

Budget Committee Arrangement To Support Optimization Of The Regional Representatives Council

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Abstract: The Budget Committee is the region representative fittings that are fixed and established by region representative at the beginning of membership of region representative. Therefore, the Budget Committee of region representative in this reform era occupies a very strategic position. This study was carried out at the Region Representative Council of Palu, Central Sulawesi, Indonesia. The results shows that one obstacle that affect the budget function of the Region Representative Council in establish local budget is due to lack of planning in budgeting. An arrangement model of ideal budget is necessary supervision, should the Region Representative Council as the representative body can optimize the full potential of available resources.

Index Terms: Budgeting, Local Government, Regional Representatives Council, Parliament

1 INTRODUCTION

Indonesia is a unitary country that adheres to the principle of decentralization in governance. This is seen from the giving of opportunity and freedom to the region to implement local autonomy that implemented by local governments or in other words given discretion to manage the affairs of government. As stipulated in Article 18 paragraph 2 of the 1945 Constitution, states: "The government of provinces, districts and municipalities to regulate and administer their own affairs according to the principle of autonomy and duty of assistance." The governance system occurred because Indonesia is in the period of transformation in the relationship between the central government, provincial and district/city where the local government is an extension of the center in the region. But even so, it can make way for local governments to regulate the full implementation of the household and can take greater responsibility in providing public services in the region, to organize and manage their own household. An effort to realize the goal of development and governance within the framework of the implementation of local autonomy is to improve the professionalism ability of human resources and the performance of institutions, including the performance of the legislature (Regional Representative Council). Therefore, the success of regional development policy is largely determined by the active and effective role by the council in perform its functions, especially monitoring the implementation of development policies relating to community needs. As described above, the Budget Committee is the region representative fittings that are fixed and established by region representative at the beginning of membership of region representative. Therefore, the Budget Committee of region representative in this reform era occupies a very strategic position.

In other words, the implementation of democracy and the implementation of governance and development that clean from collusion, corruption and nepotism are very dependent on the performance capabilities of the Budget Committee of region representative in articulating and accommodate the peoples' aspirations. In Indonesia, various regulations and guidelines have been published related to the performance based budget-ing to the local government. Including regulated therein is the inclusion of performance indicators in the documents of planning and budgeting as well as the use of performance indicators in the government budgeting process. To be able to make the performance-based region or local budget must have a strategic planning. The phenomenon that occurs in the Region Representative Council Palu, Central Sulawesi, Indonesia is still high the political interests in decision-making, thus suggesting that the public interest abandoned and less attention. The occurrence polemic in decision-making mechanisms, especially in terms of the discussion of local regulation, will lead to non-fulfillment of legal regulations in the region. Related to that, the local budget management has become a major concern for decision makers in the government, at both central and local levels. So far, the legislation and laws have been issued and enforced in an effort to create a budget management system capable of meeting the demands and needs of people. In term of local government, the embodiment of the peoples' mandate is expressed in the form of a work plan that will be implemented by the local government to use its own resources. Thus, the drafting of local budget should be oriented towards the people's interests or public.

2. METHOD OF THE RESEARCH

This study was carried out at the Region Representative Council of Palu, Central Sulawesi, Indonesia. The population is all the members of the Budget Committee of the Region Representative Council of Central Sulawesi, and executive in the scope of Palu city. Primary and secondary data will be analyzed qualitatively and descriptively, qualitative data is processed and analyzed normative-empirical by normative approaches, sociological, and philosophical and through formal-logic thinking and argumentative in the process of deductive-inductive inference and see the relationships between phenomena on the issues raised in this research. It is intended to obtain a clear description with regard to the

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discussion of the researcher discussed.

