

CHAPTER I

INTRODUCTION

A. Background

Indonesia currently embraced the system of democracy, *demos* which means people and *eratos or cratein*, the meaning is the government. The meaning of democracy is where the condition of the State in the system of Government, sovereignty is in the hands of the people, the supreme power is in the decision together with the people¹.

The Government in a country has a purpose particularly in the system of Government embraced by individual countries especially adherents of democratic system. The real thing from a system of democracy was made law decentralized so that the regional can organise most of power conferred by the Central Government to set up its own by laws according to the principle of autonomy and helper principle².

To realize the implementation of Local Government, is set in an applicable legislation, in this case is Law Number 23 of 2014 Concerning Local Government that runs the functions of the Local Government is the institutions in Local Government and District Representative Council. The relationship between Local Governments and created the District Representative Council partnership is the relationship. It means between the two governments institutions of the regional have the same position and not at each other's command to each other. As for the purpose of the establishment of the rule of law in this regional is so that the regional can be independently organized by Local Government in organizing and taking care of his own Government Affairs

¹Syafiie, Inu Kencana. *Ilmu Pemerintahan*. Mandar Maju, Bandung. 2013. Page 151

²Undang-Undang Dasar Negara Republik Indonesia Tahun 1945, article 18.

according to the principle of autonomy and helper task in the system and the principle of the unitary State of the Republic of Indonesia as stipulated in-the Constitution of the Republic Indonesia 1945 the State Union of Republic Indonesia is divided into provinces, then the area of the Provinsi, was divided into Kabupaten and Kota, where each Province, District, and City had arranged with the Local Government Act. The government area is the Province, District, and the City set up and takes care of his own government affairs according to the principle of autonomy and helper task³.

In the law on Local Government Article 1 mentioned that the Local Government is the organizer the government affairs by Local Governments and the District Representative Council according to the principle of autonomy and helper task with the principle of autonomy in the system and the existence of the principle of the Unitary State of the Republic of Indonesia as stipulated in the Constitution of the Republic of Indonesia in 1945. Item from Local Government namely Gubernur, Bupati, Walikota and other devices. The District Representative Council is an area as an organizer of Local Government⁴.

Regional Budget Revenue and Expenditure is the annual Local Government plan which is set based on local regulations. Elements of the Local Governments namely Governors, Mayors or governors, and other devices as well as the District Representative Council based on the principle of autonomy and helper task with principles of decentralization within the system and the principle of the country of Indonesia as written in the Constitution of the Republic Indonesia in 1945.

³Undang-Undang Dasar Negara Republik Indonesia 1945 Tentang Pemerintah Daerah, article 18.

⁴Undang-Undang Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah, article 1.

The systems of government of Indonesia are in the midst of a period of transformation in the relationship between the Central Government and Local Governments. Province and District/City, the Local Governments are an extension of the rule in the Central Government. However, this is a way for Local Governments to arrange for the full implementation of its territory of its own and can take greater responsibility in providing public services to the community that exists in the region⁵.

In Local Government are known by the existence of the Local Government device where the Local Government device, which consist of Sekretariat Daerah, Sekretariat DPRD, Dinas Daerah, and Lembaga Teknis. Meanwhile, in the area of Kabupaten/Kota the government device consists of Sekretariat Daerah, Sekretariat DPRD, Dinas Daerah, Lembaga Teknis Daerah, Kecamatan dan Kelurahan, in which each device is the regional has a very strong linkages and it is a unity that can not be separated in organizing or execution of government policy areas in accordance with the legislation that apply.

On article 148 of the Law Number 23 of 2014 concerning Regional Government has explained that the District Representative Council is an institution of regional and District Representative Council also have a position as one of the elements organizer of local governments. On article 149 explained that District Representative Council has the Controlling Functions, Budgeting and Legislation. In Article 153 mentioned that the Controlling Implementation of Regional Regulation of the District/City and regulations Regent/Mayor, The implementation of the provisions of other legislation related to the conduct of the Regional

⁵H. A. W. Widjaja. 2002. *Otonomi Daerah Dan Daerah Otonomi*. PT.Raja Grafindo Persada, Jakarta. Page 1.

District/City Government, and The implementation of the follow-up to the results of the examination of the financial statements by Badan Pemeriksa Keuangan⁶.

The monitoring activities carried out by the District Representative Council rather than the purpose of the priority of an activity of Local Government, but as one of the means to ensure the achievement of implementation activity in the region. The connection with this then held a monitoring system against the Act Government apparatus with a view to avoiding any act that harms the community, at least the minimal possible occurrence of pressing the act⁷.

Regarding the Regional Budget Revenues and Expenditure are governed in law 23 of 2014 concerning Regional Government. Regional Budget Revenue and Expenditure is the basis of the financial management region in a period of 1 year. Regional Budget Revenue and Expenditure is calculated starting from 1 January to 31 December. The Regional Head recommend the Regional Regulation Draft about Regional Budget Revenue and Expenditure with explanations and supporting documents to the District Representative Council to get approval. Accountability of organization of the Regional Budget Revenues and Expenditure Area based on the submission of the Regional Head about Regional Regulation Draft, accountability, from the implementation of the Regional Budget Revenue and Expenditure to District Representative Council, including financial statements that had already been examined by the Agency of Financial Examiners, at the latest within 6 months after the fiscal year ends. In the running of local regulations, the Regional Head makes own regulation such as contained in Article 190, that Regional Head Regulation about the elaboration of Regional Budget Revenue and Expenditure and Regional Head Regulations about the elaboration of the changes of

⁶Undang-Undang Republik Indonesia No 23 Tahun 2014 Tentang Pemerintah Daerah, article 148, 149 and 153.

