The Description of University Budget Variance, Equality, and Expenditure Matter Toward Services

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Abstract. The current concept of budgeting in PT-BLU is performance-based budgeting. This system aims to realize an efficient, effective, fair, and transparent budget. Therefore, as characterized by public sector organizations in general, budget performance is a benchmark for organizational success, in this case it is called an IKU. This study looks at how the budget supports the achievement of the organization's vision and mission by evaluating variance, harmony and growth of service spending at UNESA. The results show that budget performance has decreased due to the impact of the COVID-19 pandemic during 2019–2020. Therefore, the results of this study can be input for university leaders to improve budgeting patterns and strategies to achieve organizational goals.

Keywords: Belanja layanan BLU 1 · performance-based budgeting

1 Introduction

Budgets in the public sector have an important role because performance measurement is always associated with the conformity between the budget and its realization [1]. Whicker and Changhwan [2] outlines that any public sector budgeting strategy should lead to the guarantee of services to the public by applying efficiency and the realization of the vision and mission of the organization not to the benefit of any particular person or group of bureaucrats. It is this concept that causes research in the field of budgets to be important for public services and the achievement of the mission of public sector organizations. Nonetheless, research on budget performance in government still yields mixed conclusions. A study of Magno, Hakim, and Domai [3] researching the role of the budget in realizing the vision and mission of the organization. But the results are still mixed, some show the link between budget spending and university development programs [4], however there are also those who present empirical data about the absence of interrelationships between the two.

Over the past five years, in 2017–2021, Surabaya State University experienced fluctuations in the determination of budget ceilings, respectively, they were 326 billion, 447 billion, 326 billion, 250 billion and 363 billion. The decrease in the budget ceiling in 2019 and 2020 was due to the refocusing of the government's budget in handling the

COVID-19 pandemic. But significant developments are starting to be shown in 2021. Therefore, this study tries to investigate how UNESA's budget performance is free from the COVID pandemic and is preparing to realize the mission of being the leading university on an equal footing with other large universities. There are 3 big questions to be answered through this research, namely: (1) how the performance of the service expenditure budget is seen from the analysis of spending variance; (2) how the performance of the service spending budget is seen from the growth of spending; (3) how the performance of the service expenditure budget is seen from the harmony of spending.

However, this research has limitations, because it only uses secondary data in the form of budget ratios in funding university development programs, while the relationship between budgets and development programs has not been shared in it.

2   Theory

Analysis of variance in budgeting has been widely used to measure how well a public sector organization is performing [5] as well as project Conboy [6] Even the budget variant in manufacturing companies is often used as an indicator of the potential for fraud or red flag of fraud [7]. Changes or revisions in budgets in local governments are not only caused by variants in the revenue and expenditure budget but are also influenced by political factors [5].

This theory links the agency's mission to the agency's budgetary strategy. Agency mission refers to whether agencies are distributive, redistributive, regulatory, or market emulators. We believe that agency missions set the cost-benefit structures that agencies face. Both costs and benefits can be concentrated on a few citizens or spread across a large group. Cost-benefit structures related to agency outcomes, in turn, influence public attitudes towards the agency. While the public is never enthusiastic about new taxes and revenue mechanisms to fund government services, opposition to funding can range from moderate to high. Similarly, support for the agency's findings can be limited but strong, or broad but weak. Each of these three factors (the agency's mission, cost-benefit structure and public attitude) directly or indirectly impact the agency's budget strategy. The agency's mission defines the cost-benefit structures for the organization, which in turn affects public support for the agency and its programs. Public support then impacts the agency's budget strategies.

The linkage between the mission and the budget strategy of a public sector organization can affect public attitudes [8]. Similarly the mission-strategy relationship, the budget at the university will in turn have an impact on public support of its programs. Public support then has an impact on the Agency's budget strategy. Similarly the mission-strategy relationship, the budget at the university will in turn have an impact on public support of its programs. Public support then has an impact on the Agency's budget strategy. Public support at universities is not only shown from the willingness of the community to support the receipt of funds from the community but can also influence the government's decision to increase transfer funds.

