The Influence of Budget Planning And Budget Implementation On The Level of Budget Absorption

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A R T I C L E I N F O

ABSTRACT

This research aims to (1) determine the effect of budget planning on the level of budget absorption at BAPPEDA Medan City, (2) determine the effect of budget implementation on the level of budget absorption at BAPPEDA Medan City and (3) determine the effect of budget planning and budget implementation on the level of budget absorption at BAPPEDA Medan City. This research method is quantitative research. The population and sample in this study were heads and employees at BAPPEDA Medan City, totaling 50 respondents. Data collection techniques use questionnaires. The data analysis technique uses multiple linear regression analysis with the help of SPSS version 22.0 software. The research results show that first, budget planning partially has a positive and significant effect on budget absorption with a calculated t value of 3.754 > t table 2.012 and a significance value of 0.000 < 0.05. Second, partial budget implementation has a positive and significant effect on budget absorption with a calculated t value of 3.493 > t table 2.012 and a significance value of 0.001 < 0.05. Third, budget planning and budget implementation simultaneously have a positive and significant effect on budget absorption with a calculated F value of 11.772 > F table 3.20 and a significance value of 0.000 < 0.05.

Introduction

The government is an organization that is given the authority to fix the affairs of the nation and state. Government institutions are usually formed to carry out service activities for the wider community and as non-profit organizations whose aim is not only to seek profit but to provide services and the ability to improve these services in the future. The targets that are achieved are usually to increase the feeling of comfort and security, the quality of education, health or faith. Regional financial management is implemented in one integrated system whose realization is based on the calculation of regional income and expenditure which is ratified annually in regional regulations (Amwa & Nurbaiti, 2023).

When the reform era began in 1998, the Indonesian nation was already one step further advanced towards an open era. In this era of openness, people are increasingly aware of their rights and obligations as citizens and can express more developed opinions, for example changes to the financial management system in each government body. Regional financial management is an example of an element where the basic provisions of Law no. 32 of 2004 concerning Regional Government and Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. The two laws have given broader authority to regional governments. The authority in question includes, among other things, freedom to direct the source of funds, determine direction, targets and the purpose of using the budget.

In managing the regional government, the regional head is supported by regional officials, for example the Regional Development Planning Agency (BAPPEDA). BAPPEDA is a regional technical institution in the aspect of reviewing and planning regional development whose leader is an agency head who is responsible and supervised by the Governor/Regent/Mayor through the regional secretariat. This sector has a role in supporting the Governor/Regent/Mayor in the implementation of regional government in the aspect of research and regional development plans. BAPPEDA Medan City is one of the supporting stages for the Medan City government in the development planning aspect. BAPPEDA Medan City is chaired by a head of the Agency who is under the auspices of and is responsible for the Mayor of Medan through the Medan City regional secretariat.

BAPPEDA has the role of preparing and implementing regional policies in the urban development planning aspect, Medan City BAPPEDA has the main role, namely formulating technical planning provisions, coordinating development plans, implementing and fostering its role in the Medan city development planning aspect, completing the implementation of other roles assigned by the Mayor relevant for its role and benefits. One of BAPPEDA's roles is to design the Regional Revenue and Expenditure Budget (APBD). The budget functions as a design tool and as a control tool. The budget is a very crucial matter in the public sector because it includes plans for creating activities and the costs needed for the next year and also serves as an illustration of the work capacity and skills of regional governments when financing and managing government administration as well as implementing development in the region (Ikhsan, 2018).

Budget absorption is a level of the budget process that starts from planning the budget, determining and ratifying the budget by the House of Representatives, monitoring the budget, and being responsible for budget absorption and budget absorption.

