

# Pattern of Absorption of the Provincial Budget for the Special Capital Region (DKI) of Jakarta

Kumba Digdowiseiso<sup>1\*</sup>

<sup>1\*</sup> Universitas Nasional, South Jakarta City, 12520, Indonesia

Email

[kumba.digdo@civitas.unas.ac.id](mailto:kumba.digdo@civitas.unas.ac.id)\*

Received: January, 31, 2022    Revised: March, 05, 2022    Accepted: March, 31, 2022

---

## Abstract

The failure of the budget absorption target in the Regional Apparatus Organizations (OPD) of Capital Region (DKI) of Jakarta resulted in the loss of the benefits of spending because the funds allocated were not fully utilized. If the budget allocation is efficient, then the state can optimize the limited sources of funds to fund strategic activities. This study aims to examine the budget planning documents, administrative documents, procurement of goods, and budget execution affect the absorption of the budget. This study uses a quantitative approach, namely a research method based on the philosophy of positivism. The population in this study is the entire province of DKI Jakarta, which is as many as 23 OPD. Sampling in this study using a purposive sampling technique. Research as the whole population was used as a sample of 69 PPK-OPD people, OPD treasurers, and financial staff also called the population sample (census). Hypothesis testing is done by testing variance-based SEM or Partial Least Square (SEM-PLS) with the Smart pls 3.0 program. The study results found that planning documents and administrative documents had a positive but not significant effect on budget absorption. Meanwhile, the procurement of goods/services and the implementation of the budget have a positive and significant impact on budget absorption. This study suggests that the DKI Jakarta Provincial Government, to increase budget absorption, is expected to give serious attention to the problem of budget absorption by continuously improving the budget planning process in terms of documents and administration, starting from the preparation of the RKA to the Determination of the Regional Budget. Accelerate the budget implementation process by issuing Treasury Official Decrees on time, not delaying work, timely administrative completion processes in implementing the budget referring to the approved DPA and Cash Budget. Carry out the process of procuring goods and services by applicable laws and regulations.

**Keywords:** Budget Planning Documents; Administrative Documents; Procurement of Goods; Budget Execution; Budget Absorption

DOI : <https://doi.org/10.33096/atestasi.v5i1.3>  
p-ISSN : 2621-1963  
e-ISSN : 2621-1505

© Copyright: ATESTASI: Jurnal Ilmiah Akuntansi (2022)

This is an Open Access article distributed under the terms of the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized.

---

## Introduction

The paradigm of regional financial management has undergone fundamental changes, especially since the implementation of regional autonomy and fiscal decentralization in 2001, marked by the increasing authority of regions in managing and implementing regional revenue and expenditure budgets (Rahim et al., 2020). Assessment of the financial management performance of an area can be seen from the aspect of budget absorption (Muslim et al., 2019). The role of local governments in managing regional finances in the current era of autonomy has become critical (Syahwil & Damayanti, 2022).

Mardiasmo (2021) suggests that with regional autonomy, it is hoped that local governments can explore and manage regional wealth or resources efficiently and effectively to improve the quality of public services and the welfare of the people in their regions. Regional financial management that arises from regional autonomy or fiscal decentralization has been contained in Government Regulation Number 58 of 2005, which states that regional financial management as a whole activity includes planning, implementation, administration, reporting, accountability, and supervision of restricted finances. The aspect of budget planning is an essential aspect of regional financial management. Furthermore, the regulation states that regional financial management must be orderly obey the law, efficient, economical, effective, and responsible based on the principles of justice, compliance, and benefits for the community. This is because the economic goal to be achieved through fiscal decentralization is to realize public welfare through equitable and adequate public services by shortening the distance between public service providers and local communities (Qomariyahti & Hermanto, 2017).

Regional financial management is also followed by the consequences of economic relations between the central government and local governments that refer to the principle of money following the function of cash follow function; This means that every form of delegation of authority must be followed by the transfer of funding to carry out the source by government functions that are the responsibility of each level of government (Maulana, 2019). Furthermore, the management of the regional budget is summarized in a binding financial document between the central government and the provincial government or DPRD called the Regional Revenue and Expenditure Budget (APBD). Government Regulation Number 58 of 2005 states that APBD is the annual financial plan of the regional government, which is discussed and jointly approved by the provincial government and DPRD and is stipulated as a regional regulation (Pareda et al., 2017). Mardiasmo (2021) defines APBD as the main policy instrument for local governments. He continued that can also use the provincial budget to determine the amount of income and expenditure, assisting decision-making and development planning, authorizing future expenses, a source of developing standard performance evaluation measures, tools for motivating employees, and tools for developing performance evaluation standards—coordination for all activities of various work units. Therefore ideally, the APBD should reflect the needs of the community or the public interest with different potentials and natural resources owned by the region and expenditures to finance these needs (Arifin, 2007).

From year to year, the determination of the APBD allocation has increased. Along with this increase, it is assumed that there will also be an increase in the community's welfare. However, suppose the process of budgeting and implementing the APBD does not go well, in other words. In that case, the budgeted APBD allocation is not accompanied by optimal absorption, then the

community's welfare is difficult to achieve.