Performance can be defined as the measurable activity of an entity over a period of time as part of the measure of success in the job. According to Bastian [17] performance is a description of achieving the implementation of an program, activity policy in achieving the goals, objectives, mission and vision of the organization. Organization. Performance indicators are quantitative and qualitative metrics that describe the degree of achievement of a given goal or goal.

Performance indicators refer to indirect performance appraisals i.e., things that are only indicative of performance. To be able to measure the performance of agencies, the following indicators are needed:

a) Planning and control system
b) Technical specifications and standardization
c) Technical competence and professionalism
d) Economic mechanism and market mechanism
e) Human resource mechanism

While the role of performance indicators for agencies is:

a) To help clarify the goals of the organization
b) To evaluate the final target (final outcome) generated
c) As input for determining managerial incentive schemes
d) To enable users of government services to make choices
e) To demonstrate performance standards
f) To demonstrate effectiveness
g) To help determine the activities that have the best cost effectiveness to achieve the targets, and
h) To indicate areas, sections, or processes that still have potential for cost savings.

3   Research Method

The type of research carried out is descriptive research, which describes the characteristics of the phenomena that are used as the basis for making decisions to solve problems. This type of descriptive approach aims to describe the nature of something that is ongoing at the time, the research is conducted and examines the causes of a phenomenon that occurs in real conditions at the time the research is conducted.

The research approach used is descriptive research approach, which is a method in which data is collected, compiled, interpreted and analyzed using quantitative descriptive analysis to provide an overview of a particular situation so that conclusions can be drawn.

The method of data collection in this study used the method of documentation & interviews. This research uses descriptive techniques to provide an overview of its performance appraisal over the past 5 years. The data used is secondary data, namely data on budget realization reports for 2017–2021 State University of Surabaya (Unesa). In conducting the analysis in order to obtain a clearer and more in- depth explanation of the results of the study, in addition to using quantitative methods, interviews were also used.

a) **Expenditure Variance Analysis**

Expenditure variance analysis is an analysis carried out by calculating the difference between the realization of spending and the budgeted one. The purpose of this variance analysis is to see the amount of difference between the budget and its realization in nominal terms and percentages used to:

a) Establish a degree of difference that is tolerable or considered reasonable
b) Establish a degree of difference that is tolerable or considered reasonable;
c) Establish a degree of difference that is tolerable or considered reasonable
d) Assess the significance of the difference when viewed from the total expenditure
e) Assess the significance of the difference when viewed from the total expenditure;
f) Analysing the causes of differences in spending budgets
g) An agency is said to have good budget performance if it is able to realize spending in accordance with the amount that has been budgeted / planned. On the other hand, if the realization of spending exceeds or is far below the budgeted amount, it can be judged that the budget performance is not good. The smaller the difference between the budget and the realization of spending, the agencies in general have made good use of their budgets [8].

According to Mahmudi [9] the analysis of shopping variance is formulated as follows: *The Budgetary Variances = budget realization- budget.*
The difference in spending budgets is categorized into two types, namely 1) The difference between favourable variance and 2) the difference between dislike (unfavourable variance). In the event that the realization of expenditure is smaller than the budget, it is called favourable variance, while if the realization of expenditure is greater than the budget, it is categorized as unfavourable variance.

Expenditure Growth Analysis
Budget performance measurement can be done through the analysis of spending growth. Analysis of spending growth is useful to determine the growth of spending from year to year in a positive and negative manner. According to Mahmudi [9] shopping growth analysis is useful to find out the development of spending from year to year. In general, the trend of shopping has an always upward trend from year to year. The reasons for the increase in spending are usually associated with adjustments to inflation, changes in the rupiah exchange rate, changes in the amount of service coverage, and adjustments to macroeconomic factors. According to Mahmudi [9] the performance measurement formula is as follows:

$$\frac{budget\ realization\ (t) - budget\ realization\ year\ (t-1) \times 100\%}{budget\ realization\ year\ (t-1)}$$

