 indicates that budget planning has no significant effect onAbsorption of Regional Expenditure Revenue Budget,The results show that in the budget planning carried out there are still weaknesses in setting inappropriate expenditure estimates (Abdul Halim, 2014).The results of the Budget Execution t-test are3,860 with a significant level of 0.000ywhich means that the Implementation of the Budget has a positive and significant effect on DelayAbsorption of Regional Expenditure Revenue Budget.

3. Simultaneous Test

To determine the effect simultaneously or jointly of the independent variable (X) consisting of Government commitment (X1), Budget Planning (X2), and Budget Execution (X3) on the dependent variable DelayAbsorption of Regional Expenditure Revenue Budget(Y), then ANOVA analysis or F test is used. Based on the following results:

DelayAbsorption of Regional Expenditure Revenue Budget(Y)

Based on the results of the analysis of the simultaneous influence test, it shows that the value of the F test statistic shows a number of 25,454 which is greater than the F table value. Likewise with a significance level of 0.000 which is smaller than the standard significant limit of 0.05. Based on the

results of this data processing, it can be stated that the variable government commitment, variable Budget Planning, and Budget Execution have a positive and significant effect simultaneously or simultaneously on DelayAbsorption of the Regional Expenditure Revenue Budget in the regional government of Papua Province. Thus the hypothesis states that the variable government commitment, variable Budget Planning, and Budget Execution have a positive and significant effect on

DelayAbsorption of Regional Expenditure Revenue Budgetdeclared acceptable and verifiable.

4. Coefficient of Determination

To find out the magnitude of the contribution of all independent variables (X) to the dependent variable (Y), it can be seen based on the test results of the coefficient of determination by looking at the adjusted r-square value. The results of testing the coefficient of determination can be shown as follows:

Table 3. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.746a	0.524	0.508	1.1902

As the values in the table above, the relationship between the independent variable and the dependent variable can be seen through the R value of 0.746. These results mean that the independent variable and the dependent variable have a strong relationship, whereas if we look at the effect, it can be seen from the adjusted r-square value of 0.508. This explains that the three independent variables, namely Government Commitment (X1), Budget Planning, (X2) Budget Execution, (X3) contribute 50.8% to DelayAbsorption of Regional Expenditure Revenue Budget(Y) and the remaining 49.2%, is a contribution from other variables that are not examined. The implications of these findings explain that DelayAbsorption of the Regional Revenue and Expenditure Budget to the Papua Provincial governmentsimultaneously by 50.8% influenced by the government's commitment (X1), Budget Planning (X2), and Budget Execution (X3) so that to overcome delays in the absorption of the Budget, all these independent variables must receive serious attention from the local government because the impact is real against delaysThe absorption of the Regional Revenue and Expenditure Budget is quite significantSuhartono (2011).

CONCLUSION

Based on the results of the analysis and discussion above, it can be concluded as Influence that shows the strength (strength) of the linear relationship and the direction of the relationship of the specified variables where if the correlation coefficient is positive, then all variables have a unidirectional relationship as the results of the analysis of the correlation coefficient value (r) of 74.6% shows a strong relationship between variables independent and dependent variable.

Partial hypothesis testing shows that each of the independent variables used in the research hypothesis is accepted as indicated by the magnitude of the t-test value and the significant level of each variable, except for the budget planning variable which shows an insignificant effect.

The joint significance test is carried out by comparing the p_value or probability (F-statistic) with a significant level. From the results of the calculation of the magnitude of the probability (F-statistic) and the significant level is set at $\alpha = 0.05$, so that the p_value or probability of this result is the comparison (f-count) with the value of 25,454 with a significant level of 0.000 thus, the hypothesis (H4) is accepted.

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