Integrated Financial Governance Model with Budget Realization Information System

Andry Priharta¹, Nur Asni Gani², Jaharuddin³, Rony Edward Utama⁴, Darto⁵, Medo Maulianza⁶, Tri Ananto⁷
¹,²,³,⁴,⁵Universitas Muhammadiyah Jakarta, Jakarta, Indonesia
⁶Universitas Bina Nusantara, Jakarta, Indonesia
⁷Taksasila Edukasi Insani, Indonesia
Email: andry.priharta@umj.ac.id

ABSTRACT

The research aims to identify the inhibiting factors for budget implementation and improve financial management through the development of an information system on budget realization at Universitas Berbasis Teknologi Modern (Modern Technology Based University - UBTM), a university in Banten focusing on modern technology. This is an applied research type with primary data obtained through focused group discussion using fishbone diagram analysis involving eleven informants. Based on the research, conditions and recommendations for improvement have been identified, which will then be prepared for the budget management flow process as the basis for preparing the budget realization information system. This system has set a monthly budget execution schedule, adequate internal control, and identified 34 work units with 91 users involved.

Keywords: Governance, Finance, Information System, Budgeting.

INTRODUCTION

Education is a conscious and planned effort to create a learning atmosphere and learning process that encourages students to actively develop their potential so that they have religious spiritual strength to control themselves and to have personality, intelligence, noble character as well as the necessary skills. Meanwhile, higher education is defined as a level of education after secondary education which includes diploma programs, undergraduate programs, master programs, doctoral programs, and professional programs as well as specialist programs, organized by universities based on Indonesian culture (Law Number 12 of 2012 concerning Higher Education). Based on data from the Central Statistics Agency (BPS), it was recorded that the number of universities, both public and private, under the Ministry of Research, Technology and Higher Education in 2021 amounted to 3,115 universities with a total of 7.7 million students.

BTM University (UBTM) is one of the universities in the Banten region which was established in the 1950s. This university has proven its contribution in improving the nation's quality of life. This is evidenced by its capability to survive in the last half century and to produce thousands of graduates who are currently scattered in various government and private institutions. In its journey, UBTM has several remote classes, which are eventually transformed into a separate entity and succeeded in growing rapidly in their respective areas. In various rankings, these fostered universities have succeeded in surpassing UBTM as its mother university.

With reference to the studies both through observations and other sources, UBTM has the potential to become a big and excellent university in Indonesia. The various activities of this university obviously reflect a campus with excellent accreditation. However, this activity is not recorded properly because one of the weaknesses of this university is not having an integrated information system, which can provide accurate as well as timely data and information. For example, the academic system, new student...
admission system, staffing system, support system and helpdesk are still left unintegrated and unmanaged by each faculty. One of the sub-whose is considered to have an important role related to the implementation of Tridharma (educational philosophy) and to be urgently compiled as an effort to start the preparation of an integrated information system, is the budget information system.

Based on observations and interviews, UBTM activities at the beginning of each academic year, commence with the preparation of a revenue and cost budget plan (RAPB). In this RAPB all activities related to the Tridharma of Higher Education and other supporting activities, are prepared by the Finance Bureau by involving relevant stakeholders. With the preparation of this RAPB, it is hoped that all activities carried out, are always oriented to achieving UBTM's vision. However, in practice, it turns out that the practice of budget management does not have good governance which therefore, it experiences various obstacles that hinder the running of the work program. Some of the obstacles that occur include, first, the slow budget approval because the submission is still manually process and there are quite a lot of them from each work unit; second, the budget submission document is carried out without a specific schedule; third, the budget submission document was not received by the UBTM Finance Bureau by reason of scattered or lost; fourth, the submission of the budget does not pay attention to the budget ceiling; fifth, the application was rejected since it was not in accordance with the work program; and so forth. Based on observations, in general, these obstacles occur because the implementation of the budget is still carried out manually, with many documents and papers submitted physically, and it does not use information system tools that are connected between work units and the UBTM Finance Bureau.

The delayed work program will have an impact on not achieving the performance indicators set by the organization. Therefore, this study seeks to help improve financial management by identifying problems, looking for inhibiting factors in budget implementation and then providing input to improve budget management at UBTM.

