

Budgetary Function Of Parliament In Implementing The Regional Budget Revenue And Expenditure

Idhamsyah, Achmad Ruslan, Muhammad Djafar Saidi, Abdul Razak

Abstract: The purpose of this research is to find and analyze the nature of budgetary functions by the House of Representatives. For find and analyze the implementation of budgetary functions by the Regional Representatives Council. The ideal model of future budgetary functions to achieve the objectives of the research, methods of research conducted qualitatively analyze qualitative data were processed and analyzed with empirical normative approach regarding the existing problems of this writing. The results showed, Regarding the implementation of the rights of the Budget, as well as the limitation of the right budget is essentially located at the focus of the regional council to judge the legitimacy or expediency reasons of public towards the Regional Budget than technical assessment. Thus, the Regional Representatives Council focusing on local budgetary strategy appropriate to people's needs, not on the technical budget figures. Implementation of budgetary function by the regional council where the implementation of the budget function must begin with the elaboration of various policies set out in the form of law in the form of work programs of government and development. As a suggestion from the author, should importance of Central Sulawesi province put through coordination with regions that have implemented e-budgeting for the management of the Regional Budget of Central Sulawesi using e-budgeting system in order to manage the manufacturing budget.

Index Terms: Budgetary, Regional Representatives Council, Budget and Expenditure

1 INTRODUCTION

State financial referred to in article 1 paragraph 1 of Act No. 17 of 2003 concerning State Finance are all of the rights and responsibilities which can be measured by money, and everything in money or in goods which could be used as a state-owned related to the implementation of rights and obligations. Governance is always associated with the management of state finances, because all government affairs impacted on the states' spending and revenues. State spending are expenditures used to fund government spending, both central and local government. While, state income is state revenue both of tax and non-tax revenues. As part of the effort to realize good governance, the states' financial management should be conducted in a professional, open and accountable. The principles applied in the management of state finances as a reflection in the implementation of best practices (application of good rules) were: (i) results-oriented accountability, (ii) professionalism, (iii) proportionality, (iv) transparency, and (v) financial audit by the auditing body that is free and independent. In the management of state finances are known a term of budget cycle. The budget cycle is the stages of the states' budget management in one fiscal year consisting of: (i) a stage of budget preparation, (ii) a stage of budget implementation, (iii) a stage of budget control, and (iv) a stage of budget accountability. Therefore, the Regional Representatives Council (DPRD) is an institution of regional representative council that carries out the supervision, budgeting and legislation as an equal partner local government. In the structure of local government, parliament is in two levels, namely at the provincial level called Provincial

Representative Council and District/City level called Regency/City Representative Council. In carrying out its functions, the council has rights, one of which is a right of budget. Look tasks in carrying out legislative functions, parliament should be able to participate in exercise their rights properly and perform tasks proportionally. It can be as good as any member of the legislature is not only an expert in politics, but also mastered sufficient knowledge in terms of conception and technical governance, public policy, technical supervision, budgeting. In practical terms, the scope of the supervision function of parliament is the supervision of the Regional Budget Revenue and Expenditure. Hence, the scope of supervision of parliament include supervision on the implementation of local regulation and other legislation, regulations of regional head, regional budget revenue and expenditure, local government policy in implementing regional development programs and international cooperation in the regional. The existence of parliament in local governance is not only as a rubber stamp to legalize each program and submitted by the regional head, but must exercise control over the course of the local government. Seeing the existence of the institution of parliament, then it should the parliament can carry out its function more optimally, particularly supervision functions possessed. The supervision function of parliament against the local government is very important to be optimized. It is based on that the supervision function of parliament against the local government has a very important role in the development of democracy in the regional. In addition, parliament is a regional representative institution to accumulate aspirations so that the people participate in supervises the implementation of the local government, as reflected by the implementation of the supervision function of parliament to district head. Essentially, by the supervision conducted by the parliament on the regional head is a reflection of the implementation of the mechanism of checks and balances in the good governance in the regional. Based on the phenomenon that has been described above, this study focused on the action on budgetary function of regional representative council in the implementation of regional budget revenue and expenditure.

- *Idhamsyah, is currently persuing Doctoral Program at Postgraduate Hasanuddin University, South Sulawesi, Indonesia. PH. +6285299188112. E-mail: idhmsyh@gmail.com*
- *Achmad Ruslan, Muhammad Djafar Saidi, Abdul Razak, lecturer at Faculty of Law, Hasanuddin University, South Sulawesi, Indonesia. PH. +62411-587219*

2. METHOD OF RESEARCH

2.1 Type and Approach of Research

This research uses a qualitative approach. In this qualitative study, researchers focused on the study of normative research; by reviewing or analyzing secondary data in the form of secondary legal materials to understand the law as a set of rules or norms of positivity within the regulatory system that governs the human life. So, this research is understood as the library research, a research of secondary data. To determine the answer to the questions contained in this problem formulation, we use an approach developed by Soekanto (1986), as follows: 1) statute approach by not forgetting the ratio legis and ontological basic of legislation; 2) conceptual approach to depart from the views and doctrines developed in jurisprudence.

2.2 Data Analysis

Data and study materials obtained, collected and classified based on urgency and its relevance and then analyzed deductive and logical. Meanwhile, the results of in-depth interviews that have passed through the dialectical process are analyzed by exposes the results of interviews with the theoretical and conceptual frameworks that had been developed.

3. RESULTS AND DISCUSSION

3.1 The Implementation of Budgetary Function by Parliament

Differ to the constitution in several countries that regulate political relations between the legislature and executive in the field of state finances in detail, the constitution of 1945 is only regulates the issue in one paragraph, which in article 23 paragraph (1) that "the National budget as a realization of the national financial management shall be determined each year by virtue of law and implemented transparently and responsibly for the welfare of the people to the utmost." This seems to be associated with the initial thought of the drafters that the constitution of 1945 are prepared in a shortened form, but must be flexible. Therefore, the constitution of 1945 is only governs the political relationship between the legislature and the executive in the states' financial sector in a very shortened form, when it considered already contains the basic principles, namely preamble principle, which should be owned by the legislature that essentially the form of authorization or authority to the executive. The preparation of regional budget revenue and expenditure is a regional budgeting process that conceptually consists of budget policy formulation and operational budget planning. Indeed, the supervision function as the working agenda of parliament could give particular attention to supervise an achieved target in supporting Pendapatan Asli Daerah (PAD). This supervision can be divided into 3 (three), in accordance with the demand and objectives are:

a. Preliminary Control

Preliminary control. The supervision of legislators in the stage of budget discussions. In this preliminary supervision, legislators in their role is very expected in examining each proposed budget, especially from public service providers, both in terms of service prices, output and outcomes of each type of service. It is expected that legislator to supervise the

planning stage who made by the executive. And from the budget allocation for public services can also be known whether the local government will provide public services to the community adequately or not.

b. Interim Control

Interim control is to ensure public services goes according to established standards and meet the expectations of the community for services performed within a certain period. Supervision can also be directed towards the implementation of the budget on public services or the journey of regulation.

c. Post Control

Post Control is to ensure public service goes as expected and also allocated to the evaluation of the planned target. Supervision is expected to make a recommendation to maintain, to repair or to improve the quality of service.

In normative, the function of the Regional Representatives Council has arranged that the Regional Representatives Council has 3 (three) functions; first, the function of legislation; the function in arranging the local regulations along with the regional head. Second, the function of budget, the function of Regional Representatives Council with local governments to develop and set a budget that includes a budget for the implementation of the functions, duties and authorities of parliament. Third, the function of supervision; the function of parliament to oversee the laws, local regulations and the decisions of Regional Head and policies established by regional head. The regional budget revenue and expenditure referred to the local budget is a document that contains estimates of revenue and expenditure details of the activities of local government from the government for a period of one year. Total revenue and expenditure in a local budget sometimes planned in balanced means for the concerned regional financial year. It aims to identify the ability of regional heads to manage local budgets so as not to cause the budget deficit. The regional budget revenue and expenditure is a form of action or legal act performed by the Regional Head with the Regional Representatives Council. The function of local budgets based on the study of constitutional law is a combination of peoples' sovereignty implemented by the Regional Head with the Regional Representatives Council. The function of budgeting is a function of the Regional Representatives Council or parliament is quite strategic in the context of regional development for the benefit of society. In definitive, local budgets can be interpreted as a financial plan in this case a regional for a year, which contains about expenditures and sources of income. In concept, the regional budget is a document of planning that includes an agreement between the Regional Head and the Regional Representatives Council in the field of finance. A good financial plan is when the budget can meet the aspirations and needs of the local community. Furthermore, the financial plan is formulated within the framework of the budget. Therefore, the sense of financial attached to the regional budget revenue and expenditure, which is an annual financial planning of regional as defined according to local regulations. The function of the regional budget revenue and expenditure concerns the authorization, planning, super-vision, allocation and distribution. This function can be made into 3 (three) main functions in order to create public welfare, namely the function of allocation, distribution and stabilization. First, the function of allocations, that the

budget is a means for the supply of goods and services required by community. In addition, the means to meet the needs of regional governance and development activities. Second, the function of distribution, budgeting is a mechanism for sharing equally and equitably over the various resources owned by a community and its utilization. Third, the function of stabilization, local budgeting can be used to maintain the stability of the economy such as employment and inflation control. The inflation rate can be reduced, it will increase the purchasing power of the community and encourage economic growth. And then will encourage the creation of employment opportunities to absorb labor so unemployment figures can be minimized.

3.2 An Ideal Concept of Budgetary Function for Future Applied

If see the general description contained in article 23 paragraph (1) of the constitution of 1945 determined that the budget revenue and expenditure as a form of states' financial management is determined annually by law and carried out transparently and responsibly for the welfare of the people. This requires that the state financial management should be carried out in a professional, efficient, effective, transparent and accountable. The intended professional is that every government official that manages state finances should be someone who has the capability, credibility, and expert in their position in accordance with the duties and responsibilities. With efficient meant that in every use of state finances should be done sparingly, it means that every activities and expenditure must appropriate to the funding requirements. While effectively means is that any use or management of state finances must be in order to achieve the objectives, targets, or specific performance. Furthermore, transparent is that any state financial management activities must be conducted in a transparent manner so that the public can easily access and aware of the activities referred to public finance management (Muhdar, M., et al., 2015). Along with it, then any state financial management activities are also held accountable so regularly there should be an accountability report either the use or the results of the budget and performance achievements. In sociological, the organization of state finances is not yet fully in line with the philosophy of state finances. In some cases, there are things that do not reflect the states' financial philosophy embodied in our constitution, namely the constitution of 1945, especially in the Preamble to the Fourth Paragraph. It is certainly less support efforts to achieve state goals or the realization that promote the general welfare and equitable. Another subject matter sociologically still need improvement with regard to state finances is the absence of provisions expressly need for synergy between the planning and budget documents for ministries and agencies. As a result, the budget allocation is often not in line with what has been set in the planning, including the prioritization of activities (development). The Unitary State of the Republic of Indonesia as a country whose sovereignty of the people, based on the law and the constitution, the state financial management system must comply with the basic rules set in the constitution as the supreme law. In the constitution of 1945 Chapter VIII on Finance, affirm that state budget revenue and expenditure is set every year by law, and the provision of tax and other levies coercive for the purposes of the state as well as the type and currency value is set by law. Regard with this, the local government system in Indonesia based on the

constitution of 1945, particularly Article 18 adopts decentralization is to give autonomy to the regions, with each region (province, district and city) has its own local government. Autonomy is a form of the rights, powers and obligations of local governments to regulate and manage the affairs related to the government and public interests autonomously in accordance with the regulations and the aspirations of the community to improve the effectiveness and efficiency of governance in the context of public service and development implementation. The implementations of local autonomy give greater authority, more real and responsible to review, organize, and exploit the potential that exists in each region. Technically, the regional budget revenue and expenditure is a form of financial management of local governments. According to UUKN, the regional budget revenue and expenditure is the annual financial plan of local government that approved by the parliament. This budget is discussed and agreed upon by the local government and the parliament is set by local regulations. Local budgets are the basis of financial management within one year of the budget. Local budgets are prepared in accordance with the needs of governance and the ability of local revenue. Preparation of the budget drafting is guided by the local government work plan in order to realize the government objective. However, despite the existing laws and regulations under which regulates the schedule of preparation and adoption of the regional budget revenue and expenditure, the reality is still a lot of even most regions in Indonesia has been delayed in budgeting preparation. The process of budget management in the region often has to be faced with problems when planning and budgeting process (preparation and adoption of the regional budget revenue and expenditure) is not going well and properly. Broadly, planning and budgeting involves 3 (three) parties, namely the Regional Work Units (SKPD), Local Government Budget Team (TAPD), and the Budget Agency (Banggar). SKPD and TAPD come from the executive while Banggar is part of the legislature. Delays in the preparation of this local budget have happened in a long time and occur repeatedly. Local budgets delay can cause a delay in the implementation of local government programs that generally most of the program funding comes from this local budget. The delayed programs implemented can affect the public service to the community. Local budget delay in its drafting process can also affect the regional economy. Based on observations of the author, the following are factors that cause delays in budget preparation and adoption of Regional Budget Revenue and Expenditure in Central Sulawesi province: First, intervention during the process of planning. Planning an activity primarily related to increased development in all sectors in order to improve the welfare of community. In ideal, this step begins with planning based on the existing guidelines, including a strategic plan that has been prepared within a period of 5 (five) years to the fore without the exclusion of strategic issues that exist during it is related and have clear output. But if the planning out of the strategic guidelines established, the region will encounter difficulties in planning programs and activities over the next year. Second, the intervention of budget rights of parliament. A member of parliament often proposes the biased activities and away from the proposed community as result of development Planning Meeting (Musrenbang, in Indonesian). Several factors intervene budget rights of parliament to become an obstacle in the preparation of local budget, are:

