

Do local elections matters on regional budget transparency?

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Abstract— This study aims to investigate whether regional elections in Indonesia are a discriminant factor in regional government budget transparency. With 198 incumbent candidates going forward in the 2017 and 2018 regional head elections, it raises allegations of the existence of incumbent motivations to inform voters more about the results of work and pro-people budget allocations. This allegation is reinforced by the discretion held by the incumbent to utilize the local government website which is believed to be a communication channel that has a wide reach, is easily accessible and free of charge. To achieve the research objectives, we observed 541 official local government websites in Indonesia in early 2017 and 2018. This study use the content analysis methods and quantitative descriptive approach to process data. The results of the study show that there are significant differences in budget transparency between regions that hold elections with regions that do not. Budget transparency is classified as mandatory and voluntary, where the level of mandatory budget transparency and voluntary budget transparency in regions that hold elections is higher. However, the disclosure of mandatory budget information is still higher than voluntary disclosure of budget information. These findings imply that budget transparency in Indonesia is more aimed at compliance with the rules and regulations. The implication of the results of this study is that if the incumbent has the motivation to increase budget transparency during the election, it is necessary to increase budget literacy for voters and other political actors so that they can use the information to evaluate incumbent work and make rational decisions about whether to maintain or replace the incumbent.

Index Terms— budget transparency, mandatory transparency, voluntary transparency, local elections.

1. INTRODUCTION

Indonesia has gone through a crisis period in 1998 and the next period has experienced reforms in governance. The reform regime is committed to applying the principle of openness by establishing Law No. 8 of 2008 concerning public information disclosure. This law requires each government agency to provide information to the public and create an official website as a communication channel that has wide access, is easy to reach and free of charge. Following this commitment to information disclosure, in 2012 the Indonesian Ministry of Home Affairs also ordered transparency in the management of the regional budget. The order requires every local government to make a menu of transparency content in managing regional budgets on the official website of the regional government. The scope of transparency in managing the budget includes transparency of budget planning, budget execution and budget accountability. Transparency in budget management is the realization of accountable governance. The budget document is the most important document that contains a government work plan that explains how public resources are obtained and used to achieve objectives (OECD, 2002). Government budgets play an important role in the lives of every citizen, especially the poor and low income people. They are the main beneficiaries of budget-funded government programs (Rios, Bastida & Benito, 2014).

However, in fact, budget transparency on local government is low. Empirical evidence (Hermana et al., 2012; Martani et al., 2014; Trisnawati et al., 2014; Nofriani et al., 2015; Ritonga &

Syamsul, 2016) shows that local governments in Indonesia present little budget information from those should be as stipulated in the legislation. The low budget transparency is believed to result in low performance of local governments and foster corrupt practices (Niskanen, 1971; Tanzi, 1998). Low budget transparency is an indicator of uneconomic budget allocations, program financing is not on target and inadequate (Abblo & Reinikka, 1998; Ahmad & Ahmad, 2018). Until now there are no definite factors that are the cause of low budget transparency, so this study seeks to identify these factors.

Regional head elections in Indonesia in 2017-2018 are the right moment to observe the presentation of budgetary information on local government. During the election period, economic conditions as a manifestation of the success of development programs and the amount of pro-poor, pro-job and pro-growth budget allocations became the main material for the incumbent campaign. At the same time, politicians and voters pay more attention to the conditions of economic growth and the quality of public services financed by the government budget. Even Bloom and Price (1975) argue that it is very difficult to believe if economic conditions do not influence voters' choices, so that information is used as campaign material by political actors, especially incumbents who run for re-election. Based on these reasons, we strongly suspect that the incumbent improved information about development programs accompanied by budget allocations and economic growth achieved during his administration for the purpose of gaining votes.

The incumbent benefits from having discretion on the use of the local government website and can order to optimize upload material on the local government website. The

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advantage of the website as a media publication is that it has a wide range, is easily accessible and low cost. The use of the official local government website is very strategic as a publication media because the population of Indonesia currently reaches 262 million people, of which more than 50 percent or 143 million people have been connected to the internet throughout 2017. The data was obtained from the Association of Indonesian Internet Service Providers (APJII) in 2018. The population of internet users in Indonesia is ranked 5th in the world and the majority of internet users in Indonesia (72.41%) come from urban communities. The use of the internet is not only to communicate but also to buy goods, order transportation, to do business and work (Bohang, 2018). To achieve the research objectives, we observe all local government websites in Indonesia. The number of local governments in Indonesia consists of 541 local governments with a composition of 33 provincial governments, 412 district governments and 96 city governments. In the 2017-2018 elections, there were 272 regions holding elections with 198 incumbents running again in the election. The number of regional governments that hold elections is equivalent to 50% of the total number of regional governments in Indonesia, which makes these conditions ideal and balanced to make a comparison of budget transparency among local governments, whether they hold elections or not.

