

## EXPENDITURES BUDGET PERFORMANCE ANALYSIS IN THE HOUSING SERVICE TRIBE, RESIDENTIAL AND LAND AREAS, AT BANDUNG DISTRICT, PERIOD 2019-2021

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### Abstract

This study aims to analyze the budget performance at Bandung District of Housing Service Tribe, Residential and Land Areas at (DISPERKIMTAN) in 2019-2021. The research method used is descriptive quantitative, which provides an overview of the financial data of DISPERKIMTAN Bandung District. The type of data used is primary data, in the form of Budget Realization Report data from DISPERKIMTAN Bandung District. Based on the results of the analysis in several budget categories, including: the analysis of spending variance, spending growth, spending harmony and spending efficiency, it shows that the budget performance of DISPERKIMTAN Bandung District is good. In the category of spending variance in 2019 to 2021, it has been good. In the category of spending growth in 2020, it has decreased, but in 2021 it has increased. In the category of spending harmony from 2019 to 2021, operating expenditures cumulatively reached 85.81% and average capital expenditures reached 14.40%. The spending efficiency category in 2019 to 2021 is good.

**Keywords:** Financial Performance, Budget, and Spending Realization

### Introduction

Regional financial management has a very large influence on the development of an area, because the development of an area depends on how to manage its finances (Suryanta, 2019). Based on the Regulation of the Minister of Home Affairs Number 13 of 2006 concerning Guidelines for Regional Financial Management which has been amended by Regulation of the Minister of Home Affairs Number 21 of 2011 concerning Guidelines for Regional Financial Management. Regional finances are managed in an orderly manner, in compliance with laws and regulations, effectively, efficiently, economically, transparently and responsibly with due observance of the principles of fairness, propriety and benefits for the community.

Financial performance can be measured using financial reports as a basis for measuring financial performance (Sujarweni, 2017: 71). Based on Minister of Finance Regulation (PMK) No. 22 of 2021 Budget performance is the achievement of performance on the use of Ministries/Agencies' budgets contained in state documents.

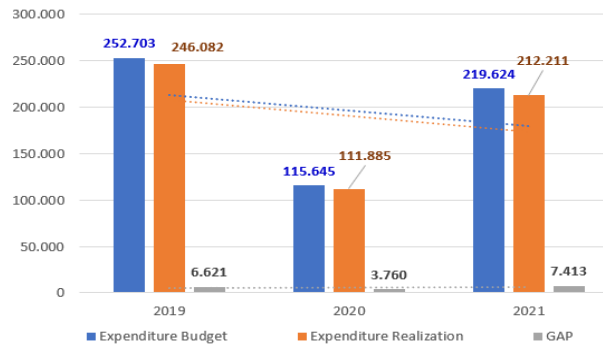
Sujarweni (2015: 28) argues that the public sector budget is the responsibility of an organization to provide information about all organizational activities and activities to public funders for management and implementation in the form of program plans funded by public funds.

**Table 1**  
**Expenditure Budget Realization Report**  
**Fiscal Year 2019-2021**

Year	Expenditure		Gap (Rp)	Percentage (%)
	Expenditure Budget (Rp.)	Expenditure Realization (Rp).		
2019	252.702.708.526	246.081.700.539	6.621.007.987	97,38
2020	115.644.963.005	111.884.593.245	3.760.369.760	96,75
2021	219.624.034.724	212.210.610.374	7.413.424.350	96,62

*DISPERKIMTAN Kabupaten Bandung (2019-2021)*

**Figure 1**  
**Expenditure Budget – Realization**  
Expenditure Budget Realization (Million Rp)

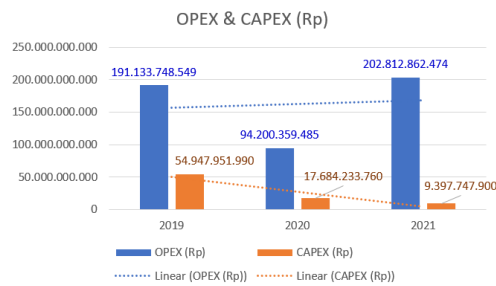


**Table 2**  
**Expenditure Budget Realization**  
Fiscal Year 2019-2021

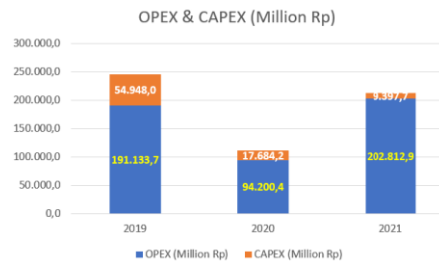
Year	Expenditure	
	Operation Expenditure (Rp.)	Capital Expenditure (Rp.)
2019	191.133.748.549	54.947.951.990
2020	94.200.359.485	17.684.233.760
2021	202.812.862.474	9.397.747.900

*DISPERKIMTAN Kabupaten Bandung (2019-2021)*

**Figure 2**  
**Opex & CapEx Trend**



**Figure 3**  
**Opex & CapEx Composition**



Based on expenditure budget report of “DISPERKIMTAN” of the Bandung District, period of the year 2019-2021, the budget has increased and decreased and including percentage of budget realization. In 2019, with a budget of Rp.252,702,708,526, was realized Rp.246,081,700,539, and the deviation about Rp.6,621,007,987 and the achievement was 97.38%. In 2020 the budget was Rp.115,644,963,005, realized IDR 111,884,593,245 with the deviation about Rp.3,760,369,760 and the achievement was 96.75%, that means that it has decreased from 2019. In 2021 the budget has been set to increase from 2020 of Rp.219,624,034,724, realized Rp.212,210,610,374 with the deviation about Rp.7,413,424,350, even though the budget has increased but the achievement has decreased to 96.62%.

