

The Relationship Between Expenditure and Regional Revenue of Palopo City in The Period 2019-2022

Bakhtiar¹, Budiarti Putri Uleng²

^{1,2}Andi Djemma Palopo University, Indonesia

Email: bakhtiar647@gmail.com, budiarti.najla@gmail.com

Abstract

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This research aims to determine the types of revenue of Palopo City in supporting Palopo City Regional Expenditures. The variables studied consist of local original income, balancing funds, regional loans, other legal revenues, regional expenditure consisting of Operational Expenditures, Capital Expenditures and Unexpected Shopping and others. In this research, the Qualitative Descriptive Method was used.

The results of the research show that regional revenues such as PAD, balancing funds and regional financial assistance have increased every year and the realization of regional expenditure has increased every year. Regional spending is greater than revenue, so there is a budget deficit.

Keywords: *Government, APBD Expenditures, Regional Revenue, Palopo City*

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INTRODUCTION

In the administration of government, local governments prepare budgets which are then used as guidelines in carrying out various activities. According to Law number 17 of 2003, the budget is a tool of accountability, management, and economic policy. As an instrument of economic policy, the budget serves to realize economic growth and stability as well as income equality in order to achieve state goals. In an effort to realign the objectives and functions of the budget, it is necessary to clearly regulate the role of the DPR / DPRD and the government in the process of preparing and determining the budget as an elaboration of the main rules stipulated in the 1945 Constitution. In this regard, this law states that state expenditure/regional expenditure is detailed down to organizational units, functions, programs, activities, and types of expenditure. This means that any budget shifts between organizational units, between activities, and between types of expenditures must receive DPR/DPRD approval.

The budget in local government is commonly referred to as the Regional Revenue and Expenditure Budget (APBD). All revenues and expenditures of local governments in the form of

money, goods and/services in the relevant fiscal year must be budgeted in the APBD (Kawedar et al, 2008; 144). APBD is a unit consisting of regional revenues, regional expenditures and regional financing. The problem faced by local governments in public sector organizations is about budget allocation. Budget allocation is the amount of funds allocated for each program. With limited resources, local governments must be able to allocate the revenues obtained for productive regional expenditures. Regional expenditure is an estimate of the burden of regional expenditure that is allocated fairly and equitably so that it can be relatively enjoyed by all groups of people without discrimination, especially in the provision of public services (Kawedar et al, 2008; 76). So far, local governments have used more local revenues for operating expenditures than capital expenditures.

Local governments allocate funds in the form of capital expenditure allocations in the regional budget to increase fixed assets. This capital expenditure allocation is based on regional needs for facilities and infrastructure, both for the smooth implementation of government duties and for public facilities. Therefore, in an effort to improve the quality of public services, local governments should change the composition of their spending. So far, regional shopping is more widely used for routine shopping which is relatively less productive. (Darwanto and Yustikasari 2007; 52) stated that government revenue should be more for public service programs. Both of these opinions imply the importance of allocating spending to various public interests.

Based on the background above, the formulation of the problem in this study is: Can Palopo city revenue support Palopo city area shopping. The purpose of this study is: To determine the types of regional revenues of Luwu Regency in supporting Palopo City Regional Shopping.

THEORETICAL REVIEW

A. State Finance

State Finance is all rights and obligations of the State that can be assessed with money, as well as everything both in the form of money and goods that can be made the property of the State in connection with the implementation of these rights and obligations. State Rights are all rights or businesses made by the government in order to fill the state treasury, such as the right to print money, collect taxes and distribution, and make loans. State obligation is the government's obligation to carry out state duties, as stated in the preamble to the 1945 Constitution, GBHN, and the State Budget Law which in principle is to prosper the people, serve the general public, and as an apparatus of development.

The legal basis of state finance consists of four components, namely the 1945 Constitution, the Law, the Presidential Decree (Kepres), and the Ministerial Decree (Kepmen).

