IDENTIFICATION MODEL OF LEAKAGE SYSTEM / WASTE BUDGET REGENCY/CITY GOVERNMENT PROVINCE NORTH SUMATRA

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ABSTRACT

The research aims to identify budget leakage/waste that occurs in the district/city government of North Sumatra Province, and implement a system model of budget leakage/waste. The main problem to be investigated is identifying indicators of budget leakage/wasting of the North Sumatran regency/municipal government budget which is seen from the size of the deficit in the APBD, the amount of regional expenditure carried out, namely direct spending and indirect spending. So that the government can continue to save on the use of the budget so that it does not harm the people and the state continuously. **Analysis model**which is used in identifying budget leakage/waste using the Panel Auto Regression Distribution Lag (ARDL) model and in implementing the budget leakage/wasting system model using the Vector Autoregression (VAR) model. ARDL which is used to find out the indicators of budget leakage/waste will then determine the cause of the leakage. Furthermore, by using the Vector Autoregression (VAR) model, it is possible to apply a budget leakage/wasting system model in the regencies/municipalities of the province of North Sumatra. So that it has a significant impact in minimizing leakage/waste of local government budgets. **ARDL Results**can identify and determine the effect of budget leakage/wasting that has a high chance of leading to acts of corruption or irregularities in implementing the APBD budget for both direct and indirect expenditures
Keywords: budget information system, budget leakage/waste.

INTRODUCTION.

Local government budgets are widely misused by elements of regional leadership. Many cases were caused that had a negative effect on the governor of North Sumatra. Several times the former governor and former mayor of Medan have been involved in corruption cases that have ended up being jailed. From this case, it should be an important lesson for all employees of the North Sumatra

provincial government, so that they can better carry out the people's mandate so that they can create a just, developed and dignified region.

Every year, the government also continues to refine the budget preparation mechanism as well as simplify the realization procedure so that budget absorption is expected to be more optimal. What is still a problem may be related to the quality issue of the absorption of the budget itself. Even though the Performance Based Budgeting (PBB) system has been implemented, the problem of the quality of budget absorption is inevitably still a major obstacle.

In addition to the cost control approach, budget leakage is also assessed from the lack of understanding of employees in the use of budget information systems. So far, the design of the budget information system has only been implemented in several districts/cities of North Sumatra. But not evenly. So that by conducting this research, a model for implementing a budget system of leakage/waste of budget use can be made in the district/city government of North Sumatra.

The rolling wave of reforms is also accompanied by the rolling agenda of financial decentralization and autonomy area. The implementation of fiscal decentralization and regional autonomy is followed by the delegation of authority from from the center to the regions, which is also followed by the transfer of funds sourced from the Revenue and Expenditure Budget Region (APBD). This transfer of funds was accompanied by the implementation of regional budget reform (budgeting reform), but the most important thing is that the budgeting reform that has taken place is followed by demands for it to be implemented a new paradigm in budgeting that prioritizes accountability, community participation, and transparency budget as the main pillar in the implementation of good governance, in addition to the budget, must also be managed through a performance-oriented approach, value for money, justice, welfare, and budget discipline.

The implementation of budgeting reform will be successful if it is supported using monitoring budget management optimally (Freeman et al., 2003 and Tuasikal, 2007). This is confirmed by Terry and Rue (2003:232) that the strong supervision will certainly be a very important and absolute thing to be carried out in the region because it is under the supervision

In the budget, there will be a guarantee that every rupiah of the budget spent by the regional government can have an impact on the real interests and needs of the people in the region and can be accounted for.

Amiq's (2010:10) view that the essence of APBD management as the main basis for the implementation of regional autonomy is not will succeed without a strong monitoring system (tonight).

The supervisory function can be carried out by optimizing the role of the DPRD as one of the most effective institutions has a strategic position and role in the implementation of the supervision of the APBD which is managed by the executive (Shahruddin and Taifur, 2002). This is becoming increasingly important because the relationship between the legislature and the executive in the regions has been mutually having power, namely being equal and being partners. James (1985:125) suggests that regional finance is people's finances and there is no use of public money without supervision from the people. In this case, the DPRD is a representation of the people, by the people, and for the people whose main function is to carry out the supervisory function, in addition to the legislative and budgetary functions.

