

**ANALYSIS OF BUDGET PLANNING AND BUDGET
REALIZATION FOR MEASURING FINANCIAL PERFORMANCE
IN PROGRAM Sisca
(Case Study On the National Health Sector Strategic Plan Support
Project)**

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ABSTRACT

Thesis Title Analysis of Budget Planning and Budget Realization to measure financial performance on Sisca Program at the National Health Strategic Plan Support Project Ministerio da Saude Caicoli Dili, Timor-Leste. Budget Planning is a work plan that is expressed quantitatively measured in units of money, Realization is implementing something to be true, to reach the stage of realization of the former must go through certain important steps that can not be separated from the planning, preparation, penggesahan and at the end of merealisasinya field , while the financial performance is a process of assessing the progress of work towards the goal predetermined goals, including information on the efficiency and effectiveness. The theory used in this study, there are three theories that Budget Planning, the Budget and Financial Performance as well as the conceptual framework based on existing titles, and also the type of research is quantitative descriptive research. The population used in this study is the actual data from the establishment NHSSP-SP Ministerio da Saude until today, as well as samples taken just two periods, ie from the period of 2012 to 2013.

For the first year (2012) the planning budget of \$. And the realization of \$ 684.000.00. 195.060.00 with the difference in budget of \$. 488.940.00, this proves that the use of the budget for 2012 efficiently and effectively, with the percentage rate of 71% efficient and effective by 29%, while for the second year (2013) Budget Planning of \$. 684.000.00 and Actual Budget of \$. 418.748.79 with the difference in budget of \$. 265.251.21 in this year's budget does not prove that the use of efficient and effective for the use of the budget does not reach 100% with the percentage level of efficiency by 39% and 61% effective.

Keywords: Budget Planning, the Budget and Financial Performance.

INTRODUCTION

Reform of public administration is marked by the emergence of the era of new public management, with three main principles that apply universally, namely professional, transparency, and accountability has led to efforts to improve performance in the field of financial management, to develop a more systematic approach in the budgeting of the public sector.

Public sector organizations are required to make external financial reports that include financial statements formal, such as a statement of surplus / deficit, report budget planning, report budget realization, as well as a performance report that measured the financial and non-financial well within trimestral, semestral or annual , In general, the purpose and function of the financial statements of the public sector are: compliance and processing (Compliance and stewardship), the financial statements used to provide assurance to users of financial statements and the ruling authority that penggolahan resources have been carried out in accordance with the legal provisions and other regulations that have been set.

Accountability and retrospective (accountability and retrospective reporting), the financial statements used as a form of accountability to the public, to monitor performance and evaluate the management, provide the basis for the observed trend between the period, the attainment of set objectives, and compare it with the performance of other organizations similar if any, and allow outsiders to obtain information about the cost of the goods and services received and to assess the efficiency and effectiveness in the use of organizational resources.

Government Republica Democratica de Timor-Leste (East Timor) to date does not yet have a standard to be used as guidance in preparing and presenting financial statements. So that one can meet the objective of financial statements that there are four characteristics that must be fulfilled by the financial statements, namely: relevant, reliable, comparable and can be understood.

Causes and weaknesses of Timor-Leste in developing and budget allocation is the traditional system or line item system is a relationship that is inadequate 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, the budget process separately for routine expenditure and development expenditure, the annual budget is an annual. The annual budget is actually too short, especially for capital projects, and it may encourage undesirable practices, such weakness will cause difficulties in measuring the performance particularly in assessing the effectiveness and efficiency of budget planning.

By analyzing financial statements it can be seen how much achievement or performance achieved by a state agency Republica Democratica de Timor-Leste (East Timor) from year to year, especially in the National Health Sector startegic Plan-Support Project Ministerio da Saude which every year is always increasing , 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.

Constitution of the State Republica Democratica de Timor-Leste has given an explanation of health. Law on State Republica Democratica de Timor - Leste article 57 (paragraph 1). States that everyone is entitled to health services and medical care and the duty to protect and promote them, (paragraph 2). The state will promote a national health system that is universal and general, and for allowing free of charge by the Act, and (paragraph 3). The national health service as far as possible be managed decentralized and participatory, so the government has a role and responsibility to regulate in such a way, every citizen has an equal opportunity to health care is needed without looking at the background, education, religion, ethnicity, race, gender and level the social economy.

