An Institutional Explanation of the Role of Legislature Accountability in Local Government Budgetary Decision-Making

Mursal Salam[1], Muhd Fauzi Abd Rahman[2], Sharifah Norzehan Syed Yusuf[3*], Jamaliah Said[3] and Wihana Kirana Jaya[4]

[1]Yayasan Pemberdayaan dan Pengembangan Bisnis Bogor, Indonesia
[2]INTI International College Subang / Swinburne University of Technology, Malaysia
[3]Accounting Research Institute (HICoE), Universiti Teknologi MARA, Malaysia
[4]Faculty of Economics and Business, Universitas Gadjah Mada, Yogyakarta, Indonesia

ABSTRACT

Legislature plays an important role to ensure accountability in the budgetary decision-making of the Indonesian local government. The legislature's accountability role in budgetary decision-making concerns the Indonesian local government. Thus, this research investigated the legislature's accountability role in the budgeting process and institution's budgetary decision-making. It also examined the planning and budgeting documents in the budget policy-making by the legislature from the Institutional perspective. This research used a qualitative approach and selected three (3) local governments in Indonesia as case study sites. The three case study sites selected represented local governments with high, medium and low fiscal capacity. Data were collected using interviews with 19 budget actors from the three case study sites. The findings revealed institutional weaknesses in the form of norms and rules about legislature in their regional decisions. The regional decision-making and discussions or forums on budget spending and financing among the legislature were found to be politically driven and lacked focus on technical matters such as value for money. The findings of this research provide some basis for strengthening the regulation by central government authorities regarding the role of the legislature in decision-making based on the principles of transparency and accountability.

INTRODUCTION

In Indonesia, the legislature has a strategic function in the budgeting process and is accountable to the government and the public. Ideally, the legislature decides either to increase or reduce the budget allocations for government agencies based on their performance, as reported in Performance Accountability Report (PAR). On the contrary, legislatures decide on budget allocations for each government agency based on their discretions and may not review information from the Performance Accountability Report (PAR).

A government agency generally has better information on how best to allocate resources to achieve the objectives of programs. Since budgetary decision-making involves many institutions and officials, it creates principal-agent relationships. Hou et al. (2011) and Gooneratne and Hoque (2015) stated that government agencies can be seen as agents who prepare budgets, while the legislators are the principals who examine and authorise them. Due to the involvement of many parties, agency problems may occur. Folscher (2007) highlighted various principal-agent relational issues that are potentially problematical such as the relationship between the finance division and line division, with hidden information and hidden actions often persisting.

Budget decision-making is rarely made in one office by one individual (Folscher, 2007). An essential feature of public budgeting is that those who hold the best information about the performance of programs are rarely those who make decisions for budget allocation.

In Indonesia, the local legislature is known as the *Dewan Perwakilan Rakyat Daerah* or District People's Representative Council (DPRD) and has not gained much public trust. The Poltracking Survey in 2017 placed the legislature with the lowest ranking for the level of public trust (Detiknews, 2017). The legislature was ranked number 12 out of the 13 democratic institutions surveyed. The low ranking given to the DPRD was because of the distrust towards the Local legislature in performing its role. The survey also found that public satisfaction towards the legislature role was below 50 per cent. The respondents' satisfaction towards the legislature's role in its supervisory function was only 36 per cent, making laws 35 per cent, budgeting 33 per cent, and channelling public aspirations 29 per cent.

The number of corruption cases is a sign of weak legislative performance in the budgeting function. Collusions between the legislature and the executive or other parties based on mutual interests may happen during the preparation of the *Anggaran Pendapatan dan Belanja Daerah* (APBD) or Regional Income and Expenditure Budget. Collusion is a cooperative action (Rechtman, 2019) and an evil conspiracy among parties to seek undocumented rewards. The potential avenue to collude made corruption cases among DPRD members phenomenal. For example, in 2015, 41 people from 45 DPRD members of Malang City, East Java, were named suspects by the Corruption Eradication Commission (KPK) for alleged bribery in the discussion of the Malang City Regional Budget (Kompas.com, 2018). KPK had named 184 legislature members from 22 regions as suspects in corruption cases (Kompas.com, 2018).

Many studies have been conducted relating to the budgeting process in the government sector. However, they have not been written from the perspective of the legislature's accountability role in the budgetary process. Thus, this research investigated the legislature's accountability role in the budgeting process and the institution's budgetary decision-making. It also examined the planning and budgeting documents in the budget policy-making by the legislature from the Institutional perspective. This research used a qualitative approach and selected three (3) local governments in Indonesia as case study sites.

