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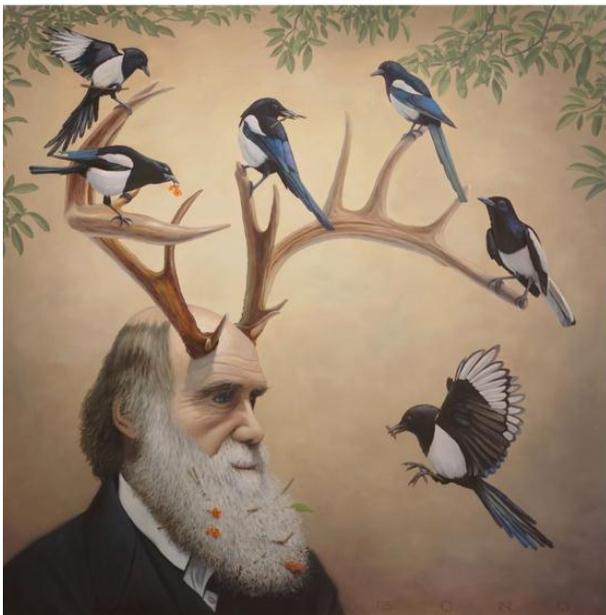
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The Effect Of Budget Planning, Administration, Human Resources, Procurement, And Inventory Money For The Budget Absorption In Indonesia

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Abstract

This study will focus on analyzing the factors that influence the absorption of the Ministry of Finance's scope of the budget, especially for goods and capital expenditure categorized as specific commitments. This type of research is descriptive quantitative research with a survey method. Budget planning, administration, human resources, and procurement have a significant effect on the absorption of the budget within the Ministry of Finance. The money supply does not have a significant effect on budget absorption within the Ministry of Finance. The study only used samples at the central office satker within the Ministry of Finance. Therefore, further research is expected to use a wider sample than this research for example by including the vertical office satker within the Ministry of Finance so that the results are more comprehensive.

Keywords: Public sector accounting, government financial management, budget absorption, state finance, budgeting

El efecto de la planificación presupuestaria, la administración, los recursos humanos, las adquisiciones y el dinero del inventario para la absorción del presupuesto en Indonesia

Resumen

Este estudio se centrará en analizar los factores que influyen en la absorción del alcance del presupuesto del Ministerio de Finanzas, especialmente para bienes y gastos de capital clasificados como compromisos específicos. Este tipo de investigación es una investigación cuantitativa descriptiva con un método de encuesta. La planificación presupuestaria, la administración, los recursos humanos y las adquisiciones tienen un efecto significativo en la absorción del presupuesto dentro del Ministerio de Finanzas. La oferta monetaria no tiene un efecto significativo en la absorción del presupuesto dentro del Ministerio de Hacienda. El estudio solo utilizó muestras en la oficina central del Ministerio de Hacienda. Por lo tanto, se espera que más investigaciones utilicen una muestra más amplia que esta investigación, por ejemplo, al incluir el contenedor vertical de oficinas dentro del Ministerio de Finanzas para que los resultados sean más completos.

Palabras clave: contabilidad del sector público, gestión financiera del gobierno, absorción presupuestaria, finanzas estatales, presupuestación

INTRODUCTION

The budgeting of a country is influenced by the budget system used. Indonesia uses a performance-based budgeting system that is a budgeting system that emphasizes the utilization of available funds to achieve optimal results from the implementation of development programs and activities. (Yuwono et al, 2008). To realize an effective Performance-Based Budgeting (PBK) can be realized if in its preparation pay attention to three things. First, align the budgeting process with organizational planning and governance. Alignment can be realized through the integration of budgeting with planning by organizational performance governance and budget architecture and actively involving stakeholders. Second, implement comprehensive planning and budgeting through coordination and quality assurance effective. Besides, the involvement and commitment of the highest leadership is needed in planning and implementing the budget. Third, carry out monitoring and evaluation in the framework of performance-based budgeting with a focus on cost, time, and performance.

Furthermore, based on the Circular of the Minister of Finance Number

32 / MK.1 / 2015 concerning Procedures for Measuring the Main Performance Indicators of Budget Absorption and Achievement of Outputs Shopping within the Ministry of Finance, technical arrangements regarding the stages of monitoring and evaluation have been determined. Monitoring and evaluation are measured by budget absorption, efficiency, and achievement of outputs.

Of the three elements, the main concern for thirteen years is the budget absorption element. Budget absorption of expenditure results in a low budget absorption pattern in the first semester and accumulates at the end of the current fiscal year. This can be hampered macroeconomically economic growth, employment, and poverty alleviation.

The pattern of budget absorption is experienced by both the central and regional governments. Based on Bappenas data on the page e-money. bappenas.go.id, until the second quarter of the 2016 Fiscal Year (TA), only four Ministries / Institutions achieved a realization rate above 50%, namely the Ministry of Administrative Reform and Bureaucratic Reform, the Supervisory Agency Elections, the Supreme Court and the Central Statistics Agency with 73.18%, 59.51%, 58.96% and 58.17% respectively. Other ministries/institutions have not reached absorption of above 50%, including the Ministry of Finance as Chief Operating Officer (COO).

Furthermore, the realization of the budget per Echelon I unit of the Ministry of Finance in 2016 is presented in the following table:

Table of Budget Absorption per Echelon I Unit of the Ministry Finance in 2016

UNIT/ESELON I	PAGU	REALISASI SP2D	(%)
015.01 SETJEN	14.413.894.875.000	10.190.504.144.771	70,70
015.02 ITJEN	104.253.813.000	63.749.776.350	61,15
015.03 DJA	149.345.064.000	82.015.556.754	54,92
015.04 DJP	7.462.497.314.000	4.492.203.509.080	60,20
015.05 DJBC	3.274.006.195.000	1.640.795.453.918	50,12
015.06 DJPK	126.078.440.000	51.771.456.150	41,06
015.07 DJPPR	98.803.892.000	50.771.733.861	51,39
015.08 DJPB	10.976.399.562.000	4.302.450.947.811	39,20
015.09 DJKN	651.696.081.000	373.944.227.513	57,38
015.11 BPPK	676.421.478.000	356.465.917.018	52,70
015.12 BKF	224.643.045.000	62.221.045.943	27,70

Source: compiled from BusinessIntelligence, www.money.anggaran.depkeu.go.id,2016

Based on Table , Of the 11 Echelon, I Units in the Ministry of Finance, not one unit has achieved 75% realization. This has happened repeatedly every year and becomes a classic problem at the Ministry of Finance as shown in the following table:

Table Trend of Absorption of Goods and Capital Expenditures Budgets until Quarter III of FY 2014 to 2016

UNIT	Persentase Realisasi (%)								
	51			52			53		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
SETJE N	76,64	71,85	75,16	40,35	50,31	51,50	47,75	13,19	20,54
ITJEN	75,81	75,38	73,65	69,86	49,95	55,46	62,30	60,93	21,01
DJA	67,56	66,59	73,53	45,44	49,63	45,46	6,74	24,27	26,99
DJP	71,11	69,87	78,56	61,64	42,36	57,13	15,53	5,23	17,29
DJBC	70,25	65,60	70,70	51,37	50,24	48,94	29,85	32,38	24,27
DJPK	71,41	68,80	75,65	99,32	37,28	34,17	25,80	7,15	3,75
DJPP R	76,07	63,67	82,85	66,35	48,52	40,99	48,57	46,00	43,09
DJPB	71,27	73,31	80,26	57,81	18,44	37,21	50,68	64,91	23,38
DJKN	72,25	71,79	77,10	59,77	53,78	44,32	48,45	51,95	64,13
BPPK	73,69	72,85	75,94	58,77	50,88	52,59	50,09	11,73	40,77
BKF	75,76	74,26	74,34	60,41	38,42	17,75	39,74	43,13	82,05

Furthermore, based on a literature review obtained by researchers, various factors cause low budget absorption in the first semester and accumulate at the end of the year (Mardiasmo, 2009) strengthened with previous journals and research as follows:

1. Budget planning;
2. Administration;
3. Human Resources;
4. Procurement; and
5. money supply.

Based on the description of the data and facts, the researcher feels it is necessary to know the effect of these factors on the uneven budget absorption pattern at the Ministry of Finance. For this reason, the researchers took the initiative to take the title of the research, namely "The Effect of Budget Planning, Administration, Human Resources, Procurement,

and Money Supply on the Ministry of Finance's Budget Absorption". This research will focus on the analysis of the factors that influence the absorption of the Ministry of Finance's scope of budget, especially for goods and capital expenditures which are categorized as specific commitments (contractual and handling requires special handling because they have a lot of complexity) (Radev and Khemani, 2009) specifically for FY 2016.