There are also various elements that can influence budget absorption. For example, an element that influences budget absorption is budget planning. Budget planning is a crucial element in budget management. Budget planning is organized to ensure relationships and consistency between planning, budgeting, implementation and supervision. This planning data contains the activities needed to produce the full targets for development work results in the form of an ordinance framework and a budget framework, which is referred to as a performance plan. So that plans that are not adequate for the specified budget are presented, resulting in the work agenda not being carried out properly. This is due to the irrelevance between budget planning and the work program that is being implemented, so it becomes an example of an element that causes a lack of budget absorption.

There is also budget absorption affected by budget implementation, which includes financial management efforts which should be carried out after the budget planning stage is completed. Implementation is the activities and efforts carried out to realize the overall plans and provisions that have been formulated and established. The stages of budget implementation contain rules regarding the use of the tools needed, who does it, how it is carried out, the time of implementation and where it is carried out. The stages of budget implementation are similar to the stages of payment at the expense of the APBD, so that administrative order becomes a crucial issue in budget implementation.

The Regional Revenue and Expenditure Budget (APBD) is the annual regional government financial plan which is reviewed and ratified simultaneously by the regional government and the DPRD, ratified by regional regulations. (Savitri, 2017) The government has issued PERMENDAGRI Number 21 of 2011 concerning guidelines for managing regional finances which explains the steps in preparing the APBD starting from the Regional Head arranging a series of General Budget Policies (KUA) as well as a series of Temporary Budget Ceiling Priorities (PPAS) the following year based on the Work Unit a Regional Apparatus (SKPD) up to ratifying the DPA - SKPD with the approval of the regional secretary, after completing the preparation of the APBD the next step taken by the Medan City BAPPEDA is to carry out its performance relevant to its core role and uses.

BAPPEDA Medan City has the task of preparing the APBD but there are still problems that occur such as not being prepared on time in preparing the budget. This happened because of a disagreement between the regional government and the DPRD regarding budget determination, apart from that, the impact of this delay was that the central government imposed a penalty in the form of cutting the General Allocation Fund (DAU) by 25%. We can see in the table below the Regional Budget Realization Report for the 2017 – 2020 Fiscal Year.

Table 1. Medan City Regional Budget Realization Report

Tahun	Anggaran	Realisasi	(%)
2017	5.546.733.964.019	4.394.045.824.264	79,22
2018	5.449.562.922.528	4.213.480.509.726	77,32
2019	6.302.963.592.428	5.059.288.700.981	80,27
2020	5.252.856.581.219	3.991.453.349.313	75,99
2021	6.180.493.553.739	4.846.124.995.487	78,41

Source: Medan City BAPPEDA Regional Budget Realization Report

Based on the initial survey that the author conducted, a phenomenon was found, namely that the Medan City Regional Expenditure Budget in 2020 experienced a refocusing of 15.2% for Covid-19, where the initial budget amount was IDR 6,188,219,576,678 to IDR 5,252,856,581. 219. This has an impact on the realization of Regional Expenditures as we can see in the table above where in the 2019 realization report the total expenditure realization budget was IDR 5,059,288,700,981.01 and experienced a decrease in 2020, namely IDR 3,991,453,349,313.55 and if we see the percentage decrease in the table above of 4.28%, this happened because one of the causes was refocusing the APBD to focus on handling Covid19. Refocusing the budget is

focusing or redirecting the budget. There is also the terminology (according to the term) Budget refocusing is focusing or redirecting the budget for activities that were previously not budgeted for due to budget changes (Bungko 2020).

In preparing the APBD, the Government has issued a regulation, namely PERMENDAGRI No. 21 of 2011 which contains guidelines for preparing the APBD. In terms of the preparation of the APBD and the implementation of the APBD are matters that are related to each other, as we can see the better the preparation of the APBD budgeting, the better the implementation of the ABPD program that will be realized, and if the preparation of the APBD is not done well it will cause problems. such as a budget that has a lot of excess and can also experience a deficit if the budgeted amount is smaller than the actual budget.