LITERATURE REVIEW

In 2001, Indonesia implemented decentralisation by issuing Law no. 22 of 1999 concerning the Regional Government and Law no. 25/1999 Fiscal Balance of Central Government and Regional Government, then amended by Law Number 23 of 2014 concerning the Regional Government. The central government gave powers to regional governments to make decisions as regulated by this law, except in the fields of military and defence, fiscal and monetary, religion, judiciary, and foreign affairs. A large development budget was also given to local governments to manage, and enormous human resources were transferred to local governments to exercise these new powers. This is a "big bang policy" that radically and quickly cedes most of the power and authority of the central government to local governments (Hofman & Kaiser, 2002; Mahi, 2016).

The performance-based budgeting system (PBB) was also implemented in line with decentralisation in Indonesia. This system is governed by three national laws, namely, Law Number 17 of 2003 concerning State Finances, Law of the State Treasury Number 1 of 2004, and Government Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management. PBB integrates information and performance analysis into the entire budget process, starting from budget preparation by the executive until decision-making on budget allocation by the legislature. The entire budget process is carried out by government agencies so that government resources can be used more efficiently, cost-effectively, and accountably to achieve the policy goals and priorities of policymakers (Ho & Zhao, 2019).

The implementation of PBB has been followed by an increase in the government accountability system, which includes an increase in the legislature's role in the budgeting process (Sterck, 2007). A study by Kamaludin et al. (2022) on the legislative election found an element of political interest in the decisions they made during budget discussions.

A legislature is a group of political people who campaign with their political promises. After the political election, the legislature will ensure they keep their promises made during the election campaign. In almost all constitutional systems of various countries, it is generally agreed that the executive body has a fundamental role in preparing the draft state budget and presenting it to the legislature. The legislature then has the right to discuss, debate, and sometimes make changes to, approve or reject the executive budget proposals (Gustafson, 2003; Sanisyah, 2022).

There are four reasons why the legislature plays a vital role in the budgeting process: (1) the constitutional requirements and the power of the purse; (2) check and balance in the framework of good governance; (3) openness and transparency; and (4) the participation and development of consensus/deliberation. These reasons provide legitimacy for the legislative bodies to engage in state budgeting (Wehner, 2004).

The legislature's role in the public budget is increasingly gaining attention after reforms have taken place in Indonesia. Before the 1980s, the legislature's role was not conspicuous. This also happens in the local governments in Indonesia, where provincial legislatures are often referred

to only as Stampers (Yudoyono, 2003; Sunarso, 2005). In contrast to the post-reform era, the legislature must ensure that accountability is upheld in the local government administration which includes strategic policy design and execution and decision -making.

Institutional Theory and Conceptual Framework

The institutional theory provides a perspective to view how social decisions are shaped, mediated, and channelled by institutional activities (DiMaggio & Powell, 1991). It provides a framework to analyse how individual preferences, thoughts and behaviour are shaped and influenced by institutional forces (DiMaggio & Powell, 1991a). Lounsbury (2008) states that 'broader contexts facilitate cognitive, normative and regulative pressures that fundamentally shape organisational behaviour' (see also Scott, 2008; Lounsbury, 2008; Butkeviciene & Sekliuckiene, 2022). Discussion of new institutional theory in this section focuses on two themes: (1) the two models in the decision-making process (i.e., rational and institutional); and (2) the process of isomorphism and legitimacy.

Secchi (2011) defines decision-making as a rational process that includes three types of decisions, (a) mechanical, (b) decisions that imply choice, and (c) creative. Government organisations' decision-making methods vary widely based on many factors, including leadership direction, politics, policies and laws, resources, organisational culture, and budget. To properly understand the complexity of managerial decision-making, we must first understand how the basic types of decisions are applied. Automated decision-making implies that decisions are routine and made without thinking, usually repetitive (Secchi, 2011).

One of the rational models is the collection of information that includes available data regarding decisions made to ensure decisions are made with the most accurate and up-to-date data, tools and data science (Secchi, 2011). Once goals have been set and information gathered, actions to achieve the plans can be developed. Activities will be produced as alternatives that can be prioritised, sequenced and analysed using cost-benefit analysis while determining the impact on society of each alternative or action. There is also a need to evaluate these actions against organisational and possibly government policies to avoid non-compliance. The analysis of theoretical

perspectives and evaluation of complex problems will be incorporated into the information-gathering and analysis stages of decision-making. At the end of the process, it is hoped that logical or rational decisions will emerge from structured decision-making.

Budgeting institutions, in general, are a collection of formal and informal rules and principles that govern the budgeting process in the executive and legislative branches (Barbakem et al., 2018; Palar et al., 2017; Primastuti, 2018; Sumiati et al., 2021). Budgeting institutions divide the budgeting process into different steps, determine who does what and when in each step, and regulate the flow of information among the various actors. So for collusion, individual agents can be held accountable for their actions (Shah, 2007).

