

ANALYSIS OF THE USE OF BUDGET AND BUDGET REALIZATION FOR ASSESSING THE FINANCIAL PERFORMANCE

(A Case Study Covalima District Health Office)

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ABSTRACT

District Health Office Suai Covalima up to now does not have a standard to be used as guidelines in the preparation of the financial statements of the budget. With the lack of standard financial reporting standard budget, it can cause a variety of reports with different versions and not in accordance with generally accepted accounting standards. Reports with different versions would produce a different decision and the decision is not relevant.

This study aims to determine the use of the budget with the budget reatifikasinya in charge, the good financial performance in government agencies, especially the District Health Office Suai Covalima.

The method used is quantitative descriptive approach and population data from the study is the overall budget is used on the District Health Office Suai Covalima. Data in this research is secondary data obtained through observation, documentation. Data can be processed using quantitative analysis.

Research shows that in the Health Office budget use yet effective and efficient as budget planning and realization of the total budget has not been balanced budget has been planned. By 2012 the budget was planned at \$ 86,260 while the realization of the budget only amounted to \$ 69,754 (80.87%). Unrealized remaining budget of \$ 16,506 (19.13%). While in 2013 the budget was planned at \$ 165,160. While budget in realisasi only amounted to \$ 138,223 (83.7%). Unrealized remaining budget of \$ 26,937 (16.3%). Causing the health care program that has been planned and not in implementation due to budget constraints.

Expected in the institutions need to improve the performance of the employees working at the Ministry of Health financial planning at both the Ministry of Health and in the Department of Health will produce high productivity in order to provide services according to professional standards.

Keywords: Use of Anggaran And Actual Budget For Financial Performance

INTRODUCTION

Timor Leste one of the newly independent State which requires a report used as a basis for decision making. Often with the demands of good governance is the most central issue today. Public demands that the management of the country is run safely and responsibly should be in line with the wishes of the people.

Governments are required to make a formal financial statements, such as statements Budget Planning, Budget Realization Report, as well as performance reports are expressed in good financial measures within trimestral, semiannual or yearly.

Budget is one of the factors that pengting for the government, to drive its activities carried out in accordance with the annual program, then the activity will run smoothly and government activities will be based on a budget that is prepared for a specific period. The financial statements based on the outcome of the accounting process, as well as financial statements provide information that is useful for decision-making by the various parties.

Performance is the result or someone kesuksesan success rate during the period, especially in carrying out the task as compared to the range of possibilities, such as the standard of the work, the target or targets or criteria that have been determined in dahulu and has been agreed.

In general, the purpose and function of public sector financial reporting is compliance and the management of financial statements are used to provide assurance to users of financial statements and the ruling authority that resource management has been conducted in accordance with the laws and regulations that have been established.

Health office, especially in Distrito Suai, Colavima up to now does not have a standard to be used as guidance in preparing and presenting the financial statements of the budget used. With the absence of the budget financial reporting standards, may give rise to a variety of reports with different versions and not in accordance with generally accepted accounting standards. Reports with different versions would produce a different decision and the decision is not relevant.

The financial report is a useful analytical tool for users in assessing transparency, accountability and make a good decision-making of economic, social and political. In order for a financial statement to meet the goal then there are four characteristics that must be followed by preparers of financial statements, namely: relevant, mainstay, comparable and understandable, but it also must be made by certain principles which have been prepared following the accounting standard government has generally accepted.

The general government budget (Orcamento Geral do Estado) always increase it is caused not due to the good performance of the government in managing the budget, but because of the insistence of the various needs of the economy. Causes and weaknesses formulation and budget allocation is the traditional system or line item system is inadequate relationship between the annual budget with a long-term development plan, incremental approach led to a large number of expenses are not thoroughly researched their effectiveness,

separate budget process for expenditures and capital spending / investment, the Budget is an annual traditional. The annual budget is actually too short, especially for capital projects, and it may encourage undesirable practices.

The weakness will cause difficulties in measuring the performance particularly in assessing the effectiveness and efficiency of the use of the budget. Health office each year, has obtained a budget to carry out various activities in the field of health.

Based on the above description it can be seen that every year, the budget allocated for the Office of Health can not be realized as a whole. This is due to the addition of funds ratification by mid-year but can not be realized because it is not listed in the annual budget plan.

