

Effectiveness and Efficiency of Implementing The Spending Budget Plan at The Development Planning, Research, and Regional Development Agency of Banyumas District for The 2023 Budget Year

Oktiviarani Fitriingsih^{1*}, Iwan Fakhruddin², Rina Mudjiyanti³

{fitriingsihktiviarani@gmail.com^{1*}, iwanfakhruddin@gmail.com²,
rinamudjiyantie17@gmail.com³}

Faculty of Economics and Business, Universitas Muhammadiyah Purwokerto^{1,2,3}

Abstract. Regional government administrators will not be separated from the use of budgets, where every year the government must prepare a budget plan. The control, planning, and public accountability instruments in managing and allocating public funds. Accounting is also essential to include in a budget realization report, information can be found indicating was carried out effectively and efficiently by applicable regulations. The financial performance of the Banyumas Regency Regional Development Planning, Research, and Development Agency in 2023 is considered less efficient in budget use. Nevertheless, the budget performance of the Banyumas Regency Regional Development Planning, Research, and Development Agency for 2023 has been considered effective in implementing budget use.

Keywords: Budget, Effectiveness, Efficiency.

1 Introduction

One of the strategic units is the budget, which plays the main role as a means of control, planning, and public accountability instrument for managing and allocating public funds. Budget management is linked to public accountability, which includes accountability for program effectiveness in achieving it [1]. In addition to accountability, enhancing supervision requires budget transparency. The aim of the public sector budget is to meet the basic needs of the community, ensure that they are adequate, and provide information openly to the public.

Guidelines for Regional Financial Management, covering regional rights and obligations to carry out government activities which are valued in the form of money, including all assets related to these rights and obligations. Regional financial management as a whole includes reporting, accountability, planning and supervision which can be seen in financial reports which then become benchmarks for assessing and measuring performance in budget use [2].

Performance measurements are carried out to assess whether the program is running efficiently and effectively. By measuring performance, the government can assess and evaluate for a better next year. In realizing the government budget, effectiveness and efficiency are very important. A good level of effectiveness and efficiency means that government programs are carried out in accordance with the budget plan. To achieve this level of effectiveness and efficiency, the government must realize the budget that has been set and carry out regular employee performance evaluations [3].

2 Literature Review

The budget regulated in Government Regulation Number 71 of 2010 concerning Government Accounting Standards, is a guideline for actions carried out by the government and includes transfer expenditure plans, financing, and income which can be measured in rupiah units and is prepared systematically from the distribution that has been regulated for the coming period [4].

The measure of whether or not organizational goals are achieved is called effectiveness. If the stated objectives are achieved, the budget is considered effective. Because when measuring effectiveness the amount of costs used to achieve these goals is not taken into account. However, effectiveness only takes into account whether the government's expected goals are achieved. Efficient use of resources in a process is defined as efficiency. The process runs more efficiently if resources are used more sparingly. Efficiency refers to the relationship between the resources used to achieve output, for example goods and services, and the output produced. The concept of efficiency is almost identical to productivity in that an organizational program or activity is considered efficient if it can produce the most output. Economic use of the budget is known as efficiency [5].

3 Methods

Primary data was collected directly from the Regional Development Planning, Research and Development Agency (Bappedalitbang) of Banyumas Regency. Primary data is obtained through the observation. This method is done by looking for supporting sources for field work practice reports. Data can be obtained through budget realization reports at the Banyumas Regency Regional Development Planning, Research and Development Agency. Interview Method namely a direct interview process with the head of the finance section of the Banyumas Regency Regional Development Planning, Research and Development Agency directly.

