

Increasing The Value of Budget Performance Based on Output Achievement, Absorption, Efficiency, And Consistency of Budget Absorption with Plans

Sulistiyorini^{1*}, Fatimah Sariri², Dinda Herli Septiana³

^{1,2,3}Faculty of Mathematics and Natural Sciences, Universitas Negeri Surabaya, Surabaya, Indonesia

Corresponding author: sulistiyorinisulistiyorini@unesa.ac.id



ABSTRACT

Keywords:

Budget Performance
Output Achievement,
Absorption, Efficiency,
And Consistency
Budget Absorption

UNESA's budget management as a PTN BH must not only be good at the internal level, but must also be good and able to compete at the external level, must be able to compete with 20 other PTN BH. This research is very important and strategic to support UNESA to have a very good NKA. Therefore, this research aims to (1) Analyze output achievement in budget management at FMIPA UNESA; (2) Analyze budget absorption in budget management at FMIPA UNESA; (3) Analyze efficiency in budget management at FMIPA UNESA; and (4) Analyze the consistency of budget absorption against planning in budget management at FMIPA UNESA. This research uses a qualitative and descriptive approach, using two types of data, and named primary data and secondary data. Primary data is expected to be presented on the form of tables or diagrams, analyzed by making interpretations and theoretically, and comparing with other studies. While secondary data uses documentation techniques, namely by utilizing financial data and other data that already exist in FMIPA. This research is expected to produce outputs in addition to research reports also presented in national seminars or scientific papers in the form of articles published in national or international journals.

INTRODUCTION

Universitas Negeri Surabaya (UNESA) based on Government Regulation No. 37 of 2022 on Universitas Negeri Surabaya as a State University with Legal Entity (PTN BH) has broad autonomy to manage the budget, especially the Non-State Revenue and Expenditure Budget (Non-APBN) budget. UNESA is authorized by the government to generate revenue and manage revenue independently (Friyani&Hernando,2019). Although UNESA has autonomy in obtaining revenue and using the budget from various sources, in implementing the budget program based on the Regulation of the Republic Indonesia's Finance Minister with regulation number 22/PMK.02/2021 about Budget Performance Measurement and Evaluation on the Implementation of Work Plans and Ministries/Institutions budgets, the government through the Ministry of Finance will evaluate Budget Performance as a performance-based budgeting instrument for (a) function of accountability; and (b) function of quality improvement (Kisman, 2020).

The accountability function is intended to prove and to be professionally accountable for stakeholders while using the budget who was managed by the Ministry or Institution, echelon I unit/program, and/or work unit who concerned. Meanwhile, the function of quality improvement is intending to measuring effectiveness and efficiency, and also identifying supporting factors and obstacles on the implementation of RKA-K/L in order to improve budget performance and to input of the policy making (Sudarminto, 2023).

The results of the Work Evaluation are used as one of the bases for: (a) arrangement of topics, targets, policy directions, and priorities for the planned annual development; (b) preparation of a review of basic figures; (c) preparation of the following annual budget allocation; and (d) achievement award (Turachman & Makmur, 2018). Results of the Budget Performance Evaluation became bases for the preparation of the planned annual development themes, targets, policy directions and priorities, especially for strategic and

priority Activity Outputs and Program Outputs (Nakitare, 2018). The results of the Budget Performance Evaluation became one of the bases for the preparation of the following year's budget allocation, especially to determine the budget feasibility of Activity Outputs and Program Outputs. In addition, Budget Performance Evaluation results are the bases for giving an award, especially to determine the provision of appreciation in the form of financial and / or non-financial for the achievement of budget performance (Laili & Sari, 2022).

Therefore, budget performance is a very important and strategic aspect of budget management, both budgets sourced from the APBN and Non-APBN. Budget performance is the achievement of performance on the spending of the Ministry/Institution budget as stated on the budget's document. One aspect of Budget Performance Evaluation on the Implementation Aspect is carried out by measuring output achievements, budget absorption, efficiency, and consistency of planned budget absorption (Sofyani, 2018). Based on the Budget Performance Evaluation, The Ministry of Education, Culture, Research and Technology (Kemdikbudristek) annually gives awards to Work Units, both Work Units, Public Service Agencies, and PTN BH, which have good budget performance. The award is based on the achievement of their Budget Performance Value (NKA). In 2022 for the 2020 NKA, UNESA was awarded 1st place in the NKA for the PTN BLU category. This achievement decreased in 2023 for the NKA in 2022, UNESA was awarded 2nd place (Inayah dkk, 2023).