Based on the background, the author will focus on the main issues is regarding the Analysis of Expenditure Budget Performance in The Housing Service Tribe, Residential and Land Areas, at Bandung District in the period 2019-2021

## Literature Review

### 1. Performance

Refer to Sujarweni (2015: 63), Performance is the result of work achieved through an activity to achieve the goals, objectives, vision and mission of the organization. Performance is a picture of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization (Prof. Dr. Moeheriono, 2012: 95).

### 2. Financial Performance

Rudianto (2013: 189) argues that financial performance is an achievement or result that has been achieved by the company in carrying out its function of managing company assets effectively for a certain period. Based on Minister of Finance Regulation (PMK-Peraturan Menteri Keuangan) No. 22 of 2021 Budget performance is the achievement of performance on the use of Ministries/Agencies' budgets contained in state documents.

### 3. Budget Performance

Based on Minister of Finance Regulation (PMK-Peraturan Menteri Keuangan) No. 22 of 2021 Budget performance is the achievement of performance on the use of Ministries/Agencies' budgets contained in state documents.

Performance-based budgeting is a budgeting method for management to combine any funding channeled into activities with expected outputs and results including efficiency in achieving results from these outputs (Halim and Iqbal, 2012: 173).

The performance of the expenditure budget is considered to be able to describe the ability of the Regional Government in managing finances. Budget performance is an analysis carried out to find out how far the organization has used the budget allocated for expending.

### 4. Budget

Refer to Sujarweni (2015: 28) the public sector budget is the responsibility of an organization to provide information about all organizational activities of public funders for management and implementation in the form of program plans funded by public funds.

The budget is an organization's short-term plan expressed in financial form. The public sector budget presented in the State Revenue and Expenditure Budget (APBN-Anggaran Pendapatan Belanja Negara) and Regional Revenue and Expenditure Budget (APBD- Anggaran Pendapatan Belanja Daerah) describes future financial plans regarding income, spending, financing and work programs and activities to be carried out (Mahmudi, 2010: 60).

Halim and Kusufi (2012: 50) said that a budget is a document that contains performance estimates, both in the form of revenues and expenses, which are presented in monetary terms to be achieved in a certain period of time and include past data as : control and performance assessment.

#### 5. Regional Expenditures

Refer to Government Regulation Number 71/2010 Regional expenditures are all financial expenditures from the Regional General Cash Account which reduce excess budget balances in the period of the relevant fiscal year for which the government will not receive repayment. According to Government Regulation Number 71/2010 regional expenditure includes:

- a) Operational expenditures are budget expenditures for the daily activities of the central/regional government which benefit more than one accounting period which includes Personnel Expenditures, Goods and Services Expenditures, Interest, Subsidies, Grants and Social Assistance.
- b) Capital Expenditures are expenditures to acquire Land, Buildings and Buildings, Equipment and Machinery as well as Intangible Assets

### Research Methodology

The method used in this research is a quantitative descriptive method. The descriptive method is carried out by describing the results of a performance analysis of the realization of the expenditure budget at the Bandung Regency Housing, Residential Areas and Land Affairs Service for 2019-2021.

The data collection technique used in this research is documentation and literature study techniques, by obtaining data in the form of the 2019-2021 Budget Realization Report at the Bandung Regency Housing, Settlement Area and Land Affairs Service and reading, analyzing, quoting, summarizing, and studying from books -books, scientific papers, theses, final assignments that already exist from previous studies that are related and relevant to this research.

### Expenditure Variants Analysis

Wiranda (Mahmudi, 2010) argues that analysis of variance is an analysis of differences or discrepancies between expenditure realization and the budget which functions to determine the efficiency of the use of the expenditure budget used during the fiscal year. Based on the budget realization report presented, the report reader can find out directly the amount of budget variance with its realization which can be expressed in the form of nominal value or percentage.

The expenditure variance formula is as follows:

$$\text{Expenditure variance} = \text{Expenditure Realization} - \text{Expenditure Budget}$$

The table below is the criteria for evaluating expenditure variances (Mahmudi, 2016: 155):

**Table 3**  
**Expenditure Variants Criteria**

Expenditure Variants Criteria	Size
Good	Expenditure Realization < Expenditure Budget
Not Good	Expenditure Realization > Expenditure Budget

(Mahmudi, 2016)

### Expenditure Growth Analysis

Wiranda (Halim, 2012) argues that expenditure growth analysis is useful for understanding positive or negative expenditure growth from year to year. In general, expenditure has a tendency to always increase, in the sense that it

has been efficