

The Influence of Determination of Regional Budget with Regional Head Regulations and Capital Expenditure Allocation on Capital Expenditure Realization in the Provincial APBD of the Special Capital Region of Jakarta**Pandji Sukmana***

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DOI: [10.47742/ijbssr.v3n5p1](https://doi.org/10.47742/ijbssr.v3n5p1)<https://creativecommons.org/licenses/by/4.0/>**ABSTRACT**

This study aimed to determine how much influence the determination of the APBD with Regional Head Regulations and the allocation partially and jointly on the realization of capital expenditures in the APBD in the Province of the Special Capital Region of Jakarta for the 2015 Fiscal Year.

The research method uses a survey with a quantitative approach that is correlational. The sampling technique is Simple Random Sampling; namely, taking sample members from the population is done randomly without showing the existing strata. The number of samples in this study was 89 respondents.

Based on the results of the research that has been carried out, it can be concluded that: a) Multiple Regression Analysis obtained a positive value, namely the variable of determining APBD (X1) of 0.457 and variable of allocation of capital expenditure (X2) obtained a value of 0.463. The results of the Multiple Correlation Analysis between the Variables of determining APBD (X1) and Variables of allocation of capital expenditures (X2) of 0.690. Thus, it can be said that the relationship between the independent variable and the dependent variable is strong. b) The results of hypothesis testing both partially and simultaneously, the variables of determining APBD with local government regulation (X1) and allocation of capital expenditures (X2) affect the variable of capital expenditure absorption (Y), so that H_a is confirmed, H_o is rejected. c) From the coefficient of determination test results, the result is 0.476. Thus the independent variable can explain the dependent variable by 47.6% to the dependent variable, while the rest is not examined in this study.

Keywords: *Determination of APBD, allocation of capital expenditure, and realization of capital expenditure*

Introduction

Planning in the context of regional development is an integral part of the national development planning system carried out by the regional government together with stakeholders based on the roles and authorities and the conditions and potentials of each region, according to the dynamics of regional and national development that are formulated in a transparent, responsive, efficient manner. Effective, accountable, participatory, measurable, equitable, and sustainable.

Article 18, paragraph (1), and paragraph (4) of the 1945 Constitution (post-amendment) state that the Unitary State of the Republic of Indonesia (NKRI) is divided into provincial areas and the Province is divided into districts and cities, which are regulated by laws and regulations. -invitation to implement an effective and efficient government.

To achieve these objectives, the government is carried out with three principles of governance, namely: (1) deconcentration, (2) decentralization, and (3) assistance tasks. First, decentralization of government affairs is stipulated in Law Number 23 of 2014 concerning Regional Government. The law divides the authority to administer the affairs of the central government, provincial government, and district/city

governments, followed by the provision of financial resources as stipulated in Law Number 33 of 2004 concerning the Financial Balance between the Central Government and Regional Governments.

The above laws aim to achieve excellent and accountable governance, especially financially, which will increase public confidence in the existing government system and can provide control in case of irregularities. According to Halim (2007:23), regional financial management is the overall activity that includes planning, implementation, administration, reporting, accountability, and supervision of regional finances.

The mechanism for the preparation of the Regional Revenue and Expenditure Budget (APBD) as regulated in Government Regulation Number 58 of 2005 concerning Regional Financial Management and the Regulation of the Minister of Home Affairs, which is issued annually concerning Guidelines for the Preparation of Regional Revenue and Expenditure Budgets consists of regulations regarding policies (1) regional income, (2) regional expenditure and (3) regional financing.

To realize good governance in the field of regional financial management, especially APBD budgeting, it must be based on several principles, namely (1) following the needs of the administration of government affairs which are the authority of

the region, (2) orderly, obeying the provisions of laws and regulations, efficient, economical, practical, responsible and pay attention to the sense of justice, propriety, and benefits for the community, (3) on time, following the stages and schedules set out in laws and regulations, (4) transparent, to make it easier for the public to know and get access the broadest possible information regarding the APBD, (5) is participatory, involving the community and (6) does not conflict with the public interest, higher laws and regulations and other regional regulations.