3. RESULTS AND DISCUSSION

3.1 Scope of Budget Committee Function of Region Representative Council

Local budget planning includes several stages of planning. All the local revenue and spending in order the implementation of regional government affairs are managed in the local budget. The implementation of local budget is involving more people than its preparations and consider feedback from actual experience. Therefore, the implementation of budget must be: (a) ensure that the budget will be implemented in accordance with the authority both in finance and policy aspects; (b) adapt the implementation of budget with significant changes in the macro-economy; (c) decide any issues that arise in the implementation; (d) handle the purchase and use resources efficiently and effectively. Budget execution system should ensure their compliance with the budgetary authority and has the ability to conduct control and reporting that can be directly aware of any budget problems and provides flexibility. Relation to that, the function of budgeting has a very important role in realizing the peoples' welfare and improves competitiveness. Budget at the local level (local budget) had a significant relationship with the budget at the national level (national budget), namely as a means to address the problem of fiscal imbalances vertically (proportionality). In addition, to address the problem of fiscal imbalances horizontally – comparing between the fiscal need with the fiscal capacity to determine the fiscal gap. Budgeting function is one of the most important functions of Region Representative Council, so that the legislators need to understand the functional differences in budgetary matters than the functions of local government in terms of budgeting, in order to prepare and establish the local budget plan into the local budget in each district/city. Therefore, the fundamental differences that determine the level of budgeting performance of Region Representative Council need to be elaborated, in order to minimize the difference of functional perception between the function of local budgeting with Region Representative Council budgeting. Seeing the objectives to be achieved, it shown that the role of Region Representative Council in the budget function that oriented politically must be pay attention to the promise when the legislative election campaign, in which all candidates have been elected as legislator region must accrue the interest of voters in a constituency with program/proposed field of activity listed in the proposed draft budget. As a follow-up, it can be seen in the performance of their functions in terms of budget expenditure and financing.

3.2 Role of Budget Committee in Supporting the Implementation of Budget Function

The Budget Committee of Region Representative Council is fittings that are fixed and established by the Region Representative Council at the beginning of membership. Relation to that, the role that should be done by the Budget Committee, not all of them were able to perform the role that is inherent in it. Therefore, it is not uncommon lack of success in carrying out its role. When referring to the social sciences, the failure is manifested in role conflict and role strain. Everyone plays a number of different roles, and sometimes these roles bring contrary expectations. Role conflict often occurs in people who hold a number of different roles, if these roles

have patterns that are opposite each other in spite of the subject or the intended target together. In other words, the role conflict occurs when to obey a pattern, one should violate another pattern. There are at least 2 (two) kinds of role conflict among other the conflict between different roles, and conflicts within a single role. First, one or more roles (whether it is the independent rope or part of a set of roles) may give rise to conflicting obligations for someone. Second, in a single role may be no inherent conflict. The contrary expectation in a similar role is called role strain. One thing that causes role strain is due to any role often requires interaction with a variety of other different status. To some extent, each of these interactions is to formulate a different role because it brings different expectations anyway. Thus, it appears to be a single role may be a number of aspects that actually several roles. Effectiveness basically refers to a success or achievement of objectives. Effectiveness is one dimension of productivity, which leads to the achievement of maximum work, as the achievement of targets relating to quality and quantity as well as time. Formulation clarity and substances of the rule of law, so easily understood by the enact target of the rule of law. Thus, the substance formulation of the rule of law must be designed properly, if the rules are written, should be written clearly and be understood with certainty. Although, it still require the interpretation of law enforcement which would apply. Based on the results of authors' study, almost all commissions of the Region Representative Council in Indonesia do not have sufficient data or statistics. That is why the Region Representative Council always "lost" in the discussion of issues and policies, including budget policies, with regional heads and their staffs. In addition, the presence of experts and the expert group have not considered important by the Region Representative Council and the local governments. The Budget Committee is not the budget drafting team of Region Representative Council. So, they only provide advice to the chairman of parliament, who discussed the budget to legislators by the Secretary of parliament. The preparation of work plan is conducted by all the council fittings according to their needs, facilitated by the secretary of Parliament.

3.3 An Arrangement Model of Ideal Budget Committee

Definition of the budget according to The National Committee on Governmental Accounting (NCGA) is "plan activities are realized in the form of financial, which includes proposed expenditures and estimated for a given time period, along with the proposed ways to meet such expenditure". The scopes of state finance that managed directly by the central government is the National Budget (APBN), and managed directly by the local government is the Regional Budget (APBD). Both APBN and APBD is the essence of government financial accounting. Therefore, the position of national and regional budgets in the financial administration and government accounting is very important. Region budget (APBN) is the annual financial plan of local government established by local regulations. It is the basis of financial management in a period of 1 (one) fiscal year starting 1 January through 31 December. The regional head submit the local regulation on the budget and accompanied by explanations and supporting documents to the Region Representative Council for approval together. Drafting, implementation, administration, reporting, control and accountability of regional finance is further stipulated by local regulation that guided by government regulation. In general,