Allocation presentation of financial statements do not yet have clear standards or guidelines for this is due to the unavailability of the indicators used as a basis for performance assessment.

Health Office budget system is still traditional or line item system is not based on needs. Things that cause the annual budget as a whole can not be realized due to a delay in the budget debate in parliament, approval and ratification by Parliament Nacional and also delays in ratification by the President of the Republica Democratica de Timor-Leste (East Timor).

LITERATURE REVIEW

Understanding Budget Usage

Munandar (1995: 10) states that the budget (budget) has three principal uses, namely: 1) As a working guideline, 2) As a means of coordinating the work, and 3) As a means of monitoring the work. As a working guideline, the budget function is to provide direction and targets to be achieved by the activities in the future. Budget also serves as a tool to coordinate the work so that all the parts contained in the organization can support each other, work together well to get to the targets. Work as a surveillance tool, the budget also function as a benchmark, as a comparative tool to assess (evaluate) the realization of the activities.

Glenn A. Welseh (1983: 3) defines the budget is the advantage of planning and supervision must be systematic and form to complete the functions of planning, coordination and oversight responsibility of management.

Sendangkan Hansen and Mowen (1997: 350) defines the budget is a major component of the plan is keuangan planning for the future, the budget according to the objectives and actions to achieve goals. While Nafarin (2000: 9) found a plan that is expressed quantitatively and are generally expressed in units of money for a certain period.

Perlenani (1986) in Sinarki, et.all (2001) defines the budget is a picture of the quality of the goals on and as a tool to determine the progress in achieving the goals.

By definition the experts above, researchers concluded that the budget is:

1. The financial plan upcoming containing opinions and shopping
2. Budget is formal and systematic, that is written and compiled in the form of a sequence based on a logic
3. The budget is a short-term work plan is quantitatively measured in monetary and non-monetary to show the acquisition and use of organizational resources .
4. The budget is a management tool and functions of planning , coordination and supervision .

Basic Budget

Timor Leste in the budget set in Republika Constitusi Democracy de Timor Leste section IV of article II, paragraph 145 Guidelines for Implementation of the State Budget FY 2009 1/2009, which reads:

1. The budget and state revenues will be drawn up by the government and passed by the national parliament.
2. The Act shall provide, on the basis of efficiency and effectiveness, description of state revenue and expenditure, and ensure non-occurrence of irregularities in secret funds.
3. Implementation of the budget will be monitored by high pengandilan administration, taxation and auditing as well as by the national parliament. (Constitution RDT p 64)

The budget cycle is a period or periods begin when the budget is drawn up with the calculation of the budget approved by law. The budget cycle is different from the fiscal year. The fiscal year is a period of one year to take into tanggun responsibility for implementation of the budget or the time when the budget is accounted for, it is clear the budget cycle to include the fiscal year ended with the calculation of the budget authorized by law. Budget cycle consists of several stages (phases) ie:

1. The preparation phase
2. Stage endorsement

3. The implementation phase
4. Phase Monitoring Reporting

Performance Based Budgeting

Prior to the enactment of Performance-Based Budgeting system, budgeting method used is the traditional method or line item budget. The way the budget is not based on the analysis of a series of activities that should be linked to predetermined objectives. But the emphasis on the need for shopping / spending and the system pertanggung answer is not checked and investigated whether these funds have been used effectively and efficiently or not.

Yardstick of success is only aimed at the budget keseimbangan between revenue and expenditure, but if the budget deficit or surplus means the implementation of the budget is failing in its development, appeared systematize budget performance which is defined as a form of budgetary sources are connected with the results of the service.

Performance-based budgeting must contain components benchmarks and performance targets, standard costs and budget classification. Benchmarks and performance targets consist of inputs, outputs, and outcomes. Standard cost includes details of the calculation of unit prices applicable fees.

With the standard fee, each unit is expected to draw up a budget based on priorities. Additionally known budget deficit and budget surplus (budget surplus). The budget deficit is a logical consequence of spending greater than revenues. While the rest of the budget (budget surplus) occurs because of the savings. In terms of budget classification, the budget is based on strategic objectives and broken down by type of expenditure for each program / activity.