Mardiasmo (2009:4) explains three things that can be played by public sector accounting: the realization of value for money, transparency, and accountability. Therefore, efforts to realize good governance can be started by building a democratic foundation for state administration. At the same time, efforts are also made to improve governance so that good governance can be realized. Concerning regional financial management based on the principles of good governance, it can be interpreted as a solid, responsible, efficient, effective, and participatory implementation of development management, one of which starts with budget planning which is the most crucial process in governance and is applied in the process of preparing Regional Revenue and Expenditure Budget.

Local government performance concerning the use of the budget is successful if it is supported by an ideal plan for every regional government affair accompanied by regional revenue projections, regional expenditure allocations, sources and uses of financing accompanied by the underlying assumptions so that in the APBD preparation process, based on performance indicators,

achievement or performance targets, analysis of expenditure standards, unit price standards, and minimum service standards achieved in the form of quality, quantity, efficiency and effectiveness of the implementation of each program and activity.

Budgeting in the APBD of the Province of the Special Capital Region of Jakarta, especially for the 2015 Fiscal Year, has not played an optimal role as a stimulus for economic growth, one of which is due to the lack of agreement between the Regional Government and the DPRD, in discussing the Ranperda APBD for Fiscal Year 2015 so that the Governor of the Province of the Special Capital Region of Jakarta can only implement monthly expenditures maximum of the previous year's APBD by prioritizing binding expenditures and mandatory expenditures following Article 46 of Government Regulation Number 58 of 2005 and Article 106 of Regulation of the Minister of Home Affairs Number 13 of 2006 as amended several times, most recently by Regulation of the Minister of Home Affairs Number 21 the Year 2011.

Based on the monitoring results of the Directorate General of Regional Financial Development in 2016, the allocation of Direct Expenditures for the Province of the Special Capital Region of Jakarta in the 2015 fiscal year was higher than the allocation of Direct Expenditures for the previous budget years. However, this condition is inversely proportional to the realization of Direct Expenditures in the 2015 fiscal year, which was lower when compared to the realization of the previous budget years, as shown below:

Table 1. Direct Expenditure Allocation and Direct Expenditure Realization in the Province of the Special Capital Region of Jakarta for the Fiscal Year 2012-2015 (in Rupiah)

Years	BELANJA DAERAH	
	Budgeting Direct Shopping (in rupiah)	Realization Direct Shopping (in rupiah)
2012	22.319.622.721.360,00	19.885.592.605.607,00
2013	30.993.463.301.296,90	25.152.900.310.933,00
2014	49.006.125.408.118,00	25.167.779.696.112,00
2015	67.269.177.183.473,00	19.956.933.312.519,10

Source: Directorate General of Regional Financial Development, 2016

Table 1 shows the absorption of direct expenditure in the Province of the Special Capital Region in the 2015 budget year, Jakarta, which was lower than the previous budget year, one of which was due to inaccurate planning by local governments in development planning.

In addition, related to the allocation of the budget, several dominant elements that influence the preparation of the Provincial APBD for the Special Capital Region of Jakarta for the 2015 Fiscal Year include:

1. The number and title of the program, as well as the budget ceiling for Direct Expenditures and Indirect Expenditures in the Draft Regulation of the Governor of the Special Capital Region of Jakarta regarding the APBD for Fiscal Year 2015, are inconsistent with the number and title of the program and the budget ceiling for Direct Expenditures and Indirect Expenditures in the

Development Plan Medium Term (RPJMD) for the Province of the Special Capital Region of Jakarta.

2. The number of budget allocations listed in the Regional Government Work Plan (RKPD), APBD General Policy (KUA), and Temporary Budget Priorities and Ceilings (PPAS) are also inconsistent with the total budget allocations listed in the Draft Regulation of the Governor of the Special Capital Region of Jakarta concerning Budget for Fiscal Year 2015.
3. In PPAS, the Provincial Government of the Special Capital City Region of Jakarta has not included the budget allocation for the Province of the Special Capital City Region of Jakarta, which supports 9 (nine) National Development Sectors, which are translated into Strategic Issues of National Development in 2015 which are stated in the Minister of Home Affairs Regulation No. 37 of 2014 concerning Guidelines for Preparation of Regional



Revenue and Expenditure Budgets for the Fiscal Year 2015 to maintain national development sustainability and the integration of policies, programs, and activities between the Government and the Provincial Government of the Special Capital Region of Jakarta.