Budget transparency refers to the provisions of the Minister of Home Affairs on Regional Budget Management Transparency which includes budget planning, budget execution and budget accountability. In addition to basing these provisions, budget transparency also refers to all budget documents that should be disclosed according to the Open Budget Index (OBI) and the OECD. The study identifies budget transparency using the content analysis method, where each budget information item is given a score of 1 and vice versa is given a score of 0. In this study, budget transparency is classified into mandatory transparency and voluntary transparency. Mandatory budget transparency is the transparency of regional budget management (here called TPAD) which is required by the Ministry of Internal Affairs of the Republic of Indonesia which consists of 12 budget documents. Voluntary budget transparency is budget transparency by disclosing budget documents other than those required by the regulation. According to the Regional Financial Management Guidelines issued by the Ministry of Internal Affairs of the Republic of Indonesia, the budget cycle produces 26 budgeting documents. However, the Indonesian Government only requires disclosure of 12 budget documents submitted to the public. Therefore, we disclose budget documents other than those required as voluntary budget transparency.

Next we compile a tabulation of budget transparency on the local government website. Government websites that can be

accessed as many as 394, the rest are not accessible or do not provide budget information. The results of the study are generally the regional government budget transparency in Indonesia is still low. The budget planning document is the most widely presented information, while the information on the implementation of the budget is least disclosed. The main finding of this study is that the budget transparency of regional governments that hold elections is higher than the regional governments that do not hold regional elections. Transparency of the mandatory budget and voluntary budget transparency from regional governments that hold elections is higher than similar transparency by local governments that do not hold elections. These findings are reinforced by discriminant analysis which shows that budget information has a significant discriminant for regions that hold elections. These results confirm the research question where elections and incumbency activities provide a strong discriminant of budget transparency.

We explore further to identify why most planning documents are presented, while the budget implementation documents are the least presented, for regions that hold elections or not. The exploration results show that the planning document is a neutral document and is required according to regulations, while the budget implementation document contains the achievement of revenue realization, expenditure realization and budget deficit. We use an exploratory approach by identifying the characteristics of budget content at each stage of budgeting. The next finding is that the budget planning document contains the planning discussed at the meeting with the legislature, resulting in an initial agreement on the development program along with its budget allocation. Whereas the implementation of the budget includes the realization of income and expenditure, where regions that disclose budget implementation documents are regions that have greater revenue realization, greater expenditure realization and smaller budget deficits.

This research is organized into 5 parts. The introductory section contains the background and objectives of the study. The second part contains literature relevant to the research theme. The third part is research design, followed by the presentation of results and discussion of the results of the study. Finally, conclusions, limitations and suggestions for further research.

2. LITERATURE REVIEW

Kopits and Craig (1998) defines fiscal transparency as a broad openness to the public about government structure and functions, fiscal policy intentions, public sector accounts and projections. Transparency also includes available access to information on government activities reliably, comprehensively, on time, comprehensively, and internationally can be compared, whether used by internal or external parties of the government, so that constituents and

capital markets can accurately assess the government's financial position and knowing the costs and benefits of each government activity, including the socio-economic implications of the present and the future. IBP (2008) emphasizes that budget transparency is a capability for people to access information that is collected. FITRA (2017) stated transparency is operationalized as a government effort to provide and open access to information to the public at every stage of systematic budget management.

Based on the various definitions of transparency, we identify the basic keywords of transparency (openness) are: (a) Availability of information, (b) Accessible, (c) Timely, (d) Reliable and (e) Relevant.

1) An availability of information

Presentation of information includes all policy documents, process activities and output activities. Required budget information is provided in the Local Government Budget Management (TPAD) menu transparency based on the Minister of Home Affairs (Kementerian Dalam Negeri) Instruction No. 188.52/1797/SC/2012 are:

- (a) Summary of Budget Work Plan (In Indonesian, we called Rencana Kerja Anggaran/RKA) Regional Work Unit (SKPD),
- (b) Summary of Budget Work Plan (RKA) for Regional Financial Management Officers (PPKD),
- (c) Draft Regulation of Regional Budget (APBD),
- (d) Draft Regulation of Amendment of Regional Budget submitted by the Regional Head to the Regional Representative Council,
- (e) The Regulations of Regional Budgets,
- (f) Regional regulations concerning Amendments to Regional Budgets,
- (g) Summary of the Budget Implementation Documents (DPA) of SKPD,
- (h) Summary of the Budget Management Implementation Document (DPA) of Regional Financial Management Officers (PPKD),
- (i) Budget Realization Report (Laporan Realisasi Anggaran/LRA) of Regional Financial Management Officers (PPKD),
- (j) Budget Realization Report (LRA) of Regional Work Unit (SKPD),
- (k) Audited Financial Reports and opinions of Supreme Audit Investigation.

2) It has a high level of accessibility

Accessibility has the meaning of information and documents can be accessed freely and at a low cost (free) for all parties. The most feasible means is the use of information technology in the form of websites, as mandated in Law No. 14 of 2008. However, not all local governments upload all budget documents and development planning on local government

websites, and here are some alternative ways to access budget information local government:

- a) it can be accessed freely by using the download menu on the local government website,
- b) it available on the website without a download menu,
- c) it request to official for the information and document,
- d) it does not available at all.

3) timeline,

Minister of Home Affairs Regulation No. 13 of 2006 has set a time limit for disclosing local government budget information to the public.

4) reliability,

Information can be relied upon if it is obtained from official sources that can be accounted for, such as the official website of the local government and the vertical units below it.