Following the explanation on background points, there is a difference between the absorption target of goods and capital expenditure in the third quarter of 75% with the realization of absorption in each Echelon I Unit within the Ministry of Finance. In addition to this, the problem of budget absorption that occurs in goods and capital expenditure is the pattern of budget absorption that accumulates at the end of each year. These problems in previous studies were caused by several factors. Some of these factors want researchers to analyze how much influence they have on budget absorption that is not yet on target and always accumulate at the end of the fiscal year that occurs in each Echelon I Unit within the Ministry of Finance.

The objectives to be achieved by researchers in this study are:

1. to determine the effect of budget planning factors on budget absorption within the scope of the Ministry of Finance;
2. to determine the effect of administrative factors on budget absorption within the scope of the Ministry of Finance;
3. to determine the effect of human resource factors on budget absorption within the scope of the Ministry of Finance;
4. to determine the effect of procurement factors on budget absorption within the Ministry of Finance; and
5. to determine the effect of the money supply factor on budget absorption within the Ministry of Finance.

This research is expected to contribute thoughts for the Echelon I Unit within the Ministry of Finance in addressing the problem of budget absorption if it is known which factors have a positive effect on budget absorption. This research is also expected to contribute to further research on the analysis of factors that influence budget absorption.

THEORY BASIS

In the modern economic system, Musgrave and Musgrave (1984) classify the role of government into 3 namely the role of allocation, the role of distribution and the role of stabilization. The role of allocation, namely the role of government in the field of resource allocation. The

government provides public goods to the public by considering the costs required. The role of distribution, namely the role of government in regulating the distribution of income by the imposition of progressive taxes and government spending policies. The role of stabilization, namely the role of the government in ensuring economic and political stabilization carried out through fiscal and monetary policy.

Economists realize that government spending plays an important role in a country's economy. Wagner (1883) argues that government expenditure in each country will grow faster than the growth output countries. Peacock & Wiseman's theory explains the view that the government is always trying to increase spending, while the public does not like to pay increasing taxes to finance these expenditures.

Based on the opinion of these experts, the government requires funds to implement fiscal and other policies whose sources of funds come from state revenue. These costs are reflected in a state budget.

The budget according to Ndubuisi in the Center for Democracy and Development (2005) is a work plan within a certain period of a departmental function/part of an organization and contains targets to be achieved both physically and financially, using criteria that are important in achieving performance. While the budgeting process or financial management cycle by Ndubuisi in the Center for Democracy and Development (2005) is carried out within one year of the planning, budgeting, implementation, accountability, control, monitoring, and evaluation processes.

A. Special Theory Framework

1. Financial management cycle Financial management cycle in performance-based budgeting can be categorized into four stages, including:

a. Planning stages Planning

activities are the beginning/estuary of an agency's financial cycle. Starting from the formulation of a framework of macro assumptions and the main points of fiscal policy, the preparation of funding needs in the fiscal year concerned, the establishment of indicative ceilings and the implementation of trilateral meetings.

b. Budgeting stages Budgeting

stages consist of two main activities, namely budgeting and budgeting. Budgeting activities are the next stage after planning. At the stage of budget formulation, the determination of the budget ceiling, review of Work Plans and Ministries / Institutions Plans (RKA-K / L), preparation of the Draft State Revenue and Expenditure Budget (Draft State Budget),

State Budget Draft Bill, Financial Memorandum and the set RKA-K / L. While in the budget setting activities, the allocation ceiling, the RKA-K / L and the formulation of the Presidential Decree (Keppres) of APBN Details are determined.

c. Stages of budget execution The budget documents produced at the budgeting stage will be used as a reference in implementing the budget. The implementation of the budget is focused on evaluating the implementation of the budget, especially capital expenditure carried out by echelon I units within the Ministry of Finance.

d. Stages of accountability

Accountability of an agency's budget implementation is outlined in the form of financial statements. In a broader / national scope, this is outlined in the preparation of the budget execution accountability bill. On the financial statements that have been prepared, an examination is carried out to ensure accountable financial management. Examinations can be classified in financial audits, performance audits, and audits of specific objectives.

2. Budget absorption Budget

absorption is part of the budget implementation stage. This stage of absorption of the budget begins when the APBN Law is passed by the DPR. To accelerate the development process and stimulate economic growth, a dynamic and scheduled budget absorption process is needed and there is no accumulation of budget absorption at the end of the fiscal year. Mardiasmo (2009) states that: The performance of public managers will be assessed based on the achievement of budget targets, how much has been achieved. Performance appraisal is done by analyzing the actual deviation of the budgeted performance.

Budget absorption, especially for goods and capital expenditure, has a significant influence on driving economic growth. For this reason, each government agency must regulate its expenditure so that it runs smoothly and can support the achievement of national development goals.

3. The problem of budget absorption

According to Mardiasmo (2009), the problem of low budget absorption in the middle of the fiscal year in Indonesia is caused by:

- a. Weak budget planning
- b. The length of the budget discussion
- c. process Slow tendering process
- d. Fear using the budget
- C. Previous Research Results

Rosario G. Manasan and Ruben G. Mercado (2001) conduct research with the title “An Assessment Of The Absorptive Capacity Of Agencies Involved In The Public Works Sector”. This study analyzes that there are at least three sources of the low budget absorption in a Ministry / Institution in the Philippines. The causes are the structural and systematic weaknesses of Ministries / Institutions, mis-coordination with various sectors or agencies, and the budgeting system.

The Government of Uganda, the Ugandan Ministry of Finance, in 2011 conducted a study that revealed several obstacles in absorbing the budget in Uganda, including uncertainty in the availability of funds and access to budget use, frequent delays in unnecessary disbursements, poor planning, and weak procurement management. / service.

Furthermore, research by Rosario G. Manasan and Ruben G. Mercado was adapted by Agus Sunarya S., Andy P. Hamzah, and Rame Priyanto (2012). This study analyzes the factors that influence budget absorption in the Ministry of Finance under the title “Budget Absorption in the Ministry of Finance of the Republic of Indonesia and Factors Affecting” 2010. This research shows that good and thorough planning is the most important factor affecting absorption budget at the Ministry of Finance, followed by issues of policy, performance, and coordination with other sectors or agencies, and issues of structural and systemic weaknesses from the Ministry of Finance.

Furthermore, Dian Juliani and Mahfud Sholihin (2014) conducted a study with the title “The Influence of Contextual Factors on Perceptions of Budget Absorption related to Procurement of Goods / Services”. The research was conducted at the government of the Special Region of Yogyakarta (DIY). The results of this study indicate that budget absorption in DIY is influenced by regulatory knowledge, management commitment, and the bureaucratic environment.

Nur Fitriany, Gregorius Nansiansenus Masdjojo, and Titiek Suwarti (2015) conducted a study of the factors affecting the buildup of budget absorption at the end of 2013 in the Pekalongan district government. Research entitled “Exploring the Factors That Impacts the Accumulation of Budget Absorption at the End of the Fiscal Year 2013: A Case Study in Pekalongan City of Central Java Indonesia” concludes that the factors that have a significant influence on budget absorption are human resource factors and factors document. While other factors such as budget planning factors, budget execution factors, internal work unit factors, and administrative factors have no significant effect.