**METHOD**

**Type of Research**

This research is a type of applied research that aims to solve problems by looking for the factors causing the problem, so that research findings can be used as the basis for making corrective steps for solving these problems (Supranto & Limakrisna, 2013).

**Research Location and Schedule**

The research was conducted at UBTM in Banten Province. Information system analysis and design was carried out in March-June 2020, socialization in July-August 2020, and implementation is planned to be carried out as of September 1, 2020.

**Data Collection Technique**

Data collection was carried out through a focused group discussion (FGD) involving 11 (eleven) personnel as informants which consist of 1 (one) Deputy Rector for Finance each, Expert Staff for the Deputy Rector for Finance, Head of Finance Bureau, Head of General Bureau, Head of Internal Control Unit, 2 (two) Information Systems Experts, 2 (two) IT programmers, and 2 (two) systems analysts.

**Data Analysis Technique**

Cause and effect diagram (fishbone diagram) is used to examine what factors are considered as the cause of the ineffective and inefficient implementation of the UBTM budget. Furthermore, analysis and modeling are carried out which are then implemented in the form of an online information system on budget realization between work units.

Data was collected by means of in-depth interviews through FGDs, documentation studies and participatory observations. As executed by Priharta (2009), the first step in making a cause-and-effect diagram is to determine the consequences of the existing problem. This effect is placed on the right-hand side of the big paper by the team leader. In determining the causes in more detail, brainstorming is needed from a specially formed team. The steps that must be...
taken in this analysis are: (1) identifying the problem that needs to be corrected, (2) drawing the main causes of the problem as bones, and (3) questioning the causes of problems in that area which question is repeated in each sub area.

**RESULT and DISCUSSION**

This study aims to provide recommendations for improvement of financial management through the preparation of an information system on budget realization at UBTM. The stages taken are as shown in Figure 2 below:

1. Problem identification
2. Analysis and recommendations
3. Developing standard operating procedure
4. Designing system applications
5. Trial implementation of the system
6. Evaluation of trials and improvements
7. Issuing regulations and dissemination of the system
8. Handover and system implementation

**Figure 2: Research Stages (processed by the writer)**

Data collection to fulfill the research stages was carried out by FGD involving 11 (eleven) informants as follows:

<table>
<thead>
<tr>
<th>Informant</th>
<th>Nbr. of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Rector for Finance</td>
<td>1</td>
</tr>
<tr>
<td>Expert Staff of Deputy Rector for Finance</td>
<td>1</td>
</tr>
<tr>
<td>Head of Internal Control Unit</td>
<td>1</td>
</tr>
<tr>
<td>Head of Finance Bureau</td>
<td>1</td>
</tr>
<tr>
<td>Head of General Bureau</td>
<td>1</td>
</tr>
<tr>
<td>System Analyst</td>
<td>2</td>
</tr>
<tr>
<td>Programmer</td>
<td>2</td>
</tr>
<tr>
<td>Information System Expert</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

**Table 1. Research Informants**

Based on the focused group discussion (FGD) using a fishbone diagram, it is found out that the factors considered to hinder the implementation of the budget at UBTM, are as follows:

**Figure 3: Fishbone Diagram (processed by the writer)**
The analysis of the problems and the recommendations given can be explained as follows:

1. The submission and realization of the budget is still using the manual system.

   **Condition:**
   During the planning and implementation of the budget at UBTM, it is still processed manually with the tools of Microsoft Excel and Microsoft Word. There is no information system used as a tool yet. This has an impact on processing inaccurate data and information, presentation of reports that are not in timely manner, and the possibility of data loss.

   **Recommendation:**
   It is recommended that a budget information system be developed, so that data processing can be accurate, timely, and can ensure to have safe storage of data or files.

2. Submission and realization of unscheduled budget.

   **Condition:**
   Budget submissions made by work units so far, can be done anytime or unscheduled so that there is a huge pile of budget proposals. This situation makes it difficult for the financial bureau to review and determine the approval of the budget submitted by the work unit.

