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Influence Behavior in Legislature Budget Development of Regions in the Province of Aceh and North Sumatra

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Abstract: The purpose of this research to investigate and to analyze the influence of Regional Own Revenue (PAD), General Allocation Fund (DAU)Profit Sharing Fund (DBH)and Surplus of Budget Financing (SiLPA)to the Opportunistic Behavior of Budgeting. The population of this research are Regency/City Administration in North Sumatra Province and Regency/City Administration in Nanggroe Aceh Darussalam Province.

The analyze methode that is used in this research are descriptive statistical analysis, the classical assumption test, multiple regression analysisand hypothesis testing. The independent variable used in this research are Regional Own Revenue, General Allocation Fund, Profit Sharing Fund, and Financing Surplus, dependent variable is the Opportunistic Behavior of Budgeting. The population of this research are 58 Regency/City by using purposive sampling, 37 Regency/City in year 2011 up to year 2014 are chosen as samples. This research utilizes secondary data.

The result of this research show that simultaneously Regional Own Revenue, General Allocation Fund, Profit Sharing Fund, and Surplus of Budget Financing effect on the Opportunistic Behavior of Budgeting. Partially, variable Regional Own Revenue, variable General Allocation Fund and Surplus of Budget Financing have a positive significantly effect on the Opportunistic Behavior of Budgeting at Regency/City in North Sumatra Province and at Regency/City in Nanggroe Aceh Darussalam Province, meanwhile variable Profit Sharing Fund do not effect on the Opportunistic Behavior of Budgeting at Regency/City in North Sumatra Province and at Regency/City in Nanggroe Aceh Darussalam Province.

Keywords: Regional Own Revenue, General Allocation Fund, Profit Sharing Fund, Surplus of Budget Financing and Opportunistic Behavior of Budgeting.

JEL Classification: m48

1. INTRODUCTION

Budget (APBD) the annual financial plan area which discussed and approved jointly by the executive (Local Government) and legislatif (DPRD), and is set by local regulations. Budgets contain about programs planned by the government are the basis for the implementation of public services and the welfare of the people in the area. Thus the budget is a tool to accommodate a variety of public interest is realized through various activities and programs during which certain benefits will actually be felt by the community. However, the fact that when this happens Budgets are often abused by the holders of financial authority area. Missalocation allegation in the budget occurs because politicians have a vested interest in budgeting (Keefer and Khemani, 2003).

The budget process is a process that is quite complicated and contain a large enough political content therein. The process of allocation in the budget for legeslatif open space to incorporate the interests of the constituents they represent. Abdullah and Asmara (2006) in his research stating that "conditions powerfull owned legeslatif causes pressure on the executive becomes increasingly large, it makes the executive difficult to reject recommendation legeslatif in the allocation of resources to benefit the legeslatif, causing the outcome of the budget in the form of public service experience distortions and perverse ". On the other hand, the Executive also has greater power because of the understanding of the bureaucracy and administration, all rules and laws underlying and direct relationship with the community has been going on for a long time lead to mastery of executive information better than legeslatif (Sularso, et al., 2014). Moreover, in the budgeting process, executives also act as executors of the budget, so it has a better financial information than legeslatif officials. This of course provide opportunities for both legeslatif-budgeting and executive for opportunistic behavior. Opportunistic behavior is human nature that take advantage of the opportunity or opportunities to gain advantage for oneself or a group without considering whether it is fair or right.

Great authority legeslatif obtained through legislation led to enormous forces are confronted with the executive. As a result, executives are becoming more defensive the endeavor to maintain its existence by utilizing its information advantage. Their advantages possessed by the executive information can lead to moral hazard (abuse of power) and adverse selection (hiding information) by the executive, then legeslatif will use its power advantage. Colombatto (2001) in his research stating "The big advantage of power (discretionary power) legeslatif would cause a violation of the agency contract and the greater their tendency to put the interests of his personal political impact in the long term".