D. Research Variables Research

variables defined by Sugiyono (2016) cite the statement of Kidder (1981) which states that the variable is a quality in which the researcher studies and concludes it. The variables in this study are divided into:

1. Independent

variables Independent variables are variables that influence or which cause changes or the emergence of dependent variables. The independent variables in this study are budget planning (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5).

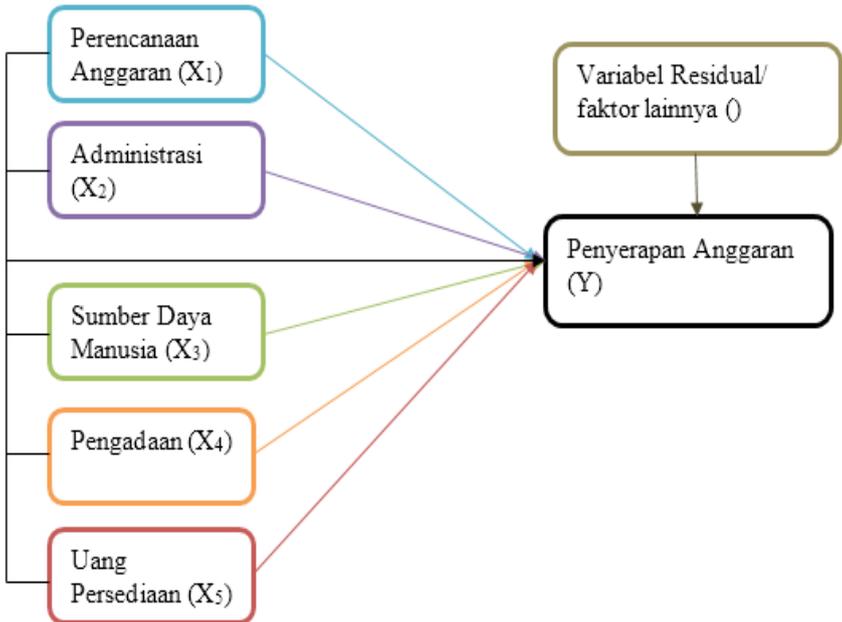
2. Dependent Variable Dependent

variable is a variable that is affected or which becomes a result due to the presence of independent variables. The dependent variable in this study is the budget absorption variable (Y).

E. Research Thought Framework

Based on the sub-chapter research variables regarding the independent and dependent variables, it can be presented in Figure II.1 about how the alleged influence of independent variables on the dependent variable.

Research Design Image



Source: processed by researchers from research variables

Based on the image, it can be explained that the study was designed to determine the effect of each independent variable consisting of budget planning variables (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5) on the dependent variable budget absorption (Y).

The hypothesis

of budget planning influences the absorption of the budget

Kuswoyo (2011) examines the factors that cause the accumulation of spending at the end of the fiscal year in the work units in the Kediri KPPN area which results that the planning factor has a significant influence on the causes of the accumulation of the budget. Research conducted by Priatno (2013) on the factors that affect budget absorption in the work unit of the Blitar KPPN payment scope also results in planning factors having a significant influence on the absorption of the work unit's budget. Besides, research conducted by Herriyanto (2012) on the factors that influence delays in the absorption of spending on Ministries / Institutions in the Jakarta area gives the result that planning has a significant influence on delays in budget absorption. Budget planning here can be seen as its influence on budget absorption through the revision of budget expenditures, where there is a revision of the DIPA because it does not suit needs. This can delay the realization of the budget so that it has an impact on budget absorption.

Based on this, it can put forward a hypothesis as follows:

H1: Budget Planning positive effect on the absorption of the budget.

Administration influences the absorption of the budget

Gie (1980) defines administration in the broad sense of a series of activities carried out by a group of people in a partnership to achieve certain goals. Administration can be broadly concluded basically all contain the same basic elements, namely the existence of certain activities, the existence of people who collaborate and achieve predetermined goals. Administration basically covers all activities from the arrangement to the management of a group of people who have job differentiation to achieve a common goal. Administration can work with one or many people involved in it.

Research conducted by Herriyanto (2012) on the factors that influence the delays in the absorption of spending on ministries/institutions in the Jakarta area gives the result that the administration has a significant influence on the delays in budget absorption.

Based on this, it can put forward a hypothesis as follows:

H2: Administrative positive effect on the absorption of the budget.

Human resources affect budget absorption

According to Fathoni (2006), human resources are the most important capital and wealth of every human activity. Humans as the most important elements are analyzed and developed. Time, energy, and ability can be used optimally for the interests of the organization, as well as for the interests of individuals.

One of the main factors that determine whether or not the wheels of government are human resources. This can be seen from how humans as workers use the physical and psychological potential that they have maximally in achieving organizational goals (institutions).

Research conducted by Herryanto (2012) on the factors that influence delays in the absorption of spending on ministries/institutions in the Jakarta area gives the result that human resources have a significant influence on delays in budget absorption.

Based on this, the hypothesis can be stated as follows:

H3: Human Resources has a positive effect on budget absorption.

Procurement affects the absorption of the budget

The procurement activities of government goods and services required the preparation of procurement documents. In the preparation of goods and services procurement documents, there is some urgency in preparing the provider selection documents, such as being the basis for the implementation of the tender and contract implementation.

Research conducted by Herryanto (2012) on the factors that influence delays in the absorption of budget expenditures in the work units of Ministries / Institutions in the Jakarta area gives the result that procurement has a significant influence on the delays in budget absorption.

Based on this, it can put forward a hypothesis as follows:

H4: Procurement positive effect on the absorption of the budget.

Inventory money affects the absorption of the budget

In the mechanism of APBN expenditure through the Office of the State Treasury Service (KPPN) known mechanism for direct expenditure and expenditure through inventory money. To help manage the money supply at the office / satker within the Ministry of State / Institution, the head of the satker can appoint an Advances Holder (PUM). PUM is responsible for the Spending Treasurer. Expenditures Treasurer refills UP (revolving) as long as funds are available in DIPA.

Research conducted by Herryanto (2012) on the factors that influence

the delays in the absorption of spending on ministries/institutions in the Jakarta area gives the result that the change in inventory has a significant influence on the delays in budget absorption.

Based on this, it can put forward a hypothesis as follows:

H5: Money Supply positive effect on the absorption of the budget.

RESEARCH METHODS

Operational Definitions This

sub-chapter describes the operational definitions of variables related to the research theme.

Independent The independent

The variable variables of this study are the factors that influence budget absorption. Based on a literature review conducted by researchers, various factors cause low budget absorption in the first semester and accumulate at the end of the year as follows:

Budget planning

Mardiasmo (2009) defines budget planning as an integrated process so that the output of planning is budgeting. The formulation of the program in planning ultimately has implications for the amount of budget that needs to be provided so that the successful use of the budget starts with planning. Budget formulation and planning refers to the results of last year's evaluation and monitoring. Budget planning that is not well prepared, such as supporting data that has not been completed will have an impact on the evaluation and continuous revision by relevant officials on the planning aspects.

Administration

Mardiasmo(2009) states that administration is a whole process that is related to the process of preparing a budget until the budget is disbursed, including the person who administers it. The process begins with a budget revision that indicates a mismatch between the needs and the planned budget. Besides, because of government policies related to price escalation to direct supervisor's policy to change activities that are different from those planned. Besides, there are additional funds related to new employees or get loans. Also, the system of disbursement of inventory money is usually done at the end of the year which requires a long time to do reimbursement.

