

PERFORMANCE EFFECTIVENESS AND BUDGET MANAGEMENT EFFICIENCY AT THE STATE PROPERTY SERVICE AND AUCTION OFFICE (KPKNL) DENPASAR

Ni Komang Ayu Tri Lestari Dewi ¹, I Komang Agus Ariana ²

Fakultas Ekonomi dan Bisnis, Fakultas Teknik Sipil

Universitas Pendidikan Nasional, Denpasar.

¹ ayutrilistaridwi@gmail.com, ² agusariana@undiknas.ac.id

Abstract

The State Assets and Auction Service Office (KPKNL) is a vertical agency of the Directorate General of State Assets (DJKN) within the Ministry of Finance of the Republic of Indonesia. The main task of the State Property and Auction Service Office (KPKNL) is to realize, secure, and improve the management of state assets, management of receivables, and auctions efficiently and effectively. Constant policy updates and the occurrence of a state budget deficit have caused the Denpasar KPKNL to be able to generate optimal state revenues. If the budget management planning does not run efficiently and does not have an effective revenue performance, it will result in delays in the smooth process of Non-Tax State Revenue (PNBP). The purpose of carrying out the activity is to examine the Performance Effectiveness and Efficiency of Budget Management at the Denpasar KPKNL for the 2017-2021 period and find out the efforts of the Denpasar KPKNL in achieving effective and efficient budget management. The result of this activity is that the Denpasar KPKNL has effectively realized the budget to achieve agency goals and is efficient in optimizing the budget for the implementation of activities. The Denpasar KPKNL carries out a quarterly action plan strategy and section coordination to seek effective and efficient budgeting records. The activity concludes that the Denpasar KPKNL has effective performance and efficient budget management.

Keywords: Effectiveness, Efficiency, Budget, KPKNL.

INTRODUCTION

The State Assets and Auction Service Office (KPKNL) is a vertical agency of the Directorate General of State Assets (DJKN) within the Ministry of Finance of the Republic of Indonesia. The main task of the State Property and Auction Service Office (KPKNL) is to realize, secure, and improve the management of state assets, management of accounts receivable, and efficient and effective auctions (Apriliandi, 2019). Effectiveness indicates the result between expenditure and the objectives or targets to be achieved which are related to the achievement of the objectives or policy packages. While efficiency indicates the relationship between the output in the form of goods or services produced and the resources used to produce the output (Utomo, 2017). Effectiveness and efficiency in financial reporting through financial budgets in an agency are indispensable as a planning tool to assess financial

performance based on the achievement of budget targets and efficiency of budget execution. Public performance is assessed based on the level of success achieved with the budget that has been set. Appropriate budget execution depends on many factors including the ability to cope with changes in the policy environment and the ability of work units to implement them. The financial sector is very crucial and is a very sensitive issue, so budget management accountability needs to be a priority for financial management which must have clear planning, implementation, evaluation, and monitoring procedures (BPSDM, 2018).

In 2018 it is planned that state revenues are 1,878.4 trillion with state expenditures of 2,204.4 trillion so there is a budget deficit of 326 trillion, lower than in 2017 which is 362 trillion (Mahbubi, 2018). The policy provisions that are continuously updated and the budget deficit policy cause the Denpasar KPKNL to be able to generate optimal state revenues, by seeking budget expenditures that are as efficient as possible and produce good quality output. If the budget management planning does not run efficiently and does not have an effective revenue performance, it will hinder the smooth process of Non-Tax State Revenue (PNBP) so that it will not run optimally by the planned objectives. Therefore, the preparation of the KPKNL budget, especially for the Denpasar KPKNL area, must be carried out carefully taking into account needs not only desires, so that in the preparation of the need for cooperation of all elements in each work unit related to the priority of service needs in each office and performance targets that have been set. Based on these problems, the authors carried out activities regarding "Performance Effectiveness and Budget Management Efficiency at the Denpasar KPKNL for the 2017-2021 Period". The purpose of the activity is to examine the Performance Effectiveness and Efficiency of Budget Management at the Denpasar KPKNL for the 2017-2021 period and to find out the efforts of the Denpasar KPKNL in achieving effective and efficient budget management.

IMPLEMENTATION METHOD

Activity is a type of qualitative activity with a descriptive approach. The method of data collection in this activity is to use interview and documentation techniques. The first stage is the author conducts interviews with Sub. The General Section of the Denpasar KPKNL, especially for agency budgeting officers and the second stage is the author uses the documentation method by collecting budgeting data such as revenue realization data, revenue estimates, and budget and budget realization. In knowing the efficiency of the financial budget management of the Denpasar State Assets and Auction Service Office (KPKNL) Denpasar, using efficiency ratio analysis techniques for each item of expenditure item with the relevant expenditure subgroup, including expenditure in the Auction field for the expenditure of the Auction Section, expenditure in the State Receivables sector for expenditure services of the State Receivables section and expenditures in the Appraisal sector on service expenditures of the Appraisal section. In knowing the effectiveness of KPKNL revenues, the effectiveness ratio is used through data on revenue realization and revenue estimates.