⁷Muchsan. *Sistem Pengawasan Terhadap Perbuatan Aparat Pemerintah dan Peradilan Tata Usaha Negara di Indonesia*. Liberty, Yogyakarta. Page 36.

Regional Budget Revenue and Expenditure is became a basis to assign the document the implementation of the budget on Satuan Kerja Perangkat Daerah⁸.

The functions of the District Representative Council in order to enhance the roles and responsibilities of Regional Representative Institutions to develop a life of democracy, ensure the representation of the people and the region in implementing the duties and authorities of the institution, as well as developing mechanisms of checks and balances between the Executive and legislative institutions, as well as improve the quality, productivity, and performance.

The system that embraced the government of Indonesia, the controlling carried out by the institutions that are in the government or called by Internal Controlling. The controlling can also be performed by an institution which are located outside on the organs of government or commonly is referred as External Monitoring. In the Internal Monitoring, the monitoring can be conducted by the institutions created specifically by the government such as the Badan Pengawasan Keuangan dan Pembangunan (BPKP), controlling carried out by the Inspektorat Jenderal Departemen, Badan Pengawas Daaerah (Bawasda) and Internal Monitoring within the the Local Government also carried out by the direct leader who served or Badan Tata Usaha Negara. Controlling is often also called the Pengawasan Melekat (Waskat). External controlling is conducted by Dewan Perwakilan Rakyat (DPR), Badan Pemeriksa Keuangan (BPK), Mahkamah Agung and Institutions which are below as well as external the controlling are also carried out by the community, which can be done by either by individuals, community groups, NGOs and the mass media.

⁸Undang-undang Republik Indonesia No 23 Tahun 2014 Tentang Pemerintah Daerah, article 179, 181, and 184.

Views of nature, the government monitoring, there is repressive and preventive. Repressive Monitoring namely monitoring is done and has the aim to follow up the Act Government which is already done by the government by way of breaking the law. Whereas preventive monitoring is the monitoring done and had the purpose to prevent the occurrence of any act or government actions that violate the law, either written or unwritten.

The inspection is a process of analysis of an issue, problem identification, and evaluation issues that were conducted independently, professionally and objectively, on the basis of credible inspection standards and based on truth and reliability of information about management and financial responsibility of the State. Financial Examiner Agency is an agency of the Republic of Indonesia Financial Examiners. The District Representative Council based on the functions of the District Representative Council can conduct the monitoring against the execution of the affairs of Local Government in the regions it works in accordance with the Legislation. The controlling of the District Representative Council against the monitoring of implementation the Regional Regulation and of Budget Revenue and Expenditure Budget of the Province/District/City⁹.

The functions of the controlling carried out by the District Representative Council are monitoring against Regional Government that has the monitoring of policy rather than a technical monitoring. In the article of Act No. 27 of 2009 about the people's Consultative Assembly, the House of representatives, Regional Representatives Council and District

⁹Galang Asmara, *Ombudsman Nasional dalam Sistem Pemerintahan Negara Republik Indonesia*, Laksbang Pressindo, Yogyakarta, 2005. Page 125-126.

Representative Council affirmed that: District Representatives Council have the rights: 1, Interpellation 2, Right Now 3, Right for Stating Opinion¹⁰.

In the controlling function of Regional Budget Revenue and Expenditure carried out by the District Representatives Council that is able to implement preventive functions, when drafting the Budget Plan Revenue and repressive controlling functions, when Regional Budget Revenues and Expenditure. In the management, regional financial accountability, regional financial management procedures assigned by the Regional Head based on Local Regulations and Regional Head. The Regional Head responsible regarding the financial management region to the District Representatives Council¹¹.

Regional Budget Revenues and Expenditure is part of the National Budget in its implementation is set up by legislation, such as that contained in the Constitution Article 11 paragraph (1) which States that: “The National Budget as a manifestation of the financial management of the State which is set every year by law and carried out in an open and responsible for the prosperity of most people”¹².

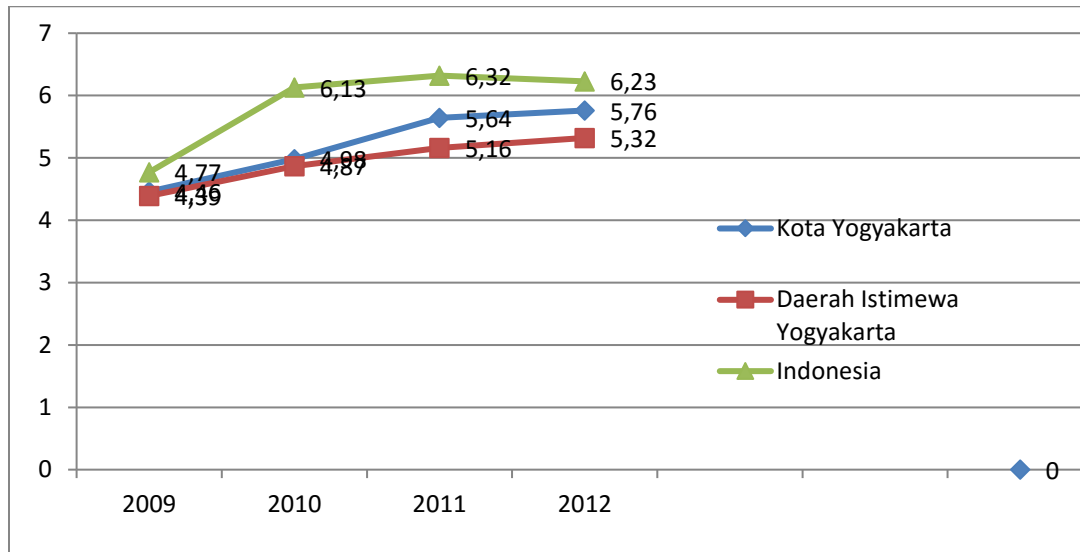
The economic growth of the city has increased during 2008-2012; the average reached 5.19% per year. This shows that in the same period an increase in economic activity in the territory of Kota Yogyakarta

¹⁰Undang-Undang Nomor 27 Tahun 2009 Tentang MPR, DPR, DPD, dan DPRD, Article 298.