   **Recommendation:**
   The process of submitting activities or purchasing goods and services is divided into 3 (three) stages in one month. The submission is carried out as follows:

<table>
<thead>
<tr>
<th>Stage One</th>
<th>Stage Two</th>
<th>Stage Three</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st to 5th      : Stage One of Operational Submission</td>
<td>11th to 15th        : Stage Two of Operational Submission</td>
<td></td>
</tr>
<tr>
<td>6th to 10th     : Approval and Stage One of Operational Disbursement</td>
<td>16th to 20th        : Approval and Stage Two of Operational Disbursement</td>
<td></td>
</tr>
<tr>
<td>21st to 23rd    : Payroll Submission</td>
<td>24th to 25th        : Approval and Disbursement of Payroll</td>
<td></td>
</tr>
</tbody>
</table>

   Accountability Report for submissions that have been carried out no later than 14 (fourteen) working days from the disbursement of the budget.

3. There is no process flow and personnel authority.

   **Condition:**
   The flow of the budget implementation process is not yet fully uniform in every work unit, including personnel who submit and approve both at the faculty and rectorate levels.

   **Recommendation:**
   The flow of the budget implementation process must be compiled, including personnel who have the authority to submit and approve, with a flow chart described in Figure 1 below (see attachment 1).

4. There is no authorization in budget submission.

   **Condition:**
   In the implementation of the budget so far, it has not been clearly and unambiguously determined the personnel who play the role of the party submitting the budget and the leader who gives approval for the budget submission to the rectorate office.

   **Recommendation:**
   It is recommended to develop an application system in budget management; therefore, its implementation is integrated and online between faculty work units and the rectorate. Based on the analysis, it has been identified that there are 34 work units with 91 users with various authorities in budget management.

5. There is no authorization in the realization of the budget.

   **Condition:**
In the case of the budget proposals approval, it has not yet been clearly and firmly determined the authorized personnel who provide the approval at the rectorate office.

Recommendation:
Based on the FGD, it has been identified that the implementation of the organization’s budget covers 34 work units of which there are 91 users for all user levels at both the faculty and rectorate levels.

6. Inadequate cash management internal control.
Condition:
There are cash receipts and disbursements accounts managed by other than the Finance Bureau. This condition has an impact on the risk of disorderly administration and cash recording and the possibility of inefficiency because cash disbursements are carried out by parties who do not have the authority.

Recommendation:
An inventory of bank accounts is carried out for further management to be fully transferred to the University Finance Bureau. In addition, there is a clear and firm appointment of check-signing officials.

7. No budget accountability yet.
Condition:
The realization of the budget, so far, has not been reported by the work unit to the Finance Bureau. The use of the budget and supporting documents is stored in the work unit, and there has been no checking of conformity between the submission and the realization of the budget.

Recommendation:
Periodically, no later than 14 days after the disbursement of the budget, the work unit must input the realization of the budget in the information system for further inspection by the verifier at the Financial Bureau. Work units that do not carry out this procedure will then be locked by the system and cannot submit a budget for the next period, until the accountability is assessed by the verifier and proven to be fulfilling the requirements.

8. There is no reporting and evaluation of budget realization.
Condition:
During the implementation of the budget, there has been no regular reporting and evaluation. This has resulted that the performance of organizational goals reflected in the implementation of the program, cannot be measured and assessed.

Recommendation:
To carry out reporting and evaluation as well as accountability for budget realization on a regular basis every December and June. Furthermore, a performance assessment and budget revision can be carried out if necessary.

CONCLUSION
Based on the analysis and discussion, it can be concluded that the need for information system-based budgeting is a must for UBTM. As a university that has been able to survive for more than half a century, UBTM without a doubt, has very valuable experience for its survival. With continuous improvement, one of which is starting to fix the management information system starting with the budget information system, it is believed that the management of this university will be better. It is hoped that the work program can run according to the achievement of the vision and mission, the information presented to management will be more accurate and useful in decision making, so that it is expected to be able to encourage the existence of UBTM to be even better. Furthermore, it is recommended that in its implementation always be evaluated periodically by involving all work units and existing users. This is because the implementation of the system requires a long period of time to adjust, both in terms of applications and convenience for its users.

REFERENCES


