

ANALYSIS OF APBD SILPA AND CASH FLOW IN THE USE OF CAPITAL EXPENDITURE IN THE DISTRICT GOVERNMENT OF KARO

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ABSTRACT

This study focused to determine the contribution SILPA and Cash Flow in the use of the Capital Expenditure in Karo regency government . Samples are Regional Treasurer (BUD) Karo form of Local Government Financial Statements from 2010 to 2015. The research approach is descriptive research approach by conducting analysis of Contributions . The results of this study indicate that the Revenue Funding is SiLPA which has a small contribution to the funding of the Capital Expenditure. While cash flow has Immense Contributions in funding the Capital Expenditure by percentage consistently 100%.

Keywords : The Remaining Budget, Cash Flows, Fiscal Year , Use of the Capital Expenditure

I. INTRODUCTION

1.1. Background of the Problem

In the era of fiscal decentralization, giving the authority to the regions in their own households is expected to support the improvement of services in various sectors especially public sector. Service improvement in the public sector includes the availability of equipment and infrastructure. The availability of them is allocated by local government in capital expenditure. Therefore, from various types of regional budget, the source of financing for capital expenditure has not been determined in the laws specifically, but all types of acceptance region can be allocated to fund the regional expenditure, one of them is capital expenditure, besides the sources of funds to finance capital expenditure comes from the regional financing namely the remaining of more Budget calculations (SiLPA), the acceptance area loan, Regional Reserve Fund and the proceeds from the sale of the wealth of areas that separated (regulations Number 33 2004). The remaining of more budget calculations (SiLPA) is the difference in the more of realization of the acceptance and budget spending during a period of budget (Permendagri 13 2006). SiLPA in Local Government Financial Report (LKPD) District

2. Literature Review

2.1 Theoretical Framework

2.1.1 Capital expenditure

Capital expenditure is budget for fixed assets and other assets that benefit more than one accounting period (Government Regulation No. 71 2010). Capital expenditure is a component of the direct spending in the government budget

that produce output in the form of fixed assets. In the utilization of fixed assets produced is synthesized directly with the public service or used by the community (such as roads, bridges, sidewalks, sports building, stadium, jogging track, drainage, and beacon traffic) and is not directly used by the general public (such as office building of government). In the public policy perspective, most of the capital spending related to the public service so that each annual budget amounts large relatively. Things which are needed to be addressed in the budgeting process of capital expenditure is attributable to spending after fixed assets obtained, i.e. operational expenditure and maintenance of assets remain concerned. It is necessary to do the counting carefully so that it is not a burden on the budget in the form of a reduction of the budget allocation for the field/other sectors. It can be concluded that the capital expenditure is a type of direct spending that can be used to finance the supplying of assets and also facilities and infrastructure for the benefit of the government and public.

The source of financing for capital expenditure has not been determined the regulations specifically. But all kinds of resources regional acceptance can be allocated to fund the regional expenditure one of which is the capital expenditure. Resources of regional acceptance (regulation No. 33 2004) that can be used as a source of regional expenditure come from regional income and the acceptance of financing. Local revenues originate from the original regional income (PAD): Regional taxes, levies area, the results of the regional wealth management separated, and other PAD invalid. Balanced-subsidy: funds for the

results of the General Allocation Fund and the Special Allocation Fund. Miscellaneous a valid income: the proceeds from the sale of the wealth of the area that is separated, current account services, interest income, the benefits of the difference in the exchange rate of the rupiah against the foreign currency and the commission, pieces, or any other form as a result of sales and/or procurement of goods or services by the local government while the acceptance of regional financing stems from those of the previous budget year SiLPA, the Acceptance Area Loan, reserve fund areas and Results Sales of regional wealth.

1.2 Government Financial Report

In accordance with the applicable SAP is currently based on SAP akrual regulated in the Regulation of the Government of the Republic of Indonesia No.71/2010 (PP) 71/2010 about Accounting Standards of Government, where according to the explanation of the regulation of the Financial Report is the size of the normative which needs to be realized in the accounting information so that it can fulfill the purpose. Financial reports that are generated from the implementation of the SAP based on Akrual intended to provide greater benefits for stakeholders, both the users and audit government financial report, compared with the costs incurred.