the drafting of local budget should not be separated from the existing rules above the regulation of Domestic Affairs Minister is Government Regulation (PP). Some reasons why the government has revised the regulation of Domestic Affairs Minister No. 13/2006 is due to the change associated with the Government Regulation on the division of government affairs between the government and the local government and organizational structures in the region. The issuance of Government Regulation No.38 / 2007 and PP No.41/2007 has direct implication on financial policy in the region. The standard and normative guidelines in technical-juridical been used as a reference of region. In theoretical, the emphasis is the implementation of a mechanism of the local budget drafting as the principles of "good financial governance". Typically to make the local budget drafting needs to be the establishment "basic ideas" that constantly poured in making strategy and priorities of the local budget. Through steps and effort is expected to create a local budget that has a democratic character with a good legal basis or in philosophical terms Kusumohamidjojo, there is a "fair order". In the procedure of local budget drafting, formulating strategies and priorities of the local budget drafting is basically as the authority and responsibility of local government (executive). In its implementation, the authority and responsibilities will be handed over to key people the technical institutions available in Local Government, under the coordination of the Regional Development Planning Board. After the direction and general discretion of local budget are drafted, the local government set management strategy and priorities by focusing on the identification. According to the researcher, in the process of local budget drafting as similar to the vision "good financial governance," the first thing to note is establish the local budget that was democratic by promoting community participation. The community is important in the process of local budget drafting to improve the people welfare that represented as a "subject of democracy" and the quality of service to the community. Through the steps of the local budget drafting which rests on the principles of "good financial governance" it can be predicted that the mechanisms for establish the local budget is necessarily have public accountability within the framework of local financial management, as the views of law sociologist Satjipto Rahardjo. For "law that rational and happy". The basic idea of "good financial governance" requires a way of financial management with "integrated financial management system" pattern for the creation of "fiscal sustainability." It is a financial management (state) which is in line with the rhythm of modernity "financial management". Local financial management that legally modern must be set forth in the legal arrangements as the principles of "good financial governance" in the form of transparency and public participation. This is in line to the provisions of Article 3 paragraph (1) of Act No. 17 of 2003 on State Finance (State Finance Act), which states: State finance is managed in orderly, obedient to laws and regulations, efficient, economical, effective, transparent, and accountable with regard fairness and propriety. In order to implement the budget function of democratic parliament, it would require some strategy, so that peoples' expectations of increasing the welfare can be realized. For that, necessary to legal reform in this case, norm that authorizes the parliament to carry out the budget functions of parliament. Besides the need for regional development, truly become people's needs, the development program that planned by the Region Representative Council should really

be the peoples' needs and will of the people themselves, not because certain groups and useful in certain groups or for certain officials in the local government, so that the local budget planning of the Region Representative Council is truly reflects the responsive local budget draft. During this, the supervision of governance by the Region Representative Council is only supervised by the Region Representative Council from the policy supervision, drafting supervision and development programs. With the limitation, the number and capabilities of Parliament members, then the supervision will not be effective because the scope is quite extensive. On the other hand, other supervision resources outside the Region Representative Council is rarely involved and engaged both in the exchange of information on the supervision results and synergies. Each apparatus in supervising is still within the limits of the institutional sector working rather than supervision institutional synergy. Outcomes of the budgeting function will be known if the output of the function can be done performance assessments. The Region Representative Council needs to analyze the performance of the local budget to formulate and revise basic policies in the management, allocation and distribution of financial resources for the financing of regional development. It is time for accountability of the local budget performance is analyzed and objective assessment to determine the effectiveness of the local budget to finance local development in achieving its goal of improving peoples' welfare, improve services and local competitiveness. In the context of Region Representative Council to assess budget performance, benchmarks or indicators used in analysis the local budget performance includes Formal Financial Performance Indicator (Table. 1) and the Budget Performance Social Indicator (Table. 2).

Table. 1. Formal Financial Performance Indicator

Indicator	Description
Fiscal Level	Autonomy This performance indicates the extent to which the ability of local government to explore potential sources of financing without burden the people
Transparency	Measures the extent to which local governments can provide public access to budget documents.
Accountability	The extent to which the management of local financial resources in accordance with the mandate of the Local Government.
Value of Money	Economical, efficient and effective to measure the extent to which the savings effort, the use of human resources and the achievement of benefits of local finance.