5) relevant information,

Relevant information is information that is in accordance with stakeholder needs in decision making. This relevance can be identified by the content of the predicted value of information and the confirmation level.

2.1. Budget Transparency in Indonesia

Budget transparency in Indonesia is regulated by the Minister of Home Affairs Instruction No. 188.52 / 1797/SC/2012 concerning Transparency of Regional Budget Management (TPAD). The Minister of Home Affairs' instruction ordered the provincial government to prepare menu content with the TPAD title on the provincial government's official website. The provincial government also needs to publish the latest provincial data on the content menu consisting of 12 items. The TAPD menu includes updates: (a) Summary of budget work plans (RKA) Regional Work Unit (SKPD) and RKA Summary of Regional Financial Management Officers (PPKD); (b) Draft Regional Regulation of Regional Budget (APBD) and Draft Regional Regulation concerning Amendment to Regional Budget submitted by the Regional Head to the Regional Representative Council, (c) Regulation on Regional Budget and Amendment to Regional Budget; (d) Summary of SKPD Budget Implementation Documents (DPA) and Summary of DPA PPKD; (e) SKPD and PPKD Budget Realization Report (LRA); and audited Local Government Financial Reports (LKPD) and audit opinions on Local Government Financial Reports (LKPD). The instruction of the Minister of Home Affairs above mandates the Provincial Government, in this case the Governor makes a Governor Instruction addressed to the regent / mayor to prepare a menu of content with the name TPAD on the official website of the regency/city government. In addition, the Provincial Government needs to carry out monitoring and evaluation of the implementation of the Governor's Instruction. The provincial government also coordinates with

regents / mayors in their respective regions to immediately accelerate areas that have not implemented.

2.2. Budgetary Process in Indonesia

The public budget is the main tool for the government to prosper the people as well as a tool for managing Central and Regional finances (Syamsul & Ritonga, 2017). Regional financial management covers all activities including planning, implementation, administration, reporting and accountability, and regional financial supervision, as stated in Minister of Home Affairs Regulation number 13 of 2006. The following is a brief explanation of each stage of regional financial management.

2.2.1. Budget planning

At the planning stage, the Regional Government develops the Regional Medium-Term Development Plan every 5 years, which is used as a guideline in preparing the Regional Government Work Plan (RKPD) annually. After the RKPD is established, then the regional government prepares and sets out a draft Budget General Policy. Furthermore, the KUA design was discussed with DPRD, and was used as the basis for drafting the Temporary Budget Priority and Ceiling (PPAS) design. After the PPAS is discussed, agreed upon and stipulated together with the DPRD, the Regional Head issues a guideline for the preparation of a Budget Work Plan (RKA) as the basis for each work unit to prepare the Regional Work Unit RKA (RKA SKPD). The SKPD RKA compiled by each SKPD Head is reviewed by the Regional Government Budget Team (TAPD) and used as a basis for drafting the draft Regional Budget (R-APBD). The draft Regional Budget is submitted and discussed with the DPRD accompanied by an explanation from the Regional Head to obtain approval from the DPRD. After obtaining approval, the Draft APBD is submitted to the Governor and Minister of Home Affairs to be reviewed and evaluated. From the results of the review and evaluation of the Governor and Minister of Home Affairs, the Regional Head drafted a Regulation on the Regional Budget and the description of the Regional Budget. If the Regional House of Representatives and the Regional Head agree together with the draft Regional Regulation on Regional Budget, then the Regional Budget is issued and the Regional Head's regulation concerning the elaboration of the Regional Budget.

2.2.2. Budget implementation

The next budgeting phase is the implementation of the budget. After the Regional Budget is established, then the Regional Finance Management Officer to all Heads of Work Units to submit the draft Budget Implementation Document,

which details the goals to be achieved, functions, programs and activities as well as the budget needed to implement the program. The Draft Document for Implementation of the Work Unit Budget is then submitted to the Financial Management Officer, and after the Regional Budget Team has verified together with the Head of the Work Unit, the Regional Financial Management Officer ratifies the draft Work Unit Budget Implementation Document as a guideline for budget execution by the Head of Work Unit as the budget user.

2.2.3. Budget administration

At early the stage of administration of the budget, budget users who carry out activities of regional budget receipts and expenditures are required to administer in accordance with the applicable laws and regulations. The treasurer of the receipt and treasurer of expenditure, assisted by the assistant treasurer, carry out treasury duties according to the needs of each work unit related to the issuance and administration of documents implementing regional budgets.

2.2.4. Budget oversight

The financial supervision phase includes guidance and supervision, internal control and external control. The development and supervision of regional financial management is carried out by the Central Government, in this case carried out by the Ministry of Home Affairs. Coaching includes providing guidance, guidance, supervision, consultancy, education, training and research and development. Supervision is carried out by the Regional Representative Council on the implementation of regional budgets. The purpose of supervision carried out by the Regional Representative Council is to guarantee the achievement of the targets set out in the regional regulations on regional budgets.