Human resources

Mardiasmo (2009) states that human resource factors that influence budget absorption are related to the determination of treasury officials, treasury officials' commitment, understanding of regulations related to

procurement, mutation patterns of treasury officials, and experience and expertise certification. Treasury officials are prepared specifically and gradually competence through a series of specific processes such as technical training, Focus Group Discussion (FGD) and so on to understand comprehensively the procurement of service goods. Meanwhile, the problems of human resources began with the reluctance and fear of employees to become treasury officials. This is because the work risk is not balanced with the benefits received and the reasons for duplicate work.

The Procurement of the Ministry of National Planning and Development / National Planning and Development Agency (Bappenas) (2012) outlines related to procurement issues, namely Commitment Making Officials (PPK) experiencing confusion and not understanding what to do in guarding the procurement of goods/services. Many of them do not know how to make a correct Self Estimated Price (HPS), make the draft a clear and non-interpretive contract, how to control the contract so that output is reached, how the provisions add less work, and so on. Apart from these problems, external factors such as provider qualifications at the satker were unable to carry out large-value projects.

cash supply

Subarja's(2015) states that in the context of smooth implementation of the budget and the acceleration of the absorption of the budget of the State Ministry / Institution, regulations regarding Inventory Money (UP) have been made adjustments regarding the amount of UP and types of expenditure that can be paid through the UP mechanism. The issuance of PMK Number 190 / PMK.05 / 2012 improves the three regulations regarding UP before. Problems related to UP are the provisions of the PMK that make the satker or echelon I units in conducting revolving funds have to wait for the UP funds to run out of at least 50%. If the UP is getting more and more, then it takes effort quite a lot to spend UP and do revolving. Also, if the money does not run out at the end of the year must be deposited in the state treasury.

Furthermore, based on previous studies, factors that influence budget absorption are presented in Table III.1 regarding the Results of Previous Research.

Based on the theoretical basis of the literature, journals, and previous studies obtained factors that influence the absorption of the budget which is used as an independent variable as follows:

Budget planning (X1);

Administration (X2);
Human resources (X3);
Procurement (X4); and
Money supply (X5).

The dependents dependent

a variable in this study is budget absorption (Y). Budget absorption based on research by the Ugandan Ministry of Finance (2011) has an understanding of the Government's ability to use public resources into development outcomes through the design and successful implementation of national budgets. More narrowly, budget absorption is defined by the ability of the government to utilize existing budget allocations to achieve outputs planned. Budget absorption is not only evaluated from the nominal realization or percentage of budget absorption related to the procurement of goods/services contained in the APBN budget realization report, but also from the perception of budget users to achieve the budget target. Absorption of the budget related to the procurement of goods/services is the process of realizing the government expenditure budget effectively and efficiently under the targets and budget achievements in the procurement of government goods/services.

Classification of Research

Types of Research conducted is descriptive quantitative research with survey methods.

Population and Research Samples

Sugiyono (2016) explains that the population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn. In this study, the population is an employee in the budget planning subsection and treasury officials for capital expenditure within the echelon I headquarters of the Ministry of Finance totaling 150 people. Based on this population, researchers decided to use the sample because there was limited time and energy. According to Sugiyono (2016), the sample has the meaning of part of the number and characteristics possessed by the population. The sampling technique used in this study is probability sampling. This technique provides equal opportunities for each element (member) of the population to be selected as sample members. The method sampling used is a method of simple random sampling. Simple random sampling is a technique of taking sample members from a population carried out randomly without regard to strata that exist in that population. This method is used for populations that are considered

homogeneous as in the Planning and Finance subsections and treasury officials within the Ministry of Finance whose competencies are considered evenly distributed. To determine the representation of the sample to the population and minimize errors in the study, the formula calculation Slovin using the error tolerance limit of 5% obtained a sample of 109.09 rounded 110 respondents.

Data Collection Methods

In conducting the data collection as research material, researchers used methods:

The research literature(library research)

a literature study was conducted by collecting, reading and understanding literature, books, journals, and regulations related to materials research thesis. The purpose of library research is to obtain theoretical knowledge that will be used in the discussion of this research.

Distribution of questionnaires

Questionnaires / Questionnaires obtained from previous studies and distributed to respondents to be filled based on the perceptions of each respondent using a scale Likert.

Research Model

This research uses multiple linear regression analysis. Regression analysis is one of the data analysis techniques in statistics that are often used to examine the relationship between several variables and predicting a variable. While multiple linear regression analysis analyzes the relationship or effect of two or more independent variables on the dependent variable. The method used to estimate the parameters of the multiple linear regression model is the method ordinary least square (OLS).

Next, the model used in the regression equation, as follows:

$$y = \alpha + x_1 \beta_1 + x_2 \beta_2 + x_3 \beta_3 + x_4 \beta_4 + x_5 \beta_5 + \varepsilon$$

Where,

y = Budget Absorption,

α = constants,

x₁ = budget planning variable,

x₂ = administration variable,

x₃ = human resource variable,

x₄ = procurement variable,

x₅ = money supply variable,

$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$ = correlation coefficient, and

ε = residual variable

Data Processing Method Data

quality test

Validity Test

According to Ghozali (2016), the validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire can reveal something that will be measured by the questionnaire. This validity test uses correlation Pearson Product Moment. The validity test uses the correlation between the scores of each item with the total score. The calculated r-value resulting from the Corrected item-total Correlation in the reliability test will be compared with the r table in the significance value $\alpha = 5\%$. An instrument is said to be valid if the r count is greater than r table.

Reliability Test

According to Ghozali (2016), reliability is a tool to measure a questionnaire which is an indicator of a variable or constructs. A questionnaire is said to be reliable if someone's answer to the statement is consistent or stable from time to time. This reliability test uses the coefficient Cronbach's Alpha. A constructor variable is said to be reliable if it gives a value Cronbach's Alpha greater than 0.60.

Classic assumption

test Normality test

According to Ghozali (2016), the normality test aims to test whether, in the regression model, confounding or residual variables have a normal distribution. A good regression model is a normally distributed regression model. In this study using the Kolmogorov-Smirnov test.

Multicollinearity Test

According to Ghozali (2016), multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not occur the correlation between independent variables. The way to find out whether multicollinearity occurs or not is to look at the value of Tolerance and Variance Inflation Factor (VIF).

AutocorrelationThe autocorrelation

The test aims to test whether in the linear regression model there is a correlation between residual variable errors in the previous period. The autocorrelation test in this study used the test Durbin-Watson.

Heteroscedasticity Test Heteroscedasticity

test according to Ghozali (2016) aims to test whether in the regression model there is an unequal variance from one residual observation to another. If the variance from one observation residual to another obser-

variation is fixed, then it is called homoskedasticity and if it is different then heteroscedasticity. A good regression model is homoscedasticity.

Hypothesis testing

simultaneously (F test) F

test is performed to determine whether all independent variables together (simultaneously) have a significant effect on the dependent variable. The basis for concluding a simultaneous test is that if the probability of significance is greater than 0.05 (α), then the independent variable simultaneously does not affect the dependent variable. If it is smaller than 0.05 then the independent variable simultaneously influences the dependent variable.

Partial hypothesis test (t-test)

The statistical t-test shows how much influence the independent variable individually in explaining the variation of the dependent variable. The testing criteria are based on a significant probability of less than 0.05 (α), then the independent variables individually affect the dependent variable. However, if the significance probability is greater than 0.05 (α), then the independent variables individually do not affect the dependent variable.

The coefficient of determination

To determine how large the percentage contribution of the independent variables together on the dependent variable can be seen from the magnitude of the coefficient of determination (R^2), wherein R^2 or R Square explains how much the independent variables used in this study could explain the dependent variable.

RESEARCH RESULTS AND DISCUSSION

Determination of Items Statement for Questionnaires

The determination of items is statements carried out by distributing preliminary questionnaires to respondents in the form of experts in the Budgeting Section of the Planning and Finance Bureau of the Secretariat General of the Ministry of Finance. The expert selected as the respondent amounted to five people. Of the five experts, two people have a Bachelor's degree (S1) and three have a Diploma (D3). The questionnaire filled out by experts totaled 97 statements following the variable problems of late absorption of the budget carried out by previous research. The results of the questionnaire were selected 35 statements with the highest value as questionnaire material to echelon I units within the Ministry of Finance. The results of the questionnaire produced a statement with the top 35 rankings presented in the Table Ranking Results Statement by Expert (attachment 2). After obtaining the results from the expert, items statements

are grouped into variables according to the previous research shown in the Variable Grouping Table (Appendix 3).

Data Quality Test Results

Tests carried out on 35 items of statement results from the ranking of statements against respondents expert. The purpose of the quality test of the research instrument is to measure the validity and reliability of the research instrument

used as a measuring instrument by using SPSS 23.0 for windows. The quality test of the instrument is carried out with a validity and reliability test. The following are the results of the validity test and the reliability test results for 35 items statement.

Validity test results

items Statement that will be tested for validity are 35 items with 30 respondents outside the respondent on the research object. Respondents are employees of the Budgeting Section of the Planning and Financial Bureau of the Secretariat General of the Ministry of Finance. Validation uses SPSS 23.0 with a significance level of 95% ($\alpha = 5\%$). The validity test results are presented in the Validity Test Results Table (Appendix 4). Based on the Validity Test Results Table (Appendix 4), the item is statement valid if the value Pearson correlations greater than the r table ($N = 30, \alpha = 5\%$) which is equal to 0.3610. From this table, values Pearson correlation greater than r table ($N = 30, \alpha = 5\%$) are 27 items statement. Twenty-seven items of the statement were declared valid. While the other eight items statement is smaller than r table so they are declared invalid. items Invalid statements consist of statements X1.2, X1.3, X1.10, X2.4, X2.9, X2.10, X4.3, and X5.2. Next, the eight items invalid statement were excluded from the listing questionnaire which will be distributed to respondents in all echelon I units.

Reliability

test results Based on the validity test results with 27 items valid statement, a reliability test was conducted. A constructor variable is said to be reliable if the value of Cronbach's Alpha is greater than 0.60. Based on the test results, the coefficient value Cronbach's Alpha of the 27 items statement is 0.919 in the Table below. Thus all 27 statement items passed the reliability test because the coefficient Cronbach's Alpha of 0.919 was greater than 0.60.

Reliability Test Results Table
Reliability

<i>Cronbach's Alpha</i>	<i>N of Items</i>
.919	27

Source: primary data, processed with SPSS 23.0, 2016
Next, the coefficient values for Cronbach's Alpha each variable are presented in Table. In the table, it can be seen that all the variables in this study are reliable because the value is greater than 0.60.

Reliability Test Results Table by Variable

No.	Variable	<i>Cronbach's Alpha</i>	Information
1.	Variable Y (Budget Absorption)	0.763	Reliable
2.	Variable X ₁ (Budget Planning)	0.862	Reliable
3.	Variable X ₂ (Administration)	0,809	Reliable
4.	Variable X ₃ (Human Resources)	0,626	Reliable
5.	Variable X ₄ ((Procurement)	0.716	Reliable
6.	variable X ₅ (Money Supply)	0.810	Reliable

Source: primary data, processed with SPSS 23.0, 2016

C. Data collection

1. Characteristics of respondents

Data were collected by distributing questionnaires to the respondents, the treasury officials in one working unit in unit echelon and employees part finance. The number of questionnaires distributed was 110 copies. The questionnaire consisted of the respondent's identity and an open statement about the factors that influenced budget absorption. The number of questionnaires 110 copies returned as a whole to researchers (100%). The description of respondent characteristics is presented in the following table:

Recapitulation Table of Respondent Characteristics Respondent

Identity		Number	%
Position	PPK	11	10
	Procurement Officers	11	10
	PPK Staff	22	20
	ULP	11	10
	Head of Finance	11	10
	Head of Budget Planning	11	10
	Head of Treasury	11	10
	Implementing Financial Section	22	20
	Total	110	100
Gender	Male	82	74.54
	Female	28	25.45
	Total	110	100
Education Level	Masters (S2)	32	29.10
	Degree (S1)	47	42.72
	Diploma	31	28.18
	Total	110	100
Working	years	33	30
	years	43	39.10
	years	34	30.90
	Total	110	100

Source: primary data, 2016

The questionnaire was collected from November 22 to December 23, 2016. The distribution of the questionnaire was delivered directly to respondents. Questionnaires were taken for four weeks depending on the activity of each respondent. Then the answers were checked and there were no questions left blank.

Descriptive statistics of research instrument variables Descriptive statistics in this study aim to get a brief description of the characteristics of the research variables. Also, the analysis and discussion of variable descriptive statistics aim to see respondents' responses to the indicators and also calculate the scores of each variable. The following are the steps in conducting an analysis.

Determination of the range

This study uses a questionnaire instrument with a scale of Likert 1 to 5. The highest value is 5 and the lowest value is 1. With a total sample of

110 respondents, the range in this study can be calculated as follows:

$$\text{Range} = (\text{Highest Score} - \text{Lowest}) / (\text{Score Range Highest})$$

$$\text{Score} = 110 \times 5 = 550$$

$$\text{Lowest score} = 110 \times 1 = 110$$

$$\text{Range score} = 5$$

$$\text{Range} = (550 - 110) / 5 = 440 / 5 = 88$$

From the results of the above calculation it can be arranged a range of scores for the results of the study as follows:

$$110 - 198 = \text{Very Low}$$

$$199 - 287 = \text{Low}$$

$$288 - 376 = \text{Enough}$$

$$377 - 465 = \text{High}$$

$$466 - 550 = \text{Very High}$$

Analysis and discussion

After determining the range then the scoring and weighting of respondent responses were conducted.

Analysis and discussion of budget absorption variables (Y).

Respondents' responses to the Budget Absorption Variable (Y) have a score of 477.00, in the range very high (466 - 550). This shows that respondents agreed that until the third quarter the absorption of capital expenditure and goods expenditure in each Echelon I unit within the scope of the Ministry of Finance had not reached 75% or had not reached the target set. Besides, the trend of absorption of capital expenditure and goods expenditure decreases from 2014 to 2016 in the third quarter. This makes a trend of low budget absorption in the middle.

Analysis and discussion of budget planning variables (X1).

Respondents to the budget planning variable (X1) have a score of 463.43 in the range of high scores (377 - 465). This shows that respondents assume that budget planning influences budget absorption. The highest score is in the statement (X1.1), which is 486. The score shows that the respondent agrees that if the preparation of the supporting budget has not been completed, it will cause the budget to be blocked so that it becomes an inhibiting factor in budget absorption.

Analysis and discussion of administrative variables (X2).

Respondents' responses to administrative variables (X2) have a score of

460.14 in the range of high scores (377 - 465). This shows that respondents assume that administration influences budget absorption. The highest score is in statement X2.2 with a score of 505. The score indicates that sudden budget cuts (APBN-P) will hamper planned activities. The budget absorption was not timely and was delayed. This causes a trend of low absorption in the beginning and middle.

Analysis and discussion of human resource variables (X3).

Respondents' responses to the variable human resources (X3) had a score of 448.67, which was in the range of high scores (377 - 465). This shows that respondents assume that human resources influence budget absorption. The highest score is stated in statement X3.3 with a score of 505. The score indicates that the reluctance of a person to become a procurement official is a factor influencing budget absorption.

Analysis and discussion of procurement variables (X4).

Respondents' responses to the procurement variable (X4) have a score of 456.50 are in the range of high scores (377-465). This shows that respondents assume that procurement influences budget absorption. The highest score is stated in statement X4.1 with a score of 473.

Analysis and Discussion of Inventory Money Variables (X5).