Table 2. Budget Performance Social Indicator

Indicator	Description	Example
Input	Everything required to produce output	Funds, human resources, materials, time, technology etc.
Output	Goods/services produced	Goods/services
Outcome	Reflects the functioning directly output in the short term	Success rate of immunization programs
Impact	Everything associated with the ultimate aim of activities /programs	Decreasing mortality rate of infant

Measuring social indicators are very difficult given the impact of the activity or long-term the program, its measure is

relatively subjective and not specific. Nevertheless, council members, in carrying out the budgeting functions should pay attention to this. Aside from supervision, it is important for transparency as ideal model of budget arrangement are transparency or openness. Clear information is available for procedures, costs and responsibilities. This is as the manifestations of transparency made by the parliament to the people in Central Sulawesi province. Based on the findings, we can conclude that the Region Representative Council in Palu City is not so optimal in the principle of transparency in the Good Governance and not provides information to the public about the costs, other procedures through newspapers and internet media. This suggests that transparency in governance is not so good and not done well. Especially for development problems and the budget is still closed, because it is the people's right to know the plan and budget realization, as well as the results of development from the budget. Transparency in legislation function is the provision of information about the establishment of local regulations. Openness of the Region Representative Council members to the community is rights should be obtained by every people. One important element in realizing the implementation of transparent-state is publics' right to information as the legislation. The right to information is very important because the more open the implementation of state administration, it is more accountable. Right of every person to obtains relevant information to improve the quality of public involvement in the decision process. As the result of research, it can be analyzed that as control tool, this policy is public-oriented. In which, every policy must first be opened to the public, in order to get a response. This is a response which will be the conclusion to be regulation. While the function of communication which is carried to teach people to be more mature democracy. People will increasingly know how to communicate with their representatives in the Parliament. Thus, very little chance of misperception on any legislative policies to be issued. Related to that, the further element in creating an ideal effort in the arrangement of budget in support the Budget Committee is accountability. As result of research, then data is analyzed the accountability of legislator performance in Palu to community as constituents is still low. It can be seen from the weak function of budgeting, legislation, and supervision. Accountability of legislature performance to the community as constituents is still low. It can be seen from the weak function of budgeting, legislation, and supervision. Accountability is defined as a substitution mechanism for official or ruler, no attempt to build mono-loyalty systematically, and there are clear definitions and handling of violations of rule under the concept of the rule of law. Meanwhile, in the field of political, which also relates to people in general, accountability is defined as a substitution mechanism for officer or ruler, no attempt to build mono-loyalty systematically. While, public accountability is defined as the restriction of task is clear and efficient. In outline, it concluded that accountability relates to the obligations of government institutions and officials who work on it to make policy and take action in accordance with prevailing values and needs of the community. Public accountability requires clear and efficient restrictions for task of the bureaucratic apparatus. Therefore, according to the researcher, the application of transparency and accountability in the process of local budget drafting as the perspective of Act No. 9 of 2015 on Local Government. Implementation of local autonomy is not only consequential to the part of authority

(decentralization of authority) that during this in the hands of the central- to local government and also not only consequential to the delegation of administrative tasks previously handled by the central government. However, it also carries implications for the institutional hierarchical relationship between central- and local government. Region finance management is formulated in the form of local budget (APBD) which reflects the financial capacity of the region and as parameter for government performance. Each value specified in the budget document has accountability associated with the public interest, as a party to finance the region. Therefore, in order to avoid distortions in the region financial and asset management, then the application of good governance principle need to be applied to balance the flow of income and expenditure of region.

4 CONCLUSION

One obstacle that affect the budget function of the Region Representative Council in establish local budget is due to lack of planning in budgeting. Another problem that faced by the Region Representative Council in budgeting is still a lack of information that will serve as the basis for preparing the budget. In the implementation of the budget function in the Region Representative Council of Palu City in terms of finance, a factor that needs to be emphasized in the drafting of local budget is the need for the implementation of budget functions are coordinated, more efficient and with supervision in the use of budget in the management of local development. An arrangement model of ideal budget is necessary supervision, should the Region Representative Council as the representative body can optimize the full potential of available resources, for example; organizing resources supervision both functional supervisory bodies, non-governmental organizations, mass media, media print and electronic. During this, the supervision of governance by the Region Representative Council is only supervised by the Region Representative Council from the policy supervision, drafting and implementation of development programs. With limitation in both number and capabilities of legislature, then the control will not be effective because the coverage of supervision is extensive.

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