

**IMPACT OF BUDGET WASTE ON INFRASTRUCTURE DEVELOPMENT IN
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ku.halim@unimap.edu.my, Aulia@dosen.pancabudi.ac.id**Abstract**

The background of this research is that a lot of government budget is used for infrastructure development. However, the infrastructure development in the district government of Sibolga, North Sumatra, is very uneven and poor in infrastructure development. This also results in the existing budget being wasted and not even in line with the government's expectations. Center and the local community. For example, road construction is very bad. Not to mention the construction of schools that are very far away for each sub-district in one sub-district and the lack of school facilities. The lack of infrastructure development facilities and infrastructure in Sibolga is very minimal. Local revenue is relatively high because the effort produces a lot of natural resources. As a result, this research wants to see whether there is an impact of wasting development budget on infrastructure in Sibolga. From the study results, it can be said that the impact of budget leakage on the city of Sibolga is classified as non-existent. This is because the city of Sibolga is the smallest in Indonesia. so that the amount of the PAD budget is only Rp. 609,443,390,610. The lack of budget for infrastructure in the city of Sibolga does not affect this because the city of Sibolga has a low PAD compared to other cities in the province of North Sumatra

Keywords: budget wastage; infrastructure development

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Introduction

The background of this research is that a lot of government budget is used for infrastructure development. Infrastructure has several meanings depends on the term of context used in terms of unitily and facility functional operations (Al-Hader & Rodzi, 2009). It has long been recognized that an adequate supply of infrastructure services is an essential ingredient for productivity and growth. In recent years, however, the role of infrastructure has received increased attention (Calderon & Servén, 2004).

However, infrastructure development in North Sumatra is very uneven and poor in infrastructure development. This also results

in the existing budget being wasted and not even in line with the local government's expectations and the community. Around. For example, road construction is very bad. Not to mention the construction of schools that are very far away for each sub-district in one sub-district and the lack of school facilities, planning and managing school facilities remains one of the most neglected areas of school administration (Kowalski, 2002).

Not to mention, in terms of public health, the Puskesmas itself is still. Very inadequate. (Heriyanto, 2018) also stated that the North Sumatra Provincial Government was suspected of having leaked

the regional budget of up to around Rp. 431 million. To enhance regional development, the practice of regional allocation became an integral part in the national government budgeting system (Mercado, 1999). Namely for the realization of incentive spending for collecting the Street Lighting Tax (PPJ). The problem above is allegedly due to the stipulation of Perbup Number 23 of 2016 and Regent's Decree Number 269/DISPENDA/2016, which do not comply with the provision of tax collection incentives regulated in PP Number 69 of 2010. This condition has violated PP Number 69 of 2010 concerning procedures. Granting and utilizing the collection of regional taxes and regional levies, tax collection is an essential activity for government to fund its myriad public services. However, the collection process is administratively demanding (Larkin, Sanders, Andresen, & Algate, 2018).

Previously, at the district government, Batubara itself, incentive spending on PPJ collection was part of the employee budget, which was presented at Rp 552 billion with a realization of Rp 469 billion or 85.10 percent (Munandar, 2011). The realization of personnel expenditures includes the PPJ collection incentive expenditure of Rp. 642 million. Based on the documents received by Klikanggaran.com, the accountability for the realization of PPJ collection incentive spending and PPJ income, it is known that the PPJ collection is carried out by the Batubarra Regency Government but by PT PLN (Persero). However, it only realized the incentive spending on PPJ collected by PT PLN of Rp 431 million. So, with some of the problems above, with the leakage or waste in the city of Sibolga, it is an important note for the state audit agency not to budget and realize the PPJ collection incentive spending in the 2017 Fiscal Year beyond.

So that the public believes that there is a modus operandi in the budget leak, Of citizens from the government is not an isolated phenomenon (Mathews & Mathews, 1999), which needs to be investigated by law

enforcement. This study aimed to obtain empirical evidence of the impact of budget leakage on infrastructure development in the North Sumatra district. The urgency of the research is that the government can use the government's budget for the needs of the surrounding community. So that regional infrastructure can also develop and be used for the community's needs in general, Regional policy aims at creating conditions for a healthy economic structure by stimulating the economic development, eliminating bottlenecks for growth and modifying less desirable development tendencies (Nijkamp, de Graaff, & Sigar, 1981). The Regional Government System consists of 2 subsystems: the Regional Financial Management Unit (SKPKD) and the Regional Work Unit (SKPD). SKPD financial reports are the source of financial reports (SKPKD). Therefore SKPD financial reports must be carried out as well as possible, based on the Government Accounting System (SAP). Transactions in SKKPD are classified as work unit transactions and regional government transactions.

Method

The method used in this research is a descriptive quantitative method Qualitative and descriptive research methods have been very common procedures for conducting research in many disciplines, including education, psychology, and social sciences (Nassaji, 2015), the type of research used is causal. The objective is to empirically prove the impact of budget leakage on infrastructure development in the Batubara district.

Meanwhile, the policy outputs are related to budget leakage on government infrastructure development to overcome leakage/waste as for some of the indicators used in this study in the form of budgets and the realization of employee expenditure budgets (Haryanto, 2017). The data collection technique used is secondary data generated from the 2021 budget realization report data.

While the primary data used is interviews related to budget leakage/wasting to budget users. Descriptive research analysis method.

Results and Discussion

From the study results, it can be said that the impact of budget leakage on the city

of Sibolga is classified as non-existent (Gordon, Calantone, & di Benedetto, 1993). This is because the city of Sibolga is the smallest in Indonesia. so that the amount of the PAD budget is only Rp. 609,443,390,610.

Expenditure Budget Allocation Table in the Sibolga City Regional Budget		
Operation Shopping	Rp 604.097.796.142	78.25 %
Capital Expenditure	Rp 518.898.596.570	67.21 %
Unexpected Shopping	Rp 80.217.154.699	10.39 %
Transfer Shopping	Rp 4.982.044.873	0.65 %
Expenditure Budget Allocation in the SIBOLGA CITY APBD Rp 772.048.751.529		

From the table above, it can be concluded that for operating expenses of 604.97,796,142 while for capital expenditures of Rp. 518,898,596,570 for unexpected expenditures of Rp. 80,217,154,699 and transfer expenditures of Rp. 4,982,044,873. from the above funds, it can be concluded that the budget leak for infrastructure development in Sibolga has no effect. This is because the city of Sibolga has a low PAD compared to other cities in the province of North Sumatra (Sari, Saputra, & Chrisna, 2022).

Development of MSME development so that the city of Sibolga can open up opportunities for investors to want to invest in advancing the city of Sibolga. Including the development of a more modern market, then the development of areas with the potential for nature tourism. With many investors investing in Sibolga, it can increase the PAD of the city of Sibolga. In terms of budget leakage, it is unlikely that it will occur in the city of Sibolga.

Conclusion

From the study results, it can be said that the impact of budget leakage on the city of Sibolga is classified as non-existent. This is

because the city of Sibolga is the smallest in Indonesia. so that the amount of the PAD budget is only Rp. 609,443,390,610. The leakage of the budget on infrastructure development in the city of Sibolga has no effect. This is because the city of Sibolga has a low PAD compared to other cities in the province of North Sumatra.

It is necessary for the government's efforts to continue to pay attention to the development of the MSME sector and infrastructure in the city of Sibolga. This is because the city of Sibolga is one of the largest contributors to natural products in the form of marine products such as fish and so on. The city of Sibolga needs special attention to improve its infrastructure development.

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