Respondents to the variable money supply (X5) has a score of 432 are in the range of high scores (377-465). This shows that respondents assume that the money supply influences budget absorption. The highest score is in the statement X5.1 with a score of 441.

Furthermore, regarding the descriptive statistics of other research variables indicated by the minimum value, maximum value, mean, and standard deviation. Summary of variable statistics is shown in Table.

Table of Summary Descriptive Variable Statistics

No.	Variable	Theoretical Range Theoretical	Average	Actual Range	Mean	Deviation
1.	Y	3 - 15	9	11 - 15	13.09	1,193
2.	X1	7 - 35	21	22 - 35	29.49	3,262
3.	X2	7 - 35	21	23 - 35	29.28	2,686
4.	X3	6 - 30	18	20 - 30	24.47	1,938
5.	X4	2 - 10	6	6 - 10	8,30	1,303
6.	X5	2 - 10	6	11 - 15	7,85	0. 822

Source: primary data, processed with SPSS 23.0, 2016

From the table, variables Y ie budget absorption is measured using 3 statement items and produces an actual range of 11 to 15, with an actual average of 13.09 which is higher than the theoretical average of 9. Standard deviations that show the size of the variation of data against the mean produce a value of 1.193. Because the deviation is smaller than the mean, it indicates that the data distribution is good. Likewise for other variables that produce an actual average that is higher than the theoretical average and produces a standard deviation that is smaller than the mean. This indicates that the distribution of data from each variable is good.

A. Classical Assumption

1. Test Normality test results The normality test aims to test whether in the regression model, the independent variable and the dependent variable have a normal distribution or not. Testing for normality in this study using the statistical test Kolmogorov-Smirnov (KS). The results of the normality test are presented in Table.

Normality Test Results Table
Kolmogorov-Smirnov One-Sample Test

		<i>Unstandardized Residual</i>
<i>N</i>		110
<i>Normal Parameters^{a, b}</i>	<i>Mean</i>	.0000000
	<i>Std. Deviation</i>	.60570135
	<i>Most Extreme Differences</i>	
	<i>Absolute</i>	.074
	<i>Positive</i>	.074
	<i>Negative</i>	-.067
<i>Test Statistic</i>		.074
<i>Asymp. Sig. (2-tailed)</i>		.182 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: primary data, processed using SPSS 23.0, 2016

Based on the Table, it can be said that the data passed the normality test. That is because of the value Asymp. Sig. (2-tailed) is worth more than 0.050 in the amount of 0.182.

2. Multicollinearity test results Multicollinearity test aims to find out whether there is a collinear relationship between independent variables. The multicollinearity test in this study was conducted by looking at the value of the Tolerance/Variance Inflation Factor (VIF) with the test results in Table.

Multicollinearity Test Results Table

No.	Variable / Item statement	tolerance	VIP	Information
1.	Variable X ₁ (Budget Planning)	0,496	2,017	Free Multicollinearity
2.	Variable X ₂ (Administration)	0,612	1,635	Free Multicollinearity
3.	Variable X ₃ (Human Resources)	0,915	1,093	Free Multicollinearity
4.	Variable X ₄ (Procurement)	0,696	1,436	Free of Multicollinearity
5.	Variable X ₅ (Stock Money)	0,947	1,056	Free of Multicollinearity

Source: primary data, processed using SPSS 23.0, 2016

From the Table, it can be seen that each independent variable has a VIF value of less than 10 and a value tolerance of more than 0.100. Following the provisions of the multicollinearity test, if the VIF value is less than 10 and tolerance is more than 0.100 then there is no correlation. This shows that there is no multicollinearity in this study. Thus the independent variables with one another do not interfere with each other or influence.

3. Autocorrelation test results Autocorrelation test is a test conducted to test whether there is influence between residual variables in each independent variable. In this study, the autocorrelation test uses the test Durbin-Watson. This study uses samples $N = 110$, ($\alpha = 5\%$), and the number of independent variables is $k = 5$. Based on the table Durbin-Watson (DW), critical values of $dL = 1.5955$ and $dU = 1.7851$ are obtained. The results of the Autocorrelation Test in this study are illustrated in Table.

Table of Autocorrelation Test Results Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.861 ^a	.742	.730	.62009	1,845

a. Predictors: (Constant), X5, X2, X3, X4, X1

b. Dependent Variable: Y

Source: primary data, processed with SPSS 23.0, 2016

Based on the table above, it can be seen the value of Durbin-Watson of 1,845. DW values are between $dU (1.7851) < DW (1,845) < 4 - dU (4 - 1.7851 = 2.2149)$. From these results, it can be concluded that there is no autocorrelation, the independent variables in this study were not affected by the residual variables.

4. Heteroscedasticity test results Heteroscedasticity the test is performed to test whether in a regression model there is a difference in variance from the residuals of one observation to another. Testing heteroscedasticity in this study using the test Glesjer. Heteroscedasticity test results are shown in the table below.

Test Results Table Heteroskidastity

Model	unstandardized coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
.325					(Constant)
.614					
.529					
.598					
X1	-.020	.016	-.169	-1.270	
X2	-.019	.017	-.133	111.3	.268
X3	.019	.087	.169	1.730	.034
X4	.033	.039			.011
	.343	.732			
X5	.047	.045	.101	104.7	.297

Source: primary data, processed with SPSS 23.0, 2016

From the table above, it can be seen that the sig. the five independent variables are worth more than 0.050. This shows that this study did not occur heteroscedasticity. That is, in the regression function in this study, no disturbances appear because variants are not the same.

B. Hypothesis Test

To test and measure the effect of the independent variables in this study, namely budget planning variables (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5) on absorption

variables budget (Y), the data is processed using multiple linear regression equations with SPSS 23.0 for windows.

1. Simultaneous hypothesis testing (F test)

To find out the significance of the influence of the independent variables together on a dependent variable, the F test is used. The results of the F test are shown in Table IV.15.

Simultaneous Hypothesis Test Table
ANOVA

<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1 <i>Regression</i>	23,020 59,869 .000	5			115,102 ^b
<i>Residual</i>	39 989	104	.385		
<i>Total</i>	115 091	109			

a. Dependent Variable: Y

b. Predictors: (Constant), X5, X2, X3, X4, X1

Source: primary data, processed with SPSS 23.0, 2016

Based on the table above, it can be seen that the calculated F value of 59.869. The F value of the table at the 5% significance level and the degree of freedom (df) are $k = 1$ and the denominator degree (df2) is $Nk-1$ ($110 - 5 - 1 = 104$) is 2.30. If these two values are compared, the calculated F value is greater than the F table ($59.826 > 2.30$). Besides, the significant P-value is 0,000 which means less than 0.05. Therefore $F_{\text{arithmetic}} > F_{\text{table}}$ and $\text{sig. P-value} < 0.05$, it can be concluded that simultaneously independent variables (budget planning variables (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5)) have a significant effect on a dependent variable (budget absorption (Y)).

2. Hypothesis testing partially (t-test)

To find out the variables that have a significant effect partially testing the regression coefficient by using t-test statistics. T-test results are shown in the table below.

Partial Hypothesis Test Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,136	1,013		1,121	.265
X1	.178	.026	.485	6,865	.000
X2	.123	.286	.276	4,337	.000
X3	.068	.032	.110	2,116	.037
X4	.205	.055	.224	3,762	.000
X5 -	.030	.074	-.021	-.405	.686

a. Dependent Variable: Y

Source: Primary data, processed with SPSS 23.0, 2016

Based on the table above, we can see the t value obtained by each variable. To conclude accepting or rejecting a hypothesis, first, the t table value must be determined. This value depends on the amount of degree of freedom (df) and the significant level used. By using a significance level of 5% and a df value of n - k - 1 (110 - 5 - 1 = 104), a table of 1.98304 is obtained.