**Table 1. Report of Changes in Budget Balance Over DKI Jakarta Province  
2018-2020 period**

Description	31-December-2018	31-December-2019	31-December-2020
Early Budget Balance	9.755.082.722.776	13.165.982.127.533	1.203.971.456.696
Use of SAL as Receipt	(9.755.082.722.776)	(13.165.982.127.533)	(1.203.971.456.696)
Current Year Financing			
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
Income	62.300.679.833.068	61.235.824.747.633	55.887.004.237.727
Shopping	(64.938.363.682.013)	(61.410.121.851.157)	(52.088.133.628.022)
<b>Surplus (Defisit)</b>	<b>-2.637.683.848.945</b>	<b>-174.297.103.524</b>	<b>3.798.870.609.705</b>
Funding Receipt	11.781.958.541.707	17.435.403.144.101	5.582.816.579.812
Financing Expenditure	7.934.855.586.453	7.505.956.957.296	4.215.991.139.321
Financing-Net	3.847.102.955.254	9.929.446.186.805	1.366.825.440.491
Remaining More Budget Financing (SILPA)	1.209.419.106.309	9.755.149.083.281	5.165.696.050.196
<b>Sub-total</b>	<b>1.209.419.106.309</b>	<b>9.755.149.083.281</b>	<b>5.165.696.050.196</b>
Adjustment: Unrealized Exchange Rate Difference	5.447.649.613	66.360.505	240.163
Late Budget Balance After Adjustment	<u>1.203.971.456.696</u>	<u>9.755.082.722.776</u>	<u>5.165.695.810.033</u>

Judging from the regional financial reports that have been made, the remaining excess of budget financing (SILPA) of 2018, 2019, and 2020 APBD in the financial statements is still in the trillions. According to (Ramadhani & Setiawan, 2019), budget absorption is the achievement of an estimate during a specific period viewed at a particular time (realization of the budget). The DKI Jakarta Province SILPA data explains that the budget absorption capacity of the DKI Jakarta Provincial Government is not optimal because it is not under the desired target. The failure of this budget absorption target resulted in the loss of spending benefits because apparently, not all of the funds allocated could be utilized. If the budget allocation is efficient, it can optimize the limited sources of funds owned by the state to fund strategic activities. Limited sources of state revenue require the government to prioritize actions and allocate effective and efficient budgets. When budget absorption fails to meet the target, it means that there has been inefficiency and ineffectiveness of budget allocation (Anisa, 2019).

This late absorption of the budget needs serious attention from the government, especially for the types of goods and capital expenditures. These expenditures can improve the quality of life and the welfare of the community through increasing consumption values, increasing labor productivity, increasing real prosperity, and realizing macroeconomic stabilization. Budget optimization needs to be done to improve people's welfare so that the government can efficiently and effectively improve the economic level's performance (Cicilia et al., 2019). Thus, the realization of the budget that is not by the predetermined targets can be achieved.

Budget absorption is one of the indicators in assessing the financial management performance of a region. The level of budget absorption can be seen in the description or performance and ability of an area to carry out and be accountable for every planned activity (Ashari & Kaukab, 2020). Budget absorption is one of several stages in the budget cycle: budget planning, budget determination, approval by the House of Representatives/Regional Representatives (DPR/DPRD), budget absorption, budget oversight, and budget accountability

(Ashari & Kaukab, 2020). One of the patterns of budget absorption is influenced by budget planning documents. Budget planning is structured in regional development planning documents. This regional development plan is structured to ensure the linkages and consistency between planning, budgeting, implementation, and monitoring (Priagung et al., 2016). The planning document contains the activities needed to produce development performance targets in a regulatory framework fully and a budget framework called a work plan. Each Work Plan becomes the basis for coordinating and monitoring the implementation of the project to produce each development performance target. The Regional Head's vision, mission, and program are the main ingredients in the preparation of the work agenda for 5 (five) years as outlined in the Regional Medium Term Development Plan (RPJMD). Mutmainna & Iqbal (2017) explained that based on Law no. 25/2004 concerning the National Development Planning System confirms that the Regional Medium Term Development Plan (RPJM-D) is prepared by referring to the Regional Long-Term Plan (RPJP-D) and taking into account the National Medium-Term Plan (RPJM-Nas).

In general, planning can be interpreted as an activity carried out for a better future by considering current and past conditions. Planning (planning) is a process that begins with setting organizational goals in the form of determining strategies for achieving overall goals and formulating a comprehensive planning system to integrate and coordinate all administrative work until the achievement of these goals (Purwati et al., 2021). Budget planning can incorporate and coordinate all the organization's work to achieve these goals. With budget planning, the planning process is more focused and controlled. Planning is an essential element in the organization. Planning determines all activities that need and will be carried out to achieve the goals and objectives to be completed (Gagola et al., 2017). To realize the plan, a budget is needed. The budget is a blueprint for the planning process's description, actions, and formalities (Primastuti, 2017).

The size of the absorption rate of regional spending in funding public services is strongly influenced by the budget planning process (Ndaparoka & Tomasowa, 2019). In Regional Government, agency theory applies between the Provincial/Regency/City Government (agent) and the community (principal) through the Regional People's Representative Council (DPRD). The agency relationship in government is between the executive and the legislature, the executive (government) is the agent, and the legislature (DPRD) is the principal. Before the preparation of the APBD is carried out, an agreement is made between the executive and the legislature on the direction and general policies and priorities of the budget, which will serve as a guideline in the preparation of the APBD. The executive makes a draft APBD submitted to the legislature to be studied and discussed together before being enacted as a Regional Regulation (Perda). From an agency perspective, this is a form of contract that becomes a tool for the legislature to oversee the execution of the budget by the executive. The study results (Ramdhani & Anisa, 2017; Putri et al., 2018; Ramadhani & Setiawan, 2019) found that budget planning had a positive and significant effect on budget absorption. However, (Salwah 2019; Delia et al., 2021) found that budget planning had no significant impact on budget absorption.

The pattern of budget absorption is also influenced by organizational factors where there are problems regarding errors in determining accounts, so a revision of budget documents is needed. Administration covers the entire series of activities from setting to managing a group of people who have job differentiation to achieve a common goal (Kennedy et al., 2020). If the administration can carry out its duties properly, it can complete the process to achieve goals. The

administration is the systematic compilation and recording of both internally and externally to provide information. The administration is an integral part of the development process because the activities carried out significantly influence regional development, which is arranged in the government system (Gunawan, 2016). If the administrative staff can carry out their duties properly, can achieve the process results in achieving goals. The study results (Renoat & Latupeirissa, 2020; Syahwildan & Damayanti, 2022) found that administration had a positive and significant effect on budget absorption. In contrast to the findings (Mutmainna & Iqbal, 2017), which proved that administration had a positive and insignificant impact on budget absorption.