The supervisory function carried out by the DPRD is the supervision of the implementation of various public policies in the regions carried out by the executive, including supervision of the implementation of APBD policies. (Basri, 2008). APBD supervision is all activities to ensure that the collection of regional revenues and the expenditure of regional expenditures goes according to the plans, rules, and objectives that have been set determined (Tarigan, 2002:147). Thus, the purpose of budget oversight (APBD) is to ensure that the budget prepared has been carried out by what has been outlined and can be accounted.

APBD supervision can be carried out properly if the board members as supervisors have knowledge adequate budgeting (Herbert et al. 1984:3; Newkirk, 1986:23; Peterson, 1994:55; Chong and Chong, 2002; Yuen, 2007; and Basri, 2008). The assumption is, how can a board member be able to guarantee that the supervision carried out has gone well if the board member does not have adequate knowledge adequate on the overall structure, procedure, and mechanism of budget preparation, does not master the law and budget policies, especially not having the ability to detect budget failures.

Yudono (2002) and Mardiasmo (2003) assert that at least the knowledge that board members will need in carrying out the supervisory function, one of which is knowledge of the budget.

The board must have adequate knowledge of the budget, because the wider knowledge board members regarding the budget, the greater the capability of the board members in carrying out supervision APBD (Erlina, 2008). If knowledge of the budget is weak, then the board is only passive and accepts the draft APBD proposals submitted by the executive without trying to review and trace that the proposed budget has been in accordance with community aspirations and regional strategic plans, so that in the end they are unable to detect budget leakage (Darwis,

2008). In fact, so far there are still many council members in the area who are confused

distinguish the terminology between supervision, control, and inspection, in addition to their knowledge regarding the overall structure, procedures, mechanisms, and budget policies are not yet fully adequate. Case

This indicates that the quality of the council's knowledge of regional budgets in the context of APBD oversight still weak. One of the phenomena related to the quality problem of board members is looking at the findingscwhether the board's knowledge of the budget can affect the oversight of the APBD and whether leadership style as a moderating variable can affect the relationship between knowledge council on the budget with the supervision of the APBD.

LITERATURE REVIEW.
2.1 Mechanism of Budget Leakage/Waste Implementation Model

Talking about budget leakage, the first thing to agree on is: is it also an issue of efficiency or not? This is important considering that the assessment of budget leakage so far has been equated with efficiency issues. by,cost control theory/Cost control is a systematic process or effort in setting implementation standards aimed at planning, feedback information systems, comparing actual implementation with planning, determining and managing deviations and making corrections in accordance with the predetermined plan, so that the objectives are achieved effectively. effective and efficient in the use of costs.

This research approach is quantitative research with Panel Auto Regression Distribution Lag (ARDL) and Vector Autoregression (VAR) models. The research approach is able to find out the system of budget leakage/waste that occurs. The effectiveness of the implementation of the budget leakage/waste system with two indicators.

2.2. Council Knowledge About Budget and Regional Budget Oversight (X1)

Budget oversight can be carried out properly if the council knows the budget that is needed adequate. Spilker (1995) reveals that high knowledge will greatly support the quality of work results, in addition to being able to overcome the complexities of the work faced by a person. According to Tubbs (1992) that, In detecting a fault, one in any profession should be supported with adequate knowledge of what and how the error occurred.

Kennedy's (1993) study analyzed the interaction of knowledge with the quality of work results and proved that high knowledge and problem-solving skills have a

positive relationship to quality work results. In connection with this, Yudono (2002) stated,

DPRD will be able to use their rights appropriately, carry out their duties and obligations properly effective, as well as place their position proportionally if each member knows adequate in terms of the technical conception of governance and public policy. Knowledge

One of the things that the council will need in monitoring the APBD is knowledge of the budget. Based on the description above, it can be said that the more qualified the knowledge possessed by the members, then the performance of the organization/institution will also become more qualified. This means that the better the knowledge that the board members have about the budget, the more optimal their supervisory performance will be. Otherwise, if knowledge of the budget is weak, then the council is only passive and accepts the proposed APBD by the executive without trying to examine and trace that the proposed budget is by the aspirations of the community and the regional strategic plan, so that in the end it cannot detect the occurrence of budget leaks.