This condition illustrates that the Provincial Government of the Special Capital City Region of Jakarta conducts a review of the priorities, synchronization, and allocation of expenditures in the activity programs of each Regional Apparatus Work Unit (SKPD) following the authority and duties of its function in order to realize regional financial management while still paying attention to aspects of effectiveness. Efficiency, propriety and fairness, and guiding the applicable laws and regulations. In implementing the APBD, the accountability of the APBD is more focused on the realization of the regional budget. Therefore, understanding whether or not an activity is budgeted in the APBD is essential, considering the rationality of its implementation.

Literature Review

1. Theory and Concepts of Government

The Unitary State of the Republic of Indonesia is divided into Provinces. Meanwhile, Provinces are further divided into Regency and City areas. Each Province, Regency, and City have a regional government regulated by law. Regional Government and DPRD are the organizers of Regional Government according to the principle of autonomy and co-administration with the principle of autonomy as broad as possible within the system and principles of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution.

The regional government is the Governor, Regent and Mayor assisted by Regional Apparatus as an element of regional government administration. Regional apparatus is an organization or institution in the regional government responsible to the regional head in the context of administering regional government. The regional apparatus consists of the Regional Secretariat, Regional Offices, and Regional Technical Institutions. Regional apparatuses are formed by each region based on considerations of regional characteristics, potential, and needs. The organization of regional apparatus, along with the formation and requirements for positions of regional apparatus, is determined by their respective Regional Regulations, and the control of regional apparatus organizations is carried out by the Central Government for the Province and by the Governor for the Regency/City following the applicable Government Regulations. Regional governments carry out government affairs under their authority, except for government affairs determined by law to be the affairs of the central government. Government affairs that are the affairs of the Central Government include foreign policy; defense; security; justice; national monetary and fiscal, and religion.

According to Bayu (2000), the definition of government is a way of governing affairs, such as fair government, democratic government, dictatorial government, and so on. From Bayu's understanding, the government deals with governance issues, which govern for justice, whether democratic or dictatorial. Strong in Pamudji (2009) suggests the meaning of government and governance: "... government is, therefore, that organization in

which is vested in the right to exercise sovereign powers. In the broad sense, the government is something bigger than a special body of ministers, a sense in which we colloquially that it today, when... In the broader scenes, the government is charged with maintaining the peace and security of the state within and without. It must, therefore, have, first, military power, or the control of armed forces; secondly, legislative power, or the means of making laws; thirdly, financial power, or the ability to extract sufficient money from the community to defray the cost of defending the state enforcing the law it makes on the state's behalf.

Strong in Ermaya (2008) suggests the understanding of government and government is as follows: "... government in the broader sense is changed with the maintenance of the peace and security of the state within and without. It must, the fore have first military power, of the control of armed forces, secondly, the legislative power of the means of making law, and thirdly financial power or the ability to extract sufficient money from the community to defray the cost of behalf.

2. Local Government

More specifically, in Law Number 23 of 2014 concerning Regional Government in article 31, it is explained:

- (1) In implementing decentralization, regional structuring is carried out.
- (2) Regional structuring is aimed at:
 - a. Realizing the effectiveness of regional government administration;
 - b. Accelerate the improvement of community welfare;
 - c. Accelerate the improvement of the quality of public services;
 - d. Improving the quality of governance;
 - e. Improving national competitiveness and regional competitiveness;
 - f. Maintaining the uniqueness of local customs, traditions, and culture.
- (3) Regional arrangement consists of regional formation and regional adjustment.
- (4) Regional formation and regional adjustments can be made based on considerations of national strategic interests.