Various previous studies had stable results. The research carried out by Icha Oktaviani (2020) was entitled research on the Influence of Budget Planning and Budget Implementation on Budget Absorption (Study of Work Units in the KPPN Bandung I Payment Area). The results of this research state that both simultaneously and partially budget planning and budget implementation are significantly positively affected by budget absorption. Next, research was conducted by Muhammad Gustavo Puluala (2020) with the title The Influence of Budget Planning, Budget Implementation, Quality of Human Resources and Procurement of Goods and Services on the Level of Regional Budget Absorption (Empirical Study of Salatiga City Regional Apparatus Organizations). The results of this research explain that budget planning variables and the quality of human resources are affected by the level of regional budget absorption. There are also variables for budget implementation and procurement of goods and services that are not affected by the level of regional budget absorption.

Based on the explanation above, the author was encouraged to carry out research entitled "**The Influence of Budget Planning and Budget Implementation on the Level of Budget Absorption (Case Study at BAPPEDA Medan City)**".

Literature Review

Budget Planning

Planning in general is a stage for determining good future activities, from a series of choices, taking into account existing resources (Wulandari, 2018). There is also planning which is a benchmark for budgeting in general, namely the stages for preparing plans for income, expenditure and financing within a specified time period (Putri, n.d.).

Budget planning has a very important role in efforts to increase budget absorption, because if done well, it will facilitate its implementation. Weak budget planning can result in too high a budget or a budget that is too low will affect the level of budget efficiency and effectiveness. If this happens, it will cause many public services to be run inefficiently and not in accordance with the demands and needs of the public. According to Yunto, if the budget planning is not good, it will have an impact on difficulties in its implementation, so it must be revised or even unrealized (Wardayani & Dewata, 2022).

Budget Implementation

Budget implementation is a step in managing finances that should be carried out after the budget planning stage is complete. In this step, resources are used to implement budget decisions. The implementation stage includes rules regarding the use of the facilities needed, who will implement it, the implementation period and the location where it will be implemented. Budget implementation is the activities and efforts carried out for the realization of all plans and provisions that have been formulated and determined (BPKP, 2011).

Budget implementation is a stage that requires resources to implement budget policies. The possibility will occur when the budget has been well prepared (Mahardika & Nurdin, 2023).

Budget implementation is a factor that can affect budget absorption. Budget implementation is a stage of budget management as a stage after the budget planning process is complete. The budget implementation involves more people than the preparation and takes into account the feedback from real experience. The budget implementation system must ensure adherence to budget authority and have the ability to carry out supervision and reporting that can immediately detect budget implementation problems and provide flexibility for leadership (Safriansah & Zukhri, 2021).

Budget Absorption

Budget absorption is the achievement of an estimate that will be achieved during the relevant time period (realization of budgeting). With a better meaning for the general public, it dilutes budgeting. Because what is being looked at is a public sector organization or government institution, so budget absorption here

is interpreted as the disbursement or realization of the equivalent budget as stated in the Budget Realization Report (LRA) at the specified time. (Sudasri, 2016)

Budget absorption is a parameter of the implementation aspect. Instability in spending patterns causes the remaining unabsorbed budget each year, this explains that the budget absorption process must be improved so that there is no low absorption at the beginning of the year and a significant increase at the end of the year (Pratiwi & Perwito & Sukmawijaya, 2023). Budget absorption can be seen from two aspects, namely the first by comparing the realization of the budget with a simple budget ceiling. At the same time, the second aspect is looking at the proportionality of the percentage of budget absorption (Kadek Sri Handayani, 2022).

In Vety Yuliani's research (2020), she stated that budget planning and budget implementation had a positive influence on the absorption of the BLUD budget for the fourth quarter of 2019 at the UPTD Puskesmas in Tegal Regency, while HR competency was not affected by the absorption of the BLUD budget for the fourth quarter of 2019 at the UPTD Puskesmas. in Tegal Regency (Yuliani, 2020).