Harmony of Expenditure Analysis
Other budget performance measurements can be seen using a spending alignment analysis that illustrates how local governments prioritize their funds on spending optimally. Based on this ratio, readers of the report can find out the portion of regional expenditure

allocated for investment in the form of capital expenditure in the relevant fiscal year. Capital expenditures providing medium and long-term benefits are also routine. There is no definite benchmark for how much the ratio of capital expenditure to government expenditure is ideal, because it is strongly influenced by the dynamic of development activities and the amount of investment needs needed to achieve targeted growth. According to Mahmudi [9] the performance measurements are as follows:

Capital Expenditure

$$= \frac{\text{Capital Expenditure Realization Modal} \times 100\%}{\text{Overall Expenditure}}$$

Spending Efficiency Ratio

The spending efficiency ratio is a comparison between the realization of spending and the spending budget. This spending efficiency ratio is used to measure the level of budget savings made by the government, in the form of efficiency figures that are not absolute, but relative. This means that no standard is considered good for this ratio. We can only say that this year local government spending is relatively more efficient than last year.

According to Mahmudi [9] if the figure generated from the ratio is less than 100%, it is considered to have made spending efficiency. The performance measurements are as follows:

$$\frac{Spending\ Realization\ \times\ 100\%}{Spending\ Budget}$$

Efficiency Ratio, Performance is a picture of the performance of implementing an activity to achieve an organization's goals, vision and mission [10]. Efficiency is achieving a maximum output with a given input, or using the lowest input to achieve a given output. Mardiasmo [11] claims that the higher the output compared to the input, the higher the efficiency of an organization.

In-depth Interview to Perform Triangulation

Triangulation is carried out by comparing and checking the data and information that has been obtained with different tools and times. The triangulation used in this study is source triangulation and engineering triangulation. Triangulation of sources is carried out by checking the information/data obtained through interviews with informants. Then the data is asked to other informants who are still related to each other. The results obtained from the Source triangulation regarding the allocation of BLU to the performance of Surabaya State University show that Unesa has been able to approach the achievement of the vision, mission and goals of the organization.

4   Results

Based on the table, it can be concluded that in the 2017–2021 fiscal year there is a difference in the budget with negative realization, which shows the efficiency or savings in the budget (Table 1). In the event that the realization of expenditure is smaller than the

Table 1. Variance Analysis

Year	Realization	Budget	Expenditure Variance Analysis
2017	537.754.333.595	689.576.707.000	−151.822.373.405
2018	857.170.543.730	930.661.827.000	−73.491.283.270
2019	566.283.406.829	602.838.986.000	−36.555.579.171
2020	439.126.450.101	489.827.252.000	−50.700.801.899
2021	541.247.141.874	568.255.461.000	−27.008.319.126

Table 2. Spending Growth Analysis

Years	Budget Realization	Spending Growth	Growth Increase (Decrease)
2017	537.754.333.595	34%	137.052.656.078
2018	857.170.543.730	59%	319.416.210.135
2019	566.283.406.829	−34%	−290.887.136.901
2020	439.126.450.101	−22%	−127.156.956.728
2021	541.247.141.874	23%	102.120.691.773

budget, it is called favourable variance, while if the realization of expenditure is greater than the budget, it is categorized as unfavourable variance [12].

Based-budgeting program is the budget needed to finance the expected activities (outputs and results set in performance targets) so that each fund spent can be measured efficiently and effectively [13, 14] A public sector budget is a periodic activity and financial plan (usually in an annual period) containing programs and activities and the amount of funds obtained (revenues/revenues) and needed (expenditures/expenditures) in order to achieve the goals of a public organization. (Performance Based Budgeting) is a budgeting system that is based on the "results" of the organization and is closely related to the vision, mission, and strategic plan of the organization.

Its main feature is that the budget is prepared taking into account the relationship between funding (inputs) and expected outcomes (outcomes), so as to provide information about the effectiveness and efficiency of activities [15]. In this case, Unesa is said to be able to do funding efficiency well which is marked by the realization of spending smaller than its budget.

