

# **ANALYSIS OF USE OF REMAINING MORE FINANCIAL BUDGET FINANCING, ANALYSIS OF THE USE OF BACKUP FUNDS AND DIVESTMENT ANALYSIS OF MANAGEMENT OF BUDGET INCOME BUDGET INCOME ON THE GOVERNMENT OF BINJAI CITY**

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## ***Abstract***

The purpose of this study was to determine and analyze whether the use of SiLPA last year, the use of reserve funds, the use of divestment on the management of the local budget in Binjai City Government. The analytical method used in my research is a quantitative method, by testing classic assumptions before getting a good research model. The variables in this study are the use of SiLPA last year, the use of reserve funds and the use of divestment as an independent variable and the level of APBD management as the dependent variable. The population of this study uses the Position of Financial Statements in 2014-2015. The results of this study prove that partially the use of SiLPA last year, The use of Reserve Funds and the Use of Divestment have a significant effect on the Regional Budget Management in Binjai City. This is explained in the Adjusted R Square of 13.3%. The APBD management variable can be explained by the existing independent variables namely the use of SiLPA last year, Use of Reserve Funds and Use of Divestment have an effect on on APBD Management. The remaining 97.7% is influenced by other variables not explained by this research model, but the increase in acceptance of the use of SiLPA last year, the use of Reserve Funds, the use of Divestment, this is evidenced by the relationship has not been able to significantly improve the management of APBD. 3% of the APBD management variable can be explained by the independent variables, namely the use of SiLPA last year, the use of Reserve Funds and the use of Divestment have an effect on the APBD Management. The remaining 97.7% is influenced by other variables not explained by this research model, but the increase in acceptance of the use of SiLPA last year, the use of Reserve Funds, the use of Divestment, this is evidenced by the relationship has not been able to significantly improve the management of APBD. 3% of the APBD management variable can be explained by the independent variables, namely the use of SiLPA last year, the use of Reserve Funds and the use of Divestment have an effect on the APBD Management. The remaining 97.7% is influenced by other variables not explained by this research model, but the increase in acceptance of the use of SiLPA last year, the use of Reserve Funds, the use of Divestment, this is evidenced by the relationship has not been able to significantly improve the management of APBD.

***Keywords: Use of SiLPA of the Last Year, Use of Reserve Funds, Use of Divestment and APBD Management***

## **I. INTRODUCTION**

### **A. Background**

Remaining Budget Financing (SiLPA) in Government Regulation No. 71 of 2010, the definition of the Remaining Budget Financing (SiLPA) is the difference between the realization of revenue-LRA and expenditure, as well as the receipt and expenditure of financing in the APBD / APBN during one reporting period. In the LRA there are also financing receipts and financing expenditures. Financing receipts can be in the form of proceeds from the sale of separated regional assets, domestic loans, and from receiving back loans that have been given by the local government to other parties, while financing expenditures can be in the form of the formation of reserve funds, participation of regional government capital, payment of principal in domestic loans, and lending to other parties. The difference between financing receipts and financing expenditures is net financing, the ability of the fixed assets must be allocated as depreciation expense. The important problem is when allocating depreciation costs, because it will affect the profits formation of reserve funds, inclusion of regional government capital, payment of principal in domestic loans, and provision of loans to other parties. The difference between financing

receipts and financing expenditures is net financing. The difference between the surplus / deficit and net financing is what is referred to as SiLPA (Ardhini, 2011: 27) SiLPA of the previous fiscal year includes exceeding revenue from PAD, exceeding receipt of balancing funds, exceeding other receipts from legal regional income, exceeding receiving financing, saving spending, obligations to third parties until the end of the year have not been completed, and the remaining funds for further activities (Kusnandar and Siswanto, 2012: 8). Ardhini (2011: 27) states that the difference between one-sided income and spending and transfers on the other hand is a surplus or deficit. A surplus occurs when income is greater than expenditure and transfers, while a deficit occurs if income is smaller than expenditure and transfer. Research conducted by Ardhini (2011) and Kusnandar and Siswanto (2012) shows evidence that SiLPA and area size have a positive effect on capital expenditure.

