International Journal of Current Economics & Business Ventures, 6 (1) 2026, 01-16
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

JOURNAL

ANALYSIS THE ROLE OF BUDGET POLITICAL, BUDGET PARTICIPATION, TRANSPARENCY, BUDGET EFFICIENCY, AND OVERSIGHT IN DETERMINING PERFORMANCE-BASED BUDGET PRIORITIES FOR THE 2024 FISCAL YEAR (Case Study on the Local Government of Batang Hari Regency)

Muhammad Ihsan[1], IGKA Ulupui[2], Unggul Purwohedi[3]
[1]ihsanwkp17@gmail.com
Faculty of Economics and Business, Jakarta State University, Indonesia

Abstract:

This study analyzes how budget political, budget participation, transparency, efficiency, and oversight play a role in determining performance-based budget priorities in the Batang Hari Regency Local Government for the 2024 fiscal year. This study uses a descriptive qualitative approach with a case study, data collected through observation, interviews, and documentation, as well as analysis of related documents (RPJMD, RKPD, LAKIP, SIPD, LKPJ). The findings of this study are as follows: (1) the dynamics of executive-legislative negotiations and the preferences of regional heads greatly determine priority allocations. (2) budget participation increases policy legitimacy but is still limited by capacity and access to information. (3) Document transparency has improved, but transparency in the budget revision process remains weak. (4) Budget efficiency contributes to the region's ability to achieve performance priorities, as evidenced by fiscal improvements and a surplus in 2024, but there are anomalies in implementation. (5) Internal/external oversight functions but its effectiveness is hampered by limited human resources and the openness of oversight results. This study recommends strengthening the integration of political preferences with technocratic instruments, increasing village participation capacity, expanding transparency in the budget revision process, and improving cash management and coordination between SKPDs to support an accountable performance-based budget.

Keywords: Budget Politics, Budget Participation, Transparency, Budget Efficiency, Oversight, Performance-Based Budgeting

BACKGROUND

Administrative decentralization in Indonesia gives local governments broad authority to design and implement public affairs, which has a direct impact on regional financial management. The legal basis for decentralization is Law No. 22 of 1999 concerning regional government, which was later revised through Law No. 32 of 2004 and refined into Law-Law No. 23 of 2014, and supplemented by Law No. 25 of 1999 concerning financial balance between the central and regional governments, which was updated through Law No. 33 of 2004. As an effort to realize decentralization and encourage regional financial management reform, the Government established Government Regulation No. 71 of 2010 concerning government accounting standards which refers to Law No. 17 of 2003 concerning State Finance accountability and performance. Efforts place performance-based budgeting as the main instrument for linking planning, performance indicators, and resource allocation.

In line with regional financial reforms, the Batang Hari Regency Government has adopted performance-based budgeting principles through the preparation of planning documents (RPJMD, RKPD, KUA-PPAS, RKA) and the use of regional information systems (SIPD) for performance monitoring. APBD data shows a shift in the fiscal structure and efforts to increase revenue independence, such as an increase in the portion of local revenue (PAD) and a focus on allocating funds to priority programs such as infrastructure, agriculture, and human resource development. However, despite improvements in fiscal indicators and a surplus in 2024, the reality of implementation shows a number of operational anomalies, as explained by BKPSDM employees, such as "delays in employee salary disbursements and payment administration issues," which indicate a gap between performance-based planning and implementation practices.

This phenomenon shows that the success of performance-based budgeting depends not only on technical accounting aspects but is also influenced by non-technical dimensions, namely budgetary politics (executive-legislative negotiations, political bargaining), the level of public participation, the level of budget information transparency, the efficiency of allocation and implementation, and the effectiveness of oversight mechanisms by the DPRD, the Inspectorate, and external actors. Previous studies have identified the role of each of these dimensions. Rahmatunnisa (2023) explains that the dynamics of bargaining between the executive and legislative branches reflect diverse interests, while Hamka (2022) highlights that the regional revenue and expenditure budget is an accumulation of the interests of various actors in public policy. Silvia & Myrna (2023) emphasize that community involvement not only increases accountability but also serves as a mechanism for monitoring potential misuse of funds. This is reinforced by Asoka & Romanda (2022), who assert that financial transparency is a fundamental right of the community. On the other hand, Putra (2021) reminds us that the budget, as a document projecting revenue and expenditure, must be designed effectively and efficiently to ensure the achievement of performance targets.