Formal institutions generally direct the budgeting process of the local governments in Indonesia in the form of laws and regulations on regional financial management and technical guidelines required by the central government as well as regional regulations (Aliyah & Nahar, 2012; Indah et al., 2017; Nasution, 2018; Pujiono et al., 2016). As the provincial government's annual financial plan, the APBD describes all regional rights and obligations in the context of administering the regional government, which can be valued in money, including all forms of wealth related to regional rights and obligations in one year.
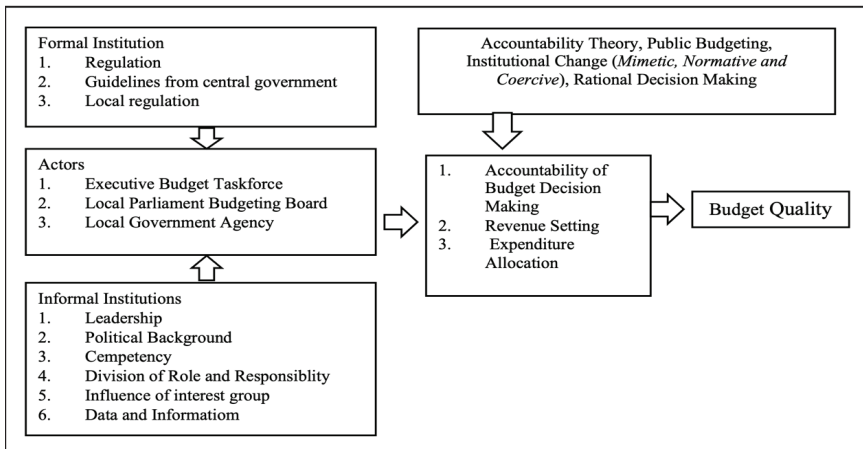

Figure 1: Conceptual Framework

In practice, informal institutions also influence the accountability of budgetary decision-making by the legislature (Firman & Alam, 2015; Kharisma, 2014), including, the role of Local Legislature Budgeting Board (LPBB) leaders in budget decision-making, the background of local origin and LPBB member party, the capacity of LPBB members in budget analysis, division of duties and responsibilities of LPBB members, influence from an interest group and data and information support in making budgetary decisions by LPBB.

Furthermore, the institution of budgetary decision-making by the legislature mainly follows the regulations and norms set out in the laws and regulations. Still, informal factors will also influence it, gradually becoming unwritten habits and norms in setting budget decisions. The direction of the movement of these norms can be seen from an institutional perspective, in the form of mimetic, normative and coercive. In addition, budget decision-making can also be seen from the standpoint of accounting theory and rational decision-making. It can also be seen from an institutional perspective, in the form of mimetic, normative and coercive.

METHODOLOGY

This research adopted a qualitative case study approach. The case study method is ideal for answering the 'how' and 'why' research questions (Ying, in-depth (Creswell & Creswell, 2018). This method can also be seen as an alternative due to the impossibility of studying society. Besides that, it offers broader conclusions about societal trends and developments.

Three regencies and municipalities were chosen as the unit of analysis for this study. The selection of the three regions was inseparable from the unique characteristics of the three regions in terms of demographic, social, economic, and budget size managed by the three regencies/municipality governments.

**Table 1: Differences in Demographic, Social and Economic
Contexts in 3 Regions that Become Research Site**

Socio Demographic Factor	Banjar Municipality	Purworejo Regency	Kutai Kartanegara Regency
Area	Urban	Rural	Mining Area
Population	Density	Density	Sparse
Economic Base	Trade and Services Base	Agriculture	Mining and Natural Resouces
Local Budget	Small Budget	Medium Budget	Large Budget

Table 1 above explains the demographic, social and economic differences in the three research area. Banjar Municipality is an urban area with a dense population, a financial trade and services base, with a small local budget. Then, Purworejo Regency is a rural area with a reasonably dense population based on an agricultural economy and with a moderate budget. Lastly, Kutai Kartanegara Regency is an affluent area in East Kalimantan Province with significant natural mining resources, a sparse population, and an economic mining base with a substantial local budget value.

Data Collection

Data collection was carried out using interviews and policy document reviews. The researcher made prior contact and correspondence with stakeholder budgeting in local government to secure formal and non-formal communication.
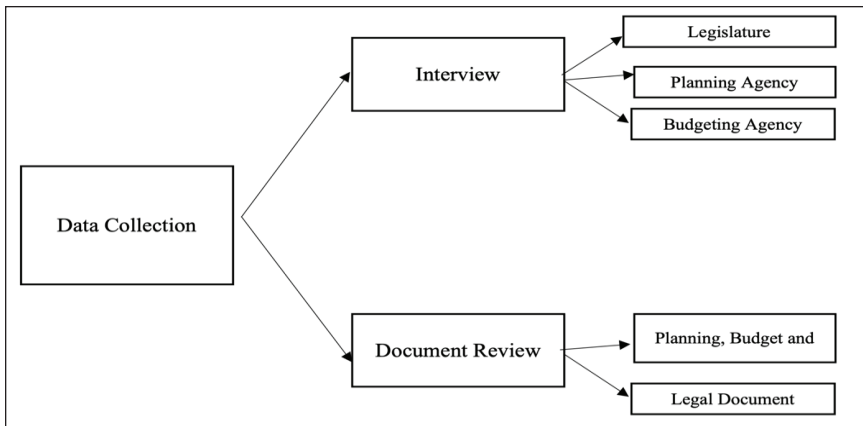

Figure 2: Data Collection

Interview

In qualitative research, a form of interview is the most commonly used method of data collection (Yin, 2018). Interviews aim to generate data that gives an authentic insight into what is being researched and to understand and document others' understanding. This study used the interview method as the main instrument of data collection.