2.2.5. Reporting and budget accountability

At this stage, the Head of Work Unit as the budget user organizes accounting for financial transactions, assets, debt and equity, which are under his responsibility. The administration of accounting is the recording / administration of transactions in the Work Unit and preparing financial reports in connection with the implementation of the budget and goods managed by it. The financial statements prepared in connection with the implementation of the budget and goods consist of a Budget Realization Report, balance sheet, cash flow statement and notes to the financial statements. The Head of the Work Unit submits the financial report to the Financial Management Officer accompanied by a statement

that the budget management carried out within the scope of its responsibilities is carried out based on an adequate internal control system in accordance with the provisions of the legislation. The Officer of Financial Management holds an accounting of financial transactions, assets, debt and equity including financing transactions and calculations. The Financial Management Officer prepares the regional government financial report consisting of Budget Realization, Balance Sheet, Cash Flow Report and Notes to the Performance Report. Local government financial statements are prepared and presented based on Government Accounting Standards. The financial statements accompanied by performance summary reports and financial statements of the regional-owned business entity are conveyed by the Regional Head to the House of Representatives as a form of regional budget accountability, which was previously examined by the Supreme Audit Agency 6 months after the fiscal year ends.

3. RESEARCH DESIGN

This study observed budget transparency on the website of local governments in Indonesia. Observations were carried out in early 2017 and 2018, in line with the holding of the 2017 and 2018 elections. Table 1 shows the composition of regional governments both holding elections and not holding elections.

TABLE 1
Composition of Local Governments in Indonesia

Regional Government	Regional Election-2017		Regional Election-2018		No Election	Total
	Incumbent	Non-incumbent	Incumbent	Non-incumbent		
Province	5	2	11	6	10	34
Regency	58	17	78	35	224	412
Municipal	18	1	28	11	37	95
Incumbent/non-incumbent	81	20	117	52		
	101		169		271	541

The governance structure in Indonesia consists of the Central Government and the Regional Government. The regional government consists of the provincial government, regency and city/municipal. The total number of regional governments is 542 (in 2018), comprising 34 provinces, 412 districts and 96 cities. Each local government is led by a regional head who is elected through a direct election mechanism in a period of 5 years. In 2017 and 2018, 101 and 169 local governments hold regional head elections which are directly elected by the people. Out of 270 regional

governments, 198 incumbents ran again and 72 non-incumbent candidates. In this study, we conducted observations on 541 local government websites (1 area found no website address, so the total population was 541 websites).

This study uses the transparency provisions for managing the budget set by the Government of Indonesia as a guideline for analyzing the content of regional government budget transparency in Indonesia. We call this transparency guideline compulsory budget transparency. This mandatory budget transparency material is detailed in Table 2 below.

TABLE 2
Budget Transparency Content Based on Instruction of the Minister of Home Affairs in 2012

Siklus Penganggaran		Instruksi Mendagri 188.52/1797/SC/2012 tentang Transparansi Pengelolaan Anggaran Daerah	
Budget Planning	1	Ringkasan Rencana Kerja Anggaran (RKA)-PPKD	
	2	Ringkasan Rencana Kerja Anggaran (RKA)-SKPD	
	3	Rancangan Perda APBD	
	4	Perda APBD	
Budget Implementation	1	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-PPKD	
	2	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-SKPD	
	3	Rancangan Perda APBD-P	
	4	Penetapan APBD-Perubahan	
Budget Accountability	1	Laporan Arus Kas	
	2	Laporan Realisasi Anggaran-PPKD	
	3	Laporan Realisasi Anggaran-SKPD	
	4	Neraca	
	5	CaLK	
	6	Opini BPK RI	

The mandatory guidelines for budget transparency do not include all budgeting documents in Indonesia. Therefore, we are expanding the scope of budget transparency not only by using the provisions of the Minister of Home Affairs, but we also base the crucial disclosure of budget documents. According to the local government financial management guidelines, which are regulated in Minister of Home Affairs Regulation number 13 of 2006, the documents in the budgeting cycle include the documents listed in table 3.

TABLE 3
Transparency of Regional Budget Management according to the 2006 Regional Financial Management Guidelines

Siklus Penganggaran		Permendagri 13 tahun 2006 dan Instruksi Mendagri 188.52/1797/SC/2012 tentang Transparansi Pengelolaan Anggaran
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Daerah			Transparency		
Perencanaan Anggaran	1	Rencana Kerja Pemerintah Daerah (RKPD)	Perencanaan Anggaran	1	Rencana Kerja Pemerintah Daerah (RKPD)
	2	Rencana Kerja PPKD		2	Rencana Kerja PPKD
	3	Rencana Kerja SKPD		3	Rencana Kerja SKPD
	4	Kebijakan Umum Anggaran (KUA)		4	Kebijakan Umum Anggaran (KUA)
	5	Penetapan Plafon Anggaran Sementara (PPAS)		5	Penetapan Plafon Anggaran Sementara (PPAS)
	6	Ringkasan Rencana Kerja Anggaran (RKA)-PPKD		6	Ringkasan Rencana Kerja Anggaran (RKA)-PPKD
	7	Ringkasan Rencana Kerja Anggaran (RKA)-SKPD		7	Ringkasan Rencana Kerja Anggaran (RKA)-SKPD
	8	Rancangan Perda APBD		8	Rancangan Perda APBD
	9	Perda APBD		9	Perda APBD
	10	Penjabaran APBD		10	Penjabaran APBD
Pelaksanaan Anggaran	11	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-PPKD	Pelaksanaan Anggaran	11	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-PPKD
	12	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-SKPD		12	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-SKPD
	13	Rancangan Perda APBD-P		13	Rancangan Perda APBD-P
	14	Ringkasan Rencana Kerja (RKA) - Perubahan		14	Ringkasan Rencana Kerja (RKA) - Perubahan
	15	Penetapan APBD-Perubahan		15	Penetapan APBD-Perubahan
	16	Realisasi Pendapatan Daerah		16	Realisasi Pendapatan Daerah
	17	Realisasi Belanja Daerah		17	Realisasi Belanja Daerah
	18	Realisasi Pembiayaan Daerah		18	Realisasi Pembiayaan Daerah
	19	Rencana Umum Pengadaan		19	Rencana Umum Pengadaan
	20	Laporan Arus Kas		20	Laporan Arus Kas
Pertanggungjawaban Anggaran	21	Laporan Realisasi Anggaran-PPKD	Pertanggungjawaban Anggaran	21	Laporan Realisasi Anggaran-PPKD
	22	Laporan Realisasi Anggaran-SKPD		22	Laporan Realisasi Anggaran-SKPD
	23	Neraca		23	Neraca
	24	CaLK		24	CaLK
	25	Lapkeu BUMD/Perusahaan Daerah		25	Lapkeu BUMD/Perusahaan Daerah
	26	Opini BPK RI		26	Opini BPK RI

According to the budget transparency provisions that must be posted on the local government website with the title Transparency of Regional Budget Management does not cover all budget documents, we classify budget documents that must be published and voluntarily disclosed by the public. Provisions on budget transparency according to the Ministry of Home Affairs Instruction are classified as mandatory budget transparency, while budget documents are also classified as voluntary budget transparency (see classification in table 4).

TABLE 4
Mandatory vs Voluntary Budget Transparency

Siklus Penganggaran	Dokumen anggaran menurut Permendagri 13 tahun 2006	Transparansi Anggaran menurut Instruksi Mendagri 188.52/1797/SC/2012 sebagai Mandatory Budget	Voluntary Budget Transparency		
				11	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-PPKD
				12	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-SKPD
				13	Rancangan Perda APBD-P
				14	Ringkasan Rencana Kerja (RKA) - Perubahan
				15	Penetapan APBD-Perubahan
				16	Realisasi Pendapatan Daerah
				11	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-PPKD
				12	Ringkasan Dokumen Pelaksanaan Anggaran (DPA)-SKPD
				13	Rancangan Perda APBD-P
				14	Ringkasan Rencana Kerja (RKA) - Perubahan
				15	Penetapan APBD-Perubahan
				16	Realisasi Pendapatan Daerah

	17	Realisasi Belanja Daerah	Realisasi Belanja Daerah
	18	Realisasi Pembiayaan Daerah	Realisasi Pembiayaan Daerah
	19	Rencana Umum Pengadaan	Rencana Umum Pengadaan
Pertanggungjawaban Anggaran	20	Laporan Arus Kas	Laporan Arus Kas
	21	Laporan Realisasi Anggaran-PPKD	Laporan Realisasi Anggaran-PPKD
	22	Laporan Realisasi Anggaran-SKPD	Laporan Realisasi Anggaran-SKPD
	23	Neraca	Neraca
	24	CaLK	CaLK
	25	Lapkeu BUMD/Perusahaan Daerah	Lapkeu BUMD/Perusahaan Daerah
	26	Opini BPK RI	Opini BPK RI

then look for budget information that is discriminatory in a region that has a location or not.

4. RESULTS AND DISCUSSION

4.1. Transparency of regional government budgets

The results of observations on 541 local government websites in Indonesia showed that only 394 local government websites were successfully accessed and had budget information content. Whereas 194 local government websites cannot be accessed or the website does not have budget information or a blank website, without any information content (Figure 1).

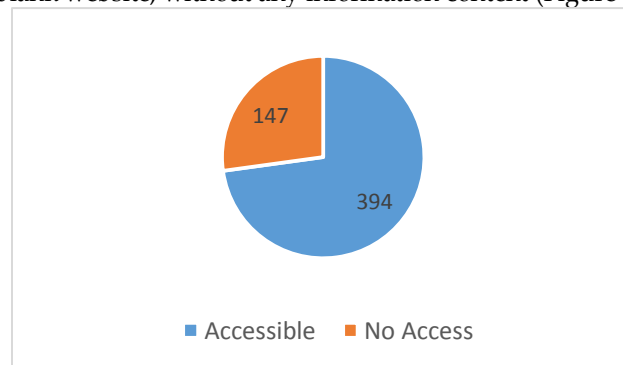


Figure 1. Local Government Website

Mandatory budget documents are required budget documents contained in the TPAD menu of regional governments according to the provisions of the Minister of Home Affairs. Whereas in the rules on regional financial management guidelines, documents in managing the budget are wider than those uploaded in the TPAD menu. Budget documents other than those required in our TPAD menu are classified as voluntary disclosures. In this study, we measured the transparency of the mandatory budget and budget documents other than TPAD were analyzed separately. We measure transparency compliance by using the TPAD information menu content and increasing transparency with non TPAD budget documents.