Remaining Budget Financing (SiLPA) according to Permendagri Number 13 of 2006 is the difference in the realization of budgetary revenues and expenditures during one budget period. The SiLPA of the previous fiscal year included exceeding PAD revenues, exceeding balance funds received, exceeding other receipts of legal local revenue, exceeding financing receipts, spending savings, liabilities to third parties until the end of the year has not been resolved, and the remaining funds for continued activities. SiLPA is an indicator that illustrates the efficiency of government spending. SiLPA is actually an indicator of efficiency, because SiLPA will only be formed if there is a surplus in the APBD and at the same time a positive Net Financing, where the revenue component is greater than the financing expenditure component.

The formation of SiLPA if there is a surplus in the Regional Budget and at the same time a positive Net financing, where the revenue component is greater than the Financing expenditure component, it can be used as an indicator of efficiency in a region. SiLPA is also used for crucial issues that were previously approved by the legislature (Ardhini, 2011: 4). In relation to the Regional Budget Revenue and Expenditure (APBD) SiLPA of the previous fiscal year was one component of regional revenue. According to Ardhini (2011) most SiLPA is donated to Direct Expenditures in the form of Capital Expenditures which directly touches people's needs. The rest of the budget is local government funds that have not been used for one fiscal year or still remain at the end of the fiscal year. In the concept of a cash-based budget, the remaining budget is equal to the amount of money or cash the Regional Government has not yet used. SiLPA, there is the rest of last year's budget in the current / related fiscal year APBD. SiLPA is a regional revenue sourced from the remaining cash of the previous fiscal year. And the position of the Binjai City Government LKPD found in the SiLPA in the 2015 APBD is SiLPA for the 2014 fiscal year. While SiLPA in the 2015 APBD is the "plan" of the remaining budget by the end of 2015, which will be definitive when a Perda on accountability for implementing the APBD has been established. In some regions, a policy was made in Binjai that SiLPA in the APBD in the regency and city government must be 0 (zero) or zero (without the rupiah value). That is, the difference is not planned to occur between the amount of revenue and the amount of regional expenditure. This is interpreted as a balanced budget (balanced budget). In principle, this policy is to encourage district / city governments to be more responsible for the use of public money, so that it is in line with the concept of value for money, which includes economy, efficiency, and effectiveness.

## **B. Formulation of the problem**

Based on the background description, the formulation of the problem in this study is The analysis was conducted to determine the development of the Company by linking the relationship between The planning process begins by including the name of the program / activity in the work plan (Renja) and RKA SKPD, then stated in PPAS and RAPBD, and finally stipulated in the APBD Regional Regulation. After the APBD Regional Regulation is stipulated, the SKPD prepares the DPA and the SKPD Cash Budget which contains the implementation and disbursement plans.

## **C. Research purposes**

In this study, researchers wanted to see how the Binjai City Government budget was managed. So this research focuses on the following research objectives:

1. To know the formation of reserve funds, participation and financing expenditures can be in the form of the formation of reserve funds, the participation of regional government capital.
2. To find out whether the receipt of funds is greater than the financing expenditure component.
3. To find out the negative net financing with respect to the expenditure component.
4. To find out whether the SKPD does not need to include the source of funding from the reserve fund.

## II. LITERATURE REVIEW

### A. Theoretical Basis

The use of SiLPA is used as regulated in the Minister of Domestic Affairs Regulation concerning Regional Financial Management Guidelines as amended lastly by Regulation Minister In Domestic Number 21 of 2011, "Circumstances that cause budget balances over the previous year must be used in the current fiscal year as referred to in 154 paragraph (1) letter c may be in the form of: a. pay interest and principal debts and / or regional bonds that exceed the available budget preceding changes in the Regional Budget; (b) pay off all interest and principal debt obligations; (c) fund increases in salary and benefits for civil servants due to government policies; (d) fund follow-up activities, (e) fund new programs and activities with the criteria to be completed until the deadline for payment settlement in the current fiscal year;

Reserve funds are funds owned by local governments that are restricted in their use, meaning that the formation and allocation of these funds is relatively clear. The regional government can create a special account to collect the reserve fund, of course it must be notified to the DPRD. Besides being informed in the LRA, the reserve fund balance is also informed in Regional Government Balance Sheet, namely in the reserve fund post in the asset section and the reserve fund equity post in the equity fund section. For local governments the existence of the reserve fund is quite important especially for the purpose of guarding and fiscal security of the region. This is interpreted as a balanced budget (balanced budget). In principle, this policy is to encourage district / city governments to be more responsible for the use of public money, so that it is in line with the concept of value for money, which includes economy, efficiency, and effectiveness.