Based on the overall table, we can see the growth and decrease in the realization of the budget during 2017–2021 (Table 2). The total growth of expenditure realization in 2017 was Rp. 137,052,656,078 or 34% of the total expenditure realization in 2016. The total growth of expenditure realization in 2018 was 319,416,210,135 or 59% of the total expenditure realization in 2017. In 2019 and 2020, there was a decrease in total expenditure realization growth of 34% and 22% of the total expenditure realization in 2018

Table 3. Spending Analysis

Years	Total Realization of Capital Expenditure	Total Budget	Capital Expenditure/ Total Expenditure Ratio
2017	182.500.167.100	537.754.333.595	34%
2018	492.517.026.704	857.170.543.730	57%
2019	148.009.004.609	566.283.406.829	26%
2020	60.969.632.149	439.126.450.101	14%
2021	94.672.758.313	541.247.141.874	17%

and 2019. And the total growth of expenditure realization in 2021 was 102,120,691,773 or 23% of the total expenditure realization in 2020.

In general, spending has a tendency to always increase. The reasons for the increase in spending are usually related to inflation adjustments, changes in the rupiah exchange rate, changes in service coverage levels, and adjustments to macroeconomic factors. Universities (PTNs) fund budgets proportional to the income earned because the greater the income, the greater the opportunity to spend.

Based on the table, we can see that the ratio of spending budget sharing is still relatively volatile. In 2017, the percentage of capital expenditure achievement decreased to 34%. In 2018, the percentage of achievements increased again to 57%. In 2019 there was a decline again with an achievement percentage of 14.%. In 2021, the percentage of achievements again increased to 17%.

Physical development is the effort of a nation, state, and government including public sector organizations with the intention of carrying out activities for better change, and that change can be seen in a real and real way in the sense of change. The construction of the infarction becomes very important. Indirectly, when a university has good infrastructure aspects, it will affect the flow of economic destruction and the lecture process.

If it is good, then the distribution will be smooth so that the economic and social aspects will be fulfilled properly so that it can produce quality human resources. However, if the infrastructure is not good, it will cause the distribution flow and lectures to be hampered (Table 3).

The importance of the budget will affect economic growth, which will also affect the welfare of the people in the future, since the increase in economic growth is expected to be accompanied by an increase in people's welfare. Economic growth while increasing the prosperity of the people is possible if investments are distributed appropriately.

It can be said that investment is one of the factors that affect the economic growth of a country and in previous studies there have been many studies that have shown that investment has a positive impact on economic growth. It is known that economic growth is one of the indicators commonly used to see the success of development [16].

Based on the 2017 table, the lowest total expenditure realization was only 78% of the total budget. In 2018 it experienced a fairly high increase of 92%, as well as in 2019 it increased to 94%. However, in 2020 it has decreased to 90%. And in 2021 it will again increase to 95% of the total budgeted budget (Table 4).

Table 4. Spending Efficiency

Years	Budget Realization	Budget	Spending Efficiency Ratio
2017	537.754.333.595	689.576.707.000	78%
2018	857.170.543.730	930.661.827.000	92%
2019	566.283.406.829	602.838.986.000	94%
2020	439.126.450.101	489.827.252.000	90%
2021	541.247.141.874	568.255.461.000	95%

5   Conclusion

Unesa is able to do funding efficiency well which is marked by the realization of spending smaller than its budget, as we can see the result in variance analysis in the 2017–2021 fiscal year there is a difference in the budget with negative realization, which shows the efficiency or savings in the budget.

Based on spending budget analysis the results show that budget performance has decreased due to the impact of the COVID-19 pandemic during 2019–2020. Spending Growth Analysis showed there was a decrease in total expenditure realization growth of 34% and 22% of the total expenditure realization in 2018 and 2019. In 2021 the total growth of expenditure realization was increased 23% because Universities (PTNs) fund budgets proportional to the income earned because the greater the income, the greater the opportunity to spend.

The ratio of spending analysis shows the result is still relatively volatile. Indirectly, when a university has good infrastructure aspects, it will affect the flow of economic destruction and the lecture process. From the ratio of spending efficiency in 2017–2021 every year it fluctuates, but can already be said to be efficient because the results of the calculation are below 100%

Therefore, the results of this study can be input for institutional leaders to improve budgeting patterns and strategies to achieve organizational goals, but significant developments are starting to be shown in 2021.

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