METHOD

3.1 Ayu Kurnia Sari Research Roadmap (Research)

TOPIC LINEARITY AND RESEARCH UMBRELLA LECTURER	Umbrella LINEARITY OF RESEARCH THAT HAS BEEN DONE	STUDYB ASIC 2019-2023	STUDYA PPLIED 2024-2028	RESEARCH DEVELOPM ENT 2029-2033	

APPLICATION MODEL OF THE LEAKAGE SYSTEM/BUDGET WASTE	1. The effect of regional financial management information systems and the implementation of performance-based budgeting on local government performance (2016) 2. Identification of Medan city budget leaks (2017) 3. Identification of Budget Leaks (GCG Approach) in Medan City (2018)	1. Determination of budget leakage/waste identification 2. Determination of the system model for implementing budget leakage/wasting 3. Determination of the budget leakage/waste system model Using the VAR and SVAR Model 4. Determination of leakage/waste identification ARDL Panel Model Approach	. Policy Models in Identifying indicators of budget leakage/waste in the central government . Policy Model In the system of implementing leakage/central budget . Policies in the budget leakage/waste system model Using . Policy Determination Leakage/waste identification Approach Panel Model Approach ARDL	1. Development of a Leak/waste Identification Policy Model VAR, SVAR, 2TLS and ARDL Panel Approaches 2. Development of a Policy Model model for the implementation of the central government budget leakage/wasting system Using the VAR, SVAR, 2TLS and ARDL Panel Models	**This research roadmap is in accordance with the university roadmap that supports the creation of economic stability in Indonesia and the world based on monetary policy and macroprudential policy.**

3.2. Dependent variable: Regional Financial Supervision (APBD).

APBD supervision is a supervisory activity carried out by DPRD intensively during planning, implementation, and accountability of the APBD. The indicators used to measure the regional financial control variable (APBD) refer to the instruments adopted from the research of Sopanah and Mardiasmo (2003) consisting of 12 questions. The APBD supervision variable is based on question items regarding the supervision carried out by DPRD members at all stages of the APBD, namely the planning, implementation and accountability of the budget.

3.3. Independent Variable: Board Knowledge About Budget

The board's knowledge of the budget is the knowledge of the board members in terms of preparing the budget (RAPBD/APBD), detection and identification of budget wastage and leakage. The indicators used to measure the knowledge variable about the budget refer to the instruments adopted from Sopanah's research and Mardiasmo (2003) which consists of 4 questions. The knowledge variable about the budget is based on question items regarding the knowledge of the council on the preparation and implementation of the APBD, knowledge of**]** when carrying out supervision in order to anticipate leakage and waste in the implementation of the APBD, knowledge of the technical or the flow of APBD preparation.

3.4. Moderating Variable: Leadership Style

Leadership style is a strategy used by leaders at every level of the institution as a process influence its members in the context of achieving the organizational goals that have been set, especially in strengthening the control or oversight function of the APBD. The indicators used to measure the force variable leadership refers to the research questionnaire by Engko and Gudono (2007) which consists of 14 questions, then researchers develop according to the situation and related theories. The leadership style variable is based on the items questions about the application of task-oriented and task-oriented leadership styles connection.

ANALYZE AND RESULT.

4.1 Research Approach

This research approach is quantitative research with Panel Auto Regression Distribution Lag (ARDL) and Vector Autoregression (VAR) models. The research approach is able to find out the system of budget leakage/waste that occurs. The effectiveness of the implementation of the budget leakage/waste system with two indicators.

4.2. Research Data and Research Process

The data to be used in this study is secondary data originating from the Central Statistics Agency (BPS), BPK and BPKP Audit Results. Data collection techniques used in this study are documentation studies, namely collecting and processing data from previous information related to the problem. researched. The data used in this study are secondary data and primary data taken and processed from BPS, BPK/BPKP

audit results as well as distributing questionnaires and interviews to a number of employees who use the budget information system.

4.3   Data analysis technique

The analysis in this study uses a combination of several models, namely: panel regression, vector autoregression and vector autoregress structure. Model From the model used using the Auto Regression Distribution Lag Panel Model, it can be seen below. That the probability is 0.00 means that in this model there is no budget leakage that occurred in 5 regencies/cities of North Sumatra Province including the city of Medan, Kab. Deli Serdang, Mandailing Regency and North Tapanuli Regency.

CONCLUSION.

1.From the results of the discussion, it can be concluded that several urban districts consisting of Medan City, Deli Serdang Regency, Kab. Mandiling, North Tapanuli and Simalungun regencies do not show any budget leakage as seen from the ARDL model used of 0.00.

2. Based on the theory of cost control/Cost control is a systematic process or effort in setting implementation standards aimed at planning, feedback information systems, comparing actual implementation with planning, determining and managing deviations and making corrections in accordance with the predetermined plan, so that the objectives are achieved effectively. effective and efficient in the use of costs. Where this theory is in line with the research that has been done so far

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