¹¹Undang-Undang Republik Indonesia No 23 Tahun 2014, Tentang Pemerintah Daerah, Article 310.

¹²Undang-Undang Dasar 1945, Article 23.

Tabel 1.1 The Economic Growth of Kota Yogyakarta 2008-2012



Source: Nota Kesepakatan Pemerintah dengan DPRD Kota Yogyakarta Tentang Kebijakan Umum APBD Tahun Anggaran 2015

Kota Yogyakarta is the region that rests on the secondary and tertiary sectors in its economic activities. The largest contributor is the sector of trade, hotels and restaurants, and then followed by the service sector. Advances in sectors of trade, hotels and restaurants that is inseparable from the cultural and tourism activities that become the power of Kota Yogyakarta.

The city is a role model for other regions in Indonesia because the economic growth of the city is experiencing an increase in 4 years, from 2008-2012. Therefore, the government of the Kota Yogyakarta is one of the governments that have progress and has gone well. It is visible from the city economy statistics and local government leadership aspects assessed the community quite capable of being a role model and have authority. In addition, the process of deliberations of the budget has begun to do with transparent which involve the society.

The budget of Kota Yogyakarta in fiscal year 2015 was experiencing a very significant improvement when compared with fiscal year 2014 and 2013 before. In the fiscal year 2013, the budget of the city of 1,309 billion, which is 2014 the budget of Kota Yogyakarta experienced significant improvement of 1,459 billion, and 2015 the city budget was also experienced significant improvement of 1,730 Billion¹³.

The increase in the budget and the magnitude of the value of the Regional Budget Revenues and Expenditure of Kota Yogyakarta should be accompanied by strict controlling by the members of the District Representatives Council of Kota Yogyakarta has the controlling authority against Regional Budget Revenue and Expenditure, whether preventive or repressive. Monitoring should also be carried out by the internal agency that has the authority to conduct the monitoring against such Badan Pengawasan Keuangan dan Pembangunan (BPKP) serta Badan Inspektorat Daerah. In addition there are also the external institutions that conduct the monitoring against the State financial management namely Badan Pemeriksaan Keuangan. In addition to the above controlling institutions, community participation either directly or indirectly against much needed the controlling of budget of Kota Yogyakarta because in the implementation of National Budget aims for the welfare of the society either directly or indirectly. Public participation is a real controlling against organizing Regional Budget Revenue and Expenditure, access in decision making, contribution to development efforts, and the utilization of the results of Development¹⁴.

¹³Peraturan Daerah Kota Yogyakarta Tahun 2015 Pertanggungjawaban dan Pelaksanaan Anggaran Pendapatan Dan Belanja Daerah Tahun Anggaran 2014. attachment 1.

¹⁴Puriyadi, 2007, *Siasat Anggaran: Posisi Masyarakat Dalam Perumusan Anggaran Daerah*. Lokus, Yogyakarta. Page 43.

Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015, was set near the end of the year because the District Representatives Council of the Kota Yogyakarta cancelled the signing of memorandum agreement of the public agenda of Kebijakan Umum Perubahan Anggaran (KUPA) dan Prioritas Plafond Anggaran Sementara (PPAS) Regional Budget Revenue and Expenditure along the City Government on August 2015. This happens because a number of the proposals that became the staple of the mind the members of District Representatives Council do not appear in the draft, but mixed with government programs. Members of District Representatives Council wanted a program that became the proposed by members of District Representatives Council are separated by the proposals of the Government so that it can be controlled and accounted for. Which is on the change plan of Regional Budget Revenue and Expenditure, there is at least 92 principal thought and there is which a proposal from 40 members of the District Representatives Council.

Separation program aspirations are very important as accountability to the constituents of Council members to let them know that the aspirations of its constituents are realized or not. District Representatives Council of members are not worried the refusal to make the discussion and endorsement of the change of the Regional Budget Revenue and Expenditure of Kota Yogyakarta be delayed so that the remaining time after the passage of three months (before the end of the year), this change fixed budget absorption will be maximum. Meanwhile, the presence of an extra budget this change around Rp 360 billion. Around Rp 300 billion has been used to cover the deficit Regional Budget Revenue and Expenditure by 2015 and the remaining Rp 60 billion is expected to be able to accommodate the program's principal thought of the District Representatives Council. The presence of members of the District Representatives Council because of constituents, if the thoughts do not show up in the program of government, the

Government program runs itself without any proposed program District Representatives Council, its just the ruining of the face of District Representatives Council members in the eyes of them constituents¹⁵.

Regional Budget Revenue and Expenditure of Kota Yogyakarta 2015 focused or prioritized based on National Development Priorities and the Government aimed at Daerah Istimewa Yogyakarta so that the creation of synergies between the regional centres so that in the planning, implementation, control and evaluation. Then for the priority development of the city of Yogyakarta, namely:

1. Socio-Culture.
2. Economy.
3. Science and Technology.
4. Law and Apparatus.
5. Regional Development and Spatial.
6. Providing Infrastructure.
7. Environment and Disaster Mitigation¹⁶.

