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Analysis of Budget Effectiveness and Efficiency on Institutional Independence as an Indicator of Financial Performance Achievement at Pattimura University

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ABSTRACT
The purpose of this paper is to determine the level of effectiveness and efficiency in budget realization at Pattimura University for the 2016-2021 period and to determine the effect of budget effectiveness and efficiency on the achievement of Pattimura University's financial performance for the 2016-2021 period. The research method used is descriptive quantitative.
The sample used is the 2016-2021 Pattimura University financial report and the analytical tool used to analyze the results of this study is the regional financial ratio adjusted to the financial existence of public higher education institutions. The ratios used are the ratio of the level of independence, the ratio of the level of effectiveness and the ratio of the level of efficiency.
The results showed that the achievement of the Effectiveness Ratio showed good results because the target could be realized almost entirely only under 10% of the Pattimura University revenue target. The achievement of budget effectiveness and efficiency is not good enough, supporting the achievement of the financial independence ratio as a proxy for Pattimura University's financial performance for the 2017-2022 period. This situation is due to the high dependency ratio of Pattimura University on funds from the central government in the form of Pure Rupiah.
Keywords: *Effectiveness, Efficiency, Institutional Independence, and Financial Performance*

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I. INTRODUCTION

Budgeting is very important for the government to estimate the performance to be achieved later. Performance-based budgeting is a budgeting method for management because it is linked to efforts to achieve the results of each funding poured into activities with expected outputs and results including efficiency in achieving the results of these outputs. Thus linking financial plans systematically in the allocation of resources. Thus, a fair and strategic allocation of resources is based on budgeting that must be adjusted to the activities that have been determined in an integrated manner to achieve specific measurable results through a strategic planning process to prepare Work Plans and Budgets by considering critical issues faced by government agencies, such as budget capabilities, and coordination from stakeholders (legislative and executive). So with the preparation of the Work Plan and Budget means that the performance-based budget has been fulfilled.

Budgets in higher education must be prepared with a performance approach (performance budgeting). Through the application of performance-based budgeting, educational institutions are required to set performance targets for each work unit that contains the use of the budget for each activity, so that it is clear what activities will be carried out, how much money is needed, and what results will be obtained from these activities. effectiveness and efficiency are two very important elements in evaluating budget performance in higher education. According to Akhmad Syakhroza (2004) said that: “The achievement of budget targets plays an important role because the budget describes effective and efficient standards”. The budget describes the effectiveness standard because the budget contains the desired expenditure (output) and the efficiency standard because the budget details the input (outcome) required to produce the desired expenditure. This condition is in accordance with the principles of Good University Governance: (a). Transparency; (b). Accountability (to stakeholders); (c). Responsibility; (d). Independence (in decision making); (e). Fairness; (f). Quality assurance and relevance; (g). Effectiveness and efficiency; and (h). Non-profit.

II. THEORY

Financial reform in Indonesia since 2003 has brought fundamental changes to the budgeting system, namely to be performance-based. However, although it has been mandated since 2003, the implementation of performance-based budgeting to date has not met expectations. Hasanuddin University is one of the public organizations that must be accountable for the use of its budget and performance.

Financial-based performance measurement can be carried out if there is a strategic plan that is prepared objectively in accordance with the activities that will be carried out in a certain period of time. Through this strategic planning, the resources and commitment required to implement the plan will be identified in order to achieve the objectives to be achieved. Such an explanation is essentially the meaning of the budget. Furthermore, the effort to create quantitative planning is then commonly referred to as budgeting.

Performance indicators are quantitative and qualitative measures that describe the level of achievement of an activity that has been determined. Performance indicators are as follows: a). Input, which is a performance benchmark based on the level or amount of resources used to implement a program or activity. b). Output, which is a performance benchmark based on the products (goods / services) produced from the program in accordance with the inputs used. c). Outcomes, namely performance benchmarks based on the level of success that can be achieved based on the output of the program that has been implemented. d). Benefit, which is a performance benchmark based on the level of usefulness or results that can be felt. e). Impacts, namely performance benchmarks based on their impact on macro conditions from the benefits to be achieved.