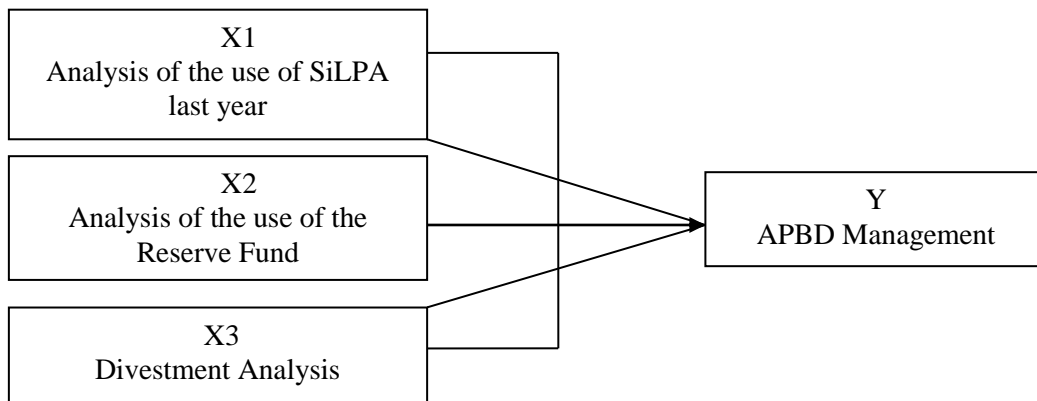
In the reserve fund post in the assets section, the equity reserve fund is quite important, especially to be on guard and security fiscal. The planning process begins by including the name of the program / activity in the work plan (Renja) and RKA SKPD, then stated in PPAS and RAPBD, and finally stipulated in the APBD Regional Regulation. After the APBD Regional Regulation is stipulated, the SKPD prepares the DPA and the SKPD Cash Budget which contains a plan for the implementation and disbursement of funds for programs / activities that will later be funded from the APBD. However, the SKPD does not need to include the funding source from the reserve fund.

Limitations in regional finances after regional autonomy open space for the creation of discretion by LGs related to funding programs that require relatively large funds. In addition, the factor of a "too short" budget period, namely one fiscal year (1 January - 31 December) raises the issue of regional fiscal sustainability. The implication of this condition is the granting of authority to the Regional Government to form a reserve fund. Explicitly, article 122 PP No. 58/2005 concerning Regional Financial Management and Article 63 Permendagri No. 13/2006 concerning Guidelines for Regional Financial Management states that the Regional Government can form a Reserve Fund. If the regional government experiences a fiscal deficit, then in addition to being closed from the use of SiLPA and reserve funds, Divestment Sale the most common type of divestment activity is the sale of a division, business unit, segment or group of assets to another company. Buyers generally, but not always, pay in cash. Some reasons why the sales method chosen when divesting

## B. Conceptual Framework

SiLPA if there is a surplus in the APBD and at the same time a positive Net financing, where the revenue component is greater than the Financing expenditure component, it can be used as an indicator of efficiency in a region. SiLPA is also used for crucial issues that were previously approved by the legislature (Ardhini, 2011: 4). In relation to the Regional Budget Revenue and Expenditure (APBD) the previous fiscal year SiLPA was a component of regional revenue. According to Ardhini (2011) most SiLPA is donated to Direct Expenditures in the form of Capital Expenditures which directly touches the needs of the community. The rest of the budget is local government funds that have not been used for one fiscal year or still remain at the end of the fiscal year. In the concept of a cash-based budget, the remaining budget is equal to the amount of money or cash the Regional Government has not yet used. SiLPA, there is the rest of last year's budget in the current / related fiscal year APBD. SiLPA is a regional revenue sourced from the remaining cash of the previous fiscal year. And the position of the Binjai City Government LKPD found in the SiLPA in the 2015 APBD is SiLPA for the 2014 fiscal year. While SiLPA in the 2015 APBD is the "plan" of the remaining budget by the end of 2015, which will be definitive when a Perda on accountability for implementing the APBD has been established.

Based on background and theoretical basis that has been stated previously, then framework conceptual can be described as follows:



**Figure 2.1**  
conceptual framework

## III. RESEARCH METHODS

My research approach is Associative. This type of research according to Rusiadi (2013) Quantitative Research is research in which data analysis uses inferential statistics that can be used in decision making. The purpose of this analysis is to determine the degree of relationship and patterns / forms of influence between several independent variables with the dependent variable. This study will examine the Analysis of the Use of SiLPA of the Last Year, Analysis of the Use of Reserve Funds and Analysis of Divestment of the Management of the Regional Budget at the Binjai City Government of North Sumatra Province.

## A. Definition of Variable Operations

**Table 3.1**

No.	Variable	Operational definition	Formula	Scale
1	X1 (Free Variable) Analysis of Last Year's Use of SiLPA	Analysis of the Use of SiLPA of the Last Year is defined as an activity which is only intended to consume members.	SiLPA = Surplus / definition + net financing = (revenue realization - expenditure realization) + (realization of financing receipts - realization of financing expenditures) = revenue realization + realization of financing receipts - (expenditure realization + realization of financing expenditures)	Scale
2	X2 (Free Variable) Analysis of the Use of Reserve Funds	Funds owned by local governments that are restricted in their use.	Final balance of reserve funds = initial balance of reserve funds + (formation and reserves - use of reserve funds)	Scale
3	X3 (Free Variable) Divestment Analysis	Another alternative financing is to sell separated local government assets.	Release of all local government capital to the public or private parties so that ownership is transferred.	Scale
4	Y (Bound Variable) APBD Management	APBD manager is very important as a tool to maintain	Improve public services and welfare	Scale

## B. Population and Sample

The population in this study is the entire sample that will be examined that is derived from the user binjai city government financial reports with data such as balance sheets and CaLK in 2014 and 2015.

## C. Data collection technique

In this study, the authors set the Documentation Study Technique for data collection. Where data is quoted from financial statements recorded in the Binjai City Government or information media (Internet) related to documents owned by the Binjai Regional Financial and Asset Management Agency.

## D. Data analysis technique

This method uses a quantitative approach with inferential statistical tools such as the classical assumption test To find out the extent of management done to support primary data. such as financial statement data and others. Document data is usually directly in the form of quantitative data. namely by collecting primary data in the form of 2014-2015 Financial Statements data obtained from the City Government of Binjai.

## IV. RESEARCH RESULTS AND DISCUSSION

### A. Research result

After describing several aspects related to the type, method of acquisition, method of preparing the Financial Statements of the Government of Binjai based on the theory put forward by accounting experts, in this section the author tries to analyze and evaluate the data obtained by the author from the Financial

Management Agency and Regional Assets related to the financial statements of Pemko Binjai. In this chapter, the author will elaborate on the BPKAD profile and discuss topics that have been described in the previous chapter, including:

### **A general description of the company**

The Revenue Service of Financial and Asset Management in accordance with the Regional Regulation concerning the Formation and Arrangement of Regional Apparatus is broken up into 2 (Two) Regional Apparatus, namely the Regional Revenue Agency and the Regional Financial and Asset Management Agency. In accordance with Regent Regulation Number 46 of 2016 concerning Position, Organizational Structure, Duties and Functions, And Work Procedures of BPKAD. This BPKAD is based on Decree No. 22 of 2008 has 1 Head of Agency which is assisted by 1 Office Secretary and 5 Division Heads. The Secretary himself is assisted by 3 Structural Officials (Head of Subdivisions), as well as the Head of Division. Based on Regional Regulation No. 9 of 2016 concerning the Formation and Arrangement of Regional Apparatus, the DPPKA is divided into 2 Agencies namely the Regional Financial and Asset Management Agency and the Regional Revenue Agency. This BPKAD is based on Decree No. 46 of 2016 concerning Position, Organizational Structure, Duties and Functions, and Work Procedures of BPKAD consisting of 1 Head of Agency assisted by 1 Secretary and 4 Fields. The Secretary himself is assisted by 3 Structural Officials (Head of Subdivisions) as well as the Head of Division. Each Head of Division is assisted by a Subdivision Section. based on Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Financial and Asset Management Agency, BPKAD of Binjai Regency has the main task of assisting the Regent in carrying out the functions of supporting government affairs, especially supporting the financial sector. In carrying out these basic tasks BPKAD has the following functions: As well as the BPKAD Work Procedure which consists of 1 Agency Head assisted by 1 Secretary and 4 Fields. The Secretary himself is assisted by 3 Structural Officials (Head of Subdivisions) as well as the Head of Division. Each Head of Division is assisted by a Subdivision Section. based on Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Financial and Asset Management Agency, BPKAD of Binjai Regency has the main task of assisting the Regent in carrying out the functions of supporting government affairs, especially supporting the financial sector. In carrying out these basic tasks BPKAD has the following functions: As well as the BPKAD Work Procedure which consists of 1 Agency Head assisted by 1 Secretary and 4 Fields. The Secretary himself is assisted by 3 Structural Officials (Head of Subdivisions) as well as the Head of Division. Each Head of Division is assisted by a Subdivision Section. based on Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Financial and Asset Management Agency, BPKAD of Binjai Regency has the main task of assisting the Regent in carrying out the functions of supporting government affairs, especially supporting the financial sector. In carrying out these basic tasks BPKAD has the following functions: based on Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Financial and Asset Management Agency, BPKAD of Binjai Regency has the main task of assisting the Regent in carrying out the functions of supporting government affairs, especially supporting the financial sector. In carrying out these basic tasks BPKAD has the following functions: based on Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Regional Financial and Asset Management Agency, BPKAD of Binjai Regency has the main task of assisting the Regent in carrying out the functions of supporting

government affairs, especially supporting the financial sector. In carrying out these basic tasks BPKAD has the following functions:

1. Formulating technical policies on financial management and regional assets;
2. Carry out technical support tasks in financial management and regional assets;
3. Monitoring, evaluating, and reporting the implementation of technical support tasks for financial management and regional property;
4. Technical development of supporting functions of regional government affairs in the area of financial management and regional property;
5. Implementation of the administration of the Agency; and
6. Implementation of other functions given by the Regent according to the field

The Regional Financial and Asset Management Agency is a supporting element of government affairs that carries out the financial support function, led by a Head of the Agency which is domiciled and is responsible to the Regent through the Regional Secretary. The duties and functions of the Secretariat.

The initial shareholders of the separated division are the same as the parent shareholders. Carve-Out With a carve-out, the parent company changes a division into a separate entity and then sells the entity's shares to the public. Generally the shareholders of the holding company retain majority ownership in the new entity. Stock tracking, The holding company issues tracking stock to "track" the performance of certain divisions within the company. For example, if tracking stock distributes dividends, the amount of dividends will depend on the performance of the division. Divisions that have tracking stock remain part of the parent company even though the shares are traded separately with the parent company.

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2. Carry out technical support tasks in financial management and regional assets;
3. Monitoring, evaluating, and reporting the implementation of technical support tasks for financial management and regional property;
4. Technical development of supporting functions of regional government affairs in the area of financial management and regional property;
5. Implementation of the administration of the Agency; and
6. Implementation of other functions given by the Regent according to the field

The Regional Financial and Asset Management Agency is a supporting element of government affairs that carries out the financial support function, headed by a Head of the Agency which is domiciled and is responsible to the Regent through the Regional Secretary. The Secretariat in general has the task of assisting and reporting to the Head of the Agency in carrying out the management of the Agency's secretariat. To carry out this task, the Secretariat has the following functions:

1. Coordinating the preparation of programs, monitoring, evaluation and reporting body
2. Management of household, administrative and staffing of the Agency;
3. Coordinating the preparation of the draft legal products;
4. To formulate the organizational structuring policy of the Agency;
5. Agency financial management;
6. Management of the Agency's website; and
7. Implementation of other functions given by the Regent in accordance with his line of duty.