1. Article 23 of the 1945 Constitution states as follows:
 - a. The budget of income and expenditure is set annually by law. If the House of Representatives does not approve the government's proposed budget, the government runs the previous year's budget.
 - b. All taxes and State requirements are regulated by law.
 - c. The types and prices of currencies are fixed by law.
 - d. State financial matters are further regulated by law.
 - e. The examination of the financial responsibility of the State is held by a financial audit body with regulations established by law. The results of the examination are notified to the House of Representatives.
2. Law (Law) Every year the government submits a draft of the State Budget Law (RUU APBN), for additions and amendments submitted draft law (RUU TP APBN).
3. Presidential decree (Kepres) is a guideline for the implementation of the APBN, which regulates general and detailed provisions in the field of APBN income and expenditure.
4. Implementing regulations such as the Circular Letter (SE) of the Minister, the Decree (SK) of the Minister of Finance and the Director General of Budget.

B. State Budget (APBN) & Regional Budget (APBD)

The State Budget (APBN) is a list that systematically contains two main things, namely the source of state revenue and the allocation of state expenditure within a certain period of time which is generally made in one year. Meanwhile, the Regional Revenue and Expenditure Budget (APBD) means the respective regional governments that make according to the source of revenue and allocation of local government expenditures in one year.

The purpose of making the APBN and APBD is as a guideline for state revenues and expenditures in carrying out state activities to increase production and employment opportunities, in order to increase economic growth and prosperity for the community.

Every year the government prepares the State budget because there is a legal basis, which is stated in article 23 paragraph 1 of the 1945 Constitution, every year the state budget is determined by law, moreover the House of Representatives (DPR) does not approve the proposed budget, then the government uses last year's budget.

1. APBN and APBD Functions

- a. The regulatory function, is the function of regulation (regulating) so that it can be used as a driver of economic growth and as a controller of inflancy.
- b. The stabilization function is as a guideline so that all actions of State financial receipts and expenditures are orderly and controlled, so that development programs are in accordance

with the rules that have been outlined, thus facilitating the achievement of previously set goals.

- c. Allocation function, is a function to determine the amount of allocation of budgeted funds placement in each sector.
- d. The distribution function is the function of equitable distribution of financing throughout the region.

2. Principles in the preparation of the State Budget

- a. The principle of surplus budget, is the budget established in State revenues and expenditures where revenues are greater than expenditures.
- b. The budget deficit principle, is the budget set in State revenues and expenditures where expenditure is greater than the government.
- c. The principle of balanced budget, is the budget set in State revenues and expenditures where revenues and expenditures are equal (receipts = expenditures).
- d. The principle of dynamic budgeting, *absolute dynamic budgeting*, is an increase in the amount of government savings from year to year so that the ability to explore domestic sources for development financing can be achieved. Relative dynamic budgeting, is the smaller percentage of financing dependence on foreign aid or loans from abroad.

C. Regional Finance

Regional finance is all regional rights and obligations in the framework of local government administration which can be assessed with money including all forms of wealth related to these rights and obligations, within the framework of regional budget and expenditure revenues. Regional financial management includes revenue or revenue budgets and regional expenditure or expenditure budgets approved by the Regional People's Representative Council (DPRD) in each regional government. The central and local governments are inseparable government organizers and public servants. In regional autonomy, it must be considered the desire to improve the efficiency and effectiveness of regional financial resource management to improve community welfare. The spirit of decentralization, democratization, transparency, and accountability is very dominant in the process of regional financial management.

The regional budget is basically a mirror of the direction of local government policy in managing the fulfillment of community needs and the operationalization of the structures that support it. There are three budgeting systems commonly used to prepare public sector budgets (Suharyanto et al, 2005: 7), namely:

1. Traditional budgeting system
2. Performance budgeting system

3. *Planning Programming Budgeting System (PPBS)*

The three systems mentioned above have advantages and disadvantages. The traditional budgeting system, although it has many weaknesses, is still widely used because of the convenience factor. The performance budget system and the Social Security Organizing Agency (BPJS), although better, require the fulfillment of a number of conditions that are often difficult for most local governments to meet. Thus, the budgeting system is often found combining the good aspects of the three budgeting systems.

METHODS

Description of Data

This research was located at the Office of the Regional Development Planning Agency (BAPPEDA) and the Palopo City Regional Financial Management Office

The type of data used in this study (Supranto, 1987: 11) is divided into two, namely:

- a. Qualitative Data, namely data collected directly from the object in the form of Resntra, APBD Policy and APBD format
- b. Quantitative Data, namely data obtained in the form of numbers, namely the components of the APBD in the form of, Total Receipts, APBD Expenditures and APBD Realization.

The data sources used by researchers in conducting this study are as follows.