The role of Regional People's Representatives Council against Regional Budget Revenue and Expenditure of the Kota Yogyakarta is a part of the implementation of a Government that is clean and safe practices of Corruption, Collusion and Nepotism. Therefore, the controlling of the District Representatives Council against the Regional Budget Revenue and Expenditure is very important because being a supporting factor in advancing the regions, equalization in the region,

¹⁵ <https://m.tempo.co/read/news/2015/08/15/058692226/usulan-tidak-masuk-dprd-yogya-tolak-bahas-apbd-perubahan>. retrieved 23 September 2016 (17.22)

¹⁶ Nota Kesepakatan Antara Pemerintah Kota Yogyakarta Dengan Anggota DPRD Tentang Kebijakan Umum Anggaran Pendapatan Dan Belanja Daerah Tahun Anggaran 2015, Chapter 4.

so the creation of a society that is prosperous, secure, and fair. A transparent controlling will greatly help to avoid the mistakes that can harm Local Governments and also especially the society because of the monitoring that is done well.

The implementation of the controlling Function against the Regional Budget Revenue and Expenditure of the Kota Yogyakarta by the District Representatives Council, there is still weakness and out of sync in the practice of their implementation. This is attested by the presence of build up Regional Budget Revenue and Expenditure at issue in the District Representatives Council along with the government of the Kota Yogyakarta, both caused by internal and external factors, in this case the community or related parties due to the resolution of problems that occur are still associated with political problems. Based on the background of the writer wanted to know more about the implementation of the controlling conducted by the District Representatives Council of Kota Yogyakarta fiscal year 2015 and what being factor supporters and a barrier to the controlling implementation of the District Representatives Council against the Regional Budget Revenue and Expenditure in fiscal year 2015. From exposure above the author takes the theme of research “CONTROLLING FUNCTION BY THE DISTRICT REPRESENTATIVES COUNCIL AGAINST REGIONAL BUDGET AND EXPENDITURE OF KOTA YOGYAKARTA IN FISCAL YEAR 2015”.

B. Research Questions

Based on the background of the problems that have been described above, then the writer formulate problems in research as follows:

1. How is the controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015?

2. What have been the supporting and inhibiting factors the controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015?

C. Research Objectives

In accordance with the formulation of a problem is submitted, and then the research aims:

1. To know the controlling functions by District Representatives Council against Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015.
2. To know what supporting and inhibiting factors the controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015.

D. Research Benefits

As for the expected benefits of this research are:

- 1) Theoretical Benefits
 - a) Provide support to the development of the study of Government Science especially in controlling functions by District Representatives Council against Regional Budget Revenue and Expenditure.
 - b) Research results is expected to enrich the vocabulary of science in particular government and can be reference further research related to the controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure.

2. Practical Benefits

a) District Representatives Council

As a comparison and a literature in controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure.

b) Local Government of Kota Yogyakarta

As material input for local governments regarding the controlling functions by District Representative Council against Regional Budget Revenue and Expenditure.

c) Society

Provide information for the society to the extent to which the controlling functions by the District Representatives Council against Regional Budget Revenue and Expenditure.especially for the people of Kota Yogyakarta

E. Teoritical Framework

1. Controlling

a. Definition of Controlling

Controlling is a very important management function, so the assortment management expert in giving his opinion about the management functionality always put elements of controlling as a function that is important. The importance of the controlling in an organization so that the success of the performance of an organization being size, which is the implementation of controlling against the organization.Even in the practice of modern management of the controlling can no longer separated by other management functions.

The controlling covers the activities carried out by managers to ensure the results actually achieved in accordance with the planned results. Simply put, that controlling is done to determine the expected results have been achieved, so it will be obtained a conclusion from the results of the controlling activities that there are other management functions wrong and cause the target not achieved. So controlling is a logical sequence of finishing¹⁷.

According to Dunn's, controlling is the process of obtaining information relevant with policy to measure the changes that occur in a condition that is focused on a destination, which is either subjective or objective among the various target groups¹⁸.

According to BPK controlling is the tools to makesure that get the achivement and goals in management or the organization¹⁹.

From the definition above, there is same meaning against the means of controlling in General. Controlling is a process of observation or series of activities pays attention to even do the evaluation of programs, projects and others. With the monitoring can be known irregularities, misuse, misappropriation, wastage, leaks, and other obstacles in the future. So the overall controlling of the activities is to compare what was or is already done with what was planned in advance, therefore, need criteria, norms, standards and measures of results to be achieved because there are close links between the controlling and planning, because the controlling is considered to be activity for finding, correcting deviations in the implementation and the results

¹⁷ Gibson. Organisasi, Bina Aksara, Jakarta, 1986, Page 36.

¹⁸ Dunn, William N. Public Policy Analisis: An Introduction, New Jersey: Pearson Education. Edisi Bahasa Indonesia yang diterjemahkan dari edisi kedua (1994) diterbitkan sejak 1999 dengan judul Pengantar Analisis Kebijakan Publik, Gajah Mada University, Yogyakarta, 1994.

¹⁹ Nugraha, Riat, Dr, Public policy "Dinamika Kebijakan, Analisis Kebijakan, Manajemen Kebijakan Teori dan Model, Perumusan, Implementasi, Pengendalian, Monitoring dan Evaluasi, Risk Management, Kebijakan Unggul, the Fifth Estate, Metode Penelitian Kebijakan", PT Elex Media Komputindo, Jakarta, 2012, Page 724.

achieved from the planned activities due to planning and controlling are the two sides of the coin that could not be separated.

b. Controlling Function

Activity of controlling has the goal as following (BPK 2009):

1. Preventive control, in order to create a clean and authoritative apparatus which are supported by a management system of the Government powerless to and supported.
2. Detective Control, In order to detect the problem going on.
3. Corrective Control, In order to correct again the problem that happened in the middle is going on.