This empirical gap is relevant in the context of Batang Hari, despite the existence of performance-based budget design mechanisms and good governance with an Unqualified

Opinion (WTP) rating. However, local political dynamics, fiscal constraints, coordination barriers, and transparency gaps in terms of budget revisions and less-than-open publication of oversight results have the potential to reduce the effectiveness of setting priorities that are truly outcome-oriented. Therefore, a study that integrates these six aspects is needed.

Based on these practical conditions and gaps in the study, this research was formulated to analyze the role of budget politics, budget participation, transparency, budget efficiency, and oversight in determining performance-based budget priorities in the Batang Hari Regency Local Government for the 2024 Fiscal Year. This research is an effort to bridge the theoretical gap and provide contextual and applicable policy recommendations.

THEORETICAL FRAMEWORK

Agency Theory

Agency Theory is a theory that examines the relationship between two parties, namely the principal and the agent, who are bound in a functional and structural relationship (Basyir, 2016). This theory is used as a basis for analyzing the phenomenon of budget gaps, where conflicts of interest between principals and agents, as each seeks to maintain or obtain personal gain, can trigger misalignment in budget management (Sari, 2019).

According to Anthony and Govindarajan (2011), agency theory describes a situation in which a principal delegates authority to an agent to make certain decisions. In the context of local government, this agency relationship is reflected in the role of the legislature (principal) as supervisor and the executive (agent) responsible for planning, implementing, and reporting on the budget through the local government budget team (TAPD).

Meanwhile, Johnson (1994) terms the relationship between the executive and the legislature as a self-interest model. Within this framework, legislators seek to retain their seats through re-election, bureaucrats seek to increase the budget and capacity of their agencies, while constituents pursue increased benefits or utility. For the purpose of re-election, legislators tend to seek programs and projects that increase their popularity in the eyes of voters. Meanwhile, bureaucrats propose new initiatives for their agencies to grow, and constituents support policies that they consider beneficial. Because these three actors often find their interests aligned, consensus between legislators and bureaucrats is more of a necessity than an exception.

Public Policy Theory

According to Thomas R. Dye (1978), government policy is everything that the government chooses to do or not to do. In other words, every action or inaction has a specific purpose, so that public policy encompasses all government activities and is not merely a statement of desire.

Then, according to David Easton (1965), public policy is the authoritative assignment of values to the entire community. However, only the government has the authority to act on behalf of the community. Therefore, every decision to take or not take action is the result of this allocation of values. Meanwhile, George C. Edwards III and Ira Sharkansky (1978) add that state policy is manifested through regulations, laws, speeches by top officials, as well as government programs and concrete actions.

Meanwhile, James Anderson (1970) defines public policy as a series of activities that have specific objectives and are carried out by one or a group of actors related to specific issues.

Good Governance

Every citizen wants clean and good governance so that issues in industrial management can be addressed effectively. Indonesia has adopted the concept of Good Governance. Law No. 30 of 2014 makes this provision the basis for implementing policies aimed at improving governance and preventing collusion, corruption, and nepotism. Therefore, based on Law No. 30 of 2014, it is hoped that a more transparent, efficient, and increasingly professional bureaucracy will be created. The National Committee on Corporate Governance Policy (2006) stated that the Indonesian government is currently working hard to implement the principles of Good Governance to realize an authoritative and clean government.

According to Mardiasmo (2009), good governance is understood as the management of the state in the management of economic and social resources that focuses on community development to realize good governance. Meanwhile, Agoes (2013) explains good governance as a government mechanism that regulates the relationship between the duties of committees, the role of directors, and other stakeholders and shareholders. This process is carried out transparently to set government objectives, assess performance, and evaluate achievements, all of which reflect the practice of clean and good governance.

further, Government Regulation No. 101 Article 2d states that good governance includes the application and development of the principles of professionalism, transparency, accountability, democracy, quality of service, effectiveness, efficiency, rule of law, and acceptability to all levels of society.