Several interview approaches could be used, i.e., structured, semi-structured, unstructured, and oral history (Bryman, 2012; Guthrie, 2010). As a structured interview is more restrictive than a semi-structured one, this research used the semi-structured interview as a primary data collection method. Semi-structured interviews use a guide to directly compare information from different interviews (Guthrie, 2010). In addition, Bryman (2012) suggests that conducting interviews in a qualitative approach should be less structured and more flexible, emphasising the interviewee's point of view.

The semi-structured interview allows the researcher to do more than once with the same interviewee if needed and is free to raise new question(s) in response to particular answers. The degree of flexibility and freedom to improvise questions are the advantages of the semi-structured interview. However, the researcher prepared guidance for the interview for the researcher to be able to gain some control over the conversation. The interview guide of the study has an introduction and a list of questions. The length of each interview lasted a reasonable duration of an hour, and only a few of the interviews took as long as two hours or more.

The researcher himself conducted interviews with informants using semi-structured and randomised questions. Random interview questions are needed by adjusting the conditions of the informants because not all informants understand the core questions, so other alternative questions are needed so the informants can answer that. During an interview, the researcher was initially guided by the semi-structured list of themes or issues. All conversations were recorded with a tape recorder that the researcher carried. At the same time, the researcher also noted some emphasis given by the informant, including confidential information that the source must not be disclosed (Neuman, 2014). The researcher completed face-to-face interviews between approximately 30 to 60 minutes naturally or informally.

The study interviewed 19 respondents from three case study sites: four interviewees from Banjar Municipality, six from Kutai Kartanegara Regency, seven from Purworejo Regency and two are the consultants helping local government in the budgeting process at these three case study sites. Overall, respondents were interviewed during the first round of data collection, while the remaining were interviewed during the second round.

Table 2: List of Interview

NO	INSTITUTIONS	POSITIONS	INVOLVEMENT IN BUDGETING PROCES	INTERVIEW DATES
R1	Planning office Kutai Kartanegara	Program Planner	Local Government Budget Board	November, 01, 2019
R2	Legislature secretariat office Kutai Kartanegara	Head of Planning Office	Local Government Budget Board	November, 01, 2019
R3.	LPBB Memmber of Kutai Kartanegara	Memeber LPBB	Local Government Budget Board	November, 02, 2019
R4	LPBB Memmber of Kutai Kartanegara	Memeber LPBB	Local Government Budget Board	November, 02, 2019
R5	Local Finance Office of Kutai Kartanegara	Local Finance Officer	Chairman of executive Budget	November, 02, 2019
R6	Public Work Office of Kutai Kartanegara	Program Planner	Budget Preparer Unit	November, 02, 2019
R7	Finance office of Banjar Municipality	Budget Specialist	Local Government Budget Board	December, 6, 2019
R8	LPBB Member of Banjar Municipality	Budget Reviewer	Chairman of Legislature budget board	December, 6, 2019
R9	Vice Mayor of Banjar Municipality	Vice Mayor		December , 7,2019
R10	Planning office of Banjar Municipality	Program Planner	Local Government Budget Board	December 14, 2019
R11	Redesign Consulting	Consultant	Consultant of Budget Preparation	December 15, 2019
R12	Center of Local Government Study	Universitas Gadjah mada	Consultant of Budget Praparation	December 1, 2019
R13	Tourism Ofiice of Purworejo Regency	Program Planner	Budget Preparer Unit of Tourism Office	December 1, 2019
R14	Communication and information Departement of Purworejo Regency	Head office Communication and information of Purworejo Regency	Budget Preparer Unit	February 10, 2020

NO	INSTITUTIONS	POSITIONS	INVOLVEMENT IN BUDGETING PROCES	INTERVIEW DATES
R15	Legislature office of Purworejo Regency	Budget Reviewer	Member of legislature budget board	February 22, 2020
R16	Finance office of Purworejo Regency	Head of Finance Office	Local Government Budget Board	February 23, 2020
R17	Planning office of Purworejo Regency	Head of Planning Office	Local Government Budget Board	February 23, 2020
R18	Finance office of Purworejo Regency	Head of Finance Office	Local Government Budget Board	February 24, 2020
R19	Procurement Office of Purworejo Regency	Program Planner	Budget Preparer Unit	February 24, 2020

Policy Documents

The documents collected in this study mainly consisted of various documents relevant to the budgeting process in the observed local governments. The documents were all budget-related such as strategic plan documents, planning and budgeting manual procedures, budget policy documents, minutes of relevant meetings, relevant local regulations, and policies. The researcher also collected relevant documents supporting the primary documents, such as national rules and regulations and local government guidance related to the budgetary process.