Research conducted by Sularso, *et al.,* (2014), PAD, DAU, and SiLPA effect on opportunistic behavior of budgeting Regency/City in Central Java province. Research conducted by Abdullah and Asmara (2006), PAD legeslatif effect on opportunistic behavior in budgeting. Research conducted by Maryono (2013), DAU positive significant effect against opportunistic behavior legeslatif in local budgeting.

The phenomenon of opportunistic behavior-budgeting is very interesting to study further, because although the formal rules about budgeting mechanism has been designed in such a way, but in practice there are still several irregularities in the use of local funds. Increasing cases of corruption is one indication of the occurrence of opportunistic behavior committed by constituent budgets.

1.2. Problems

Based on the description and explanation of the background that has been stated previously, the formulation of the problem in this study are as follows: "Is the PAD, DAU, DBH, and SiLPA influence simultaneously

and partially to the opportunistic behavior-budgeting in the province of North Sumatra and Nanggroe Aceh Darussalam.

1.3. Research Objectives

Based on the formulation of the problem above, the purpose of this research is:

1. To examine and analyze whether the PAD, DAU, DBH, and SiLPA significant effect simultaneously against opportunistic behavior-budgeting in the province of North Sumatra and Nanggroe Aceh Darussalam.
2. To examine and analyze whether the PAD, DAU, DBH and SiLPA significant effect partially against opportunistic behavior-budgeting in the province of North Sumatra and Nanggroe Aceh Darussalam.

1.4. Benefits of research

1. For researchers, the research conducted to increase knowledge and insight with respect to the author of the influence PAD, General Allocation Fund, DBH, and Time Over Budget Financing against opportunistic behavior-budgeting
2. For the central and local governments, research conducted can be input for the government and the government of North Sumatra province of Aceh in terms of understanding the behavior of opportunistic budgeting.
3. For the academic, research conducted is expected to add empirical evidence from previous studies on the effect of PAD, General Allocation Fund, DBH, and Time Over Budget Financing against opportunistic behavior-budgeting and can be used as a reference for future research.

2. LITERATURE REVIEW

2.1. Theoretical Overview

2.1.1. Agency Theory

Agency theory analyzing the contractual arrangement between two or more individuals, groups, or organizations. One party (the principal) made a contract either implicitly or explicitly, to another party (the agent) in the hope that the agency will act / perform such tasks as desired by the principal. In local government, the principal is the legeslatif (DPRD) and the agent is the executive (Local Government). Principal-agent relationship occurs when a person's actions do have an impact on another person or when someone is highly dependent on the actions of others.

2.1.2. Budgets

Budgets are annual financial plan area is defined according to local regulations. Budgets are the basis of financial management which is a guideline for local governments in providing services to the public within one year of the budget.

2.1.3. Locally-Generated Revenue

Revenue is earned income areas levied by local regulations in accordance with the legislation. PAD is a regional effort to reduce the dependence in obtaining funds (subsidies) from the central government. Moreover, the PAD also have an important role in the financing area, the greater the PAD held by a region, the greater the region's ability to achieve the objectives of regional autonomy that is in terms of improving the service and welfare of the community are getting better, the development of democratic life of justice and equity, as well as maintenance of harmonious relations between the center and the integrity of the Unitary Republic of Indonesia.

2.1.4. General Allocation Fund

General Allocation Fund is a fund of APBN allocated to bring equality among the regions financial ability to fund the needs of the region in the implementation of decentralization. General Allocation Fund (DAU) is a block grant given to all counties and cities with the goal of equal distribution of financial capability among the regions which are intended to reduce inequality in financial capability among the regions through the application of a formula that takes into account the needs and potential of the region.

2.1.5. Profit Sharing Fund

DBH is a fund of APBN allocated to regions based on the percentage to finance the needs of the region in the implementation of decentralization. DBH (DBH) transferred the central government to local governments are of two types, namely: DBH of Tax and Revenue Sharing Fund (DBH) not Tax (Natural Resources).