In general, there are several principles of good governance that must be upheld in the administration of government in Indonesia. According to the United Nations Development Programme (1997), there are nine principles that serve as guidelines for the implementation of good governance, namely: 1) Accountability, 2) Public Participation, 3) Transparency, 4) Efficiency and effectiveness, 5) Equity, 6) Rule of law, 7) Strategic vision, 8) Responsiveness, 9) Consensus orientation.

The Concept of Value for Money

Value for money is one aspect of performance evaluation used to assess the economic aspects, efficiency, and effectiveness of various activities, programs, and organizations, particularly in the context of the public sector, which has specific and unique characteristics (Nurazizah, 2024). It should be noted that the concept of value for money is different from the time value of money commonly found in accounting and financial management. While the time value of money emphasizes that the value of money can change over time, value for money places greater emphasis on the appreciation of every rupiah, emphasizing that every unit of money must be given its proper value and utilized optimally.

According to Mahmudi (2015) in (Nurazizah, 2024), value for money is a concept in public sector organizations that emphasizes understanding the value of money. Performance measurement includes evaluating the economy, efficiency, and activities of each activity, program, and organization. Based on the above definitions, it can be concluded that value for money is a public sector performance measurement concept that has three main elements, namely economy, efficiency, and effectiveness, in utilizing available resources.

Performance-Based Budgeting

Law No. 17 of 2003 defines performance-based budgeting as a budgeting approach that focuses on the desired work performance. This is in line with the objectives of performance-based budgeting in the context of public services, where organizational performance must reflect increased effectiveness and efficiency for the benefit of the community. Thus, performance-based budgeting is not only an allocation tool, but also a strategic instrument in realizing responsive and results-oriented governance.

Meanwhile, Mardiasmo (2002) states that performance-based budgeting is designed to overcome the weaknesses of the traditional budgeting system, such as the lack of performance benchmarks in the achievement of public services. This system emphasizes the principle of value for money (efficiency, effectiveness, economy) and monitoring of results (output), thereby ensuring transparency and accountability. Padli (2021) adds that performance-based budgeting links funding to performance targets in each work unit, where the efficiency of achieving outcomes (long-term impacts) from outputs (direct results of activities) becomes a key indicator.

METHOD

In this study, the researcher used a descriptive qualitative approach because this study aims to describe phenomena, symptoms, or events as they are in reality, Purwohedi (2022).

In this study, data collection techniques were carried out through several methods as described by Purwohedi (2022): 1) Observation, a method of data collection by directly observing and systematically recording various phenomena that are the object of research. 2) Interviews, an interactive process in the form of conversations conducted for a specific purpose, involving two parties, namely the interviewer who asks questions and the interviewee who provides answers. 3) Documentation, a data collection technique carried out by collecting and organizing various documents related to the research variables, such as transcripts, newspapers, magazines, meeting minutes, agendas, and other documents. Documentation can be in the form of written documents, photographs, or archives that are relevant to the research topic.

The data sources in this study are primary and secondary data sources. Primary data refers to data that is directly provided to the data collector, which in the context of this study was obtained through observation in the Batang Hari Regency Government environment related to performance-based financial management. Meanwhile, secondary data is data that is obtained indirectly, for example through other parties or documents. The researcher collected secondary data from parties related to performance-based financial management and from various literature relevant to the topic discussed.

RESULT

Revenue Realization by Type of Revenue

The Batanghari Regency Government, in preparing and stipulating the Regional Revenue and Expenditure Budget (APBD) for the 2024 Fiscal Year, is guided by the Minister of Home Affairs Regulation Number 13 of 2006, as last amended by Regulation of the Minister of Home Affairs Number 21 of 2011 concerning the Second Amendment to Regulation of the Minister of Home Affairs Number 13 of 2006 concerning Guidelines for Regional Financial Management and Batanghari Regency Regional Regulations.