Table 3: List of Documents Collected and Analysed During the Study

No	Name of Document	Description	Source
1	National Law No 17 / 2003	National law regarding state financ	MoHA website
2	National Law No 1/ 2004	National law regarding State Treasury	MOF website
3	National Law No 23/ 2014	National law regarding local governance	MoHA website
4	National law No.33/2004	National law regarding financial sharing between central and local	MoHA website
5	National law No.25/2004	National law regarding national system of planning and development	MoHA website
6	MoHA Regulation	Any MoHA regulation derived from national laws and regulation as planning and budgetary guidance	MoHA website

No	Name of Document	Description	Source
7	Proposed budget of Local Government Agency in Banjar, Kutai Kartanegara and Purworejo	Consist of list of proposed programmed and activities including its targeted performance.	Local Governmet of Banjar, Kutai Kartanegara and Purworejo
8	Local Government Mid-term Plans	Consist of targeted performance and programmed of local government for 5 years	Local Governmet of Banjar, Kutai Kartanegara and Purworejo
9	Local Agency Strategic Plan	Consist of targeted performance and programmed of local government agency for 5 years	Local Government Agency in Banjar, Kutai Kartanegara and Purworejo
10	Local Government Annual Work Plan	Consist of targeted performance and programmed of local government for 1 years	Local Governmet of Banjar, Kutai Kartanegara and Purworejo
11	Local Agency Annual Workplan	Consist of targeted performance and programmed of local agency for 1 years	Local Government Agency in Banjar, Kutai Kartanegara and Gama
12	General Budget Policies and Provisional Priorities and Budget Ceiling	Consist General Budget Policies and Priority seting of local Government	Local Governmet of Banjar, Kutai Kartanegara and Purworejo
13	Budget summary	The published budget that has been enacted as a local government law	Local Governmet of Banjar, Kutai Kartanegara and Purworejo

The triangulation process were conducted using the local government policy documents to validate the information obtained from the interviewees conducted at the three case study sites. For example, the interview results regarding the decision to determine the local budget surplus were validated with the information of the budget surplus/deficit in the local budget document. Then the interview results related to the budget decision for the education sector, for example, were validated by how much was the education budget allocation in the local budget document.

Data Analysis

Thematic analysis revealed themes and patterns that allow concepts, insights, and understandings to emerge (Bazeley, 2007; Patton, 2001). Direct quotations were blended into the description and analysis since

they "permit the reader to enter the respondents" situation, thoughts, basic perceptions, and experiences (Patton, 2001). This study took a manual matrix-based approach to data analysis (data displays, data reduction, and conclusion drawing and verification) within and between cases (Miles & Huberman, 1990). Using this approach, critical aspects of data collected were highlighted in transcripts, and selections were sorted and resorted into groups with similar ideas and meanings (Ryan & Bernard, 2003).

The researcher searched for themes or patterns in the data and classified them based on the conceptual framework. Once an examination of each case in each stage was completed, the researcher conducted a cross-case analysis. Analysing the issues simultaneously using cross-case analysis lays a foundation for examining common patterns or significant variations across the cases (Maylor & Blackmon, 2005).

RESULTS AND DISCUSSION

In explaining the legislatures' accountability role, this section used the institutional factors that influence budget policy-making by the legislature as explained in the conceptual framework. Since this was qualitative study, the results and discussions will be weaved together to create meanings. Hence the breakdown of the results and discussion are as follows; The Role of LPBB Leaders in Budget Decision Making, Background of Local Origin and LPBB Member Party, Capacity of LPBB Members in Budget Analysis, Division of Duties and Responsibilities of LPBB Members, Influence from Interest Group and Data and Information Support in Making Budgetary Decisions by Legislature.

The Role of LPBB Leaders in Budget Decision Making

In the three regions that became the research area, the role of leadership greatly influenced the resulting budget decisions. The use of LPBB as an instrument for the council to determine the balance and equal distribution of the number of members of each fraction at the beginning of the council's membership period and the beginning of the session year showed an element of coercive power.

The elected LPBB leaders were generally experienced members of the legislature and have held the position of members of legislatures for several periods. The presence of experienced leaders will lead to consensus budgeting and very rarely long debates among members. This reflected how the experience they have previously gained helped them to make a decision. Emulating what they have done before is a form of institutionalisation in a form of mimetic.

The role of LPBB in budget preparation has fulfilled the stages determined in accordance with the legislation. However, the problem was that the steps carried out still seem half-hearted or just a formality. This reflects the institutional norm where the legislature tends to be opportunistic by using the budgeting process as a tool to fulfil personal interests (Abdullah, 2004).