Icha Oktaviani (2020) stated that both simultaneously and partially budget planning and budget implementation have a positive and significant impact on budget absorption. The magnitude of the influence of these two variables on budget absorption which can be described by the coefficient of determination value is 39.3%, while the remaining 60.7% is influenced by other variables outside the research (Oktaviani, 2020).

Muhammad Gustavo Puluala (2020) stated that the variables of Budget Planning and Quality of Human Resources influence the Level of Regional Budget Absorption. The variables Budget Implementation and Procurement of Goods and Services are not affected by the Regional Budget Absorption Level (Gustavo Puluala, 2020).
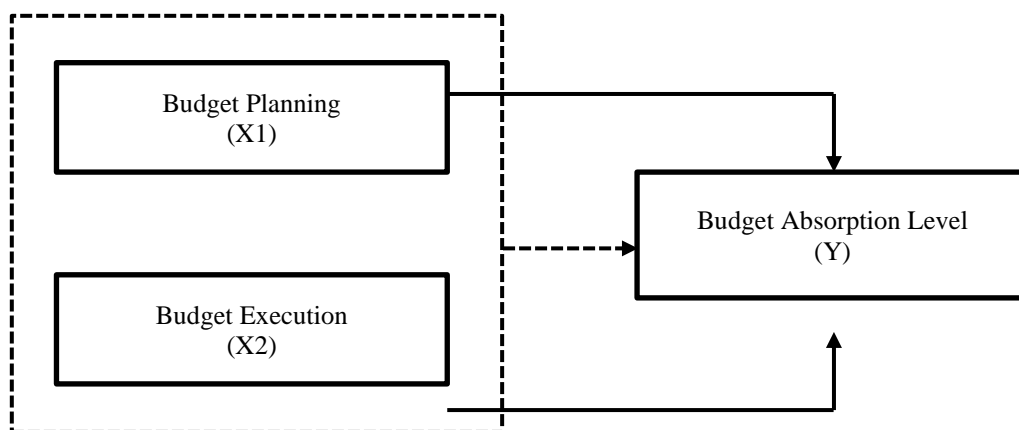
Figure 1. Conceptual framework

Method

This type of research uses an associative approach, namely research carried out to analyze the relationship and influence between two or more variables (H. Timotius, 2017). The researcher used an associative approach because the questions in this research question the relationship between two variables, then the method used in this research is to use a quantitative method. Quantitative research includes research that prioritizes aspects of objective measurement of social problems. The population in this study were 50 employees at the Regional Development Planning Agency (BAPPEDA) who worked at the Medan City Regional Development Planning Agency. The sample in this study were employees at the Medan City Regional Development Planning Agency (BAPPEDA). The data analysis technique used is multiple regression analysis, because it examines three types of independent variables and one dependent variable. To support the results and accuracy of the research, the research data obtained was analyzed using statistical tools supported by the SPSS (Statistical Package for the Social Science) Version 20.0 program, then described descriptively. Multiple linear regression analysis to determine the influence of Budget Planning (X1) and Budget Implementation (X2) on the Level of Budget Absorption (Y). This analysis aims to determine the direction of continuity between the dependent variable and the independent variable, whether each independent variable is positively or negatively related and to estimate or predict the population mean or average value of the dependent variable based on the known value of the independent variable. The data used is usually an interval or ratio scale (Runtuwen., 2016).

The regression formula used is :
Y = *a* + *b₁*X1 + *b₂*X2 + *b₃*X3 + *e*
In this research, the multiple linear regression equation, namely :
PYA = *a* + *b₁*PRA + *b₂*PLA + *e*
Information:
a	= Constant
PYA	= Budget Absorption (Y)
PRA	= Budget Planning (X1)
PLA	= Budget Implementation (X2)
b₁,b₂	= Regression coefficient for X1, X2
e	= Disturbance Factors