1. Primary Data is data obtained by researchers through direct observation of the results of documentation and interviews of researchers on the object of research.
2. Secondary Data is data obtained by researchers from the results of documentation and research conducted in connection with the researcher's title, namely the Relationship Between Shopping and Regional Revenue of Palopo City in the 2019-2022 Period.

The data analysis methods used in this study are data analysis methods:

Qualitative descriptive method. Descriptive statistics are statistics that function to describe or describe the object under study through samples or populations as they are without conducting analysis and making conclusions that apply to the public (Sugiyono, 2015). In this descriptive study, it describes the amount of PAD realiasai, equalization fund, regional assistance and the amount of realization of operating expenditures, capital expenditures and unexpected expenditures as well as other legitimate sources of funds. from 2019 – 2022.

RESULT AND DISCUSSIONS

The description of the budget and regional expenditure revenue of Luwu Regency is an overall picture of the components of the regional budget both in terms of revenue, expenditure and revenue as outlined in the form of a table as follows:

A. Recapitulation of Palopo City APBD revenue sources

Table 1. Realization of Luwu Regency Regional Budget Revenue 2019-2022 (in millions of rupiah)

Description	2019	2020	2021	2022
PAD	167.052.191.690	189.592.384.308.	167.917.529.330	151.137.155.527
Dana	751.370.481.000	734.654.757.000	799.700.131.000	798.135.317.559
Equalization Regional Loans	0	0	0	0
Sum	.918.422.672.690	924.247,141,308.	967.617.660.330	949.409.628.613

Data Source: BPS Palopo City.

Based on the data in table 1, it can be explained that the realization of revenue from the PAD sector from 2019 to 2022 is quite volatile, meaning that in 2020 it has increased, then in 2021 and 2022 it continues to decrease. Similarly, the Realization of the Balancing Fund from 2019 to 2022 also experienced fluctuations where in 2020 it decreased slightly, then in 2021 and 2022 again experienced a further increase for regional Loan Realization of Rp. O, this is because Palopo City did not make loans to build Palopo City.

B. Recapitulation of Palopo City APBD spending.

Table 2. Realization of Palopo City APBD Expenditure 2019 -2020 (in millions of rupiah).

Description	2019	2020	2021	2022
Operating Expenses.	431.710.263.996	1.106.452.239.608	752.474.404.227	745.236.435.784.
Capital Expenditure.	220.611.094.464	333.443.777.705	229.631.500.039	242.971.129.739
Unexpected Shopping & more	2.000.000.000	1.000.000.000	4.500.000.000	4.725.000.000

Sum	654.324.258.460	1.440.895.617.313	986.605.904.266	992.932.565.523
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Based on the data in table 2, it can be explained that the realization of APBD spending from 2019 to 2022, the realization of operational expenditures is quite fluctuating, where in 2020 the realization is greater when compared to 2019., then 2021 has decreased from the previous year and 2022 has increased again. while Capital Expenditure Realization also fluctuated because the realization in 2020 was greater than in 2019, and in 2021 it again decreased from the previous year while in 2022 it increased slightly,

C. Recapitulation of shopping and receipt comparison

Table 3 Recap of Realization of Revenue and Expenditure / Expenditure of the Palopoi city budget from 2019 – 2022. (Rp.millions rupiah)

Year	Acceptance	Shop	Information
2019	918.422.672.690	654.321,358.460	Surplus
2020	924.247,141,308	1.440.896.017.313	Deficit
2021	967.617.660.330	986.605.904.266	Deficit
2022	949.409.628.613	992.932.565.523	Deficit

Source; (\data processed).

Based on the data in table 3, it shows that in 2019 the realization of revenues was greater than expenditures so that it experienced a surplus, in 2020 there was a deficit in spending greater than revenues, in 2021 it showed a deficit because spending was greater than receipts while in 2022 the realization of spending was greater than receipts so that it experienced a deficit.

CONCLUSION

The conclusions from the results of the research that has been carried out can be stated as follows.

- a. Regional revenues such as PAD, Balancing Funds, and Regional Assistance increase every year and the realization of regional expenditures or expenditures increases every year.
- b. Palopo city government spending fluctuates annually
- c. Regional expenditure of the city of Palopo region is greater than the revenue so that there is a derfците budget
- d. To overcome the budget deficit, the city government covers the remaining more calculations each year.

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