Furthermore, based on this and the results of a mutual agreement between the Legislature and the Batanghari Regency Government, Batanghari Regency Regulation Number 3 of 2023 concerning the Batanghari Regency Revenue and Expenditure Budget for the 2024 Fiscal Year and Batanghari Regent Regulation Number 61 of 2023 concerning the Breakdown of the Batanghari Regency Revenue and Expenditure Budget for the 2024 Fiscal Year were enacted. The realization of the Batanghari Regency Regional Revenue for the 2024 Fiscal Year is outlined as follows:

Table 1. Targets and Realization of Regional Revenue for the 2024 Fiscal Year

Code Account	Description	Revenue Target 2024 (IDR)	Revenue Realization 2024 (IDR)	%
1	*2*	*3*	*4*	*5*
4	**REGIONAL REVENUE**	**1,672,012,944,493.00**	**1,389,781,058,500.93**	**83.12**
4.1	**REGIONAL REVENUE REGIONAL (PAD)**	**397,286,486,091.00**	**120,685,772,156.93**	**30,38**
4.1.01	Local Tax	216.483.872.686,00	27.977.371.045,00	12,92
4.1.02	Local Fees	56.160.258.000,00	4.274.862.723,42	7,61
4.1.03	Proceeds from Asset Management Separated Areas	12.483.855.405,00	12.483.855.405,41	100,00
4.1.04	Other Legitimate PAD	112.158.500.000,00	75.949.682.983,10	67,72
4.2	**REVENUE TRANSFER**	**1.273.976.458.402,00**	**1.269.095.286.344,00**	**99,62**
4.2.01	Transfer Revenue Central Government	1.184.220.421.000,00	1.199.640.590.387,00	101,30
4.2.02	Inter-regional Transfer Revenue Regional	89.756.037.402,00	69.454.695.957,00	77,38
4.3	**OTHER LEGITIMATE LOCAL REVENUE**	**750.000.000,00**	-	-
4.3.01	Grant Revenue	750.000.000,00	-	-

Source: Batang Hari Accountability Report (LKPJ

Expenditure Realization by Type of Expenditure

The implementation of regional expenditures for Batanghari Regency in 2024 amounted to **IDR 1,351,581,167,059.54, or 84.43** percent of the target, as summarized in the following table:

Table 2. Target and Realization of Regional Expenditure for the 2024 Fiscal Year

Code Account	Description	Regional Expenditure Budget Region (Rp)	Realization (Rp)	%
1	*2*	*3*	*4*	*5*
5	**REGIONAL EXPENDITURE**	**1.600.918.622.172,00**	**1.351.581.167.059,54**	**84,43**
5.1	**OPERATING EXPENDITURE**	**1.058.754.572.832,28**	**914.441.247.450,01**	**86,37**
5.1.01	Personnel Expenditures	565.112.123.723,20	523.502.083.677,93	92,64
5.1.02	Goods and Services Expenditure	408.902.883.779,08	322.317.676.350,16	78,82
5.1.03	Interest Expenditures	7.657.074.370,00	7.205.884.252,92	94,11
5.1.04	Subsidy Expenditures	2.500.000.000,00	2.500.000.000,00	100,00
5.1.05	Grant Expenditures	70.881.990.960,00	56.736.309.713,00	80,04
5.1.06	Social Assistance Expenditures	3.700.500.000,00	2.179.293.456,00	58,89
5.2	**CAPITAL EXPENDITURE**	**313.683.164.341,11**	**259.864.434.661,37**	**82,84**
5.2.01	Capital Expenditure on Land	6.375.000.000,00	3.000.000.000,00	47,06
5.2.02	Capital Expenditure for Equipment and Machinery	62.778.508.198,72	57.951.061.607,18	92,31
5.2.03	Capital Expenditure for Buildings and Buildings	97.732.546.296,39	75.005.971.872,44	76,75
5.2.04	Capital Expenditure for Roads, Network, and Irrigation	138.240.738.846,00	116.087.016.969,75	83,97
5.2.05	Capital Expenditure on Fixed Assets Others	6.956.371.000,00	6.239.629.212,00	89,70
5.2.06	Capital Expenditure Assets Other	1.600.000.000,00	1.580.755.000,00	98,80
5.3	**NON-CURRENT EXPENSES EXPENDITURE**	**6.698.246.366,00**	**4.090.370.233,63**	**61,07**
5.3.01	Unforeseen Expenditures	6.698.246.366,00	4.090.370.233,63	61,07
5.4	**TRANSFER EXPENDITURE**	**221.782.638.632,61**	**173.185.114.714,53**	**78,09**
5.4.02	Financial Assistance Expenditures Finance	221.782.638.632,61	173.185.114.714,53	78,09