Results

Descriptive Analysis

Table 2. Descriptive Statistics Test Results
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Budget Planning (X1)	50	29	65	52,38	9,073
Budget Implementation (X2)	50	12	40	26,86	8,036
Budget Absorption (Y)	50	12	30	22,60	4,435
Valid N (listwise)	50				

Source: Spss 25 data processing results, 2023

The results of the analysis using descriptive statistics on Budget Absorption show a mean value of 22.60, a minimum value of 12, a maximum value of 30, with a standard deviation of 4.435. Furthermore, the results of the analysis from the use of descriptive statistics on Budget Planning show a mean value of 52.38, a minimum value of 29, a maximum value of 65, with a standard deviation of 9.07. Next, the Budget Implementation variable shows a mean value of 26.86, a minimum value of 12, a maximum value of 40, with a standard deviation of 8.036.

Data Quality Test

Validity test
The validity test can be seen in the Pearson correlation column in SPSS and after carrying out measurements using SPSS, the level of significance and t calculated for all questions on one instrument can be called valid if the r calculated value > r table for the r table value is found to be 0.2787.

Table 3 Validity Test Results

Variable	Question Items	r count	r table	Significance Value	Criteria
	Item 1.	0,793	0,2787	0,000	Valid.
	Item 2.	0,799	0,2787	0,000	Valid.
	Item 3.	0,689	0,2787	0,000	Valid.
	Item 4.	0,836	0,2787	0,000	Valid.
Budget Planning (X1)	Item 5.	0,775	0,2787	0,000	Valid.
	Item 6.	0,836	0,2787	0,000	Valid.
	Item 7.	0,801	0,2787	0,000	Valid.
	Item 8.	0,825	0,2787	0,000	Valid.

	Item 9.	0,722	0,2787	0,000	Valid.
	Item 10.	0,832	0,2787	0,000	Valid.
	Item 11.	0,878	0,2787	0,000	Valid.
	Item 12.	0,850	0,2787	0,000	Valid.
	Item 13.	0,439	0,2787	0,001	Valid.
	Item 1.	0,783	0,2787	0,000	Valid.
	Item 2.	0,846	0,2787	0,000	Valid.
	Item 3.	0,775	0,2787	0,000	Valid.
Budget Implementation (X2)	Item 4.	0,878	0,2787	0,000	Valid.
	Item 5.	0,865	0,2787	0,000	Valid.
	Item 6.	0,847	0,2787	0,000	Valid.
	Item 7.	0,842	0,2787	0,000	Valid.
	Item 8.	0,857	0,2787	0,000	Valid.
	Item 1.	0,815	0,2787	0,000	Valid.
	Item 2.	0,804	0,2787	0,000	Valid.
Budget Absorption (Y)	Item 3.	0,775	0,2787	0,000	Valid.
	Item 4.	0,865	0,2787	0,000	Valid.
	Item 5.	0,849	0,2787	0,000	Valid.
	Item 6.	0,858	0,2787	0,000	Valid.

Source: Spss 25 data processing results, 2023

Based on table 3, The results of the validity test above can be explained that in all 27 (twenty seven) questions the calculated r value is greater than the r table and seen from the significance value it is below 0.005, so it can be concluded that all the questions answered by the respondents are valid.

Reliability Test

Reliability testing is used to measure the time a questionnaire includes parameters rather than variables. A questionnaire is said to be reliable or reliable if a person's answers to questions are constant or stable over time (Haslinda, 2016). In order to find out whether a variable is reliable or not, a statistical test is carried out by looking at the Cronbach Alpha value > 0.06 so it can be said that the instrument is reliable or trustworthy.

Table 4. Reliability Test Results

Variable	Number of Items	Reliability Limits	Cronbach Alpha	Information
Budget Planning (X1)	13	0,60	0,945	Reliable
Budget Implementation (X2)	8	0,60	0,938	Reliable
Budget Absorption (Y)	6	0,60	0,906	Reliable

Source: Spss 25 data processing results, 2023

In Table 4, the results of the reliability test above show that the budget planning variable has a value of 0.945, the budget implementation variable has a value of 0.938 and the budget absorption variable has a

Cronbach value of 0.906. Because the Cronbach alpha value for all variables is greater than the reliability limit, namely 0.60, all instrument items are said to be reliable and capable of being used as data in research.