From the opinion above it can be concluded that the purpose of controlling is to know and to conclude the implementation of the work, and work things out in accordance with the planned or not, whether running with the efiesien or not, measure the level of difficulty is going to understand what disruption is happening so quickly can provide solutions and improvements.

c. Mechanism of Controlling

The controlling system can be done in various forms/mechanisms for implementation. Form of implementation mechanisms controlling system does not have a reference standard, so the implementation of the system refers to the direction of individual improvisation with the incorporation of some form. The use of shape controlling system adapted to the circumstances of the organization. Circumstances may include the organization's goals, the size and nature of the company's business processes, as well as the culture/work ethic. Forward seven mechanisms of activity of the controlling system, namely (Williams, 1998):

1. Observe work processes, for example by doing a visit at work facilities, office monitoring, shop floor, as well as employees who are working
2. Read the documentation of the report, in the form of a summary of the performance and progress report
3. Looking at the screen display performance data via computer
4. Inspection sampled the quality of a work process
5. Discussion meeting individual and group development
6. Conduct a survey of client/consumer to assess satisfaction with the products or services of an organization
7. Conduct a survey to assess the needs of the consumer market as a guide in the follow-up repairs.

d. Principles of Controlling

Principles of Controlling are:

- a) On the target
- b) Flexible
- c) Dynamic
- d) Economical
- e) Efficient
- f) Understandable
- g) Can be immediately reported irregularities
- h) Can guarantee the establishment of corrective action

In this case, then principles of controlling is very important to strengthen controlling toward assessment so that emergence of significant improvements and lead to an increase.

2. District Representatives Council

a. Definition and Function District Representatives Council

On the system of local government there are two divisions of authority, namely District Representatives Council as a Legislature and Local Governments/Regional Executive Heads. To prevent the occurrence of conflicts between the two institutions, needs to be a mechanism that regulates the relations of mutual control and mutual balance out each other in relationships of equality through the principle of "checks and balances," in Law Number 23 year 2014 mentioned that District Representatives Council and the Regional legislative Body based on equal footing and become a partner of Local Government.

In a position like this, the two institutions mutually controlling each other, watched, not fouling each other, but each maintains a good cooperation, except in a parliamentary system, where the Government may dissolve the Parliament, the Parliament could topple the Government. District Representatives Council and Local Governments have the same responsibilities in realizing the local government that has the power to approve and managed, as well as transparent and accountable in order to provide excellent service to the society in order to provide the productivity and well-being of communities in the region.

Regional Legislative of Province, District, and City are the institution of the District Representative who serves as the regional government institutions. District Representatives Council is an institution of the legislature has the right budget (the right to set the budget and conducting the controlling of the implementation by Regional Budget Revenue and Expenditure).

Based on law Number 23 of 2014 concerning regional governments can be concluded that District Representatives Council functions in general there are three, namely:

A. Legislation Function

The relationship between local government and District Representatives Council is essentially an equivalent position working relationships and partnerships. This can be reflected in regional policy making in the form of local regulations. Meaningful partnerships that relationships between Local Government and Legislator is equally partners employers associations in the region to carry out the policy of making autonomous region in accordance with their respective functions so that between both institutions to build a working relationship which is mutually supportive (synergy) is not an opponent or competitors of each other in carrying out their respective functions

Legislation or the establishment of regional regulation is the process of public policy formulation. So the resulting area regulations can also be seen as a formal form of a public policy. As a public policy, then the substance of regional regulation contains a provision relating to community interests associated with the material to be arranged. In this case, it is clear the role carried out by members of the District Representatives Council is to formulate public policy. Through these policies, District Representatives

Council has done one of the functions of the State namely: realizing distributive justice. Through the legislative authority to formulate and articulate the interests of various groups of people who become targets of rules or laws are made.

In carrying out the functions of legislation, members of the District Representatives Council are required to have sufficient understanding as a consequence of the supremacy of law; there is a strong belief that the resulting law is an instrument that provides certainty about the direction of national development. The District Representatives Council as partners in Local Government and District Representatives Council have the authority in making the policy region that aim to regulate the procedures for the implementation of the executive tasks in running the Government.

The role of District Representatives Council is very big in endorsement a draft regional policy submitted by the Local Government. The design of these policies can be a regional policy in District Representatives Council has already approved it. So also with the Regional Government Regulations which require the approval of the District Representatives Council before it can be implemented. In the process of this joint discussion, the Executive and legislative branches perform the function of "checks and balances" to reach a formula common interest or the public. For the District Representatives Council role of "checks and balances" in the formation of public policy is important as part of the execution of his duties as representative of the people. Therefore, the role of the District Representatives Council in the formation of the Act must be seen as a form of accountability to constituents or the people.

B. Budgeting Function

Budgeting is the process of the preparation and determination of Regional Budget Revenue and Expenditure along Local Governments. In carrying out this function, District Representatives Council should be involved actively, proactively, not reactively as a legitimator and proposed Regional Budget Revenue and Expenditure proposal to the Local Government. The role of the District Representatives Council in the setting of Regional Budget Revenue and Expenditure is absolutely essential, because Regional Budget Revenue and Expenditure is a key instrument of economic policy, an area that requires the involvement of Regional Budget Revenue and Expenditure in the determinations. The determination of Regional Budget Revenue and Expenditure is not only a technical matter, but also in touch with aspects of public policy. Therefore, Local Governments and District Representatives Council as well as political parties have the interest to fight for the aspirations of its economic policy in the Regional Budget Revenue and Expenditure. The role of the District Representatives Council in the setting of budget is important, it is based on several reasons, namely: (Laksono, 2009):

1. The need for the mechanism of "Checks and Balances" in the working relationship between the Government and authorities of the region and the District Representatives Council for the realization of good governance and clean government.
2. Aspects of openness or transparency. Usually the mechanism of local Government's policy formulation is more closed than with a mechanism that takes place in the District Representatives Council. Therefore, the role of the District Representatives Council in the setting of Regional Budget Revenue and Expenditure intended to create openness and transparency in policy formulation

are important to the public. Indirectly it opens opportunities for public participation or society in critiquing the program and the policies that are contained in the Regional Budget Revenue and Expenditure.