The procurement of goods/services also influences the pattern of budget absorption. Based on Presidential Decree No. 80 of 2003 as lastly amended by Presidential Decree No. 61 of 2004 concerning Guidelines for the Implementation of the Procurement of Government Goods/Services, it is stated that the procurement of government goods and services is an activity of procurement of goods/services financed by the APBN/APBD either carried out independently or independently by the provider of goods/services. Presidential Regulation Number 16 of 2018 concerning Procurement of Government Goods/Services "Procurement of government goods/services is a very important part in the process of implementing development, namely to improve public services and develop the national and regional economy." In this activity, budget users must apply the principles of efficiency, effectiveness, transparency, openness, competition, and accountability. This, of course, makes all parties involved in this procurement activity must carry out responsibly, professionally, and wisely. The funds allocated in the budget can be by the objectives and feel the maximum benefits (Amin & Anwar, 2020).

To accelerate the absorption of the budget, the Government regulates the procedures for the procurement of goods and services by issuing Presidential Regulation Number 70 of 2012 concerning the second amendment to Presidential Regulation Number 54 of 2010 concerning the procurement of goods and services. The Presidential Regulation explains that the procurement of goods and services is an activity to obtain goods and services by the Ministry/Institution/Regional Work Unit/Institution, whose process starts from planning needs until the completion of all activities to get goods and services. Ndaparoka & Tomasowa, (2019) stated that the failure of budget absorption targets related to the procurement of goods and services carried out by the Government (agents) would result in the loss of spending benefits because not all of the funds that have been allocated can be utilized, which means there is idle money. Suppose this is related to public facilities' physical development (facilities and infrastructure). In that case, the impact of this delay will result in delays in the benefits that will be received and enjoyed by the community as principals. In government organizations, budget absorption can be used as a performance indicator.

The stakeholder theory described by Freeman, (2015) is a theory that states that a company is not an entity that only operates for its own sake but must provide benefits to all its stakeholders, for example, shareholders, creditors, consumers, suppliers, governments, communities, analysts, and others. Another party. Thus, the existence of a company or organization is strongly influenced by the support provided by stakeholders to the company or organization. As a stakeholder, the government has a vital role in advancing an area and is expected to carry out development optimally, which is in line with improving community welfare (Delia et al., 2021). The progress of a region is seen from how the government can manage the existing budget to benefit the people in the area. Of course, making it happen is not easy; therefore, the government can work together



with the community to use the authority, services, and strategies in dealing with problems in the region. So that in using the budget effectively, efficiently, and economically, budget absorption will be fast and evenly absorbed until the end of the year. The study results (Gagola et al., 2017; Syakhrial, 2018; Ramadhani & Setiawan, 2019) found that the procurement of goods/services had a positive and significant effect on budget absorption. However, Puluala (2021) found that the procurement of goods/services had a positive and insignificant impact on budget absorption.

The implementation of the budget also influences the pattern of budget absorption. The Financial and Development Supervisory Agency (BPK) states that budget implementation is a stage of financial management that must be carried out after complete budget planning. Implementation is an activity or effort carried out to realize all plans and policies that have been formulated and determined. Implementing the new budget can be carried out after the budget implementation document (DPA), which is a document containing income, expenditure, and financing used as the basis for budget implementation by budget users, is ratified (Sanjaya, 2018). Puluala, (2021) explained that implementing the budget is an effort to realize the budget planning that has been made. Budget execution is also an activity carried out related to the use of the budget. Based on the above understanding, we can synthesize that budget implementation is the stage of financial management that must be carried out to realize budget planning efforts in implementing predetermined budget policies. Budget execution is also an activity carried out related to the use of the budget. In regional financial management, the new budget implementation can be carried out after the Work Plan and Budget (RKA) is approved as a Budget Implementation Document (DPA). Budget implementation is an action or implementation of a plan that has been prepared carefully and in detail. Will achieve budget implementation well if budget planning has been implemented correctly (Gagola et al., 2017). Budget implementation is a stage of financial management that must be carried out after the budget planning process is complete.

Budget execution is part of the State Revenue and Expenditure Budget (APBN) cycle and the Regional Revenue and Expenditure Budget (APBD). One of the critical indicators to determine the performance of the APBN/APBD is to measure the level of budget absorption in budget execution (Patiran & Bonsapia, 2021). Budget execution is the stage of financial management that must be carried out after the budget planning process is complete. Budget implementation is a critical stage in realizing government programs and activities that have been made (Setyawan & Gamayuni, 2020).

In the perspective of agency theory proposed by (Shogren et al., 2017), better budget implementation will impact better budget absorption. This will affect the Regional Work Units (agents) to carry out their duties and responsibilities in line with organizational goals and desired by the community (principals). The results of this study support research (Anisa, 2019; Salwah, 2019; Suyono, 2020), which proves that budget implementation has a positive and significant effect on budget absorption.

## **Research Design and Method**

This study uses a quantitative approach, namely a research method based on the philosophy of positivism, which is used to examine specific populations or samples. The population in this study were all Regional Apparatus Organizations (OPD) of DKI Jakarta Province, as many as 23 OPDs. Sampling in this study using the purposive sampling technique. The entire research

population was used as a sample of 69 PPK-OPD people, OPD treasurers, and financial staff also called the population sample (census). The data collected will be processed using the Smart PLS tool. Hypothesis testing is done by testing variance-based SEM or Partial Least Square (SEM-PLS) with the warp pls 3.0 program. SEM-PLS is used for exploratory research. The PLS approach is more suitable for prediction purposes (Ghozali, 2011).