Furthermore, Article 57 of Law Number 23 of 2014 states that "Provincial and regency/municipal Regional Government administrators consist of Regional Heads and DPRD assisted by regional apparatus." Furthermore, Article 58 states that "Local Government Operators, in administering regional government are guided by the principle of state administration," which consists of:

- a. Legal certainty;
- b. orderly state administrators;
- c. Public interest;
- d. Openness;
- e. Proportionality;
- f. Accountability;
- g. Efficiency;
- h. Effectiveness; and
- i. Justice



Each region is obliged to carry out development for the welfare of all citizens so that they can be equal with other nations following Article 258 of Law Number 23 of 2014, namely (1) Regions carry out development to increase and equalize people's income, job opportunities, business fields, increase access and quality of public services as well as regional competitiveness. (2) Regional development is a manifestation of the implementation of government affairs submitted to the regions as an integral part of national development.

Bintoro in Kencana (2001) explains that the functions of government are:

1. Philosophy of social life, the state gives considerable freedom to community members to foster community development so that the government is expected not to interfere too much in the community's activities.
2. In the political philosophy of society, the government, as the holder of the trust mandate to seek the interests of society as a whole, must also seek justice. This needs to be stated with due regard to the interests of the weak (economic position).

Referring to Bintoro's opinion above, it can be said that the government builds and develops its interests and talents without interference from the government. However, on the other hand, the government is also the holder of the mandate to improve welfare and protect the interests of the weak. It can be said that the function of the government is to act as a driver and mandate holder in improving existing human resources so that welfare improvements can be realized.

3. Regional Revenue and Expenditure Budget (APBD)

Understanding the budget according to M. Nafarin (2007), the budget is a systematic financial plan that is prepared based on programs that have been approved. In addition, according to Mulyadi (2001), explaining the budget is a work plan that is stated quantitatively measured in standard monetary units and other units of measurement, covering one year.

For local governments, the budget, better known as the Regional Revenue and Expenditure Budget (APBD), is the regional government's annual financial plan discussed and approved jointly by the regional government and DPRD and stipulated in regional regulations. In other words, through the budgets of various local government policies, political commitment and priority needs are related to money spent and money to be collected (Fuady, 2002).

To meet the demands of reform to realize a new, more democratic Indonesia with sovereignty priority in the hands of the people, there have been comprehensive changes to the system and rules in our country, including reforms to the regional financial budgeting system from changing the traditional budget to a performance-based budget system. In addition, a performance budget is regional budget management oriented to achieving performance results. It has implications for the public interest, so the budget must be implemented in a comprehensive, realistic, and responsible manner.

According to Mardiasmo (2002:28), the regional budgets that need to be implemented in this reform era are as follows:

- a. Regional budgets must rely on the public interest (public-oriented) by allocating the maximum budget for the public interest through programs and activities that are directly in contact with the local community's needs.
- b. Budget allocations must be clear to achieve regional strategic objectives.
- c. Clarity of the roles of the parties involved in managing regional budgets, such as DPRD, KDH, Regional Secretary, and other regional apparatuses in the distribution of authority and responsibility so that transparency and accountability can be implemented properly.
- d. Realization of APBD, primarily regional expenditures, can follow sound regional cash management by accounting for legal and good administrative aspects.
- e. Clarity about the financial position of DPRD, KDH, and PNS, both in terms of ratio and the basis for consideration, so that the use of budget items in the APBD has a transparent and open legal basis.
- f. The clarity in the format and structure of the budget encourages transparency and speed in the presentation of regional financial reports.
- g. The principle of procurement and professional management of regional property must be carried out, starting from procurement procedures, reporting, and procurement as part of accountability for regional financial management.
- h. Regional financial accounting standards and systems, regional financial reports, the role of independent accountants in audits, and giving opinions are needed to encourage internalizing accountable accounting concepts.
- i. Aspects of guidance and supervision for the development of professionalism of local government officials.
- j. Development of a regional financial information system to provide accurate budget information for disseminating information to facilitate reporting and control and facilitate access to information.

The essential function of the Regional Revenue and Expenditure Budget is as a basis for carrying out revenues and expenditures in the relevant year and being a guide for the region in planning activities for the year concerned.

4. Regional Shopping

According to Halim (2003), regional expenditures are expenditures made by local governments to carry out their authority and responsibility to the community and the government above it. According to Sri Lesminingsih (2001: 199), regional expenditures are all regional cash expenditures during the relevant fiscal year, reducing local governments' wealth. Indra Bastian and Gatot Soepriyanto (2002) argue that regional expenditure decreases future economic benefits or potential services during the reporting period in cash outflows or consumption of net assets/equity other than those related to distributions to the economic entity itself.