Classic Assumption Test

Normality test

The normality test in this research was carried out using Kolmogrov-Smirnov. A good regression model has residual values that are normally distributed. Provided that if the significance value is > 0.05 or 5%, the data is distributed normally. The following is a table of test results. normally. following is a table of

Table 5. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	3,62044647
Most Extreme Differences	Absolute	,113
	Positive	,055
	Negative	-,113
Test Statistic		,113
Asymp. Sig. (2-tailed)		,153[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: Spss 25 data processing results, 2023

Based on table 5 above, the data above is distributed normally if the Sig (significant) value is > 0.05 and the data is said to be abnormal if the significant value is < 0.05. Based on the Normality Test with the Kolmogrov Sminov Test, Asymp is obtained. Sig. worth 0.153 > 0.05. So it can be concluded that the data is distributed normally.

Multicollinearity Test

A good regression model is if there is no correlation between independent variables. This test can be seen from the variance inflation factor (vif) based on the spss output results if the vif value is < 10 and is close to 1 and the tolerance value is > 0.10 so it can be concluded that multicollinearity is rejected. The following is a table of multicollinearity test results obtained from the data test results:

Table 6. Multicollinearity Test Results
Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Budget Planning (X1)	,986	1,014
	Budget Implementation (X2)	,986	1,014

a. Dependent Variable: Budget Absorption (Y)
Source: Spss 25 data processing results, 2023

Based on the table above, it can be seen that the budget planning variable has a tolerance value of 0.986 > 0.10, the budget implementation variable has a tolerance value of 0.986 > 0.10, and the budget

planning variable has a variance inflation factor (vif) of 1.014 < 10, So it can be concluded that the independent variables do not contain multicollinearity and this data is suitable for use.

Heteroscedasticity Test

In this research, the way to detect whether heteroscedasticity is present or not is by using the Glejser test by regressing the absolute value of the residual on the independent variable > 0.05 so that the regression model does not include heteroscedasticity. The following is a table of heteroscedasticity test results.

Table 7. Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,334	2,331		1,001	,322
	Budget Planning (X1)	,014	,036	,055	,377	,708
	Budget Implementation (X2)	-,009	,041	-,032	-,220	,827

a. Dependent Variable: Abs_Res
Source: Spss 25 data processing results, 2023

Based on the table of heteroscedasticity test results using the Glesjer method above, the significance value of the budget planning variable on the absolute residual is 0.708 > 0.05, then the budget implementation variable on the absolute residual is 0.827 > 0.05. So it can be concluded that the regression model in this study does not experience heteroscedasticity, which means the regression model is capable of detecting dependent variables based on the input of independent variables.

Hypothesis Testing

Coefficient of Determination (R2)

The Determinant Coefficient (R2) is used to measure the extent of the model's skill when describing variations in the dependent variable. The determinant coefficient value is between 0 and 1. A small R2 value means that the ability of the independent variables when describing variations in the dependent variable is very limited. The following are the results of the coefficient of determination test (R2).

Table 8. Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,578[a]	,334	,305	3,697

a. Predictors: (Constant), Budget Implementation (X2), Budget Planning (X1)
b. Dependent Variable: Budget Absorption (Y)
Source: Spss 25 data processing results, 2023

Based on the test results table above, the coefficient of determination (Adjusted R2) is 0.305 or 30.5%, meaning that budget absorption can be explained as 30.5% by the variables budget planning and budget implementation. Meanwhile, the remaining 69.5% can be explained by other variables not used in this research.

Partial Test (T Test)

The t test is used to determine the influence of each independent variable partially and significantly on the dependent variable. The criteria for making decisions use two 5% real levels for a two-way test, namely t table (a/2=0.05/2=0.025) with degrees of freedom (df) = 50-3 = 47. So the t table value with levels real a/2 = 0.025 and df = 47 is 2.012 < t count. And the significance value is <0.005. So the independent variable can influence the dependent variable. Following are the results of the partial test (t test).

Table 9. Partial Test Results (Uji T)
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,865	3,760		1,294	,202
	Budget Planning (X1)	,220	,059	,450	3,754	,000
	Budget Implementation (X2)	,231	,066	,419	3,493	,001

a. Dependent Variable: Budget Absorption (Y)
Source: Spss 25 data processing results, 2023

Based on the table above, it can be seen that the budget planning variable has a t hit value of 3.754 > t table 2.012, also seen from the significant value, namely 0.000 < 0.05, meaning that the budget planning variable can influence the budget absorption variable. Next, t calculated for the budget implementation variable is 3.493 > t table is 2.012, and the significant value is 0.001 < 0.05, meaning that budget implementation can influence the budget absorption variable. So it can be concluded that all the independent variables in this research can partially influence the dependent variable.

Simultaneous Test (F Test)
The F test or better known as the simultaneous test is a test that is used to explain whether all the independent variables included in the model have a simultaneous influence on the dependent variable (Haslinda, 2016). The criteria for the f test are that if the calculated f obtained in the research is > f table and the significant value is < 0.005, then the independent variable can influence the dependent variable simultaneously. The F table can be obtained by looking at the number of independent variables = 2 with residual degrees of freedom (df) = 47. So the f table value can be seen in the presentation point table for the distribution of F for a probability of 0.05 with a residual df value = 47 which is 3.20. The following is a table of simultaneous test results.

Table 10. Simultaneous Test Results (Uji F)
ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	321,726	2	160,863	11,772	,000[b]
	Residual	642,274	47	13,665		
	Total	964,000	49			

a. Dependent Variable: Budget Absorption (Y)
b. Predictors: (Constant), Budget Implementation (X2), Budget Planning (X1)
Source: Spss 25 data processing results, 2023

Based on the test results table above, the calculated F value is 11.772 > the F table is 3.20. And the sig value is 0.000 < 0.05, meaning that all independent variables, namely the budget planning variable, budget implementation can simultaneously influence the dependent variable, namely the budget absorption variable.

Multiple Linear Regression Analysis
This analysis aims to determine the direction of the relationship between the dependent variable and the independent variable, or whether each independent variable is positively or negatively related and to estimate or predict the population mean or average value of the dependent variable based on the known value

of the independent variable. The data used is usually on an interval or ratio scale (Haslinda, 2016). In this research, the multiple linear regression equation is:

PYA = a + b_1PRA + b_2PLA + e

Table 11. Multiple Linear Regression Analysis
Coefficients[a]

	Model	Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,865	3,760		1,294	,202
	Budget Planning (X1)	,220	,059	,450	3,754	,000
	Budget Implementation (X2)	,231	,066	,419	3,493	,001

a. Dependent Variable: Budget Absorption (Y)
Source: Spss 25 data processing results, 2023

PYA = 4.865 + 0.220PRA + 0.231PLA
The explanation regarding the equation above can be explained as follows:
1. The constant is 4.865, which means that if the budget planning and budget implementation variables are considered 0 then the budget absorption value is 4.865.
2. The coefficient of the budget planning variable is 0.220, meaning that if there is an increase in the value of the budget planning variable by 1%, the budget absorption value will increase by 0.220%.
3. The coefficient of the budget implementation variable is 0.231, meaning that if there is an increase in the value of the budget implementation variable by 1%, the value of budget absorption will increase by 0.231%.

