

# Effectiveness of Budgeting Use in The Center of Science Education and Training Malahayati Aceh Indonesia

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**Abstract:** This research aims to determine: (1) effect of accounting systems for the competence of the manager at Malahayati Marchant Marine Collage; (2) the effect of the accounting system of the effectiveness and efficiency of budget management at Malahayati Marchant Marine Collage; and (3) effect of competence budget administrator of the effectiveness and efficiency at Malahayati Marchant Marine Collage. The object of this research was the effectiveness and efficiency of budget management at Malahayati Marchant Marine Collage. The sample in this study were 5 civil servants at Malahayati Marchant Marine Collage who knows of the accounting system, the management competence and the effectiveness and efficiency of budget management. The technique of collecting data using interview and document research. The study concluded that: (1) the accounting system significant positive effect on the competence of managers at Malahayati Marchant Marine Collage. This means that the better the accounting system that is fast, safe and economical, the competence of the manager is also getting better; (2) the accounting system significant positive effect on the effectiveness and efficiency of budget management. This means that the accounting system may affect the effectiveness and efficiency of budget management significantly. In this case fix and improve the effectiveness and efficiency of budget management; and (3) competence manager is positive but not significant effect on the effectiveness and efficiency of budget management. This means that the knowledge, skills and attitudes of financial operators who either do not follow the improvement of the effectiveness and efficiency of budget management significantly.

**Keywords:** effectiveness, budget management

## I. INTRODUCTION

Budget is a quantitative plan that includes financial and non-financial aspects ([7], [4]). From this definition, the main function of the budget is one of the planning instruments for procurement procurement activities within an organization or institution. Budget in a company is a tool to assist management in the implementation, planning, coordination, supervision and also as a work guide in carrying out an institution ([6], [3]).

The budgeting system is a procedure and policy of a set of budget components that are interrelated with one another. The budget component includes budget preparation, budget targeting, budget revision, budget evaluation and budget feedback ([5], [2], [1]). The experience that has shown that there is still no effective management of government finance, especially in BP2IP Malahayati, Aceh Province.

Based on the results of the informal survey shows that the budget that has been used is still relatively ineffective where the budget is available around. But only around 80% - 90% were realized. Based on the problems mentioned above, the researchers are interested in conducting more in-depth research related to the effectiveness of the implementation of the budget in the BP2IP Malahayati Aceh institution.

## II. METHODS

This study uses approach *qualitative descriptive*. In connection with this problem Surachmad [1] said in general, descriptive forms of inquiry are telling and interpreting existing data, about situations that are experienced, attitudes that appear or about an ongoing process. The characteristics of descriptive research, namely (1) focusing on solving the problems that exist in the present, on actual problems; and (2) the data collected is initially compiled, explained and then analyzed. Descriptive research does not intend to test hypotheses. Qualitative research is not just a data collection technique, but is a way of approaching empirical data.

Qualitative research according to Arikunto [1] is research that does not use numbers in collecting data and in giving an interpretation of the results. A *response*, especially insciences *empirical*, generally aims to find, develop or test the truth of knowledge. Finding means trying to get something to fill a void or lack. Developing means expanding and digging deeper into what is already true or doubtful, so that the results of the research are accountable works of science [1].

## III. RESULTS

### 1. Budget Management in BP2IP Malahayati Aceh

To determine the level of effectiveness of budget expenditures at BP2IP Malahayati Aceh

province, researchers used BP2IP Malahayati budget realization documents from 2015 to 2017. The effectiveness level was calculated by comparing the realization of the budget with budget targets shopping. According to Pangkey and Pinatik [8] the level of effectiveness is classified into several categories, namely: (1) the results of the comparison of the achievement level above 100% means very effective; (2) the results of the comparison of achievement levels of 99% to 91% means effective; and (3) the results of the level comparison achieving below 90% means it is not effective. As explained in chapter 3, the level of effectiveness of budget spending at BP2IP Malahayati Aceh.

## 2. The Effectiveness of the Implementation of the Budget in BP2IP Malahayati Aceh

In 2014 the budget target was Rp. 41.740.664.000,00 and the realization was Rp. 36.303.257.835,00 where the percentage level of effectiveness in implementing budget expenditures reaches% or reaches very effective criteria. The effectiveness details of achievement of realization in BP2IP in 2014 can be explained as follows. For employee expenditure the budget target is Rp. 2.973.012.000,00 and realized as much as Rp. 1.318.509.095,00. For goods expenditure, the budget target is Rp. 28.041.224.000,00 and realized Rp. 24.854.255.682,00. Furthermore, for capital expenditure the budget target is Rp. 10.726.428,00 and realized Rp. 10.130.493.058,00. Based on this description it can be concluded that the highest achievement effectiveness is obtained from capital expenditure.