The reflexive indicator model must have internal consistency because all indicator measures are assumed to be valid, and two indicator measures with the same reliability can be interchanged. The reliability of a construct will be below if there are only a few indicators. Still, the validity of the construct will not change if one of the indicators is omitted. The analytical steps used in the PLS approach include testing the Outer Model, Convergent validity, Discriminant validity, and Composite reliability. Next is to try the Structural Model (Inner-Model).

## Results and Discussion

### Statistical Result

The outer model test results in table 1 show that all the instruments used in this study have met the exterior model testing requirements. Table 2 shows that all indicators are valid because the factor loading value above is above 0.65; The reliability of the research instrument used in this study was tested using Cronbach's Alpha and the coefficient of composite reliability. The basic construct used is reliable if the composite reliability and Cronbach alpha values are above 0.70. Table 3 shows that each construct's average variance extracted (AVE) is > 0.5. This means that these five variables have met the requirements and are declared exemplary models.

**Table 2. Outer Model Test Results**

Construct	Indicator	Outer Loading
Planning Documents	X <sub>1.1</sub>	0,940
	X <sub>1.2</sub>	0,844
Administrative Documents	X <sub>2.1</sub>	0,887
	X <sub>2.2</sub>	0,893
	X <sub>2.3</sub>	0,715
Procurement of goods	X <sub>3.1</sub>	0,869
	X <sub>3.2</sub>	0,876
	X <sub>3.3</sub>	0,858
	X <sub>3.4</sub>	0,794
	X <sub>3.5</sub>	0,856
	X <sub>3.6</sub>	0,726
	X <sub>3.7</sub>	0,783
Budget Eksecution	X <sub>4.1</sub>	0,819
	X <sub>4.2</sub>	0,776
	X <sub>4.3</sub>	0,828
	X <sub>4.4</sub>	0,795
	X <sub>4.5</sub>	0,877
	X <sub>4.6</sub>	0,814
	X <sub>4.7</sub>	0,782

Absorption Budget	Y.1	0,884
	Y.2	0,799
	Y.3	0,825
	Y.4	0,760
	Y.5	0,837
	Y.6	0,889
	Y.7	0,797
	Y.8	0,711

**Table 3. Cronbach's Alpha and Composite Reliability**

Construct	Cronbach Alpha	Composite Reliability
Planning Documents	0.955	0.964
Administrative Documents	0.887	0.922
Procurement of goods	0.915	0.937
Budget Eksecution	0.952	0.962
Absorption Budget	0.962	0.968

The results of composite reliability and Cronbach's alpha show a fair value; namely, the value of each variable is above the minimum value of 0.70. This shows the consistency and stability of the instrument used are high. In other words, all the constructs or variables of this study have become a fit measuring instrument, and all the questions used to measure each construct have good reliability.

**Table 4. Coefficient of Determination (R-Square)**

R Square	Adj. R Square
0.700	0.682

**Table 5. Hypothesis Testing**

Correlation between Variables	B	t- Statistics	p-Values	Info
Planning Documents → Absorption Budget	0,070	1.058	0.291	Rejected
Administrative Documents → Absorption Budget	0.054	0.696	0.487	Rejected
Procurement of goods → Absorption Budget	0.430	2.016	0.044	Accepted
Budget Eksecution → Absorption Budget	0.414	1.992	0.047	Accepted

As shown in Table 4, the R-square value shows the inner model of 0.700 or 70.00%. This indicates that the budget absorption variable can be explained by the variables of budget planning documents, administrative documents, procurement of goods, and budget execution. In contrast, the remaining 30.00% can be explained by other variables not found in this study. The larger the R-square number indicates, the greater the independent variable can define the dependent variable so that the better the structural equation.

In table 5, the first hypothesis (H1) states that planning documents positively and significantly affect budget absorption. The study results rejected the proposed hypothesis because they found that the planning document had a positive but not significant effect on budget absorption in the DKI Jakarta Province OPD. This is because the t arithmetic value < t table (1.058 < 1.669) or P values > 0.05 (0.291 > 0.05), and the beta coefficient value is 0.070. Hypothesis 2



states that administrative documents positively and significantly affect budget absorption. The study results rejected the hypothesis because they found that administrative documents had a positive but not significant effect on budget absorption in OPD DKI Jakarta Province. This is because the  $t$  value  $<$   $t$  table ( $0.696 < 1.669$ ) or  $P$  values  $>$   $0.05$  ( $0.696 > 0.05$ ), and the beta coefficient value is 0.054. Hypothesis 3 states that the procurement of goods has a positive and significant effect on budget absorption. The study results accepted the hypothesis because they found that the procurement of goods had a positive and significant effect on budget absorption in the DKI Jakarta Province OPD. This is because the value of  $t$  arithmetic  $>$   $t$  table ( $2,016 > 1.669$ ) or  $P$  values  $<$   $0.05$  ( $0.004 < 0.05$ ), and the beta coefficient value is 0.430. Hypothesis 4 states that implementing the budget has a positive and significant effect on budget absorption. The study results accepted the hypothesis because they found that the planning document had a positive but not significant effect on budget absorption in the DKI Jakarta Province OPD. This is because the value of  $t$  count  $>$   $t$  table ( $1.992 > 1.669$ ) or  $P$  values  $<$   $0.05$  ( $0.047 > 0.05$ ), and the beta coefficient value is 0.414.

Data analysis in this study was carried out using the Structural Equation Model (SEM). The test was carried out with the help of the Smart PLS program. Figure 1 below presents the Full Model SEM test results using PLS.