The legislature's role in preparing local budgets is a form of legitimating policy products that have a formal legal nature (Yamin, 2015). It allows the use of space and time in deliberation and budgeting by the council to exercise its power. Actors use discretionary rights to allocate budgets for individual or group interests. Likewise, when discussing and determining budget changes. The partnership between the executive and the legislature in determining the budget is only intended to accommodate both interests so that interactions occur in power relations (Aufa, 2018). Budget legitimacy is still formally legal only because the executive and legislature produce it as authorised institutions. As a policy product, the budget will be primarily determined by consensus between the executive and the legislature.

Dominant leadership in legislature institutions is often counterproductive in terms of reduced levels of democracy and accountability in decision making (Carey, 2003); in some cases, this will lead to the period before 1980 where the legislature role was not too prominent, where local legislatures are often referred to only as stampers (Sunarso, 2005; Yudoyono, 2003). In addition, they can also be trapped in a closed and traditional leadership model (Matshabaphala, 2017). Some cases of traditional leadership refuse to be accountable to the people they lead, especially in areas rich in natural resources. In some situations, traditional leaders are ostracised from their communities because of friction. The opposite is that conventional leaders

alienate those in society who demand accountability and good governance from traditional authorities.

Furthermore, the involvement of the legislature in making budgetary decisions can only become a symbol and does not touch the substance of more important democratic institutions to produce higher quality budget documents in accordance with the principle of value for money (Mardiasmo, 2015). In this perspective, it is necessary to avoid mechanical decision making, implying that decisions are routine and made without any thought, usually repetitive in nature (Secchi, 2011). In the end, budget decision making must fulfil three decision-making structures, namely; first, there are the people who assume social roles that discuss issues of concern, suggest courses of action, and accept them. The second element is the set of beliefs and values that the members hold in common. Our discussion of social rationality suggests there will be a greater agreement with respect to core social values and policies and lesser agreement with respect to peripheral values and policies. These values define the kind of ideas that can be seriously considered for discussion and decision by the group (Preda & Muradoglu, 2019). The reputations of leaders have impact on the degree of formal accountability mechanisms for their work-related decisions and actions (Hall et al., 2004).

The Capacity of LPBB Members in Budget Analysis

In the three regions, only a few LPBB members hadeconomic and accounting education backgrounds, so they lacked adequate capacity to carry out the budget analysis. However, LPBB members generally reliedon experience analysing and making local budgeting decisions. Kutai Kartanegara Regency, which has the local financial capacity, has budgeted a large enough budget to carry out training on budget analysis training for LPBB members. Meanwhile, Purworejo Regency and Banjar Municipality spent a smaller amount of budget to increase the capacity of LPBB members in the area of local financial analysis. Furthermore, another thing that should be noted here is the sufficient role of staff and experts in supporting budget analysis work carried out by LPBB members.

The capacity of LPBB members is related to the personal background of each member of the board. The personal background is a background related

to human resources. The background in this research is the educational background of the board, the level of education of the board, the experience of the board organisation, the experience of being a board member, years of service in government and training in local finance. Human resources are the main supporting pillar and the driving force of the organisation, so it must be ensured that these human resources are managed as well as possible and will be able to contribute optimally in efforts to achieve organisational goals (Wibowo, 2012). If they can manage these human resources optimally, the service and quality of work of LPBB members will also be better. Knowledge of the budget is the understanding of LPBB members about the budget, starting from the legislation, planning, preparation, implementation, monitoring and accountability stages. The board's knowledge of the budget is very important concerning the implementation of its duties in providing an analysis of the draft budget proposed by the executive. The council's knowledge of the budget is closely related to local financial oversight. A member of the LPBB must know about the regulations, policies, and procedures regarding local finance. The regulations, policies and procedures consist of laws, government regulations, presidential regulations, local regulations, local policies, and others. Knowing the budget owned by council members can assist in carrying out their duties in the supervision of local finances.

One of the consequences of the weak capacity of LPBB members can be seen from the delay in the approval of the budget which led to the delay in program implementation in the local development cycle. There were at least 5 factors that caused delays in the determination of the APBD, namely (1) the commitment factor and the interests of the executive, (2) the coordination and communication factor between the executive and the legislature, (3) the Legislature competence and commitment factor, (4) the coordination factor and LGA competence (5) factors of legislation (Subechan, 2014). Furthermore, delays in the determination of the local budget should not occur, or at least be reduced, if in the preparation of the local budget, the principles of budget preparation have been outlined (there is public participation, budget transparency and accountability, budget discipline, budget justice, and adherence to principles) on the applicable public sector budgeting rules (legal legitimacy, financial legitimacy, and political legitimacy) (Erani, 2015).

In recent years there have been intensive efforts made by the Government to increase the capacity of LPBB members, however, this has had little impact on the quality of work produced by LPBB members. In this perspective, it was realised that there is a combination of mimetic, normative and coercive isomorphism elements in creating institutions that are more capable of making budget decisions that favour the interests of the people in the area.