2.1.6. Financing Budget Surplus

Surplus Budget Financing is leftover actual revenues and expenditures budget during the budget period. SiLPA the previous fiscal year include exceedances Local Government Revenue (PAD), overshooting the reception and balance, overrun other income of local revenue legitimate exceedances financing revenue, thrift shopping, liability to third parties until the end of the year have not been resolved, and the remaining funds follow-up activities.

2.1.7. Opportunistic Behavior

Opportunistic behavior (opportunity behavior) is human nature that take advantage of the opportunity or opportunities to gain advantage for oneself or a group without considering whether it is fair or right. According Maryono (2013), "The behavior is a behavior that seeks opportunistic achieve the desire by all means even though illegal means". The factors that influence the opportunistic behavior is the power (power) and capability (ability).

2.2. Conceptual Framework

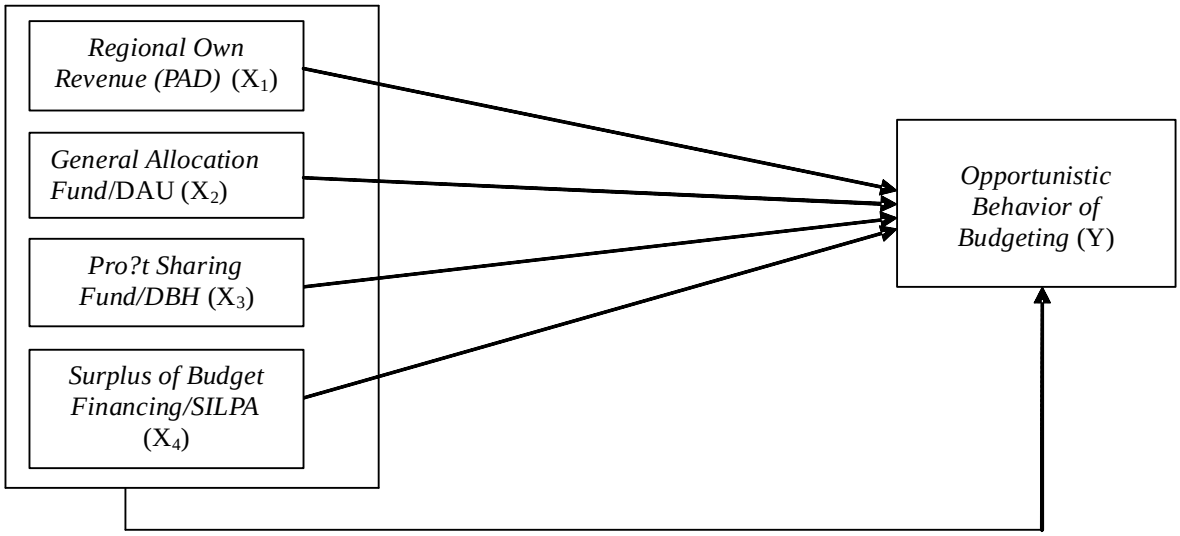

Figure 1: Conceptual Framework

3. RESEARCH METHODS

This type of research is associative causal research.This research was conducted by collecting and studying the documents or data in the form of reports on realization of the Regional Budget (APBD) in the province of North Sumatra and Nanggroe Aceh Darussalam fiscal year 2011-2014 were obtained from the website/administration official site is www.djpk.depkeu.go.id and *www.sumut.bps.go.id.* Opportunistic behavior is human nature that take advantage of the opportunity or opportunities to gain advantage for oneself or a group without considering whether it is fair or right. Calculation OPA = ΔPdk + ΔKes + ΔPU.

