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Budget Allocation System in Polewali Mandar Regency, West Sulawesi Province

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Abstract: *The purpose of this activity is to formulate a proper and proportional allocation of budget allocation for all Local Government Work Units (LGWU/SKPD) in implementing the implementation of Regional Government. Thus the formulation can be used as a guide for Polewali Mandar Regency Government in determining budget allocation for work unit, so that the principle of efficiency, transparency, and accountability of budget usage can be realized. The research methodology uses the Input-Outpu and Social Accunting Maatrix (SAM) model that can clarify the distribution of budget allocations according to the functions and variables owned by each LGWU/SKPD. The result of the research shows that the highest budget allocation policy is regional secretarial unit of 21.58 percent. Then followed by the Education, Youth and Sports Agency of 20.17 percent, followed by the Agriculture and Livestock Service at 9.03 percent, Fisheries by 7.28 percent and health offices by 6.00 percent. While other work units budget below 5 percent. By using the budget allocation method, the Polewali Mandar Regency Government budget planning scheme is methodologically more objective, so it is expected to be more effective and efficient in its implementation and reduce the intervention of other parties.*

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I. Introduction

In carrying out its function as an economic policy regulator, the Regency / Municipal Government needs an adequate regional development budget. The concentration of development financing has so far been focused on the amount of revenue generated by the development of Local Own Revenue (PAD), and less attention to how to utilize the existing budget to be an efficient source of financing. Through good budget allocation management, it is expected that the development activities of the area will grow faster and can be enjoyed by the wider community. The allocation of regional development budgets begins with the proposed budget ceiling to the local Peoples of Representatives council (LPORC/DPRD). In every budget proposal for a set of units of work, local governments almost always find it difficult, especially when faced with budget proposals from each work unit and DPRD questions on the basis of determining the budget ceiling. Admittedly, the determination of the budget ceiling has been historical in nature and its proposal is more sector-based than the overall efficiency of development financing. To realize the above expectations, the optimal budget allocation of its use for the improvement of the welfare of the community, contains scientific and neutral elements hence need to be made a model of budget allocation consisting of supporting variables of government activities that improve community welfare. The problem faced by the Local Government is the absence of comprehensive standard guidance in budget allocation in preparing budget ceiling proposals for each work unit. The budgets allocated to the LGWU /SKPD have been based on past habits and sectoral interests, which often raises the question of whether the composition of the budget allocated to each work unit is an optimal composition for improving the welfare of the people.

Resource factors of government apparatus and members of Local Legeslatif is a determinant factor in the process of formulating the policy of development budget allocation.Other factors that also influence the process of formulating the policy of development budget allocation is the needs and problems of the region, especially the needs and problems in the field of education, Power apparatus, social potency and economic potential of society, fund strategy of development policy , strategic program of each SKPD, regional economic actors and non-governmental organizations.

The implementation of local autonomy has shortened the range of bureaucracy that was previously mostly controlled by the central government. Thus, local socio-economic specific societies can be directly made solution by local governments concerned. However, local governments in improving the welfare of the community requires adequate regional budget. In fact, the availability of development budget owned by a region is relatively limited, so that a proper budget allocation plan and policy is required. Through optimal budget allocation management into government activities, regional economic activities should grow faster and impact The income can be enjoyed by the wider community.

The Office, Board or Agency local is an extension of local government in implementing regional development policies, should function optimally. In fact, SKPD often found less proportional with the duty and authority of the agency, the agency / institution in improving the welfare of society. So the impact of the service activities, Agency / instasi becomes not optimal benefits for improving community welfare.

1. Calculation variable

In calculating the budget allocation for each work unit, consider the following factors:

a.Pengaruh on Increasing Community Economic Activity. Some work units have a function as a driver of the economy of the community that usually has the task of moving a certain economic sector. Therefore, budget allocation for such activities is required.

b.Number of Direct Services to the Community. Some work unitsHas a social function to serve the community. For that need a budge To live the social function.

c.Revenue Original Contribution (ROC/PAD).

d. Managerial Range. Each work unit has inner managerial function Activities such as planning, coordination, and oversight are necessaryAllocated budget for the activity.

e.Input that must exist in work units such as employees and assets. EveryThe work unit requires a relatively fixed range of inputs in order Provide services to the community.

The above factors were developed into 10 determinants of budget allocation. (Table 1).

Table 1. Relationship between Factors to be considered with Variable Determinant of Budget Allocation and its data sources

Factors to consider	Variables that are scanned	Data Source
Influence on the economic activities of the community	1. forward linkage 2. Backward linkage 3. Multiplier of labor 4.Multiplier of income	- Table I-O - Job and function
Total of service to the community (Social Function)	5. Total of service to the community per year	- Job and Function - Historical data of service
Contribution Locally generated revenue	6. Donations Locally generated Revenue	- Job and Function - Historical data of service
Managerial Range	7. Managerial Range	- Job and Function - Historical data
The Input must be there	8. Total employees 9. Asset maintenance expenses	- Job and Function - Historical data

The steps for calculating the budget allocation are as follows:

1. Determine the value of the variable budget allocation of each work unit (Vij)

At this stage, an inventory of variable values for each work unit is performed. Of the thirteen variables of budget allocation, there are variables whose value is standardized. That is, the value of a work unit for a particular variable can be synchronized with another work unit. Conversely there are also variables that are not equivalent value between one unit of work with other work units. An example is the variable number of employees. If there are two units of work with the same number of employees, say 100 people, not necessarily the amount of personnel expenditure on both units will also be the same. This inequality is caused by different scope of activities and composition of position / rank in both work units.

2. The next step is to calculate the work unit index (Zij) for each variable that can be formulated as:

$$Z_{ij} = \frac{V_{ij}}{(\sum_{i=1}^{26} V_{ij}) / 26}$$

3. After knowing the index of each work unit for each variable, then done summing the index of each work unit. In this stage each index number is added to the right with the formula:

$$A_i = \sum_{j=1}^{13} Z_{ij}$$

4. Then, calculated the coefficient of budget allocation (percentage) of each work unit. This step is almost the same as step 3. The percentage of work unit budget allocation is the total index of each work unit (Ai) divided

by the total index multiplied by 100%. If the percentage of the allocation of work unit budget i is Ki, then mathematically:

$$Ki = \frac{Ai}{(\sum_{i=1}^{26} Ai)} \times 100\%$$

The presentation of the percentage of budget allocation of all work units together is the end result generated by this activity.

2. Use of Input-Output Model (I-O)

Table I-O is basically a system of recording statistical data in matrix form which provides information about transactions of goods and services performed between units of economic activity (sector) in a region at a certain period of time. Table I-O is also an illustration of conditions of supply and demand of goods and services within the system that occur between a sector with other sectors. Table I-O is a matrix consisting of rows and columns, each of which has a different way of understanding. The figures presented in rows are the allocation of output from the sector concerned to the sectors in need. While the figures presented in a column are the input needs of a sector in the production process from the production of other sectors. Table I-O is also a quantitative model that describes the situation of an area's economic activity. This table will give you a comprehensive overview of:

a. national / regional economic structure that includes the structure of output and valu Added each sector;

b.Input structure between, that is the use of various goods and services by sector The production sector

c. The structure of the provision of goods and services either in the form of domestic production or Goods imported;

d.The structure of demand for goods and services,demand intermediate by sector production sector as well as the final demand for consumption, investment export.

Gambar 1. Ilustration Table Input Output (3 Sector)

Allocation Output / Input Structure	Intermediate Demand Production sector			Final Demand	Stock	
					Import	Total Output
Intermidiate Input	Quadran I			Quadran II		
Sector 1	X_{11}	x_{12}	x_{13}	F_1	- M_1	X_1
Sector 2	X_{21}	x_{22}	x_{23}	F_2	- M_2	X_2
Sector 3	X_{31}	x_{32}	x_{33}	F_3	- M_3	X_3
Input Primer	Quadran III					
	V_1	V_2	V_3			
Total Input	X_1	X_2	X_3			

At the same time when viewed vertically is the input of a sector derived from other sectors. The description above shows that the arrangement of numbers in the form of a matrix shows a link that hooks between several sectors. In table I-O there is a very important benchmark, ie the number of outputs of a sector must be equal to the number of inputs.

2.1. Assumptions in Analysis Table I-0

The assumptions contained in a table I-0 are:

a Each sector in table I-0 produces only one output with one particular input structure. There is no substitution between inputs or outputs in the sector. This assumption is called the assumption of homogeneity.

b. Input for a sector is a function of linear relationship to the level of output of the sector concerned. In other words, the amount of input used by a sector will increase or decrease proportionally linearly depending on the increase or decrease in output of the sector in question. This assumption is called the assumption of proportionality.

c.The impact of total production is equivalent to the outputs of various sectors separately. This means that the influences outside the I-0 system on the level of sector production are ignored. This assumption is called the additivity assumption.