Furthermore, according to the Table above, the results of multiple linear regression analysis can be described with the following regression equation:

$$\text{Budget Absorption} = 1.136 + 0.178 \text{ Budget Planning} + 0.123 \text{ Administration} + 0.068 \text{ Human Resources} + 0.205 \text{ Procurement} - 0.030 \text{ Money Inventory}$$

Explanation regarding the formula is as follows:

- a. Regression constant of 1.136 means that if the independent variable is in a fixed state, then the budget absorption will increase by 1.136 units towards a proportional level each quarter.
- b. The budget planning coefficient of 0.178 indicates that each increase in the quality of budget planning will cause an increase in budget absorption of 0.178 units towards a proportional level each quarter.
- c. An administrative coefficient of 0.123 indicates that if the quality of administration has increased, then the absorption of the budget will increase by 0.123 units towards a proportional level each quarter.
- d. The human resource coefficient of 0.068 indicates that an increase in the quality of human resources resulting in increased budget

absorption amounting to 0.068 units towards a proportional level each quarter.

e. The procurement coefficient of 0.205 means that the addition of procurement quality will cause an increase in budget absorption of 0.205 units to a proportionate level each quarter.

f. Inventory money coefficient of -0.030 indicates that the reduction in inventory money will result in an increase in budget absorption of 0.030 units towards a proportional level each quarter.

The results of testing the effect of each independent variable (budget planning variable (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5)) on the dependent variable (budget absorption (Y)) is as follows.

a. Effect of budget planning on budget absorption

Based on the table above, known t value for the X1 variable of 6.865.

When compared with the t table of 1.98304, the t count obtained is greater than the value of t table. Provisions for making a hypothesis decision are accepted or rejected based on the value of significance. If the significance is less than or equal to 0.050 (≤ 0.050) then the hypothesis is accepted and vice versa. While the positive and negative influences are influenced by the t value.

The results obtained significance value of 0,000 <0.050 and the value of t arithmetic > t table, it can be concluded that hypothesis 1 (H1) which reads "Budget Planning has a positive effect on budget absorption", is accepted.

The results of this study are in line with research by Kuswoyo (2011), Herriyanto (2012), and Priatno (2013) which states that planning factors have a significant effect on budget absorption.

In addition, based on the table above, there are still planning factors that can inhibit the absorption of the budget in the middle of the year and high at the end of the year, which is related to the budget being blocked or getting an @ sign because there is no supporting data or prior approval from the DPR. Unsupported supporting data is usually in the form of data supporting the abolition of the previously issued BMN permit and supporting data from the Ministry / Department of Public Works. In addition to the blocked budget, the reason for the delayed absorption of the budget is because the proposed budget is not following what was received, so adjustments to the planned activities are needed in advance.

Budget planning factors have a significant influence on budget absorption within the Ministry of Finance, so if other variables are considered

constant, then if the budget planning factor is getting better it has a probability/tendency for an increase in the budget absorption of 0.178 units compared to the relatively poor planning factor.

b. Effect of administration on budget absorption

Based on the Table, it is known that the calculated t value for the X2 variable is 4.337. When compared with the t table of 1.98304, the t count obtained is greater than the value of t table. Significance value of 0,000 <0.050. Therefore, $t_{\text{arithmetik}} > T_{\text{table}}$ and significance value ≤ 0.050 , it can be concluded that hypothesis 2 (H2) which reads “Administration has a positive effect on budget absorption”, is accepted.

The results of this study are in line with research Herriyanto (2012) which states that administrative factors have a significant influence on budget absorption.

In addition, the effect of administrative factors on budget absorption is also shown by the responses of respondents in the Table which illustrates that there are still administrative factors that can hamper absorption of the budget in the middle of the year and high at the end of the year, which is related to the revision of the budget due to incompatible what has been planned and needs current year. Such discrepancies can occur because of orders from superiors for changes in activities that have been planned in the previous year, due to errors in the inclusion of accounts, and because of a central government policy regarding the State Revenue and Expenditure Budget (APBN-P) which usually has to revise operational budgets to the nonoperational budget. If this happens, inevitably a revision will be made. The budget absorption that was delayed according to respondents' responses was also due to the revision process which needed the approval of the authorities such as the revision that required the approval of the DJA or the DPR which took a long time.

Administrative factors have a significant influence on budget absorption within the Ministry of Finance, so if other variables are considered constant, then if administrative factors get better there is a probability/tendency that there will be an increase in budget absorption by 0.123 units compared to poor administrative factors.

c. The influence of human resources on budget absorption

Based on the Table, it is known that the calculated t value for the X3 variable is 2.116. When compared with the t table of 1.98304, the t count obtained is greater than the value of t table. The significance value of 0.037 <0.050. Therefore, $t_{\text{arithmetik}} > t_{\text{table}}$ and significance value ≤ 0.050 , it can be concluded that hypothesis 3 (H3) which reads “Human Resources

has a positive effect on budget absorption”, is accepted.

The results of this study are in line with research Herriyanto (2012) which states that human resource factors have a significant influence on budget absorption.

In addition, the influence of human resource factors on budget absorption is also shown by the responses of respondents in the Table which illustrates that there are still human resource factors that can inhibit budget absorption in the middle of the year and high at the end of the year which is caused by 1) unwillingness to serve as treasury officer because the imbalance of work risks with the benefits received so that there is a lack of motivation of employees to become treasury officials, especially as a treasury official must concurrently have the main task and media coverage related to corruption cases involving treasury officials for large capital expenditure so that employees tend to be afraid to take office as officials treasury; 2) lack of employees who have certificates for the procurement of goods and services; and 3) the vulnerability of the existing treasury officials to be transferred.

The human resource factor has a significant influence on the absorption of the budget within the Ministry of Finance, so if other variables are considered constant, then if the human resource factor gets better it has a probability/tendency for an increase in the budget absorption of 0.068 units compared to the resource factor bad.

d. Effect of procurement on budget absorption

Based on the Table, it is known that the t value for the X4 variable is 3,762. When compared with the t table of 1.98304, the t count obtained is greater than the value of t table. Significance value of 0,000 <0.050. Therefore, t count > t table and significance value ≤ 0.050 , it can be concluded that hypothesis 4 (H4) which reads “Procurement has a positive effect on budget absorption”, is accepted.

The results of this study are in line with research Herriyanto (2012) which states that procurement factors have a significant influence on budget absorption.

In addition, the effect of procurement factors on budget absorption is shown by the responses of respondents in the Table which illustrate that there are still procurement factors that can inhibit budget absorption at the middle of the year and high at the end of the year, namely that there are still providers who are unable to carry out large value projects. Sometimes the available providers are only able to handle procurement with small qualifications. The satker could not break up the package so that the

small procurement adjusted the existing providers. In addition to this in determining their estimated prices (HPS), especially for capital expenditures that require special knowledge and expertise. It is indeed difficult for the Ministry of Finance employees to determine the HPS, especially if there is no market price. To make the HPS requires the help of third parties who are experts and experienced in the field of construction. This requires time so that it can affect the absorption of the budget.

Procurement factors have a significant influence on budget absorption within the Ministry of Finance, so if other variables are considered constant, then if procurement factors get better there is a probability/tendency that there will be an increase in budget absorption by 0.205 units compared to poor procurement factors.

e. Effect of money on inventory absorption

Based on Table IV.16, known t value for the X5 variable of -0.405. When compared with the t table of 1.98304 then the t count obtained is smaller than the value of t table. The significance value of $0.686 > 0.050$. Therefore, t arithmetic $< t$ table and significance value > 0.050 , it can be concluded that hypothesis 5 (H5) which reads "Money Supply has a positive effect on budget absorption", is rejected.