To reduce poverty and health status in Timor-Leste, one of which is a government program that Sisca Program (Servisu Intergradu da Saude Comunitaria / Integrated Community Health

Services). Sisca's program, in Indonesia called " Posyandu " (Pos Integrated services). Sisca is a medical assistance program, as the integrated service of the ministry of health and family held at village level within the working area of the clinic or health center.

Sisca one form of health efforts are resourced and managed community of, by, for and with the community in the implementation of health development and provide convenience to the people less able to gain access to basic health services to reduce maternal mortality and bayi. Untuk mensukseskan Sisca program in all parts of Timor-Leste, the government needs to allocate appropriate budgets in accordance with their respective programs.

Given the importance of AusAid in funding and supporting the capacity building of health personnel in the success of one of the priority programs in the health sector, the more intense the ministry to develop cooperation through the mechanism of coordination with donors and collaborators. The aid is given to the departments of Education, Agriculture, Health, Enfra-Estructura and so on.

For the purposes of Health since the beginning of transition for example, the budget for the Ministry of Health in 2008-2010, the total budget provided by donors to support government programs, especially programs for Sisca

\$. 598,500.00 USD. Sisca that amount for the program is very small (due to the targeted area is the area remotas,), a program conducted by the health department to cover the 475 posts in 442 Sisca suco, spread over 13 Distrito. Until now, the health budget allocation is still a major problem for Timor-Leste.

LITERATURE REVIEW

Understanding the Budget

The word budget is a translation of " budget " in English but the word actually comes from the French word (boudgette) which means " a small bag " (a small bag). Understanding the budget and then continue to grow.

The budget is a management tool in carrying out the functions of planning and control of financial operations within the company. Ardiyos (2001: 139), in the Dictionary of Accounting, argued that: Budget (Budget) is " a financial plan systematically arranged on the estimated revenues and expenses ". Munandar (2001: 1) Budgeting, Planning Work, Coordination of Work and Supervision Work express the sense budget that: Budget is " a plan drawn systematically covering all activities of the company expressed in monetary units and is valid for a certain period to come , Horngren (2005 ,: 214) suggests understanding Managerial Emphasis budget, that: Budget is " Quantitative statements prepared an action plan of management for a certain period and a tool that helps coordinate matters necessary to implement the plan.

Based on the above definition, the budget is a plan of work in quantitative and systematic implementation of the responsibilities of a manager in the planning, coordination and supervision to achieve the target within the stipulated time.

Antoni Gavidarajan 1998 in Nuryahati (2005) budget is " A financial plan, usually covering a period of one year and is a tool for short-term planning and control in organizations ". Polenemi (1986: 5) in Sinarki DKK (2001: 11) Budget adalah "Suatu quantitative overview of the objectives and management as a tool to determine progress in achieving ". Narafin (2009: 9) defines budget is " a written plan of the organization's activities expressed quantitatively and are generally expressed in terms of money within a certain period ".

Budget Cycle

Nordiawan Deddi budget cycle (2009: 50) is as follows:

1. The budget preparation phase

At this stage of the budget preparation is done on the estimated expenditure on the basis of estimated income available factor of uncertainty is high enough level also needs to be a concern.

2. Stage ratification budget

This stage is the stage which involves the political process is quite complicated and quite heavy. In this stage, the executive is required not only to have managerial skills but also have to have political skills, salesmanship and coalition building adequate integrity and adequate mental preparation of executive leadership is crucial at this stage. This is important because in this phase of the chief executive must have the ability to answer and provide rational arguments for all the questions and arguments of the legislature.

3. Implementation Phase budget

In the implementation phase of the budget important things that must be considered by the manager of public finances is a system of accounting, accounting information systems and management control systems. Public finance managers in this stage is responsible for creating an adequate accounting system and reliable for planning and controlling the agreed budget, and can be relied upon for the preparation stage of adequate internal controls.

4. Reporting and Evaluation Budget

This stage is the final stage of the budget cycle. At this stage of the budget accounted for in the form of reports and evaluated implementation.

Budget limitations

Simamora (1999) and Nurhayati (2005) states that there are budget constraints, among others:

1. In many occurrence budgets tend much to simplify the facts of the situation in the field and inconsistent showed the complexity of the management.
2. The budget may be too pressing results (net income actually means is compared with the budgeted amount of income) but not at the causes (explanations concerning the marketing costs of the dianggarankan), then these two factors together pentinganya.
3. The theme of the participatory budget requires the full support and involvement of management if the manager is not so sure of the benefits budget, slim possibility that they will devote time to use successfully.
4. The budget can mengerogote by blocking the development of management initiatives and new measures that are not covered in the budget.
5. If necessary the pressure of excessive individual managers to achieve the objectives of the budget so managers can react with the bad decisions that affect organizational goals.
6. The budgeting process is not pure science and good judgment but rather an essential role. Thus budgeting somewhat subjective and based on the best information available.