This decline in achievement is a challenge for UNESA to improve its budget performance in the coming years, especially since UNESA will compete with 20 other PTN BH. Therefore, every work unit in UNESA must implement a budget that is oriented towards achievement's output, budget's absorption, efficiency, and consistency between budget absorption towards Planning. One of the work units that are part of UNESA is the Faculty of Mathematics and Natural Sciences (FMIPA). In managing the FMIPA budget, it should be based on output achievement, budget absorption, efficiency, and consistency of budget absorption and budget's planning. In achieving a good Budget Performance Value, it is necessary to manage the budget carefully from planning, implementation to reporting including continuous monitoring and evaluation activities (Wulandari&Wahyuningrum, 2021).

The urgency of this research because UNESA's budget management as a PTN BH is not only good at the internal level, but also must be good and able to compete at the external level, namely UNESA must be able to compete with 20 other PTN BH. UNESA's challenge is not getting lighter, it is getting heavier. In order to be able to compete with other PTN BH, UNESA's budget management must have a budget performance value (NKA) that is not only good but must be excellent (Haris, 2021). In order to achieve an excellent NKA, each work unit must also manage budget based on an achievement's output, budget absorptions, efficiency, and consistency between budget absorption and budget's plans. Therefore, this research is very important and strategic to supports UNESA to have an excellent NKA and be able to compete with 20 other PTN BH (Adhi & Aima, 2021).

Based on the background of the problems, this research will empirically answer following problem formulations; (1) How are output achievements in budget

management at FMIPA UNESA? (2) How is budget absorption in budget management at FMIPA UNESA? (3) How is efficiency in budget management at FMIPA UNESA? (4) How is the consistency of budget absorption against Planning in budget management at FMIPA UNESA? So, this research has the following objectives: (1) Analyzing output achievement in budget management at FMIPA UNESA; (2) Analyzing budget absorption in budget management at FMIPA UNESA; (3) Analyzing efficiency in budget management at FMIPA UNESA; and (4) Analyzing the consistency of budget absorption against Planning in budget management at FMIPA UNESA.

METHODS

Type of Research

This research using qualitative descriptive approach. As a qualitative descriptive, this research tries to empirically analyze using descriptive statistics in the form of percentages. Data in the form of percentages will be analyzed through interpretations and analyzed theoretically and by comparing with other studies.

Research Respondent

This study will make the dean, vice dean 1 and vice dean 2, study program coordinators, laboratory heads, office heads, BPP, and financial technical assistants and students as research respondents. They were used as research subjects for the methodological reason that they are officials and implementers who have the duties and functions of planning, implementing, and monitoring and evaluating the budget. 30 respondents were involved in this research. This research will be conducted at FMIPA UNESA.

Data Types and Data Collection Techniques

This research uses two types data, namely primary data and secondary data. Primary data will be collected using a questionnaire on the table form who is development of the Budget Working Paper. However, we will complete and strengthen the table by compiling a questionnaire that we will distribute. Before distributing the questionnaire, the researcher and the team will develop a questionnaire. Before being used, the questionnaire that has been compiled is first subjected to expert validation. The expert chosen to validate the questionnaire is one of the FMIPA lecturers who is an expert in research instruments. Meanwhile, secondary data will be collected using documentation techniques, namely by utilizing financial data and other data that already exist in FMIPA

Tabel 1. Data Collection Technique

Research Objectives	Data required	Techniques used Data	Data collection tools
Generate primary data	Accountability	Collection, Processing and Analysis	Working Paper Details
Produce secondary data	RKAT and budget absorption	Recapitulation of financial accountability	Unesa financial system (RAVASA and SIMPATI)

Data Analysis Technique

Before being analyzed, the data that has been collected using a questionnaire in the form of budget working papers will be processed. The first stage of data processing is editing data, namely checking the completeness of the data in the questionnaire, if the data in the questionnaire is incomplete, then another questionnaire will be distributed so as to obtain complete data. The next stage is to code and score the information in the questionnaire. Codes are given to categorical information and scores are given to multilevel information. Coding will produce nominal data, while scoring will produce ordinal or interval data.

The information that has been coded and scored will be processed using the SPSS program, which is used to process the information. Data processing using this program is expected to produce data that has been presented either on frequency table form, bar chart or pie chart. Data that has been presented in frequency table, bar chart, or pie chart will be analyzed by making interpretations and analyzed theoretically and by comparing with other studies.