II. Economic Analysis Using Table I-0

2.1. Descriptive Analysis

Descriptive analysis that can be done by using table I-0, among others, are:

a. Input Structure Analysis

This analysis is useful for explaining, for example, the magnitude (in percentage) of the added value generated by a sector compared to the total output of the sector concerned; Use of input (between) to produce output of a sector. This analysis is obtained by analyzing the input coefficient of a table I-0.

b. Output Allocation Analysis

This analysis is used to explain the use of output of a sector by other sectors; Or the use of a sector's output by intermediate and final demand. This analysis is obtained by analyzing the output coefficient of a table I-0.

c. Product Domestic Regional Bruto (PDRB) Analysis By Use

This analysis is useful to explain the percentage of the formation of Gross Regional Domestic Product (PDRB) of an area in terms of usage, such as household consumption, government consumption, gross fixed capital formation, stock changes, and net exports. With this analysis can be obtained information about the contribution of each component of Gross Regional Dpmestic Product (GRDP) to total PDRB.

d. Sector Contribution Analysis to GRDP

This analysis is useful for explaining the contribution of sectors, for example, to total output, value added, labor income, exports, and imports to GRDP. From the results of this analysis can be obtained information on the contribution of each sector to PDRB (for example, which sector generates the greatest added value).

2.2.Analysis of Impact Impacts

Multiplier impact analysis using table I-0 can be done using multiplier matrix. This matrix can be obtained from an I-0 table by reversing the input coefficient matrix. This opposite matrix is also called the Leontief inverse matrix.

From a table I-0, the relationship between the balance sheet (quadrant) in a table I-0 can be written as:

$AX + F = X$ ..... (6)

Where

A = input coefficient matrix (ie xij / Xi);

F = the final request matrix;

X = output vector.

Relationship (1) can be made into:

$X = (I-A) -1F$ .... (7)

Where

(I-A) -1 = inverse matrix (inverse matrix)

= Matrix multiplier (table multiplier) I-0

Equation (7) shows that a change of 1 unit of final demand will cause a change of (I-A) -1 units to the output.

III. Linkage Analysis

The linkage analysis that can be done using table I-0 is backward linkage analysis and forward linkage analysis. The backward link is defined as:

$Bj = \{\Sigma icij\} / \{(l / n) (\Sigma i \Sigma jcij)\}$ ..... (8)

I=1, 2, ..., M

Where

Bj = backward linkage;

Cij = reverse matrix element (I-A) -1 of the i th row of the jth column;

Σicij = impact caused by a j-sector final demand unit of all sectors;

If the coefficient bj of a sector is high, then it means that the sector has a big effect on the development of other sectors.

The forward link is defined as:

$Fj = \{\Sigma jcij\} / \{(1 / n) (\Sigma i \Sigma jcij)\}$ ..... (9)

J = 1, 2, ..., n

Where

Fi = forward linkage

Σjcij = impact caused by one unit of final demand of all sectors

Against one sector.

If the coefficient of a sector is high, then it means that the sector is very sensitive to the development of other sectors.

Backward linkages analysis and forward linkages analysis. Usually used to determine the leading sectors. These leading sectors are usually proposed to be developed

First in a country / region, determined by the size of the sector has a number of backward linkages (backward linkages) and forward linkages analysis (forward linkages). If the index is both larger than one, then the sector is recommended to be a priority for development.

IV. Results

Based on the method of calculating the budget allocation above, it can be seen that the large budget allocation received by each work unit of the Regional Government describes the role of the work unit in:

1. encourage economic activity,
2. support the development of economic activities,
3. play a role in creating jobs,
4. role to increase people's income,
5. perform social services, such as health, education, administration of community activities, such as ID cards, certificates, IMB, and the like,
6. contribute to local revenue through revenue from PAD,
7. management financing, such as planning, implementation, control and supervision,
8. number of employees, as well
9. the number of asset values, such as buildings, vehicles and the like.

Each work unit will have part or all of the government's development function. In the calculation, each variable is calculated through one indicator or multiple combined indicators. Work unit budget allocation is grouped into 47 work units. Table 2 shows the percentage of allocation for each work unit. There are 47 working units, with budget allocations for schools and puskesmas in the education and health departments. From the table it is known that the highest percentage of budget allocation is the working unit of the Regional Secretariat with a percentage of 21.58%. The high allocation for the Regional Secretariat is mainly to compensate the income and financing of the assets under their control.