Based on Law Number 23 of 2014, regional expenditures are used to implement concurrent government affairs, which are the authority of the regions, consisting of mandatory government affairs and optional government affairs. These regional expenditures are prioritized to fund mandatory government affairs related to essential services that are set with minimum service standards and are guided by technical standards and regional unit prices following the provisions of laws and regulations.

Mandatory government affairs related to essential services include: (a) education, (b) health, (c) public works and spatial planning, (d) public housing and residential areas, (e) peace, public order, and community protection, and (f) social. Mandatory government affairs that are not related to essential services include: (a) human resources, (b) women's empowerment and child protection, (c) food, (d) land, (e) environment, (f) population administration and civil registration, (g) community and village empowerment, (h) population control and family planning, (i) transportation, (j) communication and informatics, (k) cooperatives, small and medium enterprises, (l) investment, (m) youth and sports, (n) statistics, (o) coding, (p) culture, (q) libraries, and (r) archives.

Selected government affairs include: (a) marine and fisheries, (b) tourism, (c) agriculture, (d) forestry, (e) energy and mineral resources, (f) trade, (g) industry, and (h) transmigration. Regional governments set performance targets for each expenditure, both in the context of regions, regional work units, and programs and activities, which aim to increase budget planning accountability and clarify the effectiveness and efficiency of budget use.

5. Capital Expenditure

Fixed assets are the main prerequisite in providing public services by local governments. To increase fixed assets, local governments provide funds in a capital expenditure budget in the APBD. The allocation of capital expenditures, especially for public services, is expected to increase the economy in a region with the hope that it will increase local revenue. Capital expenditures are based on regional needs for facilities and infrastructure, both for the smooth implementation of government tasks and public facilities.

According to Bachtiar Arif (2009), the definition of Capital Expenditure is an expenditure that does not run out in one year and produces government fixed assets. Meanwhile, according to Halim (2004), "Capital Expenditures is a regional maintenance expenditure whose benefits exceed the budget year and will increase regional assets or wealth and will further increase routine expenditures such as maintenance costs in the Direct Expenditure Group."

Capital Expenditures, as referred to in Article 50 letter c of Permendagri Number 59 of 2007 concerning amendments to Permendagri Number 13 of 2006 concerning Regional Financial management, are used for expenditures made in the context of procuring tangible fixed assets that have a benefit value of more than 12 (twelve) months to be used in government activities. Meanwhile, according to the Statement of Government Accounting Standards (PSAP) Number 2, Capital Expenditures are budgetary expenditures for the acquisition of fixed assets and other assets that provide benefits for more than one accounting

period. Furthermore, in article 53, paragraph 2 of the Minister of Home Affairs Regulation Number 59 of 2007, it is determined that the value of tangible fixed assets budgeted in capital expenditures is the purchase price/build of assets plus all expenditures related to the procurement/development of assets until the assets are ready to be used. Then in Article 53, paragraph 4 of the Minister of Home Affairs Regulation Number 59 of 2007, it is stated that the Regional Headsets a minimum capitalization limit as the basis for charging capital expenditures in addition to meeting the minimum limit, the budget expenditure for goods expenditure must benefit more than one accounting period that is not routine. This provision aligns with PP 71 of 2010 concerning Government Accounting Standards, especially PSAP No. 7, which regulates fixed accounting.

Research Methods

Research Design

The research design used in the research on the effect of determining APBD with Regional Head Regulations and Capital Expenditure Allocation on Capital Expenditure Absorption in the Provincial APBD of the Special Capital Region of Jakarta for Fiscal Year 2015, can be described as a constellation between variables where the independent variable has a positive influence on the dependent variable and in This study is described as follows, namely the independent variable Determination of APBD with Regional Head Regulation (X1) there is a positive influence on the dependent variable Capital Expenditure Absorption (Y) in the Province of the Special Capital City Region of Jakarta, the independent variable for the allocation of capital expenditure (X2) has a positive influence on the variable tied to Capital Expenditure Absorption (Y) in the Province of the Special Capital City Region of Jakarta, then the variables X1 and X2 have a positive influence together on the Y variable, in the Province of the Special Capital Region of Jakarta.