RESULTS AND DISCUSSION

This research begins with data collection using a questionnaire in the form of budget working papers, then processing data based on financial accountability (SPJ) and then will be analyzed. The process of analyzing budget management at the Faculty of Mathematics and Natural Sciences starts from the activity planning stage to the implementation of activities and reporting in the form of budget accountability (SPJ).

Activity planning and budget preparation begins with a coordination meeting between the Dean (Faculty Leader) and stakeholders, namely the Coordinator of the FMIPA study program, Head of FMIPA Laboratory, Head of Office, Head of Section I and II, Assistant Expenditure Treasurer (BPP), Faculty Finance Technical Team, and also students with a budget ceiling that has been determined by the planning section. Activities and budgets that have been prepared in the form of RKAT (Annual Activity and Budget Plan) are prepared using SBM (Input Cost Standards) and also JUKNIS (Technical Guidelines) as the basis for the amount and basis for implementing the activities used, and then entered in the RAVASA application (Work Plan, Budget, Monitoring and Evaluation) which is equipped with TOR (Term of Reference) and RBA (Business Plan and Budget) which are used as a reference in implementing activities and budgets (Setiono, 2021).

The implementation of activities carried out must be in accordance with the activity plan and budget that has been entered in RAVASA, be it the name of the activity, activity output, sub output, output component, sub output component which is a proposal from stakeholders starting with submitting a letter to the Dean of FMIPA regarding the proposed activities and budget in the RKAT to be implemented equipped with TOR (Sandi dkk, 2023).

The financial accountability letter (SPJ) is carried out as an accountability of the stakeholder implementing the activity that has completed carrying out the activity. SPJ is in the form of proof of budget use in the form of receipts, purchase notes, attendance lists (for consumption), pay warrants, letters of assignment, SPPD (official travel orders) for official travel, tax evidence, and other completeness according the type of activity.

Based on Financial data processing that has been carried out, the following are the results of the calculations to answer the formulation of the problem under study: (1) Output Achievement, to calculate the percentage of output achievement, the calculation is done by dividing the output realization to the output plan then multiplied by 100%, with the result of output achievement of 45.89%. (2) Budget Absorption, to calculate the percentage of budget absorption, a calculation is made by dividing the budget realization to the total budget and then multiplying by 100%, with the results of budget absorption of 48.28%. Efficiency of Budget's Absorption, for calculating the percentage of budget absorption efficiency, calculation process is carried out by dividing the budget efficiency to the total budget and then multiplying by 100%, with the obtained budget absorption efficiency result of 0.35%. Budget efficiency is obtained from the remaining allocation of activity funds that cannot be absorbed, for example, the remaining funds from procurement, maintenance or repair activities that do not match the budgeted nominal. (3) Consistency of Budget Absorption, for calculating the percentage of budget absorption consistency, a calculation is made by reducing the total percentage (100%) by the average percentage of revisions to the activity budget carried out until the current month, namely September 2023, where the average revision of the activity budget is taken through the average revision carried out per month, namely 5 times. The calculation results show that the consistency of budget absorption is 87.05% (Rothenberg dkk, 2012).

The preparation of the Work Plan and Budget (RKAT) at the Faculty of Mathematics and Natural Sciences has been carried out well, which begins with coordination, namely the Dean (Faculty Leader) with stakeholders, namely the Coordinator of the FMIPA study program, FMIPA Laboratory Coordinator, Head of Office, Head of Section I and II, Assistant Expenditure Treasurer (BPP), Faculty Finance Technical Team, and also students. In the process of accountability (SPJ), stakeholders do not experience many obstacles because at the time of budget disbursement, instructions have been given by the Assistant Expenditure Treasurer (BPP) regarding the technicalities of SPJs, starting from the Type of Activity Budget Item (MAK), as well as what completeness must be met as supporting materia. Achieving the output of stakeholder activities has no difficulty because the activities are arranged based on the planning that has been prepared in the RKAT with the outputs that stakeholders want to achieve.