C. Controlling Function

The monitoring function is one of the functions of the management to ensure the implementation of activities in accordance with policies and plans that have been established as well as to ensure that the goals can be achieved effectively and efficiently.

The monitoring of the budget has been legally regulated both at the level of laws, government regulations and local regulations concerning the financial management of the region. In the context of financial management, the controlling against the budget described in the Government Regulation Number 58 in 2005 about the Regional Financial Management of article 132 States that the District Representatives Council conduct the monitoring against the implementation of Local Regulations about Regional Budget Revenue and Expenditure. The the monitoring does not mean examination, but rather lead to monitor and to ensure the achievement of the objectives set out in Regional Budget Revenue and Expenditure. This is accordance with the decision of the Minister of the Interior No. 13 of 2006 which stated that to ensure the achievement of the objectives that have been set, the legislative controlling the implementation of Regional Budget Revenue and Expenditure. This means that the monitoring conducted by the Regional Budget Revenue and Expenditure, which is External Controlling and emphasized on achieving target of the Regional Budget Revenue and Expenditure.

For local government, the existence of an effective controlling of the District Representatives Council will be meaningful positively to improve the performance of the

Government bureaucracy itself, namely in the context of providing the best service to the community, as it is still the public's expectations so far. The controlling performed by the District Representatives Council through tools completeness and mechanisms owned is a liability position as a political institution of the Regional Representatives (Laksono, 2009). In General, the controlling conducted by the Regional People's Representatives Council that aimed at maintaining public accountability, especially of institutions that are directly related to the implementation of government policies and programs as well as development.

Controlling can also take place on many levels-policy, program, project or cases all have a politically strategic significance. The controlling of the District Representatives Council is very important for the implementation of good governance. It is based on several arguments or thought, namely:

- 1) District Representatives Council is the representation of the people in assessing and controlling the performance of Local Governments in managing the finances of the region and implementing legislation, government policy, and various other public policies consistently.
- 2) Controlling is the actualization implementation of ethics of the good governance and democratic.
- 3) Controlling can be used to detect the "disease" (Corruption, Collusion and Nepotism) among the government, including the impact on the District Representatives Council itself.
- 4) Controlling allows harmonious reciprocal relationship (checks and balances) between the legislature, the Executive and civil society.

Legislative controlling can be done through several mechanisms, namely work meetings, hearing rooms, public hearings, meetings and visits. In addition, controlling is carried out through the use of the District Representatives Council rights, among others: the right of interpellation, the question form, the right pose/advocate, giving the approval, giving consideration, and giving an opinion. To carry out the functions of monitoring, the District Representatives Council has the right to request a report on accountability of Governors, Mayors, and Regent, to obtain explanations from the Local Government, doing the examination, making a proposal, and asking questions of each member.

Government Regulation in Number 105 in 2000 about the management and accountability of the regional financial of article 40 states that monitoring over the implementation of the Regional Budget Revenue and Expenditure committed by the District Representatives Council. In explanation of this article stated that the controlling referred to in this paragraph is not an examination but the controlling that led to ensure the achievement of the objectives that have been set the Regional Budget Revenue and Expenditure According to a new paradigm of development, Regional People's Representatives Council has a position, duties, and functions are important in controlling the Regional Budget Revenue and Expenditure, where members of the District Representatives Council should do real controlling functions

D. Performance Indicator of the District Representatives Council

To be able to study the performance of an organization known then it should be a measure of success to assess a performance. Performance indicators can reflect the purpose and mission of the organizations concerned. In public organizations,

organizational performance is said to be successful if the public was able to realize the goals and mission in meeting the interests and needs of the public.

According to Darwin as quoted by Joko Widodo that compared the concept of accountability as a form of performance indicators. The performance indicators are divided into three, namely first, corporate responsibility, the second is accountability, and the third is responsiveness²⁰.

Mohamad Mahsun distinguishes accountability and corporate responsibility, his opinion is important and interconnected but accountability is better and different from the corporate responsibility. Accountability is based on the record of the report while the corporate responsibility according to wisdom. Accountability is the public nature of the relationship of asymmetric authorities such as controlled and controlling. In terms of corporate responsibility more focus is internal whereas the accountability is external²¹.

Accountability is the obligation of the holder of the mandate to provide accountability, presenting, reporting and reveals all the activities and events which became his responsibility to the mandate that voters have the right and authority to hold accountable. Accountability as accountability is a term originally applied to measure whether public funds have been used properly for the purpose of a public that has been set and it is not used illegally²².

According to a public performance measure Dwiyanto bureaucracy based on the following:

²⁰Loina Lalolo Krisna P. 2003. *Indikator dan Alat Ukur Akuntabilitas, Transparansi dan Partisipasi*, BAPPENAS, Jakarta, Page 16.

²¹Mohamad Mahsun, 2006. *Pengukuran Kinerja Sektor Publik*, BPFE, Yogyakarta, Page 84.

²²Taliziduhu, 2003, *Kybernology (Ilmu Pemerintahan Baru)*, Rineka Cipta, Jakarta, hal 85.

A. Responsiveness

Responsiveness is the ability of the Organization to identify community needs, drawing up the agenda and priority services, develop programs the public service according to the needs and aspirations of the community. Responsiveness here briefly refers to the alignment between the program and service activities with the needs and aspirations of the community. Responsiveness is included as one of the dimensions of performance because of the responsiveness of the Organization's ability to directly describe the public in carrying out its mission and purpose, especially to meet the needs of the community. Low responsiveness is shown by disharmony between the services with the needs of the community. It clearly shows the failure of the Organization in realizing the Organization's mission and purpose. Organizations that have low responsiveness by itself have an ugly performance anyway.

