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THE EFFECT OF PROCUREMENT OF GOODS AND SERVICES ON BUDGET ABSORPTION OF REGIONAL APPARATUS UNITS IN SIMEULUE REGENCY

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ABSTRACT
The purpose of this study was to examine the effect of planning for the procurement of goods/services, the competence of the manager of the procurement of goods/services and the application of e-procurement of the procurement of goods/services simultaneously on the absorption of the SKPK budget in Simeulue Regency. The entity that manages the procurement of goods/services within the local government of Simeulue Regency, which amounts to 43 SKPD. The sample in this study was determined by the Slovin equation as many as 77 people. The results of the study indicate that planning for procurement of goods and services, competence of managers of goods and services and the application of e-procurement affect budget absorption, planning for procurement of goods and services has a positive effect on budget absorption. increase budget absorption, the competence of goods/service managers has a positive effect on budget absorption, the better the competence of goods/services managers will increase budget absorption decisions, and the implementation of e-Procurement has an effect on budget absorption, the better the implementation of e-procurement will increase budget absorption. So that the results of this study can provide input for improving the procurement policy of goods/services at SKPK in Simeulue Regency.

Keyword: planning for the procurement of goods and services, competence in managing goods and services, implementing e-procurement

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INTRODUCTION

Absorption of the budget is one of the benchmarks for government performance in moving the wheels of the economy and is one of the performance evaluation indicators stipulated in the Regulation of the Minister of Finance PMK Number 249/PMK.02/2011 article 4 paragraph 2, namely performance evaluation on aspects of implementation is carried out in order to produce performance information regarding the implementation of activities and achievement of outputs (Juwita & Syamara, 2017).

According to research there are several factors that influence budget absorption including the factors of budget planning, budget execution, procurement of goods and services, management commitment, and bureaucratic environment Rahmawati & Ishak, (2020). Meanwhile, the factors that influence budget absorption are factors of budget planning, procurement of goods and services, human resources, regulations, and the process of disbursing funds (Rahmawati & Ishak, 2020). The results of the study state that budget planning and the quality of human resources affect budget absorption (Rahmawati & Ishak, 2020). In this study, researchers highlight several factors that are

quite dominant in influencing budget absorption including the process of procurement of goods and services, e-procurement, implementation of activities, and human resource competencies.

Absorption of the budget is hampered by the incompetent management of procurement of goods and services. According to research competence is needed to improve the performance of managing the procurement of goods and services (Angrina, 2017). Competence is a key determining factor for someone in producing good performance and success of public organizations. According to Presidential Regulation Number 54 of 2010, the management of the procurement of goods and services is the official who is responsible for the implementation of the procurement of goods/services (Indonesia, 2010). One of the mandatory requirements that must be met in order to be appointed as a manager of procurement of goods and services is to have a certificate of expertise in government procurement of goods/services issued by the Government Goods and Services Procurement Policy Agency (LKPP). The goods/services procurement expert certificate is proof of recognition from the government for competence in the procurement of goods/services (Koropit & Junaidi, 2015). Not only a certificate of procurement of goods/services that must be owned by a manager of procurement of goods and services must have experience and motivation to work, so that work in the procurement of goods/services is more structured, timely and accelerates budget absorption (Zarinah & Abdullah, 2016).

Relevant studies that have been carried out include first, research by (Taufiq et al., 2016) concerning the effect of implementing e-Procurement and the competence of managers of the Procurement of Goods and Services on the implementation of goods or services procurement and the implications for absorption of capital expenditure. The results of the study show that the implementation of e-Procurement and the competence of managers of procurement of goods and services affect the implementation of goods and services procurement both jointly and partially (Jiménez et al., 2022). The implementation of e- procurement , the competency of the manager of the procurement of goods and services influences both jointly and partially the absorption of capital expenditure in Ministries/Institutions work units that are within the scope of Banda Aceh KPPN payments (Dermawan et al., 2016).

One of the contributing factors is the low absorption of the capital expenditure budget. Failure to target budget absorption indicates inefficiency and ineffectiveness of budget allocation (Kathryn & Rohendi, 2019). Based on research conducted by (Gagola et al., 2017) also stated that the procurement of goods/services is one of the factors causing low budget absorption. In overcoming this, Simeulue Regency seeks to improve absorption of the capital expenditure budget by improving the implementation of goods/services procurement. This effort is by implementing e-Procurement which aims to ensure the availability of information, business opportunities, and encourage fair competition (Emery et al., 2022). As stated in Presidential Decree Number 70 of 2012 Article 37 concerning Government Procurement of Goods/Services, e-Procurement is the procurement of goods/services carried out using information technology and electronic transactions in accordance with statutory provisions (Zuhri & Arrofi, 2021). The e-Procurement is a technology designed to facilitate procurement of goods via the internet, management of all procurement activities electronically and aspects of functions supported by various forms of electronic communication (Nurhayati & Djuminah, 2018). The benefits of e-Procurement are divided into two categories,

namely efficient and effective (Suaidi, 2015). Efficiency includes lower costs, shortening the lead time in the procurement process, better controlling the purchasing process, presenting information reports, and integrating procurement functions as key to the back-office system. While effectiveness is increasing value chain control, good management of important data, and improving the quality of decision making in the purchasing process in the organization.