1) Revenue (PAD)

PAD = PAD spread

= PADcurrent year (t) – PADprevious year ($_{t-1}$)

2) General Allocation Fund (DAU)

DAU = DAU spread

= DAUcurrent year (t) –DAUAPBD previous year ($_{t-1}$)

3) Profit Sharing Fund (DBH)

DBH = DBH spread

= DBH current year (t) - DBHAPBD previous year ($_{t-1}$)

4) Surplus of Budget Financing (SiLPA)

SiLPA = SiLPA spread

= SiLPA current year (t) - SiLPAprevious year ($_{t-1}$)

The population in this study is that local governments in North Sumatra province which includes 33 districts/cities are composed of 25 districts and 8 cities and local governments in Aceh province amounting to 23 districts/cities are composed of 18 districts and 5 Cities.The sampling method used in this research is purposive sampling, ie sampling technique with a certain considerations. Number District/City to be

sampled this study amounted to 37 Regency/City which consists of 30 counties and 7 cities. Years of observation budget is used which is 4 years (2011, 2012, 2013 and 2014).Sampling criteria used by researchers is:

1. Regency/City in the province of North Sumatra and Nanggroe Aceh Darussalam which routinely report the budget of the Department of Education, Department of Health, and the Office of Public Works (infrastructure) of the fiscal year 2011-2014.
2. District/City in the province of North Sumatra and Nanggroe Aceh Darussalam who regularly report 2011-2014 fiscal year budget which publishes data PAD, DAU, DBH and SiLPA.

The data used in this research is secondary data, source data obtained by researchers indirectly, in the form of notes or historical reports that have been stored in the archives, both published and unpublished. Sources of data in this study is a report North Sumatra Provincial Government Budgets and budget reports of Government of Nanggroe Aceh Darussalam fiscal year 2011-2014 were obtained from the website/the official website of Directorate General of Fiscal Balance is *www.djpk.depkeu.go.id*. Ghozali (2006). Muda, *et al* (2016), Tarmizi, *et al* (2016) and Dalimunthe, *et al* (2016) states that the descriptive statistics.Classic assumption test is required to determine whether the results of the regression actually have data that is normal and free of any symptoms of multicollinearity, autocorrelation symptoms and heteroskedasticity.Regression model to be tested are as follows:

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e}$$

Information :

Y = Opportunistic Behavior of Budgeting

α = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficients X_1, X_2, X_3, X_4

X_1 = PAD

X_2 = DAU

X_3 = DBH

X_4 = SiLPA

e = Error (bully)

4. RESULTS AND DISCUSSION

4.1. Results Analysis Data

4.1.1. Results Descriptive Analysis

Table 1
Results Descriptive Statistics Analysis

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
PAD_X1	111	-63.722,00	105.537,00	17.370,5405	22.972,91772
DAU_X2	111	18.012,42	211.457,00	60.045,3205	30.303,83589
DBH_X3	111	-108.024,00	111.628,00	-1.240,8919	18.760,42636
SiLPA_X4	111	-67.686,00	69.423,00	10.989,6486	24.024,52380
OPA_Y	111	-142.990,00	324.933,00	68.565,1982	81.802,10434
Valid N (listwise) 111					

*Sources:*SPSS *for Windows 16.0 result* (2016)

Based on the data obtained Table 4.1 as follows:

1. *Regional Own Revenue (PAD)* (X_1) has a minimum value of -63,722.00; The maximum value of 105,537.00; mean of 17,370,54; and a standard deviation of 22972.91 with a sample of 111.
2. *General Allocation Fund (DAU)* (X_2) has a minimum value of 18012.42; The maximum value of 211,457.00; mean of 60045.32; and a standard deviation of 30303.83 with a sample of 111.
3. *Profit Sharing Fund (DBH)* (X_3) has a minimum value of -108,024.00; The maximum value of 111,628.00; mean of -1240.89; and a standard deviation of 18760.42 with a sample of 111.
4. *Financing Surplus for Opportunistic Behavior of Budgeting (SiLPA)* (X_4) has a minimum value of -67,686.00; The maximum value of 69423.00; mean of 10989.64; and a standard deviation of 24024.52 with a sample of 111.
5. Variable-budgeting opportunistic behavior (Y) has a minimum value of -142,990.00; The maximum value of 324,933.00; mean of 68565.19; and a standard deviation of 81802.10 with a sample of 111.