Budget documents are classified into 3 parts, namely budget planning, budget execution and budget accountability. The classification of budget documents refers to Minister of Home Affairs Regulation No. 13 of 2006 concerning Guidelines for Regional Financial Management and Minister of Home Affairs Instruction 188.52/1797/SC/2012 concerning Regional Budget Management Transparency. The regulation requires local governments to have a website and obliges local governments to publish the budget documents. The budget document consists of 26 documents, consisting of 10 budget planning documents, 9 budget implementation documents and 7 budget accountability documents. We identify each budget document on the local government website. If the document is available, we give a score of 1, vice versa 0. The results of the identification of budget documents are grouped based on the classification of budget planning, budget execution and budget accountability. To process the results of the tabulation, we use descriptive analysis with diagrams and

Furthermore, based on observations of 394 accessible local government websites, our findings are that budget document transparency is 25.90%. The mandatory budget transparency is 37.79% while the voluntary budget transparency is 14.80%. These results confirm the results of previous studies that in general local government budget transparency in Indonesia is still low. Transparency of mandatory budgets is greater than voluntary budget transparency, so we find that budget transparency of local governments in Indonesia is more to fulfill established obligations.

4.2. Budget transparency according to the classification of budget documents

Transparency of budget documents is explored in more detail by sorting budget documents into 3, namely budget planning documents, budget implementation documents and budget accountability documents. The budget planning document is the most widely presented document on the local government website. The budget implementation document is the least document presented on the local government website in Indonesia. Budget transparency according to the type of budget document is presented in Figure 2.



Figure 2. Budget Documents

The budget planning document is the most widely presented document on the local government website. The most revealed budget planning documents are Local Government Unit Budget Work Plans, Regional Financial Management Acting Budget Plans, Regional Budget Draft Regional Regulations and Regional Regulations on Regional Budgets. Whereas budget documents classified as voluntary transparency, namely the Regional Government Work Plan, General Budget Policy and Priority and Temporary Budget Ceiling are presented at least. The most documented implementation of the budget is the Budget Implementation Document. And the local government in Indonesia very little presents budget realization and budget changes in the current year. The budget accountability document presented is more in the form of local government financial reports and audit opinions from the Supreme Audit Agency.

4.3. Mandatory budget transparency versus voluntary budget transparency

Figure 3 shows a comparison of mandatory budget transparency and voluntary budget transparency. Regional governments reveal more mandatory budget documents than voluntary budget documents. These results imply that budget transparency in Indonesia is more likely to follow regulations, even though the mandatory budget transparency level is still low (37.78%).



Figur 3. Mandatory vs Voluntary Budget Transparency

Nonetheless, we identify many local governments that disclose mandatory and voluntary budget documents in full. Table 5 shows a list of 20 local governments that have the most budget transparency for both mandatory budget documents and voluntary budget documents. The results of the identification show that regional governments have varying budget transparency, not only disclosing mandatory budget documents, but also not required budget documents disclosed. Pekalongan City has the highest transparency, by revealing 20 budget documents on its website, including mandatory budget documents and non-mandatory budget documents. We present budget transparency from the 20 regional governments and the list shows varied budget transparency both based on the classification of budget documents and the types of mandatory budget documents and voluntary budget documents. The regional governments that have the highest budget transparency are the majority of regional governments that hold elections. This fact indicates that the regional government that organizes the election seeks to improve budget information both mandatory and voluntary information.

TABLE 5

The List of Local Governments with Mandatory Budget Transparency and Voluntary Budget Transparency

No	Regional Government	Type	Local Election	Planning		Implementation		Accountability		Total
				Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary	
1	Pekalongan	Municipal	-	4	4	2	2	5	3	20
2	Magelang	Regional	2018	4	2	3	1	6	2	18
3	Wonogiri	Regional	-	4	2	2	3	6	1	18
4	Jombang	Regional	2018	4	2	4	1	6	1	18
5	Yogyakarta	Municipal	2017	4	4	3	1	5	0	17
6	Purwokerto	Regional	-	4	2	2	1	6	1	16
7	Kuningan	Regional	2018	4	1	2	3	5	0	15
8	Temanggung	Regional	2018	3	2	2	2	4	2	15
9	Bojonegara	Regional	2018	3	2	2	0	6	2	15
10	Pidie Jaya	Regional	2018	4	3	3	0	3	1	14

Tanjung	Regio	-							
1 Jabung	nal	-							
1 Timur			4	1	3	1	3	2	14
1 Garut	Regio	201							
2	nal	8	4	1	4	2	3	0	14
1 Klaten	Regio	-							
3	nal	-	3	1	3	0	5	2	14
1 Remba	Regio	-							
4 ng	nal	-	3	3	2	1	5	0	14
1 Bandun	Muni	201							
5 g	icipal	8	4	2	3	1	3	0	13
1 Jawa	Provi	201							
6 Tengah	nce	8	2	1	3	1	4	2	13
1	Regio	201							
7 Batang	nal	7	4	1	2	0	6	0	13
1	Regio	-							
8 Bantul	nal	-	4	0	3	0	5	1	13
1 Kulon	Regio	201							
9 Progo	nal	7	4	1	3	0	5	0	13
2 Batangh	Regio	-							
0 ari	nal	-	4	3	3	1	1	0	12