Department of Education, Youth and Sport also has a very high allocation, which amounted to 20.17%. The high allocation for this office is due to the large number of students to be served, the large number of teachers and also the care of the assets under their control. Working units that obtain a high percentage of budget allocations are also Agricultura and livestock office, which is 9.03%. Then followed by the Office of Marine and Fisheries 7.28% and Health Office 6.00%. For other work units, the percentage of budget allocation is below 5 percent.

Table. 2. Index of calculation results Of LGWU Budget Allocation Coefficient o Polewali Mandar Regency (in percentage)

Number	DISCREPTION	Indicator Index
1	Local People's Representative Council (LPRC/DPRD)	0.44
2	Local Head and Deputy Head of local	0.22
3	Local Secretariat	21.58
4	DPRD/LPRC Secretariat	0.36
5	Revenue and Licensing office	0.30
6	Local Planning and Development Agency/Board	0.47
7	Local Inspectorate	0.49
8	Staffing and local Training Agency/Board	0.77
9	Local Library and Archives Office	0.11
10	Local National unity and Community Protection office	0.23
11	Population and Civil Registry Office	0.64
12	Culture and Tourism office	1.70
13	Forestry and Food Security	1.22
14	Polewali District	0.20
15	Wonomulyo District	0,26
16	Campalagian District	0.23
17	Tinambung District	0.21
18	Taramanu District	0.16
19	Binuang District	0.15
20	Mapilli District	0.17
21	Tapango District	0.19
22	Balanipa District	0.15
23	Limboro District	0.14
24	Luyo District	0.16

25	Matakali District	0.13
26	Anreapi District	0.11
27	Alu District	0.13
28	Agriculture and Livestock Agency Board	0.12
29	Marine and Fisheries Service office	9.03
30	Marine and Fisheries Service office	7.28
31	Forestry and Estate Crops office	4.29
32	Industry and Trade office	3.90
33	Social Service, Manpower and Transmigration Office	1.98
34	Health Office	6.00
35	General Hospital	1.79
36	Education, Youth and Sport Office	20.17
37	Public Works Office	1.11
38	Transportation, Communication and Informatics Office	3.34
39	Environmental Agency/Board	0.16
40	Bulo District	0.13
41	Pamong Praja Police Unit	0.33
42	Koperation, Micro, Small and Medium Enterprises office	1.51
43	Mining, Energy and Mineral Service office	2.38
44	Community Empowerment and Village Government Board	0.18
45	Spatial Planning and Settlement Office	4.00
46	Family Planning Coordinating and Women's Empowerment Board	1.18
47	Local Disaster Management Agency/Board	0.17
	Total	**100.00**

Table 3 is the result of the calculation of budget allocation for 2013 compared to the 2013 budget. From the table it can be seen the difference between the simulation results and the 2008 budget ceiling in each work unit. The difference is positive and there is a negative. Positive differences illustrate that the budget ceiling allocation is lower than the allocation calculation. And the negative difference illustrates otherwise.

Based on Table 3 also can be seen the percentage of budget by work unit. From the table it is known that the difference in budget allocation with the largest budget ceiling 2008 is the budget for Industry and Trade offices 502.84% difference. The fuller picture of the difference between the budget allocation of the calculation result and the budget ceiling can be seen in table 2.

Table.3. Comparison of Simulation Result and Realization 0f the 2013 budget

Number	DESCRIPTION	Realization forBudget 2013	Simulation Result	Difference (%)
1	Local People's Representative Council (LPRC/DPRD)	5,601,210,480	3,567,388,861	(36.31)
2	18,112,187,250	2,860,787,618	1,783,694,430	217.70
3	8,089,233,818	2,436,733,492	173,202,189,580	62.55
4	DPRD/LPRC Secretariat			(84.21)
5	Revenue and Licensing Office			(69.88)
6	Local Planning and Development Agency/Board	5,812,132,300	3,810,590,216	(34.44)
7	Local Inspectorate	3,696,732,700	3,954,961,725	6.99
8	Staffing and local Training Agency/Board	5,873,962,868	6,207,504,113	5.68
9	Local Library and Archives Office	1,805,550,900	860,778,102	(52.33)
10	Local National unity and Community Protection office	2,433,174,075	1,814,563,746	(25.42)
11	Population and Civil Registry Office	3,533,466,650	5,127,623,722	45.12
12	Culture and Tourism office	3,340,428,600	13,620,754,397	307.75
13	Implementing Agency for Agricultural Extension, Fisheries, Forestry and Food Security	14,348,085,073	9,787,868,472	(31.78)

14	Polewali District	6,557,574,866	1,625,274,006	(75.22)
15	Wonomulyo District	3,102,640,200	2,085,744,817	(32.78)
16	Campalagian District	2,369,942,200	1,843,587,151	(22.21)
17	Tinambung District	2,308,118,814	1,693,224,752	(26.64)
18	Taramanu District	1,229,244,934	1,281,618,715	4.26
19	Binuang District	1,473,663,600	1,217,695,072	(17.37)
20	Mapilli District	2,149,644,598	1,361,905,781	(36.65)
21	Tapango District	1,412,646,000	1,550,747,874	9.78
22	Balanipa District	2,257,527,343	1,182,005,707	(47.64)
23	Limboro District	1,612,056,284	1,114,926,148	(30.84)
24	Luyo District	1,775,456,200	1,277,502,315	(28.05)
25	Matakali District	1,682,951,047	1,077,488,013	(35.98)
26	Anreapi District	1,348,341,900	887,661,859	(34.17)
27	Alu District	1,394,876,388	1,072,655,373	(23.10)
28	Matangnga District	421,056,000	968,795,117	130.09
29	Agriculture and Livestock Agency Board	18,852,881,100	72,469,393,075	284.39
30	Marine and Fisheries Service office	8,976,932,739	58,416,249,554	550.74
31	Forestry and Estate Crops office	9,337,570,020	34,421,209,155	268.63
32	Industry and Trade office	5,195,621,900	31,321,528,906	502.84
33	Social Service, Manpower and Transmigration Office	4,488,640,400	15,854,186,115	253.21
34	Health Office	44,756,913,886	48,143,175,828	7.57
35	General Hospital	32,818,238,905	14,348,412,176	(56.28)
36	Education, Youth and Sport Office	353,725,377,275	161,889,695,695	(54.23)
37	Public Works Office	68,673,213,900	8,943,978,596	(86.98)
38	Transportation, Communication and Informatics Office	5,993,035,300	26,812,071,165	347.39
39	Environmental Agency/Board	3,295,246,900	1,253,859,311	(61.95)
40	Bulo District	314,828,000	1,033,179,582	228.17
41	Pamong Praja Police Unit	6,832,254,280	2,677,366,448	(60.81)
42	Koperation, Micro, Small and Medium Enterprises office	3,174,517,500	12,133,683,496	282.22
43	Mining, Energy and Mineral Service office	3,239,609,732	19,088,029,508	489.21
44	Community Empowerment and Village Government Board	3,844,145,900	1,436,561,669	(62.63)
45	Spatial Planning and Settlement Office.	11,658,810,717	32,088,236,857	175.23
46	Family Planning Coordinating and Women's Empowerment Board	5,567,667,860	9,493,606,770	70.51
47	Local Disaster Management Agency/Board	875,640,000	1,376,822,854	57.24
	Total	802,477,517,933	802,477,517,933	-

Note : Office =Kantor and Dinas , Agency/Board = Badan,District=Kecamatan.

Budget Allocation Policy

Policies that may affect budget allocations can be grouped as follows:

1. Setting a certain percentage of allocation to a work unit
2. Change the cost per unit (weight) component variable
3. Change (develop) the type of service a work unit
4. Increase Employee and Office Facilities Suddenly

The above budget allocation policies can be accommodated in the calculation of budget allocations. By accommodating these policies there will be some adjustments in the calculation of budget allocations. In Figure 2 this process is cultivated as a change from the Pure Budget Allocation Calculation Result to the Adjusted Budget Adjustment Allocation Results. These adjustments can be contained in worksheets that have been prepared in computer programs using Excel software. Policies that set a certain percentage of allocations for a work unit can be accommodated by changing the final results of the calculation of budget allocations. For the assigned work unit, the assigned allocation number is the budget allocation of the work unit concerned. The rest is distributed to other work units with the proportion as the final result of the calculation. The change in cost policy per unit of the variable component will affect the weights (weighting) of the component in determining the value of the variable. In this work sheet it is prepared. By entering the new weighing number, the automatically calculated budget allocation results will change thoroughly. The policy of adding employees / office facilities that are suddenly can also be accommodated in the worksheet. In the worksheet, in each column of the component / indicator on the right there is a change column. The policy of adding the employee / means can be written in this column. This change will automatically change the final result of the calculation of budget allocation. Accordingly, if there is a regular annual change (not due to a specific policy), such changes may be included in the change column, by itself the composition of the budget allocation will also change. Therefore, the budget allocation worksheet can be used to prepare budget allocations in the coming years by simply adding the number of changes that occur to the variables (variable components) in accordance with the development of the situation.