Source: Batang Hari Accountability Report (LKPJ)

Financing Realization by Type of Financing

Financing refers to any receipt that needs to be repaid and/or expenditure that will be received back, either in the relevant fiscal year or in subsequent fiscal years. Regional financing management, namely financing receipts and financing expenditures, in 2024 includes financing receipts from the 2024 Previous Year Budget Surplus (SILPA) which was realized amounting to **IDR 13,720,004,379.22, or 100.00%**. A summary can be seen in the following table:

Table 3. Regional Financing Targets and Realization for Fiscal Year 2024

Account Code	Description	Budget Regional Financing (Rp)	Realization (Rp)	%
1	*2*	*3*	*4*	*5*
6	**REGIONAL FINANCING**	**98.534.331.097,00**	**46.720.004.379,22**	**47,41**
6.1	**REVENUE FINANCING**	**13.720.004.379,00**	**13.720.004.379,00**	**100,00**
6.1.01	Budget Surplus for the Year Previous	13.720.004.379,00	13.720.004.379,00	100,00
6.1.02	Loan Receipts Region	-	-	-
6.2	**EXPENDITURE FINANCING**	**84.814.326.700,00**	**33.000.000.000,00**	**38,91**
6.2.01	Regional Capital Contribution	3.000.000.000,00	3.000.000.000,00	100,00
6.2.02	Principal Installment Payments Maturity Debt	81.814.326.700,00	30.000.000.000,00	36,67
	NET FINANCING	**(71.094.322.321,00)**	**(19.279.995.620,78)**	**27,12**
	SURPLUS FUNDING BUDGET (SILPA	-	**18.919.895.820,61**	-

Source: Batang Hari Accountability Report (LKPJ)

Description of Research Informants

In this study, the researcher conducted several stages, namely observation, interviews, and documentation of a number of key informants to explore the political dynamics related to budget priority setting. Informants were selected based on clear criteria in order to find different perspectives, ranging from policy makers to supervisors and the community. The description of the informants is as follows:

Table 4. Description of Research Informants

NO	POSITION	DESCRIPTION
1	Head of the Regional Finance Agency, Batang Hari	Government official (executive) involved in the budgeting process in Batang Hari.
2	Secretary of the Regional Government Budget Team, Batang Hari	Government officials (executive) involved in the budgeting process in Batang Hari.
3	Chairperson of Commission II of the Regional Representative Council for Economic and Finance, Batang Hari	Members of the Regional Representative Council (legislative) involved in the budgeting process in Batang Hari.

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NO	POSITION	DESCRIPTION
4	Member of the Regional House of Representatives of Batang Hari (DPRD) in the field of Finance and Budgeting Anggaran Batang Hari	Members of the Regional Representative Council (legislative) involved in the budgeting process in Batang Hari.
5	Head of the Batang Hari Inspectorate	Inspectorate official responsible for budget oversight in Batang Hari
6	Employee of the Batang Hari Civil Service and Human Resource Development Agency Human Resources (BKPSDM) Batang Hari	Administrative staff of BKPSDM Batang Hari.
7	Community leader of Pemayung subdistrict, Batang Hari	Community leaders who have an understanding of budgeting at the village/sub-district level

Source: Interview Documentation

In this study, the researcher interviewed informants selected based on the required criteria. All informants were ensured to have backgrounds relevant to the research focus so that they could provide representative, in-depth, and meaningful data. This selective selection of informants was carried out to ensure the quality of the information obtained and to strengthen the analysis at the discussion stage.