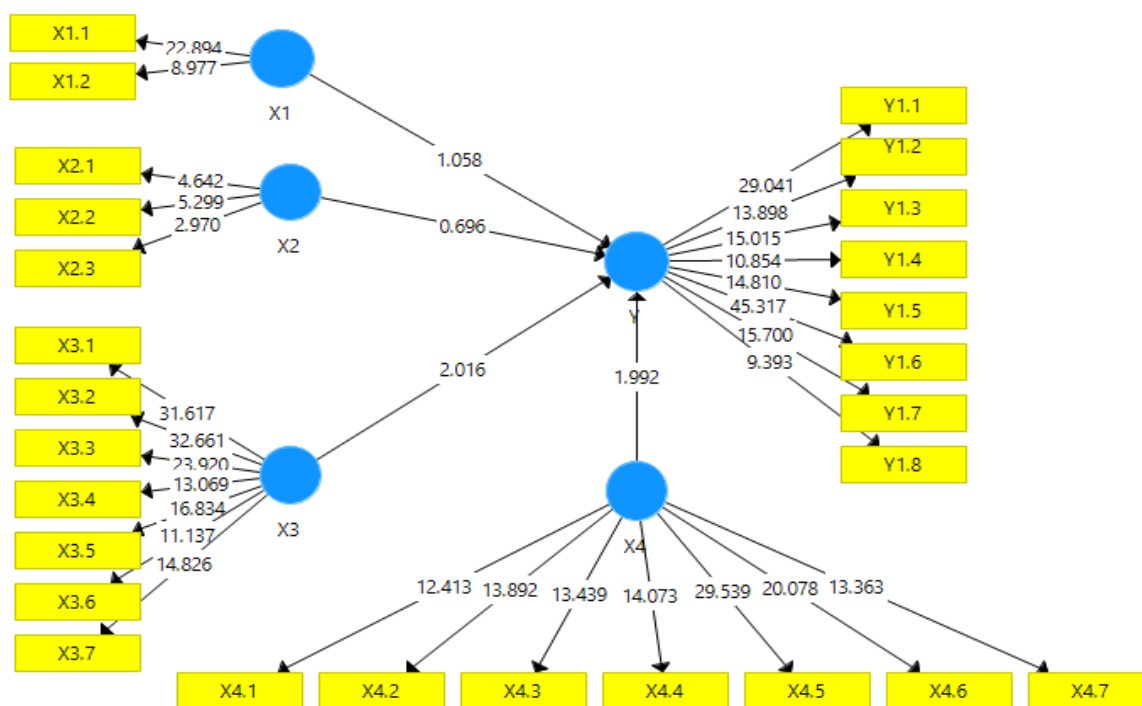


Figure 1. Full SEM Model Test Using Smart PLS

**Discussion**

The results of the hypothesis test reject the proposed hypothesis 1. It was found that the planning document positively but did not significantly affect the dependent variable, namely budget absorption. This means that the budget planning document is still being implemented without prior evaluation, there are still programs that are proposed that are not by the planning and needs of the organization, there are still programs that are implemented without taking into account the feasibility of the composition of expenditures, there are still programs that have not

received approval from the DPRD, thus hampering the implementation of activities. This will affect the revision of budget expenditures, where there is a revision of the DPA because it is not by the needs so that it can delay the realization of the budget and impact the absorption of the budget. Therefore, sound planning is needed so that the implementation of the activity program that has been prepared does not encounter obstacles so that the absorption of the budget will run on time. The immature budget planning factor in determining the budget is an obstacle that will impact the running of the work program. The incompatibility of the work program to be implemented with budget planning is one of the factors causing the lack of budget absorption (Dewi et al., 2017). In Regional Government, agency theory applies between the Provincial/Regency/City Government (agent) and the community (principal) through the Regional People's Representative Council (DPRD). The agency relationship in government is between the executive and the legislature, the executive (government) is the agent, and the legislature (DPRD) is the principal. Before the preparation of the APBD is carried out, an agreement is made between the executive and the legislature on the direction and general policies and priorities of the budget, which will serve as guidelines in the preparation of the APBD. Zelmianti (2016) argues that the executive makes a draft APBD submitted to the legislature to be studied and discussed together before being stipulated as a Regional Regulation (PERDA). From an agency perspective, this is a form of contract that becomes a tool for the legislature to oversee the execution of the budget by the executive. The results of this study support the research results (Salwah, 2019; Delia et al., 2021), finding that budget planning documents do not significantly affect budget absorption. Problems that arise in budget planning are caused by the assumption that will approve not all proposed budgets. The proposed budget is more significant than required without considering the ease of implementation and real needs in the field. However, in contrast to (Ramdhani & Anisa, 2017; Putri et al., 2018; Ramadhani & Setiawan, 2019; Lannai & Amin, 2020) finding that budget planning has a positive and significant effect on budget absorption. Administrative records are vital so that they can be used as evidence of recording, decision making, and reporting to influence budget absorption properly.

The results of the hypothesis test reject the proposed hypothesis 2. It was found that administrative documents positively but did not significantly affect the dependent variable, namely budget absorption. This means that the good or bad organizational recording system in the DKI Jakarta Provincial OPD does not affect the budget absorption that occurs, so it does not become one of the factors that affect budget absorption. There are still errors in determining the activity program account. The budget preparation and review period are too short, the PPKAD/BUD verification takes too long, and the Tender Committee Decree is set too late to impact the implementation of the activity program in the OPD. In Regional Government, agency theory applies between the Provincial/Regency/City Government (agent) and the community (principal) through the Regional People's Representative Council (DPRD). The agency relationship in government is between the executive and the legislature, the executive (government) is the agent, and the legislature (DPRD) is the principal. Before the preparation of the APBD is carried out, an agreement is made between the executive and the legislature on the direction and general policies and priorities of the budget, which will serve as guidelines in the preparation of the APBD. The executive makes a draft APBD submitted to the legislature to be studied and discussed together before being stipulated as a Regional Regulation (PERDA). From

an agency perspective, this is a form of contract that becomes a tool for the legislature to oversee the execution of the budget by the executive. The results of this study support the research results (Mutmainna & Iqbal, 2017), proving that administration has a positive and insignificant effect on budget absorption. If the administration can carry out its duties properly, it can achieve the process results in achieving goals. Administration can also be regarded as the systematic compilation and recording of both internally and externally to provide information. However, in contrast to the research results (Renoat & Latupeirissa, 2020; Syahwildan & Damayanti, 2022), the administration has a positive and significant effect on budget absorption. The higher the administration, the higher the absorption of the budget. Likewise, the lower the planning, the lower the absorption of the budget.