From the several studies mentioned above, it can be concluded that planning for the procurement of goods/services, e-Procurement and Competence for the procurement of goods and services can and does not affect the absorption of the local government budget, and also that no previous research has been conducted on the Simeulue District government. Based on the description of the background and differences from the results of the research above on the factors that cause delays in budget absorption, this research is focused on the process of procuring goods and services allegedly affecting delays in absorption of the budget, namely procurement planning, e-procurement, and the competence of managers of procurement of goods and services, on the absorption of the Regional Apparatus Work Unit budget in Simeulue Regency.

Based on the background above, the purpose of this study is to test the effect of procurement planning for goods/services, the competence of procurement managers and the simultaneous application of e-procurement of goods/services procurement on the absorption of the SKPK budget in Simeulue Regency. So that this research can help SKPK in Simeulue Regency to understand the importance of planning for procurement of goods/services, competence of procurement managers of goods/services, and the simultaneous application of e-procurement. By paying attention to these three aspects, SKPK can increase efficiency and effectiveness in the procurement of goods/services, so that it can absorb the budget optimally.

METHODS

The population in this study is the entity managing the procurement of goods/services within the Simeulue Regency regional government, which consists of 43 SKPD, consisting of agencies, offices, and offices. Respondents in this study were managers of goods/services procurement at each SKPD. The selection of respondents is based on the main tasks, functions and responsibilities of respondents as government officials in the field of government procurement of goods/services . The selected sample is 77 people. The operational variables in this study are as follows:

Table 1. Variable Measurement

Research variable	Operational definition	Variable Measurement	Measurement Scale
DEPENDENT VARIABLES			
Simeulue Regency Budget Absorption (Y)	Absorption of the Budget is a record of government spending over a certain period	1. Goods/Services Procurement Planning 2. Selection of providers of goods/services 3. Execution of the Work of Provision of goods/services 4. Internal control within the organization	intervals

Research variable	Operational definition	Variable Measurement	Measurement Scale
	INDEPENDENT VARIABLES		
Goods/Services Procurement Manager Competency	Competency of managers of procurement of goods/services owned by Commitment Making Officers, Selection Working Groups, Procurement Officials and Budget Users	PBJ HR PBJ Science organizational environment Organization activity PBJ Training	intervals
Goods/Services Procurement Planning	Formulation of planning for the procurement of goods/services needed and its process	Have integrity Professional Management Planning	intervals
Application of e-Procurement	PBJ management expertise in using electronic systems and handling electronic system disturbance problems	Employee Discipline Employee Capability System knowledge	intervals

Source: Processed data (2022)

RESULTS AND DISCUSSION

The Influence of Goods/Services Procurement Planning, Competence of Goods/Services Procurement Managers, and Implementation of E-Procurement on Budget Absorption

The results of the study show that simultaneously the planning for the procurement of goods/services, the Competence of Managers for the procurement of goods/services and the Implementation of e-Procurement with the absorption of the budget where there is a strong relationship. Improvement of goods/services procurement planning, competency of goods/services procurement managers and implementation of e-Procurement will increase budget absorption.

The results of research conducted that budgeting planning has a positive and significant effect on budget absorption in Lampung Province and Bangka Belitung Province, which means that the more activity budgets are planned in each SKPD/OPD, the more budget absorption the higher it is (Frankoe et al., 2021). All dimensions of budget planning variables which consist of work program planning and budget planning have a positive effect on the high absorption of local government financial budgets. E-Procurement has a positive and significant effect on budget absorption in Lampung Province and Bangka Belitung Province, which means that the better the implementation of e-Procurement (procurement of goods and services) in each SKPD/OPD, the higher the absorption of the budget. The e-Procurement variable dimensions that support the implementation of budget absorption in SKPD include efficiency in the implementation of procurement of goods and services; conditions of competition in the procurement of goods and services; fairness in the procurement of goods and services; as well as accountability for the procurement of goods and services. If these four dimensions are carried out adequately, they will be able to accelerate the budget absorption process in SKPDs in both Lampung and Bangka Belitung Provinces.

The results of this study are also in line with research conducted by (Angrina, 2017) concluding that the implementation of e-Procurement has a significant positive effect on the implementation of procurement of goods or services. The competence of officials who make commitments has a significant positive effect on the implementation of goods or services procurement. The implementation of e-Procurement has a positive (+) but not significant effect on the absorption of capital expenditure. The positive regression coefficient value (+) indicates that there is a unidirectional relationship between the implementation of e-Procurement and the absorption of capital expenditure, which means that increasing the application of e-Procurement will increase the ability to absorb capital expenditure.