Main Financial Report consists of the first report on budget (LRA), the realization of the total funding report presents the elements which are the income of the LRA, Shopping, Transfer, The Surplus/deficit of LRA, Funding and the remaining more/less budget financing. Second, the Report Changes Budget Balance More (The Report Changes SAL) presents the elements of the budget balance earlier period, the use of budget balance, the remaining more/less financing of the total funding allocated in the current year, accounting error correction in the previous year and the balance of the budget is the end of the period. Third is the Balance, fourth is Operational Report. The fifth is Cash Flow Report and sixth is the Ekuitas changes report, home equity, a surplus/deficit LO on the corresponding period, mentioned that the corrections directly add/imbedded equity and note of the Financial Report.

1. The remaining of More Budget calculations (SiLPA)

According to the Regulation of the minister in the land (Permendagri) Number 13 2006, SiLPA is the remaining funds which are obtained from the actualization of revenue and the regional budget spending during a period. SiLPA is one of the financing sources used to close the budget

deficit as a result of the effort to raise the quality of service and the welfare of the society according to the explanation in the PMK No.45/PMK.02/2006. If SiLPA has large enough area and is estimated to have been able to finance all capital spending areas and for the provision of infrastructure and to improve public services do not have to wait for the transfer of funds from the Central Government. Transfer funds can be allocated for operational spending and unexpected expenditure areas.

2.1.2. Cash Flows

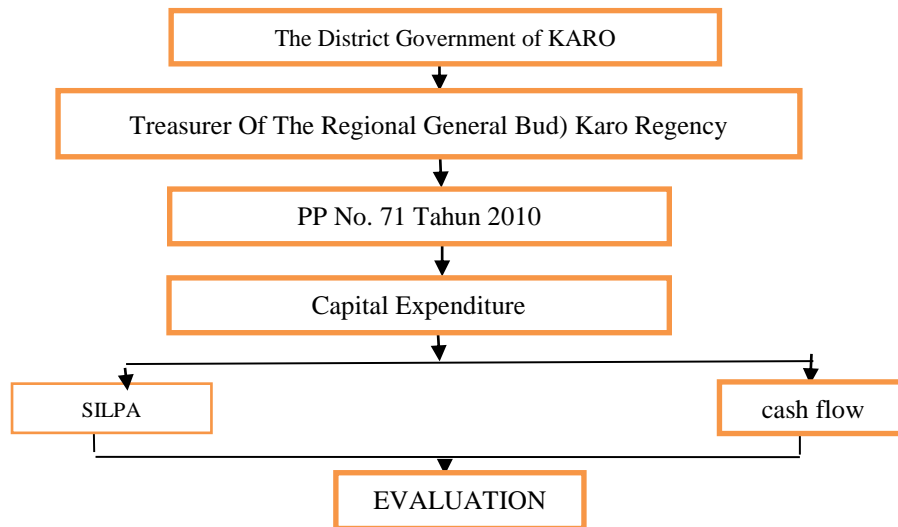
According to the PSAP No. 03 cash flow is the inflow and outflow of cash and cash equivalents at general bursar Country/Region. The Purpose of reporting of cash flows is to provide information about the source of the use of the changes in cash and cash equivalents during a period of accounting and the balance of cash and cash equivalents at reporting date. This information is presented to the accountability of decision which consists of Cash Flows from Operating Activities, the inflow of cash from operating activities mainly obtained from tax revenue; State Revenues (PNBP); the acceptance of grants and the company profit state/region and other investment; outflows of cash for operating activities mainly used for expenditures : personnel expenditure; goods expenditures; interests subsidy; Grants Social Assistance; Shopping Other/Unexpected; and Transfer out. The activities of non-financial of asset investment, Financing Activities and Non- budget Activity.