Goals Performance-Based Budgeting

With Performance-Based Budgeting (ABK) the expected plans and development programs are drawn up can lead to:

1. The realization of the targets set.
2. The achievement of an optimal result from any investments made to improve the quality of public services.
3. Achieving efficiency and improve productivity in the management of resources and the improvement of quality of products and services to realize kesenambungan development and national independence.
4. Supports the budget allocation to priority programs and activities undertaken.

The purpose of the application of Performance-Based Budgeting Reform Guidelines based Planning and Budgeting (2009: 62) is expected to:

1. Showing the link between funding and performance to be achieved (directly linkages between performance and budget).
2. Improve the efficiency and transparency in the implementation (operational efficiency).
3. Increasing flexibility and accountability units in carrying out the task
4. And the management of the budget (more flexibility and accountability).

Implementation of Performance-Based Budgeting Solikin (2006: 11) in the implementation of performance-based budgeting should involve four steps:

1. Preparation phase
2. Ratification Stage (determination)
3. Implementation Phase
4. Reporting and Evaluation

Excellence Performance-Based Budgeting

Sjahrudin Apostle (2003 : 51) budget system performance has several advantages, including : (1) focuses on results , (2) flexibility , (3) evaluability , (4) Easier decision making , and (5) has a long - term perspective ,

Implementation of Performance-Based Budgeting

Some fundamental prerequisites necessary to ensure effective implementation of performance-based budgeting according Sjahrudin Apostle (2003 : 55) are as follows : (1) clarity of strategic objectives , (2) the development and availability of performance indicators, (3) the existence of a clear link between strategic goals with performance indicators , (4) clarity of performance accountability and performance accountability reports that emphasizes outcomes , (5) need to plan early, (6) leadership to promote change , and (7) of prudence in the implementation

The clarity of the strategic objectives of each institution means the budget should develop a strategic plan with a focus on the things to achieve. The plan should contain targets based outcome that ultimately can be felt directly benefit and impact on society . Clear strategic objectives will make it easier for decision makers , especially in the process of budget allocation based on priorities set in the medium-term expenditure framework .

Financial Performance

Indonesian general dictionary of performance defined as follows:

- a) Something in reaching achievements that need.
- b) Ability performance.

Simamora (1997: 485) the performance is set goals that are useful not only in the performance evaluation at the end of the period, but also manage the work process during this period: The definition of performance by Halim (2001: 227) Analysis of financial performance is an attempt to identify the characteristics of finance based financial statements are available.

Meanwhile, according to (Echols (1984: 787). The financial performance of a company can be seen in a leader is someone who accomplish things through other people because it largely on how good they are. To know this, it is necessary once to conduct an assessment top performance to be achieved.

Performance Measurement

Robertson (2002: 229) Performance measurement is a process of assessing the progress of work towards a target destination predetermined, including information on the efficiency of resource use in producing goods and services of quality goods and services (how well goods and services delivered to customers and up how much the customer is satisfied) the results of the activities compared with the intended meaning; and the effectiveness of actions in achieving the interim goal.

Lukman (2003: 56), stated that performance measurement is an assessment activity attainment of specific targets derived from the strategic objectives of the organization. Whittaker (BPKP, 2000: 57) explains that performance measurement is a management tool used to improve the quality of decision making and accountability.

Simons (BPKP, 2000: 27) mentions that the measurement of performance helps managers to monitor the implementation of business strategies by comparing actual results with targets and strategic objectives.

Elements of Performance Measurement

Essential elements of a performance measurement include:

1. Set goals, objectives and organizational strategy

2. Formulate indicators and performance measures
3. Measuring the level of achievement of the objectives and goals of organizations
4. Evaluation of performance (feedback, assessment of the progress of the organization, improve the quality of decision making and accountability) Accountability to improve the control and influence decision-making.

RESEARCH MEHODS

Population

Cooper and Emory (1995: p 214), said that the population is the entire collection of elements that can be to make some conclusions. For that the population in collecting data in this research are: the total budget used in Suai district health offices ranging from the stand for 13 years.

Samples

According Sugiono (2007: p 64) The sample is part of the population, then the researcher is a sample of this research is taking up most of the two years as a sample in 2012 and 2013.