The Sub Division of Administration has the task of assisting the Head of the Regional Asset Division in carrying out the administration and administration of regional property. To carry out the tasks referred to, the Sub Division of Administration has the function:

1. Preparation of materials for the formulation of technical policies for bookkeeping and reporting of goods regional property
2. Preparation of materials for the formulation of technical policy on inventory of regional assets;
3. Implementation of guidance, supervision and control of regional property;
4. Compilation of reports and evaluations of the implementation of activities in Sub-Sector Administration and other functions performed by the leadership in accordance with their duties.

Sub Division of Finance has the task of assisting the Secretary in carrying out the financial management of the Agency. To carry out this task, the Sub Division of Finance has the functions:

1. Financial Administration of the Agency;
2. Compilation of financial reporting of the Agency; and
3. Implementation of other functions given by the leadership according to the field

The Budget Sector has the task of assisting the Head of the Agency in carrying out coordinating the preparation of regional budget designs. To carry out its duties, the Budget Sector has the function:

1. The implementation of coordinating the preparation of regional budget policy analysis;
2. The implementation of coordinating the preparation of the PPKD budget design and financing;
3. Implementation of the coordination of the preparation of regional revenue budget design;
4. Implementation of the coordination of the preparation of the regional budget;
5. Carrying out monitoring, evaluation and reporting of the Budget Sector; and Implementation of other functions given by the leadership according to their area of work.

In carrying out its duties and functions, the Budget Field is led by a Head of Division and assisted by:

1. Sub Sector Analysis of Budget Policy;
2. PPKD Budget Sub-Sector; and
3. Sub-Budget Spending.

The Budget Policy Analysis Sub-Division has the task of assisting the Head of the Budget Division in carrying out the preparation of technical materials for the preparation of local government budget policies. To carry out this task, the Budget Policy Analysis Sub Division has the function:

1. Preparation of PPKD budget draft policy analysis materials;
2. Preparation of technical policy materials for regional revenue budget;
3. Preparation of technical analysis materials for Local Government investment analysis;
4. Compilation of reports and evaluations of the implementation of activities in the Budget Policy Analysis Sub-Sector; and
5. Implementation of other functions given by the leadership according to their area of work.

PPKD Budget Sub-Division has the task of assisting the Head of Budget Section in carrying out the coordination of PPKD budget design. To carry out this task, the PPKD Budget Sub Division has the function:

1. Preparation of the draft PPKD revenue budget, PPKD expenditure and financing;



2. Preparation of technical policy material for the implementation of PPKD revenue and expenditure budget;
3. Compilation of reports and evaluations of the implementation of activities in the PPKD Sub-Sector Budget; and
4. Implementation of other functions given by the leadership according to their area of work.

The Sub-Sector Budget has the task of assisting the Head of the Budget Division in carrying out the preparation of technical policy preparation materials and the preparation of regional budget plans. To carry out this task, the Sub-Sector Budget has the function:

1. Preparation of analysis materials for regional budget design analysis;
2. Preparation of materials for the preparation of regional budget draft;
3. Preparation of technical policy material for the implementation of the regional budget;
4. Compilation of reports and evaluations of the implementation of activities in the Sub-Sector Budget; and
5. Implementation of other functions given by the leadership according to their duties and functions.

The Treasury Division has the task of assisting the Head of the Agency in carrying out treasury management. To carry out its duties, the Treasury has the function:

1. Regional cash management;
2. Management of indirect expenditure for employee expenditure;
3. Management of PPKD budget;
4. Implementation of monitoring, evaluation and reporting of the Treasury Field; and
5. Implementation of other functions given by the leadership according to their area of work.

In carrying out its duties and functions, the Treasury Division is led by the Head of Division and assisted by:

1. Sub-Division of Regional Cash;
2. Sub Division of Employee Indirect Spending; and
3. PPKD Treasury Sub-Division.
4. Carrying out a cash budget analysis and provision of funds;
5. Implementation of regional debt management;
6. Preparation of materials for the implementation of lending on behalf of the government area
7. Compilation of reports and evaluations of the implementation of activities in the Sub Division of Cash area and
8. Implementation of other functions given by the leadership in accordance with their duties.