4 Result and Discussion

Table 1. Summary Report on the Realization of Expenditure Budget at the Banyumas Regency Regional Development Planning, Research and Development Agency for Fiscal Year 2023

Description	Budget (IDR)	Realization (IDR)
OPERATIONS SPENDING		

Employee Shopping	5.202.767.002,00	4.839.743.309,00
Shopping for Goods and Services	6.181.349.512,00	5.446.708.222,00
Grant	0,00	0,00
Total Operating Expenditures	11.384.116.514,00	10.286.451.531,00
CAPITAL EXPENDITURES		
Shop for Equipment and Machinery	292.639.500,00	246.991.650,00
Shop for Buildings and Buildings	77.100.000,00	75.830.000,00
Total Capital Expenditures	369.739.500,00	322.821.650,00
SHOPPING AMOUNT	11.753.856.014,00	10.609.273.181,00

4.1 Effectiveness ratio

The level of effectiveness of the 2023 expenditure budget is as follows:

Based on table 4.1, it is known that the 2023 budget has a budget target of IDR 11,753,856,014.00 with a realized budget of IDR 10,609,273,181.00.

$$\text{Effectiveness} = \frac{10.609.273.181,00}{11.753.856.014,00} \times 100\% = 90,26\%$$

According to the source of Decree of the Minister of Home Affairs (Kepmendagri) Number 690,900-327 of 1996, the calculation above shows that the percentage of 90.26% of the 2023 Regional Development Planning, Research and Development Agency's budget is effective.

4.2 Efficiency Ratio

Based on Table 4.1, the 2023 expenditure budget shows that the actual direct expenditure budget is IDR 10,609,273,181.00 with the actual expenditure budget being IDR 10,609,273,181.00. Therefore, the level of budget efficiency in 2023 is as follows:

$$\text{Efficiency} = \frac{10.609.273.181,00}{10.609.273.181,00} \times 100\% = 100\%$$

According to the source of Decree of the Minister of Home Affairs (Kepmendagri) Number 690,900-327 of 1996, the calculation above shows that the Banyumas Regency Development Planning, Research and Development Agency's 2023 budget has an efficiency percentage of 100%, which shows that the budget does not meet efficient standards.

4.3 Evaluation of Result

Based on the source of the Decree of the Minister of Home Affairs (Kepmendagri) Number 690,900-327 of 1996, a financial performance percentage of 90% to 100% is included in the effective criteria. The results of the above analysis show that the effectiveness of implementing the Banyumas Regency Regional Development Planning, Research and Development Agency's budget in 2023 is 90.26%, which means that budget implementation is running effectively. Budget implementation becomes more effective if the realization is greater than the budget target.

Based on the source of the Decree of the Minister of Home Affairs (Kepmendagri) Number 690,900-327 of 1996, the financial performance percentage of 90% - 100% is included in the less efficient category. Based on this analysis, the efficiency of implementing the Banyumas Regency Regional Development Planning, Research and Development Agency's budget in 2023 is 100%, which means that budget implementation is running less efficiently. The realization of the direct expenditure budget greatly influences the level of efficiency of the implementation of the expenditure budget, the higher the direct expenditure budget is compared to the realization of the expenditure budget, the less efficient it will be.

5 Conclusions and Recommendations

5.1 Conclusions

The Regional Development Planning, Research and Development Agency (Bappedalitbang) of Banyumas Regency with the final assignment title "Effectiveness and Efficiency of Implementation of Expenditure Budget Plans at the Banyumas Regency Development Planning, Research and Development Agency for Fiscal Year 2023" shows that the effectiveness of budget performance in the Development Planning, Research Agency and Regional Development of Banyumas Regency for the 2023 fiscal year has been running effectively. Meanwhile, budget efficiency at the Banyumas Regency Regional Development Planning, Research, and Development Agency for the 2023 fiscal year is running less efficiently. However, the level of efficiency in government is also influenced by performance factors, not only seen from financial realization.

5.2 Recommendations

The advice that can be given to the Banyumas Regency Research and Development Development Planning Agency is to carry out an effectiveness and efficiency ratio analysis to find out how effective and efficient spending is in one period, so that the spending carried out can be more effective and efficient.

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