Discussion

The Influence of Budget Planning on the Level of Budget Absorption in BAPPEDA Medan City
        The first hypothesis of this research is that budget planning influences budget absorption. From this hypothesis it can be interpreted that good budget planning can increase budget absorption. Based on the results of the partial test (t test) in table 4.10 above, it shows that budget planning has a positive and significant effect on budget absorption. This research is relevant to previous research carried out by Rifka Ramadhani, et al (2019) Regulations, Budget Planning and Procurement of Goods/Services in hypothesis testing have a significant positive effect on budget absorption in the OPD of West Sumatra Province.
        Planning is a stage of selecting various alternative uses of resources to achieve specified goals in the future. In other words, planning, in this case, budget planning, includes tools or means for achieving organizational goals or organizational performance, where performance includes illustrations related to the level of achievement of implementing an activity or activity in realizing the organization's targets, goals and vision and mission (Haslinda, 2016).
        The influence of budget planning at the Medan City BAPPEDA from an Islamic perspective is good, meaning that the budget planning carried out at the Medan City BAPPEDA is in accordance with Islamic law.
        Based on the results of the research and explanation, it can be concluded that budget absorption in this case, the realization of the budget to be achieved by BAPPEDA Medan City will increase if it is accompanied by good budget planning.

The Effect of Budget Implementation on the Level of Budget Absorption in BAPPEDA Medan City
        The second hypothesis of this research is that budget implementation influences budget absorption. From this hypothesis it can be interpreted that budget implementation can increase budget absorption. Based on the results of the partial test (t test) in table 4.10, it shows that budget implementation has a positive and significant effect on budget absorption. This research is relevant to previous research conducted by Vety Yuliani (2020) which concluded that Budget Planning and Budget Implementation had a positive influence on the 2019 Quarter IV BLUD Budget Absorption at the UPTD Community Health Center in Tegal Regency.
        The importance of the budget implementation aspect is that it is implemented as a financial management stage which should be carried out after the budget planning stage is complete. Budget implementation is an activity or effort carried out to realize all plans and provisions that have been formulated and determined.

The influence of budget implementation at the Medan City BAPPEDA from an Islamic perspective is good, meaning that the budget implementation carried out at the Medan City BAPPEDA is in accordance with Islamic law.

Based on the results of the research and the study presented above, it can be concluded that the budget implementation carried out at the Medan City BAPPEDA has the potential to increase budget absorption.

The Influence of Budget Planning and Implementation on the Level of Budget Absorption in BAPPEDA Medan City

The third hypothesis of this research is that budget planning and budget implementation have an influence on budget absorption. From this hypothesis it can be interpreted that budget planning and budget implementation can optimize budget absorption. Based on the results of the Simultaneous test (t test) in table 4.11, it appears that budget planning and budget implementation can simultaneously or simultaneously influence budget absorption. This research is relevant to previous research conducted by Icha Oktaviani (2020) which concluded that both simultaneous and partial budget planning and budget implementation had a positive and significant effect on budget absorption.

Based on the results of the research and study presentation above, it can be concluded that budget planning and budget implementation carried out at BAPPEDA Medan City have the potential to increase budget absorption, where budget planning and budget implementation have been considered relevant to the budget that has been determined for the activities so that there are benchmarks to optimize budget absorption.

Conclusion

Based on the data collected and the multiple linear regression tests that have been carried out, it can be concluded that budget planning has a positive and significant effect on budget absorption. Budget planning is directly related to budget absorption. The higher the budget planning in BAPPEDA Medan City, the higher the budget absorption in that area. Budget implementation has a positive and significant effect on budget absorption. Budget implementation is directly related to budget absorption, the higher the budget implementation carried out in BAPPEDA Medan City, the higher the level of budget absorption in that area. Furthermore, the two independent variables, namely budget planning and budget implementation, can simultaneously or simultaneously influence the dependent variable, namely budget absorption. Thus, if budget planning and budget implementation in BAPPEDA Medan City improve well, the absorption of the budget obtained will also be good. The weakness of this research is that there are not many variables used, so it is a suggestion for future researchers to increase the number of research variables.

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