The results of the hypothesis test accept the proposed 3rd hypothesis. Found that the procurement of administrative goods positively and significantly affected the dependent variable, namely budget absorption. This means that the higher the value of procurement documents, the higher the absorption of the budget. Likewise, the lower the value of the procurement document, the lower the absorption of the budget. Realization of direct expenditure to implement programs and activities in each OPD can be carried out by self-management and providers. The e-purchasing system facilitates the procurement of goods and services through providers. In purchasing government goods and services, it is necessary to prepare procurement documents. In the preparation of documents for the procurement of goods and services, there are several urgencies for the preparation of supplier selection documents, such as being the basis for implementation in the auction until the implementation of the contract, document errors that can have fatal consequences, and the absence of nationally applicable document standards. There are provisions for guidelines for preparing procurement documents, namely Presidential Decree No. 80 of 2003 concerning Guidelines for the Implementation of Government Procurement of Goods/Services. The results of this study support the stakeholder theory explaining that local governments have a reciprocal relationship between each party that will have an impact on one another in achieving specific goals, the government as a stakeholder whose influence is quite significant on development in the region provides services to the needs of the community by the process of procuring goods/services online which are one way to accelerate budget absorption. The study results (Gagola et al., 2017; Syakhrial, 2018; Ramadhani & Setiawan, 2019) found that the procurement of goods/services had a positive and significant effect on budget absorption. However, Puluala (2021) found that the procurement of goods/services had a positive and insignificant impact on budget absorption.

The results of the hypothesis test accept the proposed 4th hypothesis. The budget implementation positively and significantly affected the dependent variable, namely budget absorption. The better the level of budget execution, the higher the absorption of the DKI Jakarta Province OPD budget. In managing regional finances, the implementation of the new budget can be carried out after the Work Plan and Budget (RKA) is ratified into a Budget Implementation Document (DPA). Budget implementation is an action or implementation of a plan that has been prepared carefully and in detail. Will achieve the budget implementation well if the budget planning has been implemented correctly. The budget implementation process is a process that is bound by many laws and regulations which have also undergone many changes, so this

Government Regulation was prepared to make adjustments to the developments that occurred.

The process of implementation and administration in practice must also take into account the performance that has been determined in the APBD. This process must be in line with the performance indicators agreed upon in the APBD document. The planned budget can be in line as it should be, and the number of errors in the implementation and administration process can be minimized (PP number 19 of 2019). These results support the agency theory that requires the government as an agent to carry out work contracts to the community. The implementation of the work contract is carried out through the realization of programs and activities. The essence of the performance of activities is the implementation of the budget itself. The budget implementation process includes issues that occur in the internal work unit, the process of procuring goods and services, and payment mechanisms (budget disbursement). These three things affect the size of the budget absorption (Malahayati, 2015). The results of this study support research (Anisa, 2019; Salwah, 2019; Suyono, 2020), which proves that budget implementation has a positive and significant effect on budget absorption.

## Conclusions

Based on the data analysis, we can conclude that planning documents and administrative documents have a positive but not significant effect on budget absorption. Meanwhile, the procurement of goods/services and the implementation of the budget have a positive and significant impact on budget absorption. The results of this study suggest that the DKI Jakarta Provincial Government can increase budget absorption and is expected to give serious attention to the problem of budget absorption by continuously improving the budget planning process in terms of documents and administration, starting from the preparation of the RKA to the Determination of the Regional Budget. Accelerate the budget implementation process by issuing Treasury Official Decrees on time, not delaying work, timely administrative completion processes in implementing the budget referring to the approved DPA and Cash Budget. Carry out the process of procuring goods and services by applicable laws and regulations.

## Reference

- Amin, A., & Anwar, A. (2020). Dimensi Karakteristik Laporan Keuangan Pemerintah. *Jurnal Akuntansi*, 10(3), 223–230. <https://doi.org/10.33369/j.akuntansi.10.3.223-230>
- Anisa, I. Z. (2019). Pengaruh Perencanaan Anggaran, Kualitas Sumber Daya Manusia dan Pelaksanaan Anggaran terhadap Penyerapan Anggaran pada Organisasi Perangkat Daerah Provinsi Banten. *Jurnal Riset Akuntansi Tirtayasa*, 2(1), 84–101. <http://dx.doi.org/10.48181/jratirtayasa.v2i1.4888>
- Arifin, S. (2007). Upaya Penyelenggaraan Pemerintahan Daerah dalam Membangun Ekonomi untuk Menghadapi Era Globalisasi. *Jurnal Dinamika Ekonomi & Bisnis*, 4(2). <https://ejournal.unisnu.ac.id/JDEB/article/viewFile/77/128>
- Ashari, M. I., & Kaukab, M. E. (2020). Analisis Kinerja Anggaran Berkonsep Value for Money. *Jurnal Ilmiah Mahasiswa Manajemen, Bisnis Dan Akuntansi (JIMMBA)*, 2(5), 728–740. <https://doi.org/10.32639/jimmba.v2i5.669>
- Cicilia, V. S. E., Murni, S., & Engka, D. (2019). Analisis Efisiensi dan Efektivitas Serta Kemandirian Pengelolaan Keuangan Daerah di Kabupaten Minahasa Utara. *Jurnal Pembangunan Ekonomi Dan Keuangan Daerah*, 17(2).