DISCUSSION

The Role of Budget Politics in Determining Performance-Based Budget Priorities in Batang Hari Regency

The results of the research show that budget politics in Batang Hari Regency play a significant role in determining the direction and priorities of regional budget allocation. Empirically, interviews with legislative and executive actors indicate that infrastructure development, particularly roads, is a dominant priority in the regional budget. This phenomenon reflects a tendency for budgetary politics to be oriented towards programs with high visual impact that can be easily communicated to the public as government achievements. In the context of performance-based budgeting, these political preferences are then legitimized through alignment with the RPJMD outcome indicators.

The Role of Budget Participation in Determining Performance-Based Budget Priorities in Batang Hari Regency

Based on the research results, this study found that budget participation plays an important role in determining performance-based budget priorities in Batang Hari Regency. Although not all proposals can be accommodated, participation still contributes significantly to identifying community needs and strengthening local government performance indicators. These findings provide academic and practical contributions to the development of participatory design in regional development planning.

However, this study also found limitations to participation. Not all community proposals could be accommodated due to fiscal constraints and the dominance of certain political preferences. This phenomenon supports the criticism from several previous studies that that Musrenbang is often symbolic in nature. However, the results of this study refute the assumption that participation has no effect whatsoever. In Batang Hari, participation still contributes to the quality of planning by serving as a source of data on local needs and strengthening program performance indicators. Thus, budget participation in Batang Hari is substantive, albeit limited, and functions as both a technocratic enforcer and political legitimization in performance-based budgeting.

The Role of Transparency in Providing Information Disclosure to Determine Performance Based Budget Priorities in Batang Hari District

Based on research and interviews, budget transparency in Batang Hari District shows a selective and layered phenomenon, namely that transparency has been quite good at the level of planning documents and performance reporting, but has not yet fully reached transparency in the decision-making process and supervision results. This phenomenon shows that information disclosure in Batang Hari is not absolute, but is limited by administrative, regulatory, and certain institutional considerations.

Thus, the phenomenon of budget transparency in Batang Hari Regency can be understood as strong administrative transparency but limited deliberative transparency. Transparency has functioned well as a tool for providing information and legitimizing policies, but it has not yet fully become a means of public dialogue in determining budget priorities. These findings support and expand on previous literature by showing that regional budget transparency in Indonesia is still at the stage of document-centered transparency, not yet process-centered transparency.

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The Role of Budget Efficiency in Determining Performance-Based Budget Priorities in Batang Hari Regency

Based on research findings, budget efficiency in determining performance-based budget priorities in Batang Hari Regency has been implemented, but is still not optimal. Fiscal efficiency efforts have been evident through the rationalization of spending, but operational efficiency still needs to be strengthened through capacity building of the apparatus, improved internal coordination, and optimization of the financial information system. This finding makes an important contribution to the literature on regional budgeting and provides strategic input for future policy improvements.

This study also refutes the view that simplifies efficiency as merely a reduction in spending. In Batang Hari, budget efficiency is partial: successful at the planning stage, but facing obstacles at the implementation stage. This phenomenon expands the literature by introducing the concept of contradictory efficiency, which is a condition where macro performance indicators show good results, but operational processes are still problematic. Thus, budget efficiency in Batang Hari plays a role in performance-based budget priorities, but its effectiveness is highly dependent on strengthening institutional capacity and financial management.

The Role of Oversight in Determining Performance-Based Budget Priorities and Ensuring Budget Allocation in Batang Hari District

Based on the research results, this study shows that the role of oversight in Batang Hari Regency has a major contribution in ensuring that the budget is prepared and implemented consistently with the principles of performance-based budgeting. Despite a number of limitations, particularly in terms of human resource capacity and public involvement, the existing oversight mechanisms have provided an important foundation for improving the quality of budget planning, implementation, and evaluation.

Oversight in performance-based budgeting not only plays a role in monitoring implementation, but also influences the direction of the following year's budget policy. This finding expands the literature by presenting the understanding that oversight is cyclical in nature, i.e., it influences budget priority setting through an evaluation process conducted annually. Oversight not only influences accountability, but also policy effectiveness.