Population and Sample

The population is not only people but also other natural objects. Sugiyono (2010) suggests that: Population is a generalization area consisting of objects/subjects with specific qualities and characteristics determined by researchers to be studied and then drawn conclusions. Meanwhile, Nawawi (2005) suggests the notion of population, namely the entire object of research which can consist of humans, animal objects, plants, symptoms, test values, or events as data sources that have specific characteristics in research. In this study, the population used were employees of several SKPDs of the Special Capital Region of Jakarta.

The sampling technique used in this study used the Random Sampling technique. To determine the sample size, the author uses theory or, in the opinion of Arikunto (2008), suggests that if researchers have several hundred subjects in the population, they can use approximately 25-30% of that number if the subject members in the population only include between 100 to 150 people and questionnaires in collecting data, researchers use a questionnaire, preferably all subjects in the population are taken. So the sampling technique used in this study uses a random sampling system research technique from a population of 300 people and as many as 89 samples.

Analysis Method

The normality test was carried out to know whether the distribution of data from the independent variable, namely "The Effect of Determination of APBD with Regional Head Regulations and Allocation of Capital Expenditures on Capital Expenditure Absorption in the Provincial APBD of the Special Capital Region of Jakarta for Fiscal Year 2015" is usually distributed. This normality test is because the use of correlation analysis techniques to be used requires the fulfillment of data provisions from the variables to be studied that are typically

distributed or close to normal. This follows the opinion of Sugiyono (2010), namely, "In an analysis that uses statistics, the sample distribution must lead to a normal distribution."

Research Result

Testing the normality of the data is used to conclude whether the data under study is usually distributed so that if it is described, it will form a standard curve. The depiction of the normality curve can also be seen based on the image below. The image is obtained and illustrated on SPSS where X entered is S resid, and Y is Z pred.

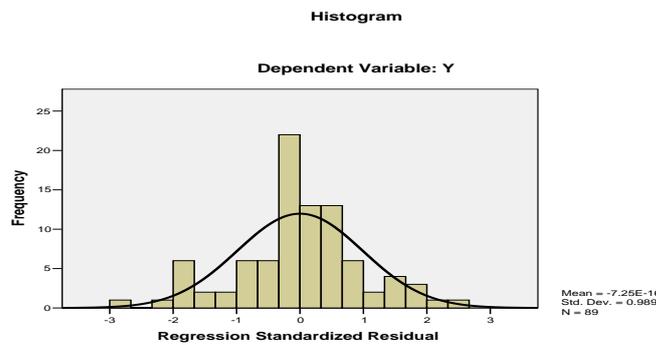


Figure 1. Data Normality Curve

Hypothesis Testing

1. Hypothesis Testing the Effect of Determination of APBD with Perkada (X1) on Capital Expenditure Absorption (Y)

This analysis assumes that the determination of the APBD with local regulations has a positive effect on the

absorption of capital expenditures. Based on the results of the analysis of the first partial model in the form of simple linear regression using the SPSS program, the following coefficients were obtained.

Table 2. First Simple Regression Partial Model

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17,837	3,316		5,379	,000
	X1	,773	,109	,604	7,065	,000

a. Dependent Variable: Y

Based on the table above, a simple regression model can be made as follows.

$$Y = 17.837 + 0.773X1$$

In this case

Y = capital expenditure absorption

X1 = stipulation of APBD with perkada

Based on the model above, it can be seen that the X1 coefficient for determining APBD with local regulations is

positive. This means that the better the determination of the APBD with local regulations, the better absorption of capital expenditures will be. To show whether the variable of determining the APBD with local regulations partially affects the absorption of capital expenditure, an at-count analysis is carried out as follows.

Table 3. Results of the First Partial Equation t-Test Analysis

Variable	t value	significance
Constant	5,379	0,000
Determination of APBD	7,065	0,000

Based on the table above, it can be seen that the t value is 7.065, and the significance is 0.000. This means that the variables of determining the APBD with local regulations significantly affect the absorption of capital expenditures. The large influence

of the variables of determining the APBD with local regulations on the absorption of capital expenditures can be seen in the following table.