So that the expected output can be achieved. In the budget absorption process, there are several obstacles: (1) Implementation of activity schedules that do not match due to various conditions in the field, so that schedule adjustments are needed, for example constraints such as the provider selection process, the availability of goods that go through a long ordering process, adjusting the type of work/procurement according to the level of importance, and so on; (2) Fund disbursement schedule that was delayed from the original schedule due to proposals from various activity implementers that did not match the original schedule; and (3) Fulfillment of supporting data for financial accountability (SPJ) which affects budget absorption. This is because the process of financial accountability (SPJ) starts from the input of SPJ in SIMPATI which takes a long time because all SPJ supporting data must go through the process of scanning and uploading, then it will go through the verification stage and to arrive at the ratification process from the central finance department, it also takes time, so that for SPJ activities

that have been carried out, up to the ratification process and into absorption may not be in accordance with planning (Majid dkk, 2023).

CONCLUSION

Budget implementation is carried out in accordance with the RKAT that has been prepared, but there are several obstacles in the suitability of the timing of the implementation of activities due to changes in the schedule of activities that are adjusted to non-technical factors such as coinciding with other activity schedules or related to the availability of resource persons presented, in addition to the 2023 budget disbursement process for the implementation of activities starting in March 2023 because the Supply Money (UP) was only given at the end of February 2023, so that activities planned for January and February 2023 must adjust.

In accelerating budget absorption, it is necessary to carry out monitoring and evaluation activities, for example for the position up to the third quarter by sweeping activities that will and have not been carried out, to revise activities or accelerate activity schedules. The efficiency of the existing budget in FMIPA cannot be recapitulated entirely because it is still in the process of implementing activities, and can only be known after the end of the budget, namely in Quarter IV. Efficiency refers to the implementation of activities that use a smaller budget than budgeted with the same output results or with an appropriate budget but are able to produce outputs that exceed what has been targeted. The expectation of efficiency is to get maximum output results with the minimum possible cost/budget for stakeholders.

ACKNOWLEDGMENTS

Our thanks go to Surabaya State University for providing funds through the Faculty of Mathematics and Natural Sciences. And also, the research team that supports and cooperates with each other in this research.

REFERENCE

- Adhi, B., & Aima, M. H. (2021). The Impact of Transformational Leadership and Compensation Towards Motivation and Its Implications on Organizational Performance At the Education and Training Center of the Ministry of Communication and Information. *Dinasti International Journal of Management Science*, 2(5), 766-776. <https://doi.org/10.31933/dijms.v2i5.849>
- Biswan, A. T., Farida, F. N., & Sandi, H. H. (2023). Budgeting Management for the Top Priority and National Priority Programs of Nawacita. *Jurnal Manajemen dan Keuangan*, 12(2), 314-330. <https://doi.org/10.33059/jmk.v12i2.8631>
- Fidowaty, T., Pratama, G. D., & Majid, Z. R. (2023). Implementation of The Budget Functions of The Regional People's Representative Council, Solok City, West Sumatra Province. In *Proceeding of International Conference on Business, Economics, Social Sciences, and Humanities* (Vol. 6, pp. 1200-1209). <https://doi.org/10.34010/icobest.v4i.499>
- Friyani, R., & Hernando, R. (2019). Determinants of The Effectiveness of Implementation Performance Based Budgeting and Budget Absorption in Local Government