- a) The proposal of parliament often not in accordance with the agreement of the Development Planning Meeting;
- b) A political element in order to realize specific interests;
- c) Motive at the time of project implementation in the field in order to seek personal gain;
- d) The term of project-shares to legislators or local officials.

Ideally, the regional budget revenue and expenditure is more prioritize on development that includes infra-structure spending, human resources such as education and health. While, competitiveness spending such as agriculture, fisheries and forestry are also a concern of local governments, all of this is intended for public spending (public-oriented) and oriented to the realization of public welfare in the region.

4 CONCLUSION

The implementation of the budget rights basically lays in the focus of the Regional Representative Council or parliament to assess the public benefit of the regional budget revenue and expenditure than technical assessment. Thus, the parliament in carrying out its function as repre-sentatives of the people are sovereign, where the local budget depends both on its adoption and implementation to the people sovereign holder that is Parliament as an element of governance in the region. The implementation of budgetary functions by par-liament must begin with the elaboration of various policies set out in the form of law in force such work programs of government and development. In addition, the preparation of governance and development programs, it can also be formulated with reference to the empirical needs found in the field and for then formulated as work plan that confirmed in the form of a binding law to the public. The need of coordination for Central Sulawesi province with regions that have implemented e-budgeting for the management of the regional budget revenue and expen-diture so that Central Sulawesi province using e-budgeting system in order to manage the budgeting for the preparation of local budgets can be transparent and open.

REFERENCES

- [1] Arief Sidharta. (2004). "Kajian Kefilsafatan tentang Negara Hukum". Jakarta: PSHK. Jurnal Jentera 2(3).
- [2] Brian Z. Tamanaha. (2001). *The Rule of Law Theory*. Oxford University: New York.
- [3] Dilys M. Hill. (1974). *Democratic Theory and Local Government*, George Allen & Uniwin Ltd.
- [4] Donald Black. (1980). "Empirical Verification and Black's The Behavior of Law". *American Sociological Association. American Sociological Review*, 45(2).
- [5] Jogi Nainggolan. (2015). *Energi Hukum sebagai Faktor Pendorong Efektivitas Hukum*. Bandung: Refika Aditama.
- [6] Krishna D. Darumutri and Umbu Rauta. (2003). *Otonomi Daerah Perkembangan Pemikiran, Pengarutan dan Pelaksanaan*. Bandung: Citra Aditya Bhakti.

- [7] Muhdar, M., Nasir, M., & Rosdiana, R. (2015). Implikasi Hukum Terhadap Praktik Pinjam Pakai Kawasan Hutan untuk Kegiatan Pertambangan Batubara. *Hasanuddin Law Review*, 1(3), 430-451. doi: <http://dx.doi.org/10.20956/halrev.v1n3.120>
- [8] Ronald Dworkin. (1985). *Political Judges and the Rule of Law, A Matter of Principle*. Cambridge: Harvard University Press.
- [9] Ronny Sautma Hotma Bako. (2005). *Hak Budget Parlemen Indonesia*. Jakarta: Yarsi Watampone and Faculty of Law, the University of Indonesia.
- [10] Tamanaha, Brian Z. (2006). *On The Rule of Law, History, Politics, Theory*. Fourth edition. Cambridge: Cambridge University Press.
- [11] Ujan, Andre Ata. (2009). *Filsafat Hukum: Membangun Hukum, Membela Keadilan*. Yogyakarta: Kanisius.