From these results, the money supply factor does not significantly influence the absorption of the Ministry of Finance's scope of budget, particularly for the absorption of goods and capital expenditure. The probability of the truth of the money supply factor can affect budget absorption by only 31.4% less than the 95% limit. This is due to:

- 1) Interpretation of respondents regarding Regulation of the Minister of Finance (PMK) Number 190 / PMK.05 / 2012 concerning Procedures for Payment in the Context of Execution of the State Budget and Expenditure regarding the use of the mechanism for issuing Money Supply (UP). Respondents use the UP mechanism only for office operational needs and expenditures that cannot be done by a direct mechanism (LS). Respondents very rarely use the UP mechanism for spending on goods and capital expenditure. This is in line with the results of research which states that the money supply factor has no significant effect especially for the absorption of goods and capital expenditure.
- 2) The negative sign on the results of the t-test on the money supply factor is the limitation of this study. This is due to the limited number of respondents and items statement which are only two statements so that they do not represent the intent of the variable money supply.
3. Determination coefficient Determination

coefficient measures how far the ability of the research model in explaining the variation of variables. This determination coefficient is used because it can explain the goodness of the regression model in the dependent variable. The higher the coefficient of determination, the better the ability of the independent variable in explaining the dependent variable. The coefficient of determination is between zero and one. R value 2 small means the ability of independent variables in explaining the variation is very limited dependent variables. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable. The coefficient of determination of this study is shown in the table below.

Table Coefficient of Determination
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861 ^a	.742	.730	.62009

a. Predictors: (Constant), X5, X2, X3, X4, X1

Source: primary data, processed with SPSS 23.0, 2016

Based on the table above, it can be seen that the coefficient of determination of the Adjusted R square is 0.730 or 73.0%. This shows that the variables studied (budget planning variables (X1), administration (X2), human resources (X3), procurement (X4), and money supply (X5)) influence the absorption of the budget by 73.0%, while the remaining 27.0% is influenced by other variables not examined (residual variable).

CONCLUSION

Based on the results of the analysis and discussion that has been described in Chapter IV shows that the multiple linear regression model in this study has fulfilled the classical assumptions in the form of normality, multicollinearity, autocorrelation, and heteroscedasticity. Furthermore, the results of testing the hypothesis produces a determination coefficient Adjusted R square of 73.0%. This shows that the independent variable in the regression equation can explain the relationship with the dependent variable by 73.0%. While the remaining 27.0% is influenced by other variables not examined. Based on the regression analysis, the following conclusions are obtained.

1. Budget planning has a significant effect on budget absorption within the Ministry of Finance. This is consistent with the results of the

study which showed that the significance value of $0,000 < 0.050$ and the t count value of $6.865 > t$ table 1.98304. Based on respondents' responses, the budget planning factor that most influences budget absorption is related to the budget being blocked or receiving an @ sign because there is no supporting data yet or must be approved by the House of Representatives (DPR).

2. Administration has a significant effect on budget absorption within the Ministry of Finance. This is consistent with the results of the study which showed that the significance value of $0,000 < 0.050$ and the value of t arithmetic $4.337 > t$ table 1.98304. Based on respondents' responses, the most influential administrative factor on budget absorption is related to budget revisions caused by the incompatibility of what has been planned and the needs of the current year (especially such as budget cuts and the Revised State Budget (APBN-P)).

3. Human Resources has a significant effect on budget absorption within the Ministry of Finance. This is consistent with the results of the study which showed that the significance value of $0.037 < 0.050$ and the value of t count $2.116 > t$ table 1.98304. Based on respondents' responses, the human resource factor that most influences budget absorption is related to the reluctance to serve as a treasury officer because of the unbalanced occupational risks with the compensation received.

4. Procurement has a significant effect on budget absorption within the Ministry of Finance. This is consistent with the results of the study which showed that the significance value of $0,000 < 0.050$ and the value of t arithmetic $3.762 > t$ table 1.98304. Based on respondents' responses, the most influential procurement factor on budget absorption is that there are still providers who are unable to carry out large value projects. Sometimes the available providers are only able to handle procurement with small qualifications.

5. Inventory money has no significant effect on budget absorption within the Ministry of Finance. This is following the results of the study which showed that the significance value of $0.686 > 0.050$ and the value of t count $-0.405 < t$ table 1.98304.

Limitations

This research was carried out without being separated from the existence of several limitations so that further research is expected to reduce these limitations. Here are some of the limitations in this study: This

1. study only used a sample of 110 respondents in the central office satker within the Ministry of Finance. The use of more comprehensive

research samples up to the vertical satker within the scope of the Ministry of Finance may lead to different results from this study.

2. The operational definitions used in this study use sources from different references. Differences in operational definitions may cause differences in research results.

3. Goods and capital expenditures, whose absorption experienced a trend low at the beginning and middle and high at the end of the year, were not differentiated between operational and non-operational expenditures.

4. T-test results for the variable money supply factor that has a negative value because the research sample is only 110 respondents and items statement on the money supply factor are only two pieces that do not represent the intent of the variable money supply factor.

Recommendations

Based on the conclusions and limitations of this study, the researcher can provide the following suggestions: The

1. study only used samples from the satker head office within the Ministry of Finance. Therefore, further research is expected to use a wider sample than this research for example by including the vertical office satker within the Ministry of Finance so that the results are more comprehensive.

2. The research period is only conducted in 2016 by comparing the absorption of 2014 and 2015 so that further research is expected to cover a longer period.

3. Provide advice to the government as follows:

a. Echelon I units, as well as each satker below it, need to prepare supporting data before the budget preparation process is carried out so that before the Budget Implementation Entry List (DIPA) is established, the supporting data is ready and the budget does not need to be blocked. Besides, the blocked budget caused by not having received approval from the House of Representatives (DPR) can be done to prevent it by conducting constructive discussions with the DPR.

b. Budget revision is indeed difficult not to be done especially because it is caused by the State Revenue and Expenditure Budget (AP-BN-P) policy or directives from superiors. However, budget revisions can be minimized by making budget plans contained in the Work Plans and Ministries / Institutions Plans (RKA-K / L) to be more realistic and following needs by basing the budget calculations on evaluating the implementation of the previous fiscal year.

c. To overcome the limitations of employees who have certificates for the procurement of goods and services, it is necessary to provide rewards for treasury officials, to generate interest and motivation for each employee to become a treasury official.

d. In connection with the problem of procurement, if the work to be carried out is still in one group or is a kind of work it should be united in packaging. This is so easy to manage providers. Also, it is necessary to coordinate the work unit with the Procurement Services Unit (ULP) to overcome the problem of provider qualifications. As for the problem of preparing the Self Estimated Price (HPS), it can be done with the help of a third party who has expertise in construction.

Implications of Policy Recommendations

Based on the results of the research and discussion of this research, the implications of policy recommendations can be conveyed as follows.

1. With regard to the budget that was blocked due to supporting data that had not yet been obtained due to the length of the issuance of the Permit for the Elimination of State Property (BMN) and the length of obtaining the calculation of the budget requirement for the construction of buildings / buildings by the Ministry of Public Works (MPW), required improvement of the) policy Standard Operation Procedure (SOP) which is simpler and shorter for the BMN Elimination Permit and the Ministry of Public Works Technical Calculation. Besides, it is also necessary to increase the Minimum Service Standards (SPM) in serving the issuance of BMN Elimination Permit and Technical Calculations of the Ministry of Public Works.

2. The policy of preparing Macroeconomic Basic Assumptions (ADEM) to be more conservative, so that when implementing the budget, the predictions are not too far off the mark. This will have the effect of not needing an APBN-P, so that budget revisions do not need to occur.

3. The policy on increasing the salaries of treasury officials as a reward to motivate employees to become treasury officials.

4. The policy is to make a list of providers for large-scale project procurement by mimicking the model E-Catalog before the auction process is carried out so that it is easy to find providers who are qualified. Besides, to overcome the problem of drafting HPS, it is necessary to make a policy regarding the recruitment of contract employees who master construction problems so that they can save the cost of making HPS.

5. The policy regarding the mechanism for issuing Money Supply (UP) to be more detailed so as not to cause a different interpretation for

each employee.

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