B. Responsibility

Corporate responsibility explains whether the implementation of the activities of public organizations was conducted in accordance with the principles of correct administration or in accordance with the Organization's policy, either explicit or implicit. Therefore, corporate responsibility could have been at one time clashed with the responsiveness.

C. Accountability

Public accountability refers to how large the policy and activities of public organizations subject to the public officials elected by the people. The assumption is that because of political officials elected by the people, by itself will always represent the interests of the people. In this context, the basic concept of public accountability can be

used to see how big of a public organization and activities policies that are consistent with the will of the community.

The performance of a public organization is not only seen from the size of the internal organization developed by the public or the Government, such as the achievement of the target. Should performance must be judged from the external size, such as the values and norms that apply in the community. Activities of public organizations have high accountability if that activity is considered correct and in accordance with the values and norms that develop within the community.

Accountability is a concept that describes how large the policy and activities of public organizations can be responsive to the community. This is more emphasized on how big the Organization and activities of public policies consistent on the aspirations of the people. While responsibility is a concept the concept that describes the implementation of the activities of public organizations is carried out in accordance with the principles of the right organization in accordance with the policies of the organization. While the concept of responsiveness is the ability of the Organization to identify community needs, drawing up the agenda and the priorities of the Ministry of the public service program and develop according to the needs and aspirations of the people. In short, responsiveness leads to alignment between program activities and services to the needs and aspirations of the community.

3. Regional Budget Revenue and Expenditure

a. Definition of Regional Budget Revenue and Expenditure

In the dictionary the Regional Budget Revenue and Expenditure is the Local Government annual financial plan approved by the District Representatives Council of the region. Fiscal year of Regional Budget Revenue and Expenditure covers a period of one year from 1 January until 31 December.

Meanwhile, according to article 16 of law No. 17 of 2003 about the State Financial explained that the Regional Budget Revenue and Expenditure is a form of financial management region that are assigned every year through Local Regulations. Regional Budget Revenue and Expenditure consists of the budget revenues, expenditure and financing. Regional revenue comes from the original income of region; the Fund balance and other legitimate income, whereas the native expenditure is specified according to the organization, functions, and types of expenditure as follows:

- 1) Budget Revenue comprises:
 - a. Pendapatan Asli Daerah (PAD), which include local tax, regional levy, the result of regional management wealth, the reception and others.
 - b. Dana Perimbangan includes Dana Bagi Hasil (DBH).
 - c. Dana Alokasi Umum (DAU) and Dana Alokasi Khusus (DAK).
2. Budget Expenditure, is used for government activities in the implementation that consists of direct funding and indirect funds
3. Financing is any admissions which must be repaid either in fiscal year now or next fiscal year

On article 17 in the same legislation, that the Regional Budget Revenue and Expenditure is set in accordance with the needs of the Organization of the government and adapts to the capabilities of the region. Preparation of draft the Regional Budget

Revenue and Expenditure based on the previous paragraph, then it should be based on Local Government work plan in order to achieve the purpose of the State. Therefore, Regional Budget Revenue and Expenditure became the basis for the activities of the control, inspection and supervision of the Regional Financial.

b. Function of the Regional Budget Revenue and Expenditure

A budget is a formal statements made by management in the form of plans which will be done in the future in a particular period, where such a plan is a guideline in the implementation of activities during the period (Hanson, 1996 in Robinson, 2006). Many of the parties involved in the preparation of the budget, both top level manager or manager level and this will directly impact human behavior, especially for people who have a direct relationship with the preparation of the budget. In accordance with the monitoring in article 3 paragraph (4) of Act No. 17 of 2003 about the State Financial, National Budget Revenue and Expenditure function/Regional Budget Revenue and Expenditure consists of:

1. The authorization function, regional budget is the basis for implementing revenue and expenditure.
2. The planning function, the regional budget is a guideline for management.
3. The controlling functions, being guidelines to assess whether the activities of the organization of the Local Government in accordance with the conditions which have been set.

4. The allocation functions, the regional budget directed to reduce unemployment and waste of resources, and to improve the efficiency and effectiveness of the economy.
 5. Distribution functions, the regional budget must contain the meaning of/noticed a sense of justice and propriety.
 6. Stabilization function, the regional budget should contain the meaning/should be a tool for mantaning and seeking the fundamental balance of economy.
- c. Characteristic of the Regional Budget Revenue and Expenditure

In reformation the change of the regional financial was marked by the implementation of regional autonomy. The implementation of the regional autonomy brings the impact of changes in the characteristics of the Regional Budget Revenue and Expenditure. The characteristics of the Regional Budget Revenue and Expenditure in the era of reform according to Abdul Halim in his book "Public Sector Accounting Financial Accounting Areas" as follows:

1. The calculation of Regional Budget Revenue and Expenditure into one Regional Head Responsibility (article 38 PP No. 108 of 2000).
2. The form of the responsibility report the end of the fiscal year include:
 - a) Report calculation of the Regional Budget Revenue and Expenditure
 - b) Note of calculation of the Regional Budget Revenue and Expenditure
 - c) Cash flow Report
 - d) Balance of the regional are equipped with performance based on the assessment benchmark (article 38 PP No. 105 in 2000).