4.4. Comparison of budget transparency between regions that are in a position with regions that do not hold elections

The variation in local government budget transparency (as shown in table 5) we associate with the implementation of regional elections that took place during 2017-2018 for 272 local governments. Therefore, we continue the analysis of 394 local government websites that are accessible, of which 197 websites are regions that hold regional elections and the rest, 197 are websites from regions that do not hold regional elections. The results of the analysis found that the regional governments that held the elections revealed more budget documents on the local government website. Local governments that hold elections publish 404 budget documents, while local governments that do not hold elections publish 347 budget documents. The results of the identification are shown in Figure 4 below.

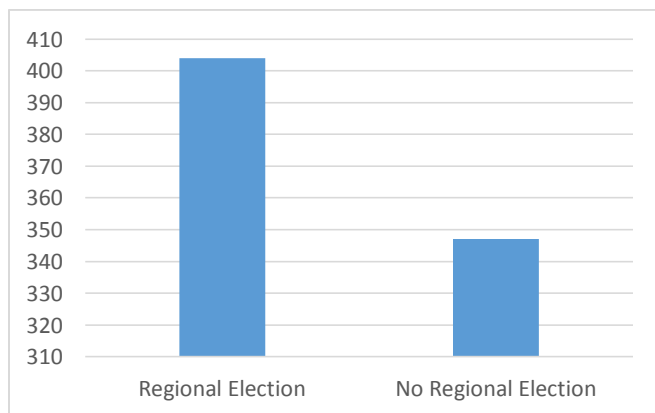


Figure 4. Budget Transparency

Preliminary findings regarding the comparison of disclosure of budget documents between electoral districts and non-election areas are explored in more detail to the disclosure of mandatory budget documents and voluntary budget documents. Figure 5 shows the results of identification that mandatory budget documents are more expressed by all local governments, both those holding elections and those who do not hold elections.

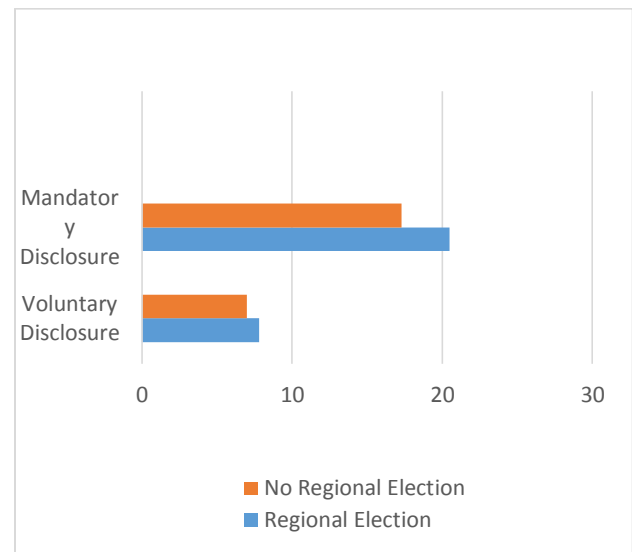


Figure 5. The Comparison Between Mandatory and Voluntary Budget Transparency

Even though the regional governments that hold the elections publish more budget documents, the regional governments carry out budget transparency to meet compliance with established transparency obligations. Voluntary disclosure is still relatively small, but there are still differences in the number of documents published among the regional governments.

A more detailed analysis of the types of budget documents that are most widely publicized is budget planning documents, both by regional governments that are both regional and non-regional. The most publicized budget planning documents are the budgetary work plan, the budget statement and the Regional Budget Translation. The three documents are required documents in accordance with the provisions of the Ministry of Home Affairs. The budget accountability document is the second most widely published. The budget accountability document is mostly in the form of financial statements of regional governments. The results of the budget document analysis are shown in Figure 6.

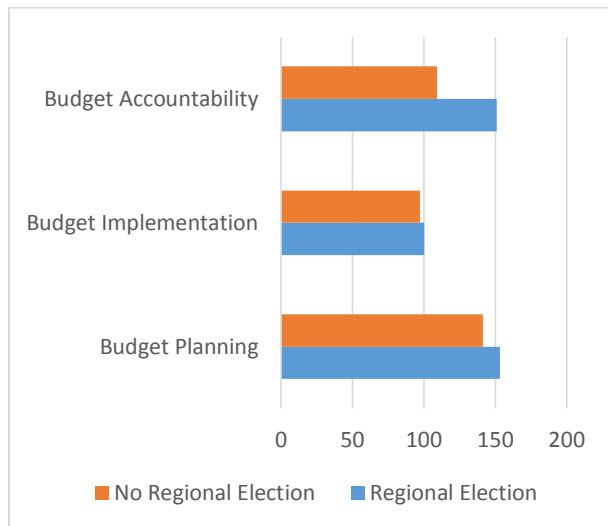


Figure 6. Budget Transparency Documents

Figure 7 and Figure 8 show a comparison of transparency of budget planning documents, budget implementation and budget accountability documents. In the transparency of the mandatory budget, the regional governments that hold elections provide more budget information than the regional governments that are not elected. The same conditions apply to voluntary budget transparency.