Sub Division of Treasury for Indirect Spending Employees have the task of assisting the Head of the Treasury in implementing indirect expenditure management for employees. To carry out this task, the Employment Indirect Spending Treasury Sub Division has the following functions:

1. Preparation of technical policy material for the implementation of indirect shopping salaries and allowances
2. Implementation of salary expenditure and benefits administration;
3. Compilation of reports Employee Indirect Shopping Treasury and evaluation of the implementation of activities in the Field
4. Implementation of other functions given by the leadership in accordance with their duties.

## B. Discussion

Based on the results of research and the formulation of the problem stated in the previous chapter, that is to find out the Financial Statements of the Binjai Municipal Government located at the Regional Financial Management and Asset? " then in this section the author will analyze how the Binjai municipal budget management during the period 2014 to 2015.

Research carried out by Mutiara Maimmunah (2006) with the title Flypaper Effect on DAU and PAD Against APBD Management The results of testing of the first and second alternative hypotheses are accepted, meaning that the magnitude of the DAU and PAD values influences the value in the management of the APBD (positive influence). Second, to find out whether or not the flypaper effect is also accepted. This proves that the flypaper effect has occurred in the management of the regional budget. Third, there is the influence of the flypaper effect in predicting future APBD management also being accepted. Fourth, the results of testing the fourth alternative hypothesis is a different test hypothesis is unacceptable. That is, there can be no difference in the occurrence of flypaper effects both in regions with low PAD and areas with high PAD.

Syukriy Abdullah and Abdul Halim (2006) conducted research on the topic of the study of regional budget management in local government budgets in relation to maintenance expenditure and revenue sources. This study analyzes the linkages of APB management in local government budgets using budget realization data after regional autonomy with the aim of providing empirical evidence about the association of APBD management allocations. From the results of the regional income sources in the form of a balance fund positively associated with the management of the regional budget.

Priyo Hari Adi (2006) conducted a study with the topic of the relationship between regional economic growth, development spending and regional own-source revenue. This study examines the impact of development spending on economic growth and improvement on regional autonomy. The results of the study show that development spending (capital expenditure) has a positive and significant impact on PAD, and regional economic growth has a significant impact on increasing PAD.

It can be seen that the main element of the calculation of the regional budget (APBD) is that the rest of the calculation is the link between the APBD of the previous fiscal year and the APBD of the following fiscal year. This will be seen at the end of the fiscal year (31 December) and at the start of the new APBD fiscal year (1 June, where before regional income activities take place, regional cash is available for cash which is directly part of the remaining APBD calculation as a source of revenue in the following fiscal year.

With the explanation above, the APBD calculation is not only a calculation of the budget and realization of the APBD, but it can also be said that the accountability of the APBD implementation includes revenue and expenditure, both routine expenditure and development expenditure. From the calculation of the budget and the realization on the expenditure side by calculating the budget and expenditure relations. With the calculation of the expenditure, the bail on the receipt and on the part of the shopping that will be targeted should be achieved.

Generally the parent company's shareholders retain their majority ownership in the Tracking stock entity, The holding company issues tracking stock to "track" the performance of certain divisions within the company. For example, if tracking stock distributes dividends, the amount of dividends will depend on the performance of the division. Divisions that have tracking stock remain part of the parent company even though the shares are traded separately with the parent company. Some reasons why the sales method chosen when divesting. a) Sale of assets is a defense against hostile takeovers. b) The sale of assets provides cash to the liquidated company. Spinoff In a spinoff the parent company changes a division into a separate entity and distributes the shares of the entity to the shareholders of the parent company. Spinoffs differ from sales for two reasons.) The parent company does not obtain cash from spinoffs c) The initial shareholders of the separated division are the same as the parent shareholders. Carve-Out With a carve-out, the parent company changes a division into a separate entity and then sells the entity's shares to the public. Generally the shareholders of the holding company retain majority ownership in the new entity.

The SiLPA of the previous fiscal year includes exceeding PAD revenue, exceeding revenue from balancing funds, exceeding other receipts of legal regional income, exceeding reception funding, savings on spending, obligations to third parties until the end of the year have not been resolved, and the remaining funds for continued activities.