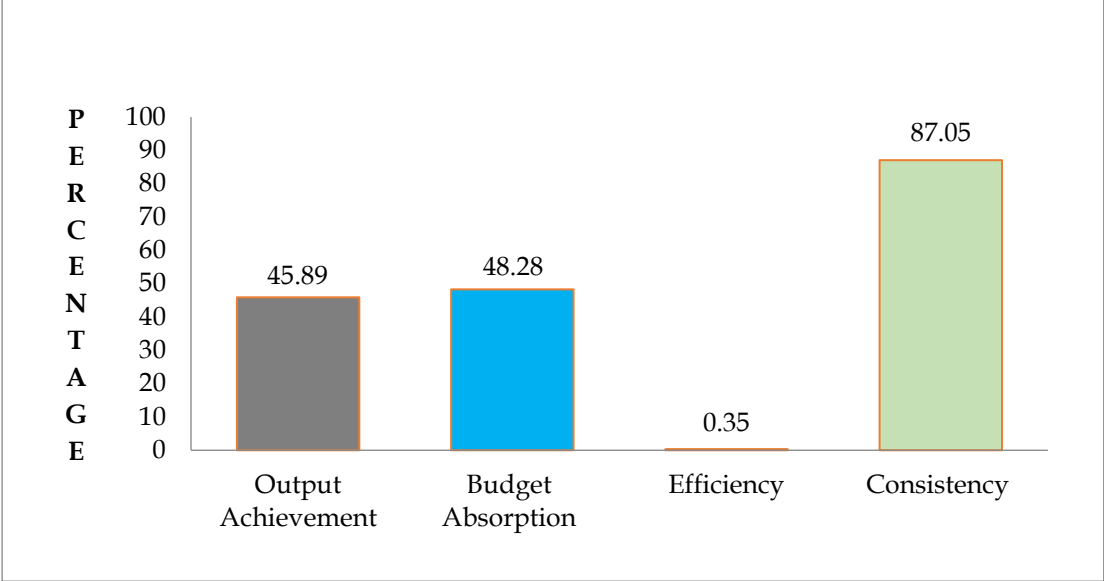
- (Study on Jambi City Government). *Sriwijaya international journal of dynamic economics and business*, 3(3), 213-226. <https://doi.org/10.29259/sijdeb.v3i3.213-226>
- Hasanuddin, H., Amir, A. M., & Haris, N. (2021). The Influence Of Electronic Monitoring Utilization Of Budget Implementation, Organizational Commitment, And Human Resource Competence On The Performance Of The Budget Implementation (A Survey At The Regional Office Of The Ministry Of Religion Of Central S. *Tadulako International Journal Of Applied Management*, 3(2), 25-33. <https://doi.org/10.59769/tajam.v3i2.9>
- Hutagalung, M. A., Nurbaiti, N., Lubis, A. W., Nurlaila, N., & Inayah, N. (2023). The Influence Of Budget Planning And Budget Implementation On The Level Of Budget Absorption. *International Journal Of Economics Social And Technology*, 2(4), 248-259. <https://doi.org/10.47312/aar.v6i01.332>
- Laili, N. R., & Sari, C. M. (2022). The Effect of Performance Measurement on Budget Execution with the Formulation of Performance Indicators on Budget Implementation of KPPN Blitar Service Scope. *Open Access Indonesia Journal of Social Sciences*, 5(4), 765-774. <https://doi.org/10.37275/oaijss.v5i4.120>
- Nakitare, T. I. (2018). *Factors Influencing Absorption of Budgeted Funds in The Kenyan Public Sector* (Doctoral dissertation, Kca University). <http://41.89.49.50/handle/123456789/254>
- Sofyani, H. (2018). Does performance-based budgeting have a correlation with performance measurement system? Evidence from local government in Indonesia. *Foundations of Management*, 10(1), 163-176. <https://10.2478/fman-2018-0013>
- Pribadi, L. D., Kanto, D. S., & Kisman, Z. (2020). Budget absorption performance in financial education and training agency. *Journal of Economics and Business*, 3(2). <https://doi.org/10.31014/aior.1992.03.02.231>
- Setiono, B. (2021). 9 Implementation of Outcome-Based Budgeting in Indonesia. *Public Sector Reform and Performance Management in Emerging Economies: Outcomes-Based Approaches in Practice*, 193. <https://doi.org/10.4324/9781003004103-9-13>
- Sudarminto, H. T. (2023). Efficiency Reformulation of Ministry/Agency Budget Performance. *International Journal of Economics Development Research (IJEDR)*, 4(2), 305-324. <https://doi.org/10.37385/ijedr.v4i2.2215>
- Tang, Z., Hull, C. E., & Rothenberg, S. (2012). How corporate social responsibility engagement strategy moderates the CSR-financial performance relationship. *Journal of management Studies*, 49(7), 1274-1303. <https://doi.org/10.1111/j.1467-6486.2012.01068.x>
- Turachman, H., Noor, I., & Makmur, M. (2018). Strategy of Planning in Absorption of Regional Budget (Study at Regency Government of East Kotawaringin). *Wacana Journal of Social and Humanity Studies*, 21(2). <https://wacana.ub.ac.id/index.php/wacana/article/view/565/401>
- Wulandari, R. A., Khafid, M., & Wahyuningrum, I. F. S. (2021). The Role of Organizational Culture in Moderating Budget Performance Determinants. *Journal of Economic Education*, 10(1), 42-50. <http://lib.unnes.ac.id/id/eprint/43329>

Increasing the value of budget performance based on output achievement, absorption, efficiency, and consistency of budget absorption with plans

Table :

VARIABLES	Output Achievement (%)	Budget Absorption (%)	Efficiency (%)	Consistency (%)
	45,89	48,28	0,35	87,05

Graphs



Graphs : FMIPA Financial Management