RESULTS AND DISCUSSION

To find out the effectiveness and efficiency of budget management performance at the Office of the State Assets and Auction Service (KPKNL) it can be analyzed the effectiveness ratio of revenue performance by looking at the comparison of the percentage of revenue realization with the estimated revenue and an analysis of the efficiency ratio of budget management by looking at the comparison of the percentage of budget realization with the expenditure budget. at the agency. The following are the results of data analysis on the effectiveness ratio of the Denpasar KPKNL for the 2017-2019 period:

Table 1. Effectiveness Ratio of Denpasar KPKNL Revenue for the 2017-2021 Period

YEAR	ESTIMATED RECEIPT	ACCEPTANCE REALIZATION	%	EFFECTIVENESS ANALYSIS
2017	2.995.890.000	20,693,179,758	691%	Very effective
2018	4.622.488.000	13,390,814,397	290%	Very effective
2019	22.951.236.000	26,247,877,018	114%	Very effective
2020	21.656.581.000	17,793,271,267	0.82%	Ineffective
2021	28.593.097.000	25,598,479,907	0.89%	Ineffective

(Source: Denpasar State Property and Auction Service Office, 2022)

The effectiveness ratio indicates the ability to realize the planned budget compared to the set target. Effectiveness focuses more on achieving results (outcomes). Then the greater the contribution of output to the achievement of goals, the more effective the organization, program, or activity (Trianto, 2013). In essence, effectiveness only sees that a program or activity has achieved the goals that have been set.

Based on Table 1. the effectiveness ratio of Denpasar KPKNL revenue for the 2017-2019 period, shows the results, namely in the period 2017 to 2019 the effectiveness of receipts at the Denpasar KPKNL is classified as very effective which indicates that the Denpasar KPKNL has a good ability to realize the planned budget to achieve the stated goals. set. Classification is very effective seen from the percentage of more than 100%.

In 2017 it produced a percentage of 691%, in 2018 it produced a percentage of 290% and in 2019 it produced a percentage of 114%. However, in the following year, the Denpasar KPKNL experienced a very significant decrease in effectiveness, namely in 2020 it produced a percentage of 0.82% and in 2021 it was 0.89%. the percentage range below 60% is categorized as ineffective because the percentage below 60% indicates the ability of an agency to achieve the goals set is very lacking.

Meanwhile, data analysis from the efficiency ratio of financial budget management at the Denpasar State Assets and Auction Service Office (KPKNL) for the period 2017-2021 is as follows:

Table 2. Efficiency Ratio of Denpasar KPKNL Budget Management for the 2017-2021 Period

YEAR	BUDGET	BUDGET REALIZATION	%	EFFICIENCY ANALYSIS
2017	8.100.975.000	6.458.636.940	79.73%	Quite efficient
2018	6.417.988.000	5.076.320.867	79.10%	Quite efficient
2019	4.590.462.000	4.564.805.966	99.44%	Efficient
2020	4,127,220,000	4,101,556,557	99.38%	Efficient
2021	1.612.750.000	1.549.125.043	96,05%	Efficient

(Source: Denpasar State Property and Auction Service Office, 2022)

Budget management efficiency is a ratio that shows how efficient the implementation of an activity or project is by making a comparison between output and input (Trianto, 2013).

Based on table 2. the efficiency ratio of budget management at the Denpasar KPKNL, shows the results that in the period 2017 to 2018 it has a fairly efficient level of efficiency in carrying out an activity seen from the comparison of output and input. the percentage ranges from 70% to 89% belonging to the quite efficient category, seen in 2017 at 79.73% and in 2018 at 79.10%. In the following year, it is known that there has been an increase in the efficiency of the Denpasar KPKNL budget management. the efficient category ranges from 90% to 99%. the increase in efficiency is seen in 2019 by 99.44%, in 2020 by 99.38%, and in 2021 by 96.05%. In essence, there are two views of the meaning of efficiency in budgeting, namely, efficiency-focused on saving and efficiency focused on optimal absorption. In this case, the efficiency at the Denpasar KPKNL is more about optimal absorption efficiency because the objectives, vision, and mission of the Denpasar KPKNL are optimizing the use of the budget so that money circulation can occur in the micro and macroeconomic scope. so that the greater the percentage of efficiency, the more efficient the Denpasar KPKNL in managing the budget for an activity to create maximum performance and optimal budgeting.

In dealing with budgeting problems that can hinder the implementation of non-tax state revenues (PNBP), the Denpasar KPKNL has designed an action plan strategy to seek effective and efficient budgeting records. The quarterly action plan includes activities to prepare an activity plan that is carried out every quarter and improve coordination with each section to ensure that the budget execution is by the activity plan. Conducting a resource forum to find out and measure budget needs, so that the amount of budget expenditure can be efficient and effective by the output produced. The Denpasar KPKNL must be able to achieve optimal quality of budget execution by prioritizing the principles of being effective, efficient, open, transparent, fair, and accountable.

The implementation of the internal control system plays an important role in ensuring efficiency and financial performance. The internal control system ensures the effectiveness of asset management to optimize financial performance. HR implementing asset management needs to be increased in competence through education and training. As a vertical agency of the Directorate General of State Assets which is under and directly responsible to the Head of the Regional Office, the Denpasar KPKNL must be able to realize optimization of performance efficiency and effectiveness in managing state assets.

CONCLUSION

Measurement of the effectiveness and efficiency of budget management performance at the State Assets and Auction Service Office (KPKNL) can be done by analyzing the effectiveness ratio of revenue performance by looking at the comparison of the percentage of revenue realization to the estimated revenue, while the analysis of the efficiency ratio of budget management by looking at the comparison of the percentage of budget realization with the expenditure budget. The effectiveness of receipts at the Denpasar KPKNL is classified as very effective for the 2017-2019 period of 691%, 290%, and 114% which indicates that the Denpasar KPKNL has a good ability to realize the planned budget to achieve the goals set and experienced an ineffective decline in 2020 by 0.82% and 2021 by 0.89%. and the efficiency of Denpasar KPKNL budget management is quite efficient for the 2017 to 2018 period at 79.73% and 79.10% and has increased efficiency for the 2019 to 2021 period by 99.44%, 99.38%, and 96.05%. The Denpasar KPKNL designs a strategy for quarterly action plans and section coordination to seek effective and efficient budgeting records.

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