The Influence of Goods/Services Procurement Planning Against Budget Absorption

The test results show that planning for the procurement of goods/services influences budget absorption ($p<0.05$). Research conducted states that the implementation of e-Procurement has an effect on the implementation of goods/services procurement (Kathryn & Rohendi, 2019). The implementation of the procurement of goods/services affects the absorption of the capital expenditure budget. The implementation of e-Procurement does not directly affect the absorption of the capital expenditure budget, it requires the implementation of goods/services procurement as a medium to influence the absorption of the capital expenditure budget in the West Java Provincial Government. Agency relationship occurs when one party (principal) hires another party (agent) to perform a service and delegates the authority to make decisions to the agent. One element of agency theory is that principals and agents have different preferences or goals. According to (Brigham & Houston, 2006) managers are empowered by company owners, namely shareholders, to make decisions, where this creates a potential conflict of interest known as agency theory .

The quality of human resources and procurement of goods/services has a positive effect on budget absorption (Lestari & Yuliani, 2022). Meanwhile, budget planning, budget execution and organizational commitment have no effect on budget absorption. Budget planning has a positive effect on absorption of the expenditure budget, because the more mature the budget manager is in planning, the programs/activities in one budget year will run well, so that the target of budget absorption can be achieved. The next factor that influences budget absorption is the budget execution factor, where budget execution is a stage of financial management that must be carried out after the budget planning process has been completed.

Implementation is an activity or effort made to implement all the plans and policies that have been formulated and determined. The budget implementation process includes issues that arise in the internal work unit and the payment mechanism process (budget disbursement), both of which will affect the size of a budget absorption. One important parameter to determine the performance of the Regional Revenue and Expenditure Budget (APBD) is to measure the level of budget absorption in budget execution.

Effect of Goods/Services Procurement Manager Competence on Budget Absorption

The results of regression testing for the third hypothesis in this study were conducted to determine whether the competence of the manager of the procurement of goods/services. The test results show the regression coefficient value of the Competency variable (X_2) of $\beta_2 = 0.225$ with a significance of 0.047. Testing the hypothesis shows that if sig < 0.05 then Ho is accepted, namely the competence of the manager of the procurement of goods/services affects budget absorption.

Human Resources (HR) are the main element in every activity carried out, with competence in the form of experience and motivation which makes Human Resources (HR) a key factor in budget management Zarinah (2016). Human resource competence is important in managing and presenting financial information so that financial reports can be prepared on time. In addition to competent human resources, the application of Government Accounting Standards also has an influence on the Quality of Financial Statements.

The smooth implementation of governmental tasks and national development is highly dependent on the perfection of the state apparatus, especially civil servants. To form a perfect apparatus, it is necessary to improve the management of civil servants who are regulated as a whole, by applying uniform norms, standards, and procedures in determining the formation, procurement, development, determination of salaries and welfare programs as well as dismissals which are elements in the management of civil servants' civil servants, both central civil servants and regional civil servants. With this uniformity, it is hoped that uniform quality civil servants will be created throughout Indonesia (Law No. 43 of 1999) (Zarinah & Darwanis, 2016). Individual skills are also a plus for someone. The individual skills of a civil servant refer to the level of education and training of the workforce, and the experience gained in each field of knowledge over time. It is widely accepted that highly educated and technically qualified staff are more receptive to integration and able to transform available external knowledge (Zarinah, 2016).

The Effect of Implementing e Procurement on Budget Absorption

The test results show that the implementation of e-procurement influences budget absorption. As stated in Presidential Decree Number 70 of 2012 Article 37 concerning Government Procurement of Goods/Services, e-Procurement is the procurement of goods/services carried out using information technology and electronic transactions in accordance with statutory provisions. E-Procurement is a technology designed to facilitate procurement of goods via the internet, management of all procurement activities electronically as well as aspects of functions supported by various forms of electronic communication. The implementation of e-Procurement obtains efficient and effective benefits. Efficiency includes lower costs, shortening the lead time in the procurement process, better controlling the purchasing process, presenting information reports, and integrating procurement functions as key to the back-office system. While effectiveness is increasing value chain control, good management of important data, and improving the quality of decision making in the purchasing process in the organization. Several models to measure the success rate of information systems have been developed by many researchers. The one that has received the most attention from researchers is the Delone and Mclean model.

This model is considered suitable because many researchers in Indonesia have used the Delone & Mclean model to measure system success. Research on the success of e-Procurement has

been done before using the Delone and Mclean model in the city of Surabaya. This research resulted in a conclusion that the variables studied using the Delone and Mclean Model were able to analyze the success of e-Procurement implementation (Kathryn & Rohendi, 2019).

CONCLUSION

Based on the results of the study after testing several research results, the following conclusions can be drawn: Planning for the procurement of goods and services, the competence of goods and services managers and the implementation of e-Procurement influence budget absorption. Planning for procurement of goods and services has a positive effect on budget absorption, the better Planning the procurement of goods and services applicable or ongoing it will increase budget absorption. The competence of managers of goods/services has a positive effect on budget absorption, the better Competence of managers of goods/services will increase budget absorption decisions. The implementation of e-procurement influences budget absorption, the better the implementation of e-procurement, the better the absorption of the budget.

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