Table 4. Value of r Square and First Partial Equation

Model Summary ^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604 ^a	.365	.357	4,39684

a. Predictors: (Constant), X1
b. Dependent Variable: Y

Based on the table above, it is known that the value of r squared is 0.365 or 36.5%. This means that the influence of the variable of determining APBD with local regulation on capital expenditure absorption is 36.5%. In comparison, other variables that are not included in the model affect the absorption of capital expenditure by 63.5%.

2. Hypothesis Testing the Effect of Capital Expenditure Allocation (X2) on Capital Expenditure Absorption (Y)

This analysis assumes that the allocation of capital expenditures has a positive effect on the absorption of capital expenditures. Based on the results of the analysis of the first partial model in the form of simple linear regression using the SPSS program, the following coefficients were obtained.

Table 5. Second Simple Regression Partial Model

Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,605	3,808		3,310	,000
	X2	,699	,093	,628	7,519	,000

a. Dependent Variable: Y

Based on the table above, a simple regression model can be made.

$$Y = 12.605 + 0.699X$$

In this case

Y = capital expenditure absorption

X2 = capital expenditure allocation

Based on the model above, it can be seen that the X2 coefficient of capital expenditure allocation is positive. This means that the better the allocation of capital expenditures, the better absorption of capital expenditures.

An at-count analysis is carried out to show whether the variable allocation of capital expenditures has a partial effect on the absorption of capital expenditures.

Table 6. Results of the t-test of the Second Partial Equation

Variable	t value	significance
Constant	3,310	0,000
Capital Expenditure Allocation	7,519	0,000

Based on the table above, it can be seen that the t value is 7.519, and the significance is 0.000. This means that the variable allocation of capital expenditures significantly affects the

absorption of capital expenditures. The large influence of the variable allocation of capital expenditures on the absorption of capital expenditures can be seen in the following table.

Table 7. Value of r Square and Second Partial Equation

Model Summary ^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628 ^a	.394	.367	4,29437

a. Predictors: (Constant), X2
b. Dependent Variable: Y

Based on the table above, it is known that the value of r squared is 0.394 or 39.4%. This means that the effect of the variable capital expenditure allocation on capital expenditure absorption is 39.4%. Meanwhile, other variables not included in the model affect the absorption of capital expenditure by 60.6%.

3. Hypothesis Testing the Effect of Determination of APBD with Perkada (X1) and Allocation of Capital

Expenditures (X2) Together on Capital Expenditure Absorption (Y)

In this analysis, it is assumed that the determination of the APBD with local regulations and the allocation of capital expenditures on the absorption of capital expenditures in the Regional Government of DKI Jakarta Province. Based on the results of the simultaneous model in the form of multiple regression using the SPSS program, the following coefficients are obtained:

Table 8. Multiple Regression Simultaneous Model

Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,499	3,731		2,278	,025
	X1	,457	,124	,357	3,679	,000
	X2	,463	,108	,416	4,283	,000

a. Dependent Variable: Y

Based on the table above, multiple regression models can be made as follows.

$$Y = 8.457 + 0.457X1 + 0.463X2$$

In this case

Y = capital expenditure absorption

X1 = determination of APBD with local regulations

X2 = capital expenditure allocation

Based on the model above, it can be seen that the X1 coefficient for determining APBD is positive, meaning that the

better the determination of APBD, the better absorption of capital expenditures, and coefficient X2 for allocation of capital expenditures is positive. This means that the better the allocation of capital expenditures, the absorption of capital expenditures increases. To show whether the variables of determining the APBD with local regulations and the allocation of capital expenditures have a simultaneous effect on the absorption of capital expenditures, an analysis of F is carried out as follows.

Table 9. Results of F Test Analysis (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1260,641	2	630,321	39,104	,000 ^b
	Residual	1386,257	86	16,119		
	Total	2646,899	88			

a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

Based on the table above, it can be seen that the F value is 39.104 and the significance is 0.000. This means that the variables of determining the APBD with local regulations and the allocation of capital expenditures significantly affect the absorption of capital expenditures in the Regional Government of

DKI Jakarta Province. The magnitude of the influence of the determination of the APBD with local regulations and the allocation of capital expenditures on the absorption of capital expenditures can be seen in the following table.