<https://doi.org/10.35794/jpekd.10245.17.2.2015>

- Delia, T., Djaddang, S., & Mulyadi, J. M. V. (2021). Analisis Determinasi Penyerapan Anggaran Dengan Perencanaan Anggaran dan Politik Anggaran Sebagai Pemoderasi. *Akurasi: Jurnal Studi Akuntansi Dan Keuangan*, 4(1), 116–131. <https://doi.org/10.29303/akurasi.v4i1.77>
- Dewi, N., Dwirandra, A., & Wirakusuma, M. G. (2017). Kemampuan komitmen organisasi memoderasi pengaruh perencanaan anggaran dan kompetensi SDM pada penyerapan anggaran pemerintah kabupaten Tabanan. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 6(4), 1609–1638. <https://www.neliti.com/publications/165384/kemampuan-komitmen-organisasi-memoderasi-pengaruh-perencanaan-anggaran-dan-kompe#cite>
- Freeman, R. E. (2015). Stakeholder theory. *Wiley encyclopedia of management*, 1-6. <https://doi.org/10.1002/9781118785317.weom020179>
- Gagola, L., Sondakh, J., & Warongan, J. (2017). Analisis Faktor-Faktor yang Mempengaruhi Penyerapan Anggaran Pendapatan dan Belanja Daerah (APBD) Pemerintah Kabupaten Kepulauan Talaud. *Jurnal Riset Akuntansi Dan Auditing "Goodwill"*, 8(1). <https://doi.org/10.35800/jjs.v8i1.15330>
- Gunawan, D. R. (2016). Penerapan sistem e-budgeting terhadap transparansi dan akuntabilitas keuangan publik (Studi pada Pemerintah Kota Surabaya). *AKRUAL: Jurnal Akuntansi*, 8(1), 72–102. <https://doi.org/10.26740/jaj.v8n1.p72-102>
- Kennedy, K., Azlina, N., Julita, J., & Nurulita, S. (2020). Pengaruh Perencanaan Anggaran, Kualitas Sumber Daya Manusia, Komitmen Organisasi, Pencatatan Administrasi dan Sistem Pengendalian Internal Pemerintah Terhadap Penyerapan Anggaran Pada Organisasi Perangkat Daerah di Kabupaten Bengkalis. *Jurnal Akuntansi Keuangan Dan Bisnis*, 13(2), 108–117. <http://dx.doi.org/10.23887/jimat.v8i2.13679>
- Lannai, D., & Amin, A. (2020). Factors Affect Budget Absorption in Government Institutions of South Sulawesi. *ATESTASI: Jurnal Ilmiah Akuntansi*, 3(2), 113–119. <https://doi.org/10.33096/atestasi.v3i2.517>
- Mardiasmo, M. B. A. (2021). Akuntansi Sektor Publik-Edisi Terbaru. Penerbit Andi.
- Maulana, A. (2019). Faktor-Faktor Pembentukan Daerah Otonomi Baru Dan Dampaknya Terhadap Keuangan Negara. *Ekuitas: Jurnal Pendidikan Ekonomi*, 7(2), 53–67. <http://dx.doi.org/10.23887/ekuitas.v7i2.17862>
- Muslim, M., Ahmad, H., & Rahim, S. (2019). The effect of emotional, spiritual and intellectual intelligence on auditor professionalism at the inspectorate of South Sulawesi Province. *The Indonesian Accounting Review*, 9(1), 73-84. <http://dx.doi.org/10.14414/tiar.v9i1.1416>
- Mutmainna, M., & Iqbal, M. (2017). Faktor-faktor yang Mempengaruhi Penyerapan Anggaran Satuan Kerja Perangkat Daerah Pemerintah Provinsi Sulawesi Selatan. *Assets: Jurnal Ekonomi, Manajemen Dan Akuntansi*, 7(1), 120–132. <https://doi.org/10.24252/.v7i1.3937>
- Ndaparoka, M. A. E. D. S., & Tomasowa, T. E. D. (2019). Analisis Faktor-Faktor Yang Mempengaruhi Penyerapan Anggaran Belanja Pada Organisasi Perangkat Daerah Di Kota Kupang. *Jaka-Jurnal Jurusan Akuntansi*, 3(2), 46–56. <https://core.ac.uk/download/pdf/268045215.pdf>
- Pareda, M., Sondakh, J. J., & Ilat, V. (2017). Analisis Pengelolaan Keuangan Daerah Pemerintah Daerah Kabupaten Kepulauan Talaud. *Jurnal Riset Akuntansi Dan Auditing" Goodwill"*, 8(2). <https://doi.org/10.35800/jjs.v8i2.18431>
- Patiran, A., & Bonsapia, M. (2021). Pengaruh Perencanaan Anggaran, Kompetensi Sumber Daya