Barriers and Challenges in Determining Performance-Based Budget Priorities in Batang Hari District

The obstacles in determining performance-based budget priorities in Batang Hari Regency are multidimensional, including fiscal, administrative, technical, institutional, and political obstacles. These findings contribute theoretically by reinforcing the argument that the success of a performance-based budgeting system is largely determined by the ability of local governments to manage the interaction between technocratic and non-technocratic factors. In addition, this study provides a richer empirical picture of the complexity of performance-based budget implementation at the local level and serves as a basis for recommendations for future institutional capacity building.

CONCLUSION

Based on the results and discussion above, this study concludes that:

1. Based on the results of the study, it can be concluded that budgetary politics in Batang Hari Regency has a significant contribution in determining performance-based budget priorities. The political preferences of regional heads and the dynamics of executive legislative relations play a role in determining the focus of priority programs, particularly in sectors that are considered strategic and have a direct impact on the community. Although influenced by political interests, the determination of budget priorities in Batang Hari is still integrated into a technocratic framework of performance-based budgeting through alignment with the RPJMD and performance indicators. Thus, budgetary politics is not entirely a hindering factor, but rather serves as a determinant of the strategic direction of regional development.
2. Based on the results of the study, it can be concluded that budget participation in Batang Hari Regency contributes to the determination of performance-based budget priorities, especially at the stage of identifying needs and conveying community aspirations. Participatory mechanisms through Musdus, Musdes, sub-district Musrenbang, and district Musrenbang provide space for the community to submit development proposals. Although not all proposals can be accommodated due to fiscal constraints and technocratic selection, community participation still functions as a source of information on local needs and strengthens the legitimacy of regional budget priority setting.

3. Based on the results of the study, it can be concluded that transparency in budgeting in Batang Hari Regency contributes to the determination of performance-based budget priorities through the provision of planning information and performance achievements that are accessible to the public. The disclosure of documents such as the RPJMD, RKPD, and LAKIP enables local governments, regional representative councils, and the community to assess the alignment between budget allocations and performance targets. However, transparency is still selective, especially in terms of budget oversight and revisions, so its contribution to public accountability is not yet fully optimal. Nevertheless, the existing transparency still supports the rationality of determining performance-based budget priorities.
4. Based on the research results, it can be concluded that national budget efficiency, including in Batang Hari Regency, contributes to the determination of performance-based budget priorities through efforts to rationalize spending and utilize resources more optimally. Local governments are trying to reduce unproductive spending to expand fiscal space for priority programs. However, this fiscal efficiency has not been fully followed by operational efficiency, as reflected in the continued delays in budget disbursement and financial reporting. This condition shows that budget efficiency contributes to budget priorities, but its effectiveness is highly dependent on strengthening financial management and institutional capacity.
5. Based on the research results, it can be concluded that budget utilization oversight in Batang Hari Regency contributes to the determination and control of performance-based budget priorities. Internal oversight by the Inspectorate and political oversight by the Regional Representative Council serve to ensure that programs are implemented in accordance with plans and performance targets. The results of oversight are used as evaluation material in determining the continuation or adjustment of programs in the following fiscal year. However, the limited transparency of oversight results and the capacity of supervisors pose challenges in enhancing the role of oversight in public accountability.
6. Based on the results of the study, it can be concluded that performance-based budget prioritization in Batang Hari Regency is simultaneously hampered by fiscal constraints, operational and administrative weaknesses including delays in disbursement and reporting, low human resource capabilities and limited digital literacy, poor quality of

public participation, and coordination problems between SKPDs, conditions that are often exacerbated by political pressure and sudden changes in national regulations. Although internal oversight functions administratively and influences the budget cycle, openness and follow-up on public reports are still minimal, so accountability is not yet optimal. Therefore, improvement priorities must be directed at strengthening institutional capacity, including improving the technical and digital competencies of employees, improving cash management and reporting, strengthening evidence-based participation mechanisms, and ensuring transparency and coordination across units so that budget decisions are more rational, accountable, and performance-oriented.

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