Table 10. Value of r Square and Simultaneous Equation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,890 ^a	,476	,464	4,01488

a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

Based on the table above, it is known that the value of R squared is 0.476 or 47.6%. This means that the influence of the variables of determining the APBD with local regulations and the allocation of capital expenditures on the absorption of capital expenditures is 47.6%. In contrast, other variables that are not included in the model affect the absorption of capital expenditure by 52.4%.

Discussion

Based on the above analysis, it is known that in the simultaneous model, it is known that the variables of determining the APBD with local regulations and the allocation of capital expenditures have a positive effect on the absorption of capital expenditures. The coefficient of the APBD determination variable is positive, and the variable for the allocation of capital expenditures also has a positive coefficient. Both variables have an F value with less than 5% significance. This means that following the hypothesis proposed that simultaneously the variables of determining the APBD with local regulations and the allocation of capital expenditures positively affect the absorption of capital expenditures.

According to the calculation results on the simultaneous model, it is known that the determination of the APBD with local regulations has a positive coefficient. This means that the better the determination of the APBD with local regulations that are implemented as expected, the absorption of capital expenditures will also increase. This phenomenon applies only to stipulating a draft regional head regulation on APBD, which is only prioritized for binding and mandatory expenditures.

The allocation of capital expenditures also positively affects the absorption of capital expenditures. This means that the better the allocation of capital expenditures, the better absorption of capital expenditures will be. This is in line with the theory which states that the functions used in the preparation of the APBD have a benefit value of more than twelve months to be used in activities that are priorities that must be carried out in one fiscal year, especially for public services are expected to improve the economy in an area with the hope of will increase local revenue. The first partial model describes a simple linear regression model with variable X1 as the determination of the APBD with local regulations and variable Y as the absorption of capital expenditure. The coefficient formed in the partial equation is positive. This means that the better the determination of the APBD with local regulations, the better absorption of capital expenditure will be. The second partial model describes the effect of capital expenditure allocation on capital expenditure absorption. And the simple regression equation is known that the effect of capital expenditure allocation on capital expenditure absorption is positive. This means that the better the allocation of capital expenditures, the better absorption of capital expenditures.

Conclusions and Recommendations

Based on the results of hypothesis testing, the following conclusions can be drawn:

1. Based on the Multiple Regression Analysis, a positive value is obtained, namely the Regional Budget Determination Variable (X1) of 0.457, and the capital expenditure allocation variable (X2) obtained a value of 0.463. The results of the Multiple Correlation Analysis

between the Variables of determining APBD (X1) and Variables of allocation of capital expenditures (X2) of 0.690. Thus, it can be said that the relationship between the independent variable and the dependent variable is strong.

2. The results of hypothesis testing both partially and simultaneously, the variables of determining APBD with local government regulation (X1) and allocation of capital expenditures (X2) affect the variable of capital expenditure absorption (Y) so that H_a is confirmed, H_0 is rejected.
3. From the coefficient of determination test results, the result is 0.476; thus, the independent variable can explain the dependent variable by 47.6%, while the rest is not examined in this study.

Based on the discussion and conclusions that have been stated above, some suggestions can be made as follows:

1. Determination of regional expenditure between the regional head and the DRD is suggested to be realized because it has implications for the prohibition of budgeting for expenditures other than mandatory expenditures to be binding and prioritized to fund mandatory government affairs related to essential

services that are set with minimum service standards and are guided by technical standards and regional unit prices following the provisions of laws and regulations and can be accounted for both morally and legally so that local governance can be realized. The output can be directly felt by the community.

2. The allocation of capital expenditures means that local governments need to optimize their potential income, one of which is to provide a more significant proportion of capital expenditures for development in productive sectors in the region so that it is expected to increase the economy in a region with the hope of increasing regional original income.
3. In absorbing capital expenditures, it is hoped that the government will be able to manage finances efficiently and effectively so that the government's obligations in providing adequate public services will be fulfilled and the stimulation in increasing the growth and productivity of the regional economy can be realized and can increase regional assets or wealth and will further increase the expenditure required routine, such as maintenance costs in the Direct Shopping Group.

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