Budget Planning

Planning is a process to determine the future of the right, by order of preference taking into account the resources available. Indro Gitosusu Darmo (1996: 9) defines the planning is " the human ability to consciously choose the alternative desired future and then directs its resources to realize the future elected ". Winardi (1983: 149) defines the action planning includes selecting and connecting the factors that create and use an analysis of the future in terms of evaluating and formulating the proposed activities as may be necessary to achieve the desired results. Anthony Deafden (1995: 6) defines that planning is " a continuous process to define ".

Based on the definition above, we conclude that the planning is the human ability to consciously choose the alternative and continuously connecting factor to define the activities required in order to achieve objectives in the future.

Anthony Deafden (1995: 7) states that achieve a goal there are several factors that are required in planning, namely:

1. The goal or desired business position in the future.
2. A confession or conviction, that can backfire goal should be achieved in the light of external conditions that may occur in the future, namely the political and social economic environment that is expected to occur.
3. A belief that the goal can be achieved with the resources available to the company.
4. The belief that can direct and organize or carry out future actions, which planned to achieve the objectives (to avoid the conditions that impede progress).
5. An understanding or recognition that changes are unbroken, and the development of conditions that are not expected, would require re-assessment as well as sustainable against the objectives and constraints of the action plan. Robert L. Martins and John H. Jackson (2001: 51) states that planning is a long-term plan, in which an organization should consider the allocation of those assigned to the long term not only for the next six months or even just for next year ,

Defenisih in accordance with the above it can be concluded that planning is a continuous process that reflect and adjust to a changing environment that exist in every company.

Planning goals

Planning objectives Stephen Robbins and Mary Coulter in Wikipedia are: (1) provide good direction., (2) reduce the uncertainty, (3) minimize waste, and (4) to set goals and standards used in the function hereinafter that the process control and evaluation ,

Understanding the Budget Realization Report

Poewadarminta (1987.807) mendefinisihkan sense of realization itself is: " implementation of something to be true. Of said something to show that to reach the stage of realization of the former must go through certain stages that can not be separated from the planning, preparation, and at the end merealisasikanya penggesahan field ".

Further Poewadarminta (1987.808), adding that " if the realization itself is planning something to be true, while budget didefenisihkan be the implementation of a calculation or estimate a reality ". In the realization phase has been implemented, the manager of the company has been able to determine whether the budget has been planned and is run in accordance with company expectations or otherwise. The realization phase is the final stage of the budget process itself.

Financial performance

Performance is the attainment of what is planned, either by personal or organization. The financial performance is a measure of work that uses financial indicators. Analysis of financial performance is basically done to assess the performance in the past by performing various analyzes in order to obtain the financial position of an entity that represents the reality and potential of performance will continue.

Halim (2001.227) financial performance analysis is " attempt to identify the characteristics of finance available based on financial statements ".

Echols (1984, 787) The financial performance of a company can be seen in a leader is " one who accomplish things through other people because it largely on how well they are to know these things, essential to carry out an assessment of achievement work achieved. While the performance (performance) is the achievements in implementing the obligations of a person ".

Department of Education (1995.503) said that financial performance is " performance to be achieved by a person in carrying out tasks through the work assigned to him ". From this sense it can be said that the performance of the work is an achievement in the implementation of the work, resulting in the execution of the work assigned to him, he is able in any way to solve it according to the standard set.

Based on the three experts of the inventor, the researcher can conclude that: Work performance achieved by someone in his own efforts to identify the characteristics of finance is based on the existing financial statements. In government organizations to measure the financial performance there are some performance measures, namely independence ratio, the ratio of effectiveness, efficiency ratio, the ratio of growth, and the ratio of harmony. At this writing that is used is the ratio of the independence, effectiveness ratio and efficiency ratio, while the ratio of growth and harmony is not used. To that end, the explanations related only to the self-sufficiency ratio, the ratio of the effectiveness and efficiency ratios.