The percentage level of effectiveness in 2015 was 86.76% or reached the ineffective criteria where the target was Rp. 88.548.471.000,00 realized as much as Rp. 76.827.141.989,00 this illustrates that in 2015 BP2IP Malahayati was not too able to optimize the budget they have been arranged at the beginning so that the level of realization of the budget only reaches ineffective criteria, this means there has been a decrease in the level of effectiveness from 2014 where in 2014 the realization of the realization in that year reached 86.97% of the total target budget of only Rp. 41.740.664,00 and realized Rp. 36.303.257.835,00.

Effectiveness details of achievement of realization in BP2IP in 2015 can be explained as follows. In employee expenditure the budget target is Rp. 5.526.987.000,00 and realized Rp. 2.784.746.685,00 with a percentage of 50.38%. For goods expenditure, the budget target is Rp. 46.320.945.000,00 and realized Rp. 38.620.142.954,00 with a percentage of 83.38%. Furthermore, for capital expenditure the budget target is Rp. 36.700.539.000,00 and realized as much as Rp. 35.422.252.350,00 with a percentage of 96.52%. Based on this description it can be concluded that the highest achievement effectiveness is obtained from capital expenditure.

In 2016 the percentage of the effectiveness level achieved by BP2IP Malahayati Aceh was 91.37% or achieve effective criteria from the target Rp.105.032.343.000,00 realized as much as Rp.

95.966.293.842,00. Criteria it is classified as high because of experiencing an increase from 2014 and 2015, it can be interpreted that the performance of BP2IP Malahayati Aceh better than 2014 and 2015.

In 2016 the details of the effectiveness of achieving realization at BP2IP can be seen as follows. In employee expenditure the budget target is Rp. 4.509.470.000,00 and realized as much as Rp. 3.981.775.029,00 with a percentage of 88.30%. For goods expenditure, the budget target is Rp. 56.785.829.000,00 and realized Rp. 49.598.060.013,00 with a percentage of 87.34%. Furthermore, for capital expenditure the budget target is Rp. 43.737.044.000,00 and realized Rp. 42.386.458.800,00 with a percentage of 96.91%. Based on the description, it can be concluded that the highest achievement effectiveness is obtained from capital expenditure.

## IV. DISCUSSION

Furthermore, the Budget is a statement about the estimated performance to be achieved over a certain period of time expressed in financial measures [12]. Therefore, disruption in the public sector must pay attention to effective, efficient and economical so that the budget funds made ultimately do not derail the budget that has been prepared. If the total absorption of the budget is still low this shows an indication that the government's role in contributing to gross domestic revenue is not optimal.

In an organization, the budget plays an important role where the budget is a financial plan that is systematically arranged to support the implementation of an organization's activity program [11]. Along with the demands of the public for public transparency and accountability, demanding every government organization to improve and improve its performance so that it is more oriented towards the creation of good public and good governance. The importance of the effectiveness of budget management starting from budget preparation [10], budget execution to reporting / budget accountability because of its impact on government accountability [9], in connection with the government's function in providing services to the public.

## V. CONCLUSION

The results of data analysis from the documentary found that the effectiveness of having a crystallinity varies from 2014-2017. In 2014 and 2015 the category of budget effectiveness in the Malahayati BP2IP was classified as ineffective because the results of the comparison of achievement levels were below 90%. In 2016 (91.37%) and 2017 (91.29%) the criteria of the effectiveness level of the expenditure budget were classified as effective because the achievement was above 90%. The results of the analysis of interview data can be concluded that the budget for BP2IP Malahayati has a great value and is able to be well realized according to the budget target even though there are still obstacles to realize it in the 100% category.

Obstacles that become obstacles to the realization of the budget include service providers who

do not agree with planning, unavailability of goods or assets to be purchased or done outside the specifications contained in the work contract between the provider and power of budget users, namely the head, lack of experts in question is a consultant supervisors who position themselves or their companies as experts to help us in a job where the team does not understand the details of the work, and other factors.

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