3. The loan of the Regional Budget Revenue and Expenditure are no longer included into income (shows the rights of Local Government but to the acceptance (not necessarily being the rights of Local Governments)).
4. The community including the element in drafting of the Regional Budget Revenue and Expenditure in addition the Regional Heads and Regional Budget Revenue and Expenditure.
5. Local Government performance indicators not only includes:
 - a) Comparison between budget and its realization.
 - b) Comparison of standard costs with its realization.
 - c) Target and percentage of physical projects but also includes the expected service standard.
6. Regional accountability reports at the end of the fiscal year which the shape is the calculation report. Regional Budget Revenue and Expenditure discussed by the District Representatives Council and contain the consequences against the term of office of the Regional Head when twice rejected by Regional Budget Revenue and Expenditure.

F. Conceptual Definition

The Conceptual Definition of the research is used to describe research precisely about the problem or phenomenon that wants to reserach. In this research that became the definition of the concept are:

1. District Representatives Council

District Representatives Council is an agency of the Regional House of Representatives that consist of political party members of participants of elections are chosen based on the results

of the elections. District Representatives Council also serves as the one element the organizers of Local Government which has the function of legislation, budgeting and controlling.

2. Controlling Function of the District Representatives Council

Controlling of the District Representatives Council is a series of activities with the authority owned, either by political or administrative to supervise the Government's agenda which is regulated.

3. Regional Budget Revenue and Expenditure

Regional Budget Revenue and Expenditure is an annual local government plan was discussed and approved by the Local Government and District Representatives Council as well as set by local regulations.

G. Operational Definition

1. The performance indicators by the District Representatives Council in controlling of Regional Budget Revenue and Expenditure.
 - a. Responsibility, namely how far the District Representatives Council carry out all of activities in accordance with the principles and rules that comply with the standard professional and technical competence in the framework of the optimal goal achievement.
 - b. Responsiveness, namely the ability of the District Representatives Council to accommodate and meet the aspirations and needs of the community in the resulting policy.

- c. Accountability, how large the controlling by the District Representatives Council against Regional Budget Revenue and Expenditure and in accordance with the wishes of the society and can be accountable to the society.
2. The factors that affect the implementation of the monitoring functions by the District Representatives Council against Regional Budget Revenue and Expenditure
 - a) Supporting Factors

Supporting Factors include the regulatory mechanisms have set the functions of monitoring, openness and cooperation between the Executive and Legislative, and between Legislative and society.

- b) Inhibiting Factors

Inhibiting factors in internal include human resources, skill or competence of members, and the existence of budget constraints. To external factors includes the mechanism of recruiting members of the District Representatives Council.

H. Research Method

1. Type of Research

Research that is done the qualitative, descriptive. Bodgan and Taylor give the notion of qualitative research techniques as a research procedure generates descriptive data in the form of words or oral of people and behavior that can be observed.

2. Analysis Unit

In this research that became the object of research is the District Representatives Council of Kota Yogyakarta.

3. Research Informants

Informants in this study consist of:

- 1) Chairman of the District Representatives Council of Kota Yogyakarta
- 2) Vice Chairmain II of the District Representatives Council of Kota Yogyakarta
- 3) Chairman of the Seksi Perencanaan Anggaran from Dinas Pajak Daerah dan Pengelolaan Keuangan (DPDPK) of Kota Yogyakarta
- 4) Chairman of Bidang Parencanaan Program from Badan Perencanaan Pemerintah Daerah (BAPPEDA) of Kota Yogyakarta

4. Datas Collecting Technique

This is done through field research data collection techniques as follows:

a) Interview

Interview can be viewed as a method of data collection by way of questioning with a systematic and based on to the research objectives with regard to the implementation of controlling function by the District Representatives Council against Regional Budget Revenue and Expenditure of Kota Yogyakarta in fiscal year 2015. Resource people who will be interviewed include: Chairman of the District Representatives Council of Kota Yogyakarta, Vice Chairmain II of the District Representatives Council of Kota Yogyakarta, Chairman of the Seksi Perencanaan Anggaran from Dinas Pajak Daerah dan Pengelolaan Keuangan (DPDPK) of Kota Yogyakarta and the Chairman of Bidang Parencanaan Program from Badan Perencanaan Pemerintah Daerah (BAPPEDA) of Kota Yogyakarta

b) Documentation

Documentation namely data that is relevant to the issue is examined through written documents and used as a source of data because in many

ways, the document used as a source of data that is used to interpret and predict. Therefore, the use of documents is very important. The documentation in this study preferred to obtain secondary data that required supporting the primer data. The document consists of documents on relevant agencies and institutions of the District Representatives Council itself.

5. Analysis Data

Researchers in analyzing data, using qualitative data with descriptive analysis namely by way of collecting data and then the data is analyzed from beginning to end using research methods:

a) Data Reduction

The data retrieved, is written in the form of descriptions that have been reduced or summarized by selecting which pages are important.

b) Display Data

In order to master the research data, this data needs to be made to the matrix and graphics so you can picture as a whole.

c) Conclusion

Effort withdrawl conclude continuously from the beginning of the collection of data, defining the object, recording the regularity of the pattern, the explanations, which allows configuration, as well as causal relations as a result. Withdrawal of conclusions starting from interesting things to things that are not so obvious and the increase becaming more detail.

I. Writing Systematic

Undergraduate thesis writing, using systematic for each chapters consisting of:

CHAPTER I: INTRODUCTION

This chapter includes Background, Research Question, Research Objective, Research Benefits, Conceptual Definition, Operational Definition, and Writing Systematics

CHAPTER II: DESCRIPTION OF RESEARCH QUESTION

This chapter describes about overview or characteristic of location research in the form of a brief history and things that complete the picture location research.

CHAPTER III: RESULT OF RESEARCH

This chapter describes about the research results that obtained from the field during the research underway to obtain answer for research question.

CHAPTER IV: CLOSING

This chapter contains the conclusions of the research results of the research conducted and include suggestions as deemed necessary as a material consideration in research.