4.1.2. Classical Assumption Test Results

4.1.2.1. Normality Test Results

Table 2
Kolmogorov-Smirnov (K-S) Test

		Unstandardized Residual
N	111	
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	6.56044829E4
Most Extreme Differences	Absolute	.050
	Positive	.047
	Negative	-.050
Kolmogorov-Smirnov Z		.523
Asymp. Sig. (2-tailed)		.947
a. Test distribution is Normal.		

Source: SPSS for Windows 16.0 (2016).

Based on data from Table 2 above, the probability or Asymp great value. Sig. (2-tailed) was 0.947. In this study, the significance level used was $\alpha = 0.05$. Because the probability value (0.947) is greater than the significance level (0.05), it can be concluded that the data are normally distributed.

4.1.2.2. Test Results Multicollinearity

Table 3 shows that the VIF value of each variable, namely PAD (X1) of 1,110, DAU (X2) is 1,146, DBH (X3) amounted to 1,041, and SiLPA (X4) of 1.129. That is, that the VIF value of each variable is less than 10. And the tolerance value is obtained each of the variables that PAD (X1) of 0.901, DAU (X2) is 0.873,

Tabel 3
Test Results Multicollinearity

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*	*Collinearity Statistics*	
		B	*Std. Error*	*Beta*			*Tolerance*	*VIF*
1	(Constant)	-14723.253	15521.446		-.949	.345		
	PAD_X1	1.293	.292	.363	4.425	.000	.901	1.110
	DAU_X2	.819	.225	.303	3.638	.000	.873	1.146
	DBH_X3	-.419	.347	-.096	-1.210	.229	.960	1.041
	SiLPA_X4	1.015	.282	.298	3.601	.000	.886	1.129

a. Dependent Variable: OPA_Y

Source: SPSS for Windows 16.0 (2016).

DBH (X3) amounted to 0,960, and SiLPA (X4) amounting to 0.886. Values tolerance of all variables showed values greater than 0.1. From these results it can be seen that in the regression model free of multicollinearity between independent variables.