Qualitative Data

Qualitative data is data obtained exceed integrated retrieval, which is not shaped figures obtained as facts and characteristics of the object of research concerning information such as: The state of public institutions or research sites, Organizational Structure, History and background Agencies.

Data source

Sources of data are concerned people who used Reason sources considered master and able to provide data that is required. Based on the data sources can be divided into two (2), namely:

a. Primary Data

Primary data is data obtained by researcher from the results of measurements, observations, surveys and others. (Setiadi, 2007: 188).

b. Secondary Data

Secondary data is data obtained from other parties, bodies or agencies that collect data. (Setiadi, 2007: 188). So that the secondary data used in this research is the data collected directly by researchers, through observation and analysis of documents reporting the use of the budget in 2012-2013 in Suai district health office.

Data collection technique

In the data collection procedures conducted by researchers are as follows: (1) observation, (2) documentation, and (3) interviews

Data analysis technique

Data Analyser is a process used sequentially performed on an ongoing basis in accordance with the categories identified in this study.

Kriteira measurement of the efficiency study conducted as follows:

1. If the result is <20% means it is very efficient.
2. If the results are between 20% to 85% samapai means efficient.
3. If the result is > 85% means inefficient.

RESULT AND DISCUSSION

Usage report budgets in the District Health Office Suai Covalima Fiscal Year 2012, that budget planning and realization of the total budget has not been balanced budget has been planned. The total budget planned for \$ 86,260, while the realization of the budget only amounted to \$ 69,754

(80.87%). The rest of the budget is not in the realization amounted to \$ 16,506. Based on the research results can be concluded that a comparison between the budget planning budget realization pencapaiannya rate of only 80.87%, so that the use of the budget in 2012 was not effective. This happens because the nominal budget concentrated in the finance ministry and the ministry of health, so that they implement the budget transfer of the items on other items both internally and externally. According to the governmental decree number. 10/2005, concerning the use of the State budget of the country stated that the budget could be transferred internally and externally, before carrying out the transfer shall provide the basic reason correctly and clearly for nominal accountable for the money to be transferred.

CONCLUSION AND SUGGESTION

Conclusion

1. Research shows that in the Health Office has not been effective use of the budget because the budget planning and realization of the total budget has not been balanced budget has been planned. In 2012 the total budget planned for \$ 86.260 (100%), while the realization of the budget only amounted to \$ 69.754 (80.87%). The rest of the budget is not in the realization totaled \$ 16.506 (19.13). The fiscal year 2013 budget planned for \$, 165 160 (100%) while the budget in realisasi only amounted to \$ 138.223 (83.7%). The rest of the budget is not in the realization of \$ 26.937 (16.3%). Causing many health care programs that have been planned and not in implementation.
2. The results showed that in the health office has not been effective use of the budget because the budget planning and realization of the total budget has not been balanced budget has been planned. In 2012 the total budget planned for \$ 86.260 (100%), while the realization of the budget only amounted to \$ 69.754 (80.87%). The rest of the budget is not in the realization totaled \$ 16.506 (19.13%). The fiscal year 2013 budget has been planned of \$ 16.5160 (100%) while the budget in realisasi only amounted to \$ 138.223 (83.7%). The rest of the budget is not in the realization of \$ 26.937 (16.3%). Causing many health care programs that have been planned and not in implementation, because employees in the use of the annual program budget in line so that the Covalima Distritu Health menyebabkannya its budget implementation effectiveness.

Planning budgets in 2012 in comparison with year 2013 budget planning budgets larger in 2013 compared to 2012 and at the time of implementation of the 2012 budget is smaller compared to 2013. Financial performance in the health department Suai yet efficient and effective thereby affecting quality of health care.

Suggestion

1. The use of the budget needs to be improved in order to improve the quality of health services for the community. Need to enhance the leadership skills of planning and implementation of the budget for all budget has been planned to be diimplentasi effectively and efficiently.
2. Improve the performance of the health of employees who work in the Department of Financial Planning at both the Ministry of Health and in the Department of Health will produce high productivity in order to provide services according to professional standards. Performance Improvement of the Health Employees who work in the Department of Financial Planning at both the ministry of health and in the health service through formal education, training and equipping of facilities and infrastructure facilities that support.

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