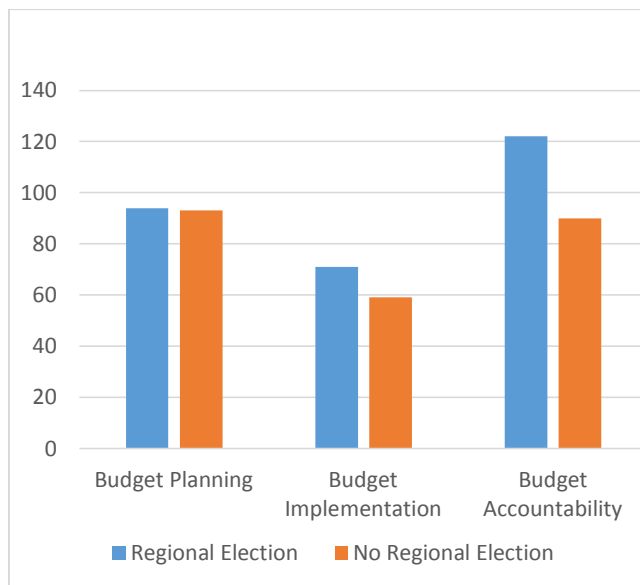


Figure 7. Mandatory Budget Transparency

Figure 7 shows that the most mandatory documents presented are budget accountability documents. The document is in the form of audited financial statements by the Audit Board including the Balance Sheet, Budget Realization Report and Audit Opinion. The mandatory budget implementation document presented is the Budget Implementation Document. Changes in regional budgets in the middle of the current year were not widely published on

the local government website. The mandatory budget planning document that is disclosed is still around the Work Plan of the Budget and the regional budget that has been ratified by the regional legislature.

Figure 8 describes budget documents that are not required to be uploaded to the local government website. The composition of published budget documents is still the same as uploading mandatory budget documents. The most mandatory non-mandatory planning document is the Regional Government Work Plan. Other non-disclosed documents are the General Budget Policy and the Provisional Budgeting and Ceiling Plans document, although not many local governments disclose these documents on their website. The non-mandatory accountability documents expressed by many local governments are performance and accountability reports, regional-owned company reports and regional budget accountability. Many non-mandatory budget implementation documents are uploaded on the local government website in the form of expenditure realization, financing realization and revenue realization in the middle of the current budget year. Further analysis shows that the regional government displays the realization of realization in the current fiscal year if the realization is above 100%.

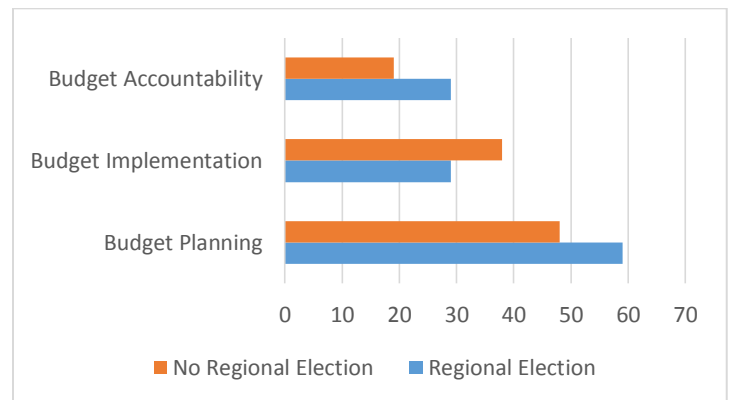


Figure 8. Voluntary Budget Transparency

5. CONCLUSIONS

This study seeks to explore in more detail about budget transparency in local governments in Indonesia. Low budget transparency is very worrying, because it is thought to be the cause of the fertile fields of the emergence of corruption cases in the regional government. Therefore, the moment of regional head elections in Indonesia is the right time to analyze regional government transparency, especially budget transparency. The budget document is the most important document and the budget is the topic that gets the most attention from politicians and voters during the election. In addition, the incumbent who ran again in the next election had the motivation to optimize the chances of winning the

election. With the provision of budget transparency on the local government website, the incumbent has the discretion to use budget information content as its campaign material. The results of the study show that local governments that hold elections have higher budget transparency in all types of budget documents. To show the maximum effort of budget transparency, this study classifies budget documents that must be published according to regulations and budget documents that are not required to be published (voluntary). The results of the study show that the regional governments that have incumbents publish more mandatory and voluntary budget documents. Another finding is that the most published budget document is the budget planning document, followed by budget accountability and the least published is the budget implementation document. The results of this study are preliminary exploration efforts to identify determinants of regional government budget transparency in Indonesia. And this research provides preliminary evidence that regional head elections foster incumbent motivation to increase budget transparency. This study has limitations, namely data processing methods are limited to content analysis and descriptive quantitative approaches. We suggest further research using analytical methods that provide more adequate analysis results. The second limitation is that the study does not provide a comparison of budget transparency before and after regional head elections. Comparison of budget transparency is carried out between regional governments that hold elections with regional governments that do not hold elections.

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