Benefits Public Sector Performance Measurement

Mohamad Mahsun (2006: 152) the benefits of performance measurement both for internal and external public sector organizations (BPKP, 2000) are as follows: (1) ensure the understanding of its implementing measures used for the achievement of the performance, (2) ensure that a performance plan that has agreed, (3) monitor and evaluate the implementation performance and compare it with the work plan and take action to improve performance, (4) reward and punishment that the objective of the achievements implementing what has been measured in accordance with the reasons of performance measurement that has been agreed upon, (5) becomes communication tools on subordinates and leaders in an effort to improve organizational performance, (6) identify whether the satisfaction of the customer are met, (7) to help understand the process of government agencies. (8) ensure that the decisions made objectively, (9) shows improvement needs to be done, and (10) reveals the problems occurred.

RESEARCH METHODS

Population

Population is the generalization which consists of object or subject that has a certain quantity and characteristics defined by the researchers to be studied and then drawn the conclusion (Sugiyono, 2006). So from these data the researchers took the whole of the budget allocated to the National Health Sector Strategic Plan Project Ministerio da Saude -Support for Sisca program.

Samples

The sample is part of the population is taken through the particular ways that also has certain characteristics , clear and complete that is considered to represent the population (Radiosunin 2001: 34). In this sampling procedure researchers took samples of data planning and realization of the budget from 2012 to 2013 .

RESULT AND DISCUSSION

Results Analysis Budget Plannin

**Table 1. Analisis Budget Planning and Budget Realization
National Health Sector Strategic Plan Project -Support Ministerio da Saude for Sisca
Program**

No	Total Budget Every budget year	Realization year	budget Difference	budget
1	2012	\$ 684,000.00	\$ 195,060.00	\$ 488,940.00
2	2013	\$ 684,000.00	\$ 418,748.79	\$ 265,251.21

Sumber Data : NHSSP-SP Ministerio da Saude (Program SISCa)

From the table above it can be concluded that each year, the planned budget by NHSSP-SP Ministerio da Saude for Sisca program of \$ 684,000.00 and allocated to various posts Distrito based on existing Sisca.

a. In a study in 2012 based on the above table it can be concluded that the eraser in the budget allocated to the program Sisca \$ 684,000.00 with the realization of a budget of \$ 195,060.00 while the difference budget of \$ 488,940.00 to determine the level of efficient and effective as follows: that for fiscal year 2012 is less efficient and effective because of the level of efficiency reached 71% and the effectiveness of 29%, then in 2012 showed that the financial performance of the Ministry of Health for the program Sisca is not good because it reached the level of effectiveness by 71% due to the realization does not reach 100%.

b. In a study in 2013 by the completion of the above it can be concluded that the eraser in the budget allocated to the program Sisca \$ 684,000.00 with the realization of a budget of \$ 418,748.79 while the difference budget of \$ 265,251.21 to determine the level of efficient and effective as follows: that for fiscal year 2013 is quite efficient and effective because of the level of efficiency reached 39% and effectiveness by 61%, then in 2012 showed that the financial performance of the Ministry of Health for Program Sisca good enough as it reaches the level of an efficiency of 39%.

CONCLUSION

Conclusion

The level of planning and realization of the budget for the year 2012 is effective and efficient, while for the year 2013 is quite effective and efficient.

It is proved that in fiscal year 2012 with a total budget of \$ 684,000.00. And the realization of \$ 195,060.00 with a difference of a budget of \$ 488,940.00 thus proving the efficiency level of 71% and 29% effectiveness means that the budget allocated for the year 2012 in its use can be said to be less efficient and effective, while In fiscal year 2013 budget allocation of \$ 684,000.00. And the realization of \$ 418,748.79 with a budget of \$ 265,251.21 difference so with an efficiency level of 39% and 61% effectiveness, evidenced that the budget allocated for 2013 is quite effective and efficient because its realization does not reach 100%. Then prove that the financial performance for the year 2012 and the year 2013 is not good enough either because it does not achieve the desired target of 100%.

Suggestion

Based on the results of the studies that baha data for fiscal years 2012 and 2013 the researchers suggest to the financial and the chief leaders of the organization to control the activities undertaken and the budget is allocated in accordance with the requirements for the purposes of the organization so that financial year subsequent planning of the activities of the organization continue to run over efficient and effective.

In the work program implemented, the researchers suggest the parties National Health Sector Strategic Plan Support Project Ministerio da Saude for Sisca program, still run more integrated health activities as well as possible so that the process of implementation and expenditure budget for the program reach the level Sisca efficient and effective in the future.

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