III. METHODOLOGY

This research is qualitative research. This study aims to analyze the financial statements of Pattimura University from 2016 to 2021. The data used in this study are Secondary Data obtained from Pattimura University in the form of; Pattimura University Financial Statements 2016-2021. The model (analytical tool) used to analyze the results of this study is the regional financial ratio adjusted to the financial existence of public higher education institutions. The ratios used are the ratio of the level of independence, the ratio of the level of effectiveness and the ratio of the level of efficiency.

IV. RESULT

The data shows that the average proportion of Pattimura University's income is still dominated by pure rupiah revenue which is 54% while Non-Tax State Revenue is 40% and Public Service Agency is 43%. In detail, in 2017 the portion of pure rupiah was 60% followed by a source of Non-Tax State Revenue of 40%; 2018 the achievement of pure rupiah decreased to 55% and the source of funds for the General Service Agency was 45%. In 2019 the pure rupiah achievement is 54% and the Public Service Agency is 46%, then in 2020 the pure rupiah achievement is 56%, the Public Service Agency funds are 42% and the source of funds for State Sharia Securities is 2%. In 2021 pure rupiah 43% Public Service Agency 36% and State Sharia Securities 21%. There is a change in proportion due to the inclusion of State Sharia Securities funds for physical development. In 2022, pure rupiah reaches 56% and Public Service Agency 44%.

The results of the effectiveness ratio are known that the ratio fluctuates due to the instability of the budget with the realization of revenue each year. The results of this ratio show that Pattimura University is still in the effective category in realizing its budget with an average effectiveness ratio percentage of 96.17%. Before Pattimura University had the status of a Public Service Agency, in 2017 the Non-Tax State Revenue budget of Rp.122,654,307,619 was realized 100%. But in 2018 after Pattimura University had the status of a Public Service Agency, the Public Service Agency budget of Rp.157,073,951,746 was realized at Rp.118,943,662,528, so the effectiveness ratio was only 76%. In 2019 the budget became Rp.164,530,802,088 the realization was Rp.154,530,802,088 so the effectiveness ratio was 94%. In 2020, the budget obtained decreased to Rp.148,883,868,791 realized, so the ratio is 100%. In 2021, the budget increased to Rp.162,948,280,352 realized 100%. In 2022, the budget decreased again to IDR.162,823,525,809 also realized 100%.

Before Pattimura University had the status of a Public Service Agency, in 2017 the non-tax state revenue budget issued was Rp.120,499,560,612 from the realization of non-tax state revenue of Rp.122,645,307,619, the efficiency was 101.78%. After Pattimura University has the status of Public Service Agency, in 2018 the Public Service Agency budget spent was Rp.115,207,545,389 from the realization of the Public Service Agency of Rp.118,943,662,528, the efficiency was 103.24%. In 2019, the General Service Agency budget issued was Rp.168,904,122,961 from the realization of the General Service Agency of Rp.154,530,802,088, so the efficiency decreased to 91.49%. In 2020, the General Service Agency budget issued was Rp.145,884,522,574 from the realization of the General Service Agency of Rp.148,883,421,585, so the efficiency rose again to 102.06%. In 2021, the General Service Agency budget issued was IDR.171,773,011,266 from the realization of the General Service Agency of IDR.162,948,280,352, so the efficiency decreased to

94.86% and in 2022 the General Service Agency budget issued was IDR.166,402,669,876 from the realization of the General Service Agency of IDR.162,823,525,809, so the efficiency was 97.85%. The lower the efficiency ratio means the better the financial performance and vice versa. In accordance with the financial efficiency ratio standard, the results of Pattimura University's financial performance efficiency are classified into less efficient criteria because the average percentage of financial performance is 98.55%. Less efficient financial performance is due to an increase in the realization of expenditure greater than the realization of Pattimura University's revenue.

The achievement of the independence ratio and dependency ratio can be seen in the table above which shows that the achievement of the independence ratio still ranges from 36% to 45.21% and on the other hand the achievement of the dependency ratio is still above 50% which indicates that the independence of Pattimura University is still low.

V. CONCLUSION

Based on the results and discussion presented in the previous chapter, it can be concluded that:

1). The achievement of the Effectiveness Ratio shows good results because the target can be realized almost entirely only under 10% of the Pattimura University revenue target.

2). The achievement of budget effectiveness and efficiency is not good enough, supporting the achievement of the financial independence ratio as a proxy for Pattimura University's financial performance for the 2017-2022 period. This situation is due to the high dependency ratio of Pattimura University on funds from the central government in the form of Pure Rupiah.

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