SiLPA is an indicator that illustrates the efficiency of government expenditure. SiLPA, there is the rest of last year's budget in the current / related fiscal year APBD. SiLPA is a regional revenue sourced from the remaining cash of the previous fiscal year. And the position of LKPD Pemko Binjai in the SiLPA in the 2015 APBD is SiLPA for the 2014 fiscal year. While SiLPA in the 2015 APBD is the "plan" of the remaining budget at the end of 2015, which will be definitive when a local regulation on accountability for implementing the APBD has been established. In some regions, a policy was made in Binjai that SiLPA in the APBD in the regency and city government must be 0 (zero) or zero (without the rupiah value). That is, the difference is not planned to occur between the amount of revenue and the amount of regional expenditure. This is interpreted as a balanced budget (balanced budget). In principle, this policy is to encourage district / city governments to be more responsible for the use of public money, so that it is in line with the concept of value for money, which includes economy, efficiency, and effectiveness.

Reserve funds are funds owned by local governments that are restricted in their use, the formation of funds is relatively clear. The Regional Government can create a special account to collect these reserve funds which of course must also be notified to the DPRD. Besides being informed in the regional government balance sheet, that is in the reserve fund post in the postal assets section Equity fund reserves are quite important especially for precaution and fiscal security. carry out supporting functions of government affairs, especially supporting the financial sector.

## **V. CONCLUSIONS AND RECOMMENDATIONS**

### **A. Conclusion**

This study examines the influence of the independent variable last year's use of SiLPA, the use of reserve funds, Use Divestment of APBD Management. The data source of this research was taken from the Financial Statements, namely the Balance Sheet and CaLK Report in 2014-2015 from the City Government of Binjai.

The following will be presented conclusions based on an analysis of the results of research and discussion that has been done.

1. The results of simultaneous data analyzes that have been carried out that the use of SiLPA last year had a significant influence in supporting the balance sheet. This can be seen with a significant value of 0.62 ( $> 0.05$ ). It is said that any increase in the use of SiLPA will still be followed by an increase in the value of the balance sheet.
2. The use of the Reserve Fund has no significant effect in supporting the balance sheet. This can be seen from the significant value -333 ( $< 0.05$ ). It is hereby said that any increase by the balance sheet.
3. The statistical test shows that the use of SiLPA last year, the use of reserve funds and the use of divestments that have been tested simultaneously. This can be seen from the significant level of 0.474 ( $< 0.05$ ) which happened a number of things, including research data used only 2 (two) years and the balance sheet was only measured using the realization of the 2014-2015 budget.
4. The results of the determination coefficient indicate that the use of SiLPA, the use of reserve funds and the use of divestment as an independent variable and the management of the APBD as the dependent variable show a significant relationship of R values .474 which means that the relationship between the use of SiLPA, the use of reserve funds and the use of divestments has a strong relationship of 52.4%. Said to be strong because the number is above 0.5 or 5%. While the R Square and Adjusted R Square values represent the coefficient of determination, but in multiple regression it is more appropriate to use the Adjusted R Square value of 10.7 % means that the

variation of APBD management can be explained by 10.7% by the use of SiLPA, the use of reserve funds and the use of divestments in APBD management. While the remaining 52.4% is influenced by other variables not included in the model or inaccurate. Thus this means that the ability of independent variables in predicting the dependent variable is quite high.

## **B. Suggestion**

At the end of this thesis, the author wants to provide some suggestions relating to this research which are expected to be a valuable input for various parties involved. Suggestions that I want to propose are as follows:

1. For the City Government of Binjai, it is quite good in analyzing the position of the financial statements in 2014-2015, the balance sheet and assets presented in the balance sheet are the initial balance as of January 1, 2015 plus assets from capital expenditure in 2015 and other gains by including the accumulated depreciation value of assets permanent. there is little possibility in the process of presenting the balance sheet values still found errors and deficiencies that need to be adjusted. With due regard to Government Accounting Standards in accordance with PP Number 71 Year 2010 and Pemdagri Number 64 Year 2013 concerning Application of Accrual Based Government Accounting Standards to Regional Governments.
2. For Researchers
  - a. It is expected that future researchers will only use one factor, namely the adoption of government accounting standards and the government's internal control system as in this study, but can add other factors that may affect the quality of local government financial reports such as competency factors in information systems, communication and factors the other.
  - b. So that the results of this researcher can be widely used, the next researcher is expected to be in one Binjai municipal budget unit, but can use this research subject as well as possible and accurately.

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