V. Closing

• By using the budget allocation method, the plan for determining the budget ceiling of Polewali Mandar Regency is methodologically more objective, so it is expected to be more effective and efficient in its implementation and reduce the intervention of other parties.

• This budget allocation methodology is flexible, able to accommodate strategic agreements made by the executive and legislative in certain areas of authority (sector).

• In order to make this budget allocation method effective, it is recommended to be put in the form of local regulations.

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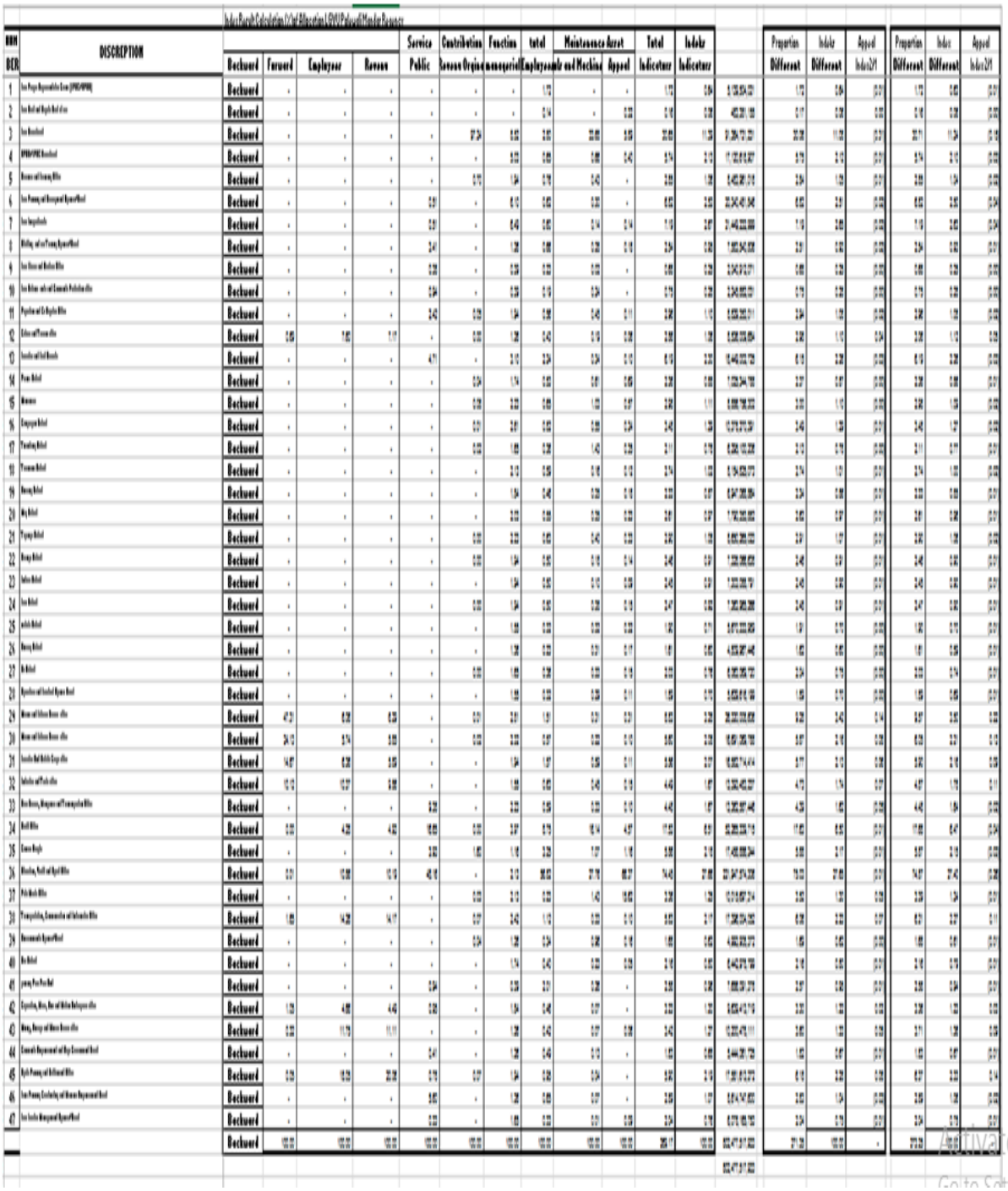
Attachment (Allocain Budget)



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