2.2. Conceptual Framework

As the autonomous region, local government is given authority widely by Central Government to manage his own household to accelerate the realization of community welfare in the preparation and presentation of the financial report of the government which is regulated by the Government Accounting Standards (SAP). The SAP that is happening now is based on SAP akrual regulated in the Regulation of the Government of the Republic of Indonesia Number 71 2010 about accounting standards of government. The function of the implementation of the acceptance and expenditure in the context of the implementation of the budget on local government is carried out by the treasurer of the Regional General (BUD). Description of the absorption of the budget based on the report SKPD each year only reaches around 65-75%. absorption of cover the expenditure for the employees or routine expenditures and spending non-civil servants or development activities. The cause of the low budget absorption indicated because most development activities both in the procurement of goods and services (construction),

is still in the process to finalization. In the administration of the activities is to absorb the budget. Big or small budget absorption influenced by the implementation of the program/activity which have been planned previously. The Existence of the remaining More Budget calculations (SiLPA) will have an impact on the fulfillment of the composition of spending on the next period. If SiLPA has large enough area and is estimated to have been able to finance the entire spending of region capital, then to the

provision of infrastructure and to improve public services do not have to wait for the transfer of funds from the Central Government. In addition, with the support of the Information cash flow as the indicator number of cash flow in the future will come and will be done by evaluation how big contribution SiLPA and cash flow against the use of capital expenditure. Now the conceptual framework in this research can be described as follows:



Pictrure 2.1 Conceptual Framework

2.3 The hypothesis

The hypothesis in this research is the contribution of SiLPA and cash flow in the use of capital expenditure in the District Government of Karo has been existed.

3. Research Method

3.1. Research Approach

This research approach is descriptive research. This research analyzes the contribution of independent variable in remaining of more budget calculations (SiLPA) and cash flow toward the dependent variables namely capital expenditure.

3.2. Population and Sample /Types and Sources of Data

1. The population and Sample Research

The population is a region generalizations that consists of the object or subject that has the quality and specified characteristics which is determined by the researcher to learn and then drawn the conclusion (Sugiono, 2013:115). The population in this research is the entire SKPD in the District Government of Karo. Sample is part of

a number of characteristics which is owned by the population (Sugiyono 2013:116). Samples in this research is the treasurer of the Regional General or BUD at Karo District in the form of Local Government Financial Report from 2010 until 2015.

2. The type and data sources

The data analyzed in this research is a secondary data namely data that has been processed further and served by the other party. Research data will be Data SiLPA, Cash Flow and capital expenditure from the Financial Report of the Local Government Of Karo 2010 until 2015 which obtained by the treasurer of the Regional General or BUD at Karo Regency.

3.3. The technique of Data Collection

The technique of data collection in this research is the technique of the documentation, namely researchers perform secondary data collection that is obtained from the Financial Management Agency Karo District. In addition, researchers also do literature through books and journals related to problems that are examined.

3.4. Data Analysis Techniques

This research is Descriptive Research using Analysis Techniques Contribution, where this analysis techniques used to know how big the contribution that can be given from SiLPA and cash flow to fund capital spending or expenditure. Comparison used is the large number of SiLPA and cash flow to capital spending or expenditure. The Formula used to calculate

$$Pn_{1,..,n} = (Q Xn_{1,..,n} / QYn_{1,..,n}) \times 100\%$$

Exp:

Pn_1 = Contribution of SiLPA

QXn_1 = The amount of SiLPA APBD for capital expenditure

QYn = Capital expenditure/ capital spending

Pn_2 = Contribution of cash flow

QXn_2 = Total amount of cash flow

QYn = Capital expenditure/ capital spending

The identification of the classification criteria for the contribution is as follows:

- 80% - 100% = Very Large
- 60% - 79% = Great
- 40% - 59% = Large enough
- 20% - 39% = Enough
- 0 percent - 19 % = Small

4. The Research Results and Discussion

4.1. Research Results

4.1.1. The remaining of more budget calculations (SiLPA)

The remaining of budget more in the previous year which becomes the reception in the current year (SiLPA) is the source of the internal acceptance of Local Government can be used to fund the activities of the current year. There are two forms of the use of SiLPA, to continue activities that have not been completed in the previous year and finance new activities that are not in the Regional Budget, advanced and new activities are:

1. Advanced Activities

Advanced activities from the previous year were carried out at the beginning of the current year using the remaining budget that has not been consumed with first specify of the implementation of advanced budget document at the end of the previous year.