- Manusia, Pelaksanaan Anggaran Dan Pengawasan Terhadap Penyerapan Anggaran Melalui Komitmen Organisasi Sebagai Variabel Moderasi. *Fokus Ekonomi: Jurnal Ilmiah Ekonomi*, 16(1), 188–210. <https://doi.org/10.34152/fe.16.1.188-210>
- Priagung, D. E., Sinoeraya, E. K., & Mafudi, M. (2016). Pengaruh Penyerapan Anggaran, Budaya Organisasi, Kepuasan Kerja Dan Pengawasan Inspektorat Terhadap Kinerja Keuangan Organisasi Publik (Studi pada Pemerintah Daerah Kabupaten Banjarnegara). *Al-Tijary*, 2(1), 1–15. <https://doi.org/10.21093/at.v2i1.536>
- Primastuti, A. (2017). Evaluasi Proses Perencanaan Dan Penganggaran Anggaran Pendapatan Dan Belanja Daerah (Apbd) Di Kota Samarinda Provinsi Kalimantan Timur. *JE & KP (Jurnal Ekonomi Dan Keuangan Publik)*, 41–56. <https://ejournal-new.ipdn.ac.id/JEKP/article/view/396/226>
- Puluala, M. G. (2021). Pengaruh Perencanaan Anggaran, Pelaksanaan Anggaran, Kualitas Sumber Daya Manusia, dan Pengadaan Barang dan Jasa Terhadap Tingkat Penyerapan Anggaran Daerah. *Jurnal Sosial dan Teknologi*, 1(1), 1–9. <https://doi.org/10.36418/jurnalsostech.v1i1.5>
- Purwati, I., Arisyahidin, A., & Talkah, A. (2021). Analisis Perencanaan Dan Pelaksanaan Anggaran, Sumber Daya Manusia, Pengadaan Barang Jasa Dan Lingkungan Birokrasi Terhadap Penyerapan Anggaran Di Kabupaten Kediri. *Otonomi*, 21(2), 244–261. <https://doi.org/10.32503/otonomi.v21i2.2046>
- Putri, K. M. R., Yuniarta, G. A., Ak, S. E., & Prayudi, M. A. (2018). Pengaruh perencanaan anggaran, kualitas sumber daya manusia dan komitmen organisasi terhadap penyerapan anggaran (Survei pada SKPD di wilayah Pemerintah daerah provinsi Bali). *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Undiksha*, 8(2). <http://dx.doi.org/10.23887/jimat.v8i2.13679>
- Qomariyahti, N. D., & Hermanto, S. B. (2017). Pengaruh PAD, DAU, DAK Dan Belanja Modal Terhadap Pertumbuhan Ekonomi. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, 6(11). <http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/1935>
- Rahim, S., Ahmad, H., Muslim, M., & Nursadirah, A. (2020, October). Disclosure of Local Government Financial Statements in South Sulawesi. In *Brawijaya International Conference on Multidisciplinary Sciences and Technology (BICMST 2020) (pp. 1-6)*. Atlantis Press. <https://dx.doi.org/10.2991/assehr.k.201021.001>
- Ramadhani, R., & Setiawan, M. A. (2019). Pengaruh regulasi, politik anggaran, perencanaan anggaran, sumber daya manusia dan pengadaan barang/jasa terhadap penyerapan anggaran belanja pada opd provinsi sumatera barat. *Jurnal Eksplorasi Akuntansi*, 1(2), 710–726. <https://doi.org/10.24036/jea.v1i2.104>
- Ramdhani, D., & Anisa, I. Z. (2017). Pengaruh Perencanaan Anggaran, Kualitas Sumber Daya Manusia dan Pelaksanaan Anggaran terhadap Penyerapan Anggaran pada Organisasi Perangkat Daerah Provinsi Banten. *Jurnal Riset Akuntansi Terpadu*, 10(1). <http://dx.doi.org/10.35448/jrat.v10i1.4223>
- Renoat, R. E., & Latupeirissa, D. S. (2020). Pengaruh Variabel Perencanaan Anggaran, Administrasi dan Kompetensi Sumber Daya Manusia terhadap Penyerapan Anggaran. *Bisman-Jurnal Bisnis & Manajemen*, 4(02), 23–32. <https://core.ac.uk/download/pdf/304923059.pdf>
- Salwah, A. (2019). Pengaruh Perencanaan Anggaran dan Pelaksanaan Anggaran Terhadap Serapan Anggaran Satuan Kerja Perangkat Daerah (SKPD) Pada Pemerintah Kota Banda Aceh. *Jurnal Transformasi Administrasi*, 9(2), 164–182.



<http://jta.lan.go.id/index.php/jta/article/view/110>

- Sanjaya, T. (2018). Pengaruh Regulasi Keuangan Daerah, Politik Anggaran dan Pelaksanaan Pengadaan Barang/Jasa Terhadap Penyerapan Anggaran pada OPD Provinsi Sumatera Barat. *Jurnal Akuntansi*, 6(3). <http://ejournal.unp.ac.id/students/index.php/akt/article/view/3804>
- Setyawan, W., & Gamayuni, R. R. (2020). The Quality of Financial Reporting and Internal Control System before and after the Implementation of E-budgeting in Indonesia Local Government. *Asian Journal of Economics, Business and Accounting*, 14(3), 22–31.
- Shogren, K. A., Wehmeyer, M. L., & Palmer, S. B. (2017). Causal agency theory. In *Development of self-determination through the life-course* (pp. 55-67). Springer, Dordrecht. [https://doi.org/10.1007/978-94-024-1042-6\\_5](https://doi.org/10.1007/978-94-024-1042-6_5)
- Suyono, N. A. (2020). Antecedent Variable Penyerapan Anggaran Pendapatan dan Belanja Daerah (APBD) Pemerintah Kabupaten Wonosobo (Studi Empiris pada Satuan Kerja Perangkat Daerah Pemerintah Kabupaten Wonosobo). *Journal of Economic, Management, Accounting and Technology (JEMATech)*, 3(1), 79–91. <https://doi.org/10.32500/jematech.v3i1.1083>
- Syahwildan, M., & Damayanti, I. (2022). Analisis Faktor Yang Mempengaruhi Penyerapan Anggaran Di Pemerintah Daerah Kabupaten Bekasi. *Ikra-Ith Ekonomika*, 5(1), 169–176. <https://journals.upi-yai.ac.id/index.php/IKRAITHEKONOMIKA>
- Syakhrial, S. (2018). Analisis Pengaruh Proses Perencanaan Anggaran, Administrasi Pengadaan Barang/Jasa Dan Verifikasi Dokumen Pembayaran Terhadap Progres Penyerapan Anggaran Belanja. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 1(2). <http://dx.doi.org/10.32493/frkm.v1i2.2537>
- Zelmiyanti, R. (2016). Pendekatan teori keagenan pada kinerja keuangan daerah dan belanja modal (Studi pada Provinsi di Indonesia). *JRAK: Jurnal Riset Akuntansi Dan Komputersasi Akuntansi*, 7(1), 11–21. <https://www.neliti.com/publications/71694/pendekatan-teori-keagenan-pada-kinerja-keuangan-daerah-dan-belanja-modal-studi-p#cite>