4.1.2.3. Test Results Heteroscedasticity

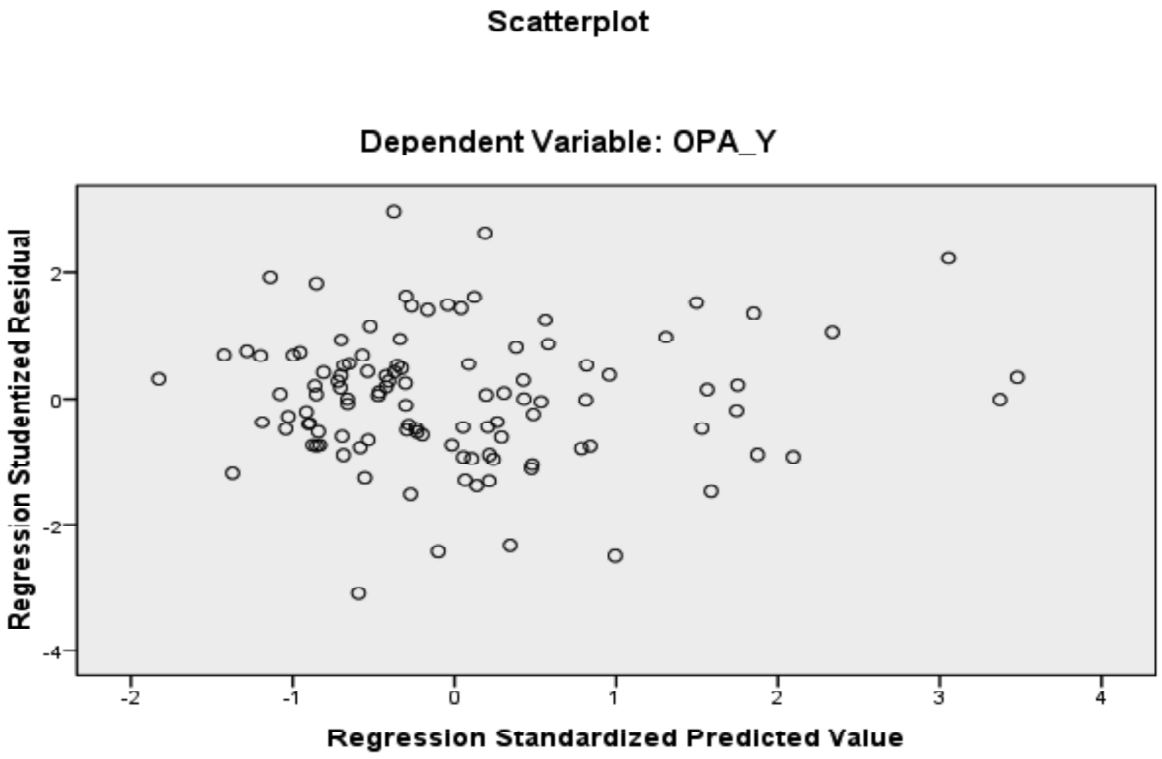

Figure 2: Scatterplot

Source: SPSS for Windows 16.0 (2016)

From the graph of the scatterplot in Figure 2 above shows data points spread at random and scattered above and below the number 0 on the Y axis, it can be concluded that there is no heteroscedasticity in regression models.

4.1.2.4. Autocorrelation Test Results

Table 4
Autocorrelation Test Results

Model Summary[c]

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*Durbin-Watson*
1	.640[a]	.410	.381	64.628,81161	1.969

a. Predictors: (Constant), SiLPA_X4, DBH_X3, PAD_X1, DAU_X2, Lag_Y

b. Dependent Variable: OPA_Y

Source: SPSS for Windows 16.0 (2016).

The result of the Durbin-Watson autocorrelation test, DW score of 1,969. Value n = 111 and four independent variables (k=4); a significance level of 5%. Therefore, d_U<DW<(4-d_U) is 1.765 d" 1.969 d" 2.235 (4-1.765) and DW value smaller than (4-dL), ie 2,384 (4 to 1.616). Thus we can conclude that autocorrelation between observational data in this study.

4.2.3. Hypothesis Testing

4.2.3.1. Determination Coefecient (R^2)

Table 5
Determination Coefecient (R^2) Result

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.640[a]	.410	.381	64.628,81161

a. Predictors: (Constant), SiLPA_X4, DBH_X3, PAD_X1, DAU_X2, Lag_Y

b. Dependent Variable: OPA_Y

Source: SPSS for Windows 16.0 (2016).

Based on the above table it is known that (R2) = 0.410 means that the relationship between PAD, DAU, DBH, and SiLPA to the OPA by 41%. Adjusted R Square of 0.381 means that 38.1% OPA factors can be explained by the PAD, DAU, DBH, and SiLPA while 61.9% is explained by other factors not examined in this study.

4.2.3.2. Simultaneous Significance Test Results (F Test)

Based on Table 6 above, we can see significant value 0,000 less than 0.05 then the PAD, DAU, DBH, and SiLPA jointly affect the OPA. If you compare the value of F with F_{tabel} note that the value of F is greater

Tabel 6
Simultaneous Significance Test Results

Model		*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	Regression	2.626E11	4	6.566E10	14.701	.000[a]
	Residual	4.734E11	106	4.466E9		
	Total	7.361E11	110			

a. Predictors: (Constant), SiLPA_X4, DBH_X3, PAD_X1, DAU_X2

b. Dependent Variable: OPA_Y

Source: SPSS for Windows 16.0 (2016).

than the value of F_{table} (14.701> 2.46). This shows that H_0 rejected and H_1 accepted. It can be concluded that the *Regional Own Revenue (PAD)*, *General Allocation Fund* (DAU), *Profit Sharing Fund* (DBH) and *Surplus of Budget Financing (SiLPA)* simultaneous effect against opportunistic behaviorofbudgeting (OPA).