2. New Activities

In the budget change, adding new activities throughout can be completed until the end of the year budget, except in cases of urgent or emergency.

The following data regarding SiLPA in Karo District Budget in 2010-2015:

The table 4.1 SiLPA Karo Regency in 2010-2015

| The Year | The amount of (Rp) |
|----------|--------------------|
| 2010 | 90.192.898.547,97 |
| 2011 | 87.056.467.841,44 |
| 2012 | 59.911.419.786,79 |
| 2013 | 62.901.983.640,00 |
| 2014 | 70.562.342.863,62 |
| 2015 | 192.660.598.081,89 |

Source: financial reports of the District Government DPPKAD Karo, 2016

1.2. Cash Flows

The vast number of cash flow which is the total of income and the acceptance of finance accumulates can be used by the local government to fund the regional budget expenditure of both direct and indirect spending. Cash Flow is expected to contribute in terms of the financing in order to increase the amount of fixed assets which is allocated in the form of capital spending. The following data regarding in Karo District Budget year 2010-2015:

4.1.3. Capital Expenditure

Capital Expenditure is budget spending for fixed assets and other assets that gives benefit more than one period of accounting. In other words capital spending is done in the frame of the addition of the capital increase fixed assets/inventory has a value of more than one accounting period. The following is the capital expenditure data at Karo District Budget Year 2010-2015 :

The table 4.3 capital expenditure at Karo Regency Year 2010-2015

| The Year | The amount of (Rp) |
|----------|--------------------|
| 2010 | 92.129.440.832,00 |
| 2011 | 128.447.914.559,00 |
| 2012 | 153.195.511.970,00 |
| 2013 | 245.358.709.245,00 |
| 2014 | 155.665.020.656,27 |
| 2015 | 300.098.182.224,30 |

Source: Financial Reports of the District Government DPPKAD Karo, 2016

4.2. Hypothesis Testing

Based on the results of research on the Regional Budget of SiLPA Analysis and cash flow in the use of capital spending in the District Government of Karo, then hypothesis test analysis contribution is done as follows:

4.2.1. Analysis of the contribution of SiLPA against capital expenditure

SILPA is one of the sources of the acceptance of the financing that can be used to fund capital spending, they are as follows:

1. The budget year 2010 = $(4.652.978.500 / 92.129.440.832) \times 100\% = 5,05\%$
2. The budget year 2011 = $274.788.000 / 128.447.914.559 \times 100\% = 8.78\%$
3. The budget year 2012 = $(0 / 153.195.511.970) \times 100\% =$ The lowest infection rate was from 0.00%
4. The budget year 2013 = $(0 / 245.358.709.245) \times 100\% =$ The lowest infection rate was from 0.00%
5. The budget year 2014 = $(4.343.054.076 / 55.665.020.656,27) \times 100\% =$ about 2,79%
6. The budget year 2015 = $(190.674.074.900 / 300.098.182.224,30) \times 100\% = 65,53\%$

4.2.2. Analysis of cash flows of capital spending

The amount of funds the Cash Flows of Income plus with the acceptance of the financing is expected to contribute to fund the addition of fixed assets especially in the field of

4.3. The Discussion

4.3.1. SiLPA contribution in the use of capital expenditure

From the analysis of the contribution of the year 2010-2015 SiLPA is known that the number of funds from the budget which is used to fund the capital expenditure is on 2015 of 65,53% to the activities of the rehabilitation and reconstruction of the post-disaster Handling Eruption Mount Sinabung, for years 2014 of about 2,79 % is for education assistance, Rehab and Development office building, computer, Mebeulair Procurement and Procurement of Vehicles for office Operational . For 2013 and 2012 there was no addition of fixed assets financed by the Budget SiLPA. For 2011 of 8.78 % is to support the implementation of Compulsory Education Program in nine-year Basic Education Program, Medium, Market Development in the sub-district Tigapanah, support for the development program of tourism destinations and support for the program to increase the production of fisheries. The year 2010 which amounts 5,05% is for manufacturing the fence SD found in several sub districts in Karo and it was also used for the procurement of tools of communication,