Capacity building of legislature is significant to build awareness and intelligence in analysing information and making budget decisions. Technical orientation and guidance should increase legislature members' knowledge, skills, and insight according to the needs cycle in carrying out their duties and functions. This means that the implementation of activities for capacity building is in line with the process of discussing the budget and other documents (changes and accountability) so that the outputs of these activities are meaningful and colour the local budget to increase the effectiveness of the local budget in improving people's welfare.

Division of Duties and Responsibilities of LPBB Members

In the three regions, there were still weaknesses in the regulation of the LPBB working mechanism that affected the effectiveness and quality of the resulting budget decisions. In Purworejo Regency and Banjar Municipality, the division of tasks among LPBB members was only done verbally among members. In the local legislature regulations, only a general schedule for discussing budget policy and the local budget was provided without a more detailed description of who is responsible for discussing specific themes in the budget document. In the end, each member of the LPBB has the initiative to choose discussion partners.

Role ambiguity arises when procedures governing the duties and responsibilities of each individual in the organisation are abolished (Trisnawati & Badera, 2015). Role ambiguity can cause individuals to become restless and dissatisfied and reduce their performance. LPBB members experience role ambiguity resulting from a lack of information needed to complete the assigned task or work satisfactorily. Unclear roles can reduce the level of certainty whether the information obtained in decision-making is objective and relevant and can cause LPBB members to experience

pressure and decrease job satisfaction (Azhar, 2013). The ambiguity of roles is seen from the scope of work, meaning that when LPBB members do not feel clear about the boundaries of their duties and responsibilities, they are in a state of role ambiguity. The information factor is said to be the cause of role ambiguity. Role ambiguity is a psychological condition experienced by LPBB members, where they feel that the environmental response to the work they are doing is not being met or their expectations are not being met for the information needed to carry out the work (Rebele & Michaels, 1990).

The weak regulation of standard work mechanisms in budget discussions by LPBB results in the lack of fulfilment of good budgeting institutions expected to produce the desired fiscal performance (Hagen, 2007). Budget institutions can be defined as the formal and informal set of rules and principles that govern the budgeting process in the executive and legislature. This condition shows the existence of mimetic isomorphism, referring to good decision-making practices in business and government institutions that have implemented standard operating procedures as a quality control tool to produce the best decisions in local budgeting practice.

Furthermore, in the perspective of performance accountability, the unclear duties and responsibilities of each member of the LPBB will result in murky accountability chains that are carried out; tasks and accountability mechanisms must be tied to one institution, which is more than a political process and organisational structure of a government. They refer to the clusters of norms and other mechanisms that regulate and sustain behaviours, provide stability to social life, and define the social meanings and appropriateness of actions (March & Olsen, 1989; Scott, 2013).

The Influence of Interest Groups

The influence of community groups and other local development stakeholders was evident in the LPBB's budget decision-making in the three study areas. Interest groups, especially entrepreneurs, were always behind the decisions of programs and projects passed by LPBB members in the budget. Projects targeted for rent-seeking by LPBB members and business people included; the construction of roads, bridges, irrigation and irrigation, construction of school buildings, procurement of furniture and various other physical projects, and then the procurement of specific goods

and services that have significant value. Besides that, the budget item that attracted much attention was capital investment. The External Auditor's findings in recent years stated that there had been irregularities in the capital participation provided by the local government to local Owned Enterprises and the transfer of the use of these funds for business development which could contribute to an increase in own local revenue but instead was distributed among legislature members, government employeescertain regions and entrepreneurs. This condition showed the existence of coercive isomorphism that forced legislature members to accommodate the interests of local development stakeholders, especially entrepreneurs and community members who have helped a member of the legislature to be elected in the election contestation.

The magnitude of the influence of interest groups in making budgetary decisions by legislature members is in line with some previous research which states that local government budget authorities tend to benefit themselves by using the budget. Studies conducted by Adi (2018); Iqbal & Daly (2013) confirm the use of budgets by politicians and bureaucrats for their interests, either for self-welfare or political interest. The findings of these studies show the substantial role the budget plays in accommodating the needs of both the authorities and their constituents. Power utilisation to accomplish self-interest may become a common phenomenon, mainly when the authorities have limited resources to cover the needs.

Public budgeting reflects the relative strength of various budget actors with different interests or preferences on budget outcomes. The existence of limited funds owned by the government is why budgeting is the most critical mechanism for resource allocation (Rubin, 1993).

According to Wildavsky and Caiden (2004), budgeting is a process in which various people or interest groups express different desires and make different decisions. To conclude these different other interests, they present arguments about what is right and just, while in the government, there is a conflict in terms of choosing policies in budgeting. Since the funds in a limited budget must be divided proportionally, there must be a mechanism for separating spending options. In this division, conflicts of interest often occur to be able to control the budget. If any interest group is trying to get more programs or projects favoured, then their strategy is clear: to regulate

"the budgeting process". This resulted in one interest group calling for more of something, but the other group did not.

Furthermore, Wildavsky dan Caiden (2004) stated that the purpose of budgeting is as diverse as the goals of the people involved in its creation; the budget aims to coordinate different activities, complementing each other. Still, the budget also aims for their pleasure, for example, budgeting. For the means, they used mobilising the support of other groups. It is like making important decisions on who wins, who loses, who will be splashed with development sustenance (how much) and who cannot because the implicit or explicit policy process is a political choice.

The weaknesses of budgeting institutions in the regions are marked by opportunities to take advantage of, which are strengthened by the failings of the institutional framework of budget policies characterised by a lack of transparency and accountability. This lack of transparency and accountability allows the budget to be used to serve various interest groups and economic renters.

Data and Information Support in Making Budgetary Decisions by LPBB

The availability of data and information dids not help LPBB members make budget decisions in these three local governments. In the Banjar Municipality, for example, the existence of documents and information from the executive was harsh for LPBB members to use as a basis for making budget decisions because it must be manually linked to the budget materials discussed in the documents are thick and text-based. As a result of these conditions, often decisions made by LPBB members were only based on the subjectivity of LPBB members without being supported by relevant data and information. Then in Purworejo Regency, data and information from the local government were processed by expert staff, which LPBB members can use to make budget decisions. Meanwhile, in Kutai Kartanegara Regency, data and information to support budget decision-making hadbeen compiled in the form of an information system package built by the legislature secretariat. However, the utilisation of the complete data facility seemed to be underutilised by LPBB members because this system interfered with flexibility in making decisions. This condition further indicated the existence

of mimetic isomorphism, which refers to good decision-making practices in business and government institutions that have used complete data and information to make the best decisions in local budgeting practices.

From an institutional perspective, adequate data and information in budget preparation will help create a better quality of budgetary decisions. The studies trying to explore the linkage between information and budget decisions are not only limited but also offer inconclusive results (Ho, 2011). Several studies find that information such as public services' outputs and outcomes exists in a budget decision process (Melitski & Manoharan, 2014) and encourages learning and deliberation among different departments (Moynihan, 2008a, 2008b) but is not taken into serious consideration in terms of budget allocations. However, other studies confirm the linkage between the use of information and the government's spending levels.

By the definition of performance-based budgeting, widely implemented in various parts of the world, information and performance data are key factors that are prerequisites for implementing the performance-based budgeting system. A certain number of revenue and expenditure budgets decided by policymakers must be based on adequate information and performance data. Kong (2005) stated that several aspects that form the basis for budgeting reform are regulations and laws, reward and punishment, and the quality of human resources and technical capabilities in terms of information technology. Andrews (2004) revealed the importance of specific technical capabilities, namely the existence of information technology related to the need to collect performance information and provide databases in an appropriate format for various users and must be compatible with various other systems that provide the basis for government accounting, monitoring, and reporting (Andrews, 2004).

CONCLUSION

The weakness due to the inadequacy of regulatory instruments still characterises the institutional budget decision-making practices in local governments in Indonesia. Various improvements were carried out informally by LPBB members to influence budget decision-making which shows how they upheld their accountability role.

In the three research areas, the role of leadership greatly influenced the resulting budget decisions. The use of the LPBB as an instrument of the council to determine the balance and even distribution of the number of members of each fraction at the beginning of the council's membership period and the beginning of the year of the session indicated an element of coercive power. The elected LPBB leaders have generally been experienced as legislature members and have served as members of the legislature for several periods. The presence of an experienced leader will lead to consensus budgeting and rarely long debates among members. This reflects how their previous experiences helped them make decisions and allowed them to be more effective in upholding their accountability role.

The background of LPPB members also influenced the objectivity of budget decision-making, especially those related to the region and origin of the party;

Only a few LPBB members in the three regions had educational backgrounds in economics, accounting and state finance, so they do not have adequate capacity to conduct budget analysis. The role of adequate staff and experts in supporting budget analysis work carried out by LPBB members. However, this did not impact the quality of work produced by LPBB members. In this perspective, it is realised that there is a combination of mimetic, normative and coercive isomorphism elements in creating institutions that are more capable of making budget decisions that favour the interests of the people in the regions and allow them to perform their accountability role more effectively.

In the three regions, there were still weaknesses in the regulation of LPBB work mechanisms that may affect the effectiveness in performing their accountability role, which is reflected in the quality of the budget decisions. This condition showed the existence of mimetic isomorphism, which refers to good decision-making practices in business and government institutions can be seen if standard operating procedures are adhered to as a quality control tool to produce the best decisions in local budgeting practices. The legislatures' accountability role that these three regions portray showed that the involvement of communities and other regional development stakeholders are important to ensure program and project decisions that LPBB members approved in the budget are executed efficiently and effectively.

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