4.2.3.3. Partial Test Results Significance (t-test)

Tabel 7
Partial Test Results Significance (t-test)

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*t*	*Sig.*
1	(Constant)	-14723.253	15521.446		-.949	.345
	PAD_X1	1.293	.292	.363	4.425	.000
	DAU_X2	.819	.225	.303	3.638	.000
	DBH_X3	-.419	.347	-.096	-1.210	.229
	SiLPA_X4	1.015	.282	.298	3.601	.000

a. Dependent Variable: OPA_Y

Source: SPSS for Windows 16.0 (2016)

1. The *Regional Own Revenue (PAD)* (X_1) has a significance value of 0.000 which means the value is less than 0.05, while tcount 4.425> 1.659 t table, so that the results can be concluded that Ha is accepted (Ho rejected) or variable as a Regional Own Revenue partially against opportunistic behavior of budgeting (Y).
2. *General Allocation Fund* (X_2) have a significance value of 0.000 which means the value is less than 0.05, while t_{count} 3,368> 1,659 t_{table}, so that the results can be concluded that Ha is accepted (Horejected) or variable as a General Allocation Fund partially against opportunistic behavior of budgeting (Y).
3. *Profit Sharing Fund* (X_3) have a significance value 0.229, which means the value is greater than 0.05, while t_{count} -1.210 <t_{table} 1,659, so that the results can be concluded that Ho is accepted (Ha rejected) or Profit Sharing Fundvariable partially no effect on opportunistic behavior of budgeting (Y).

4. Financing of Budget Surplus (X_4) has a significance value of 0.000 which means the value is less than 0.05, while tcount 3,601> 1,659 ttable, so that the results can be concluded that Ha is accepted (Ho rejected) or variable *of Surplus of Budget Financing* partially affect the opportunistic behavior of budgeting (Y).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

Based on the analysis of data and discussion that has been done can be some conclusions as follows:

1. Simultaneously *Regional Own Revenue* (PAD), General Allocation Fund (DAU), *Profit Sharing Fund* (DBH), and *Surplus of Budget Financing (SiLPA)* significantly affects opportunistic behavior of budgeting (OPA) in the province of North Sumatra and Nanggroe Aceh Darussalam.
2. Partially, *Regional Own Revenue* (PAD), General Allocation Fund (DAU), *Profit Sharing Fund* (DBH), and *Surplus of Budget Financing (SiLPA)* positive and significant impact on the behavior of opportunistic of budgeting (OPA). However, Partially *Profit Sharing Fund* (DBH)variable is not significant and negative effect on the behavior of opportunistic of budgeting (OPA) in the province of North Sumatra and Nanggroe Aceh Darussalam.

5.2. Research Limitations

This study has several limitations that need improvement and development in subsequent studies. Limitations in this study are:

1. Not all populations in the study can be sampled due to lack of availability of data so it does not quite describe the financial condition of the Government in the province of North Sumatra and Nanggroe Aceh Darussalam as a whole.
2. Independent variables used in this study was limited to revenue (PAD), General Allocation Fund (DAU), Funds (DBH), and Rest More Financing Articles (SiLPA), so that the research can not explain all the variables affecting the opportunistic behavior-budgeting.
3. Object only limited research in the province of North Sumatra and Nanggroe Aceh Darussalam so it can not represent the overall opportunistic behavior-budgeting at all levels of the provincial government and district government/cities throughout Indonesia.

5.3. Suggestion

Based on the conclusion of the study, the researchers advice given is as follows:

1. For Local Government expected to further improve the quality of budgeting by prioritizing the allocation of spending on programs that support the needs of the community, lack of transparency in the budget and to supervise start of the budget planning process.
2. For further research is expected to add other variables are closely related to this research so as to provide research results more complex.

3. For further research is expected to expand beyond the study sample and the North Sumatra Province Nanggroe Aceh Darussalam and add years of observation.

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