Infrastructure in Karo District, to see the great contribution of cash flow to the addition of fixed assets/capital spending , and the result is obtained like the following :

1. The budget year 2010 = $(92.129.440.832 / 674.964.354.106,44) \times 100\% = 13,65\%$
2. The budget year 2011 = $(737.316.697.173,79 / 128.447.914.559) \times 100\% = 574,02\%$
3. The budget year 2012 = $(813.300.262.762,96 / 153.195.511.970) \times 100\% = 530,89\%$
4. The budget year 2013 = $(973.156.059.802,13 / 245.358.709.245) \times 100\% = 396,63\%$
5. The budget year 2014 = $(1.082.639.526.532, / 155.665.020.656,27) \times 100\% = 695,49\%$
7. The budget year 2015 = $(1.470.422.718.815,9 / 300.098.182.224,3) \times 100\% = 537,75\%$

mebeulair, the computer and the procurement of the studio tools.

4.3.2. The contribution of cash flow in the use of capital expenditure

From the analysis of the contribution of the year 2010-2015 is known that the amount of funds of the Cash Flows used to fund capital spending based on the results of the analysis of the contribution of the above 100%, where in accordance with the specified identification which is determined shows that cash flows contribute very large in terms of the funding of capital expenditure. In this case in accordance with the data found in the report on budget and in the analysis by using the analysis of the contribution of cash flow contributes large enough in terms of infrastructure development in the district of Karo especially the development of the irrigation network, where the irrigation network is an important asset which taking into account that the main source of income of Karo District is Agriculture. Besides the availability of cash flows to the District Government of Karo also contributed to the development of the road access/Office Building and supporting facilities in other public infrastructure/facilities.

5. The Conclusion and Suggestions

5.1. Conclusion

1. The condition of the financial management in Karo district during 6 (six) budget years was started from the year 2010-2015. It did not run effectively and efficiently. It is shown with having a budget that is not absorbed namely SiLPA.

2. The remaining of more budget calculations (SiLPA) APBD 2010-2015 budget year has a small contribution toward the funding of capital spending. The funding of capital expenditure that uses SiLPA funds is dominated more for activities in the Education Office and Office Administration Services Program and also the Program of

- Improving Facilities and Infrastructure in the SKPD in Karo District.
3. Cash Flow has a huge contribution in the funding of capital expenditure by the percentage of above 100%, this shows that Karo District in the implementation of their activities still uses help from local revenues and transfer funds income. In this case, in accordance with the Regional Financial Report, Transfer Funds still dominate.
 4. The availability of capital expenditure is in the form of fixed assets which have a big role in increasing infrastructure services where with adequate infrastructure will provide the good enough support for the improvement of education service, health, improvement of roads access and other infrastructure improvements that will support the interest investor to invest in Karo District. In addition, with the availability of asset through capital expenditure helps SKPD to work effectively with the availability of means of Prasana Offices in each SKPD.

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5.2 Suggestions

For the next researcher can use the same variable but the location of the research in other government in North Sumatra and then compare with the Government of Karo District. With the existence of the official forum provided by the regional government that is through Musrenbang Village and Musrenbang Sub-Districts, community should consider and evaluate to region government performance and give suggestion related to the local government performance that has not been optimal, first in infrastructure development that is still considered less than maximum in each village and sub-district. For the regional government should pay attention to the Areas Financial Management so the financial management can be done more effectively and efficiently. To evaluate the budget SKPD per quarters that before the budget year ended, it can be ensured that the budget has been absorbed and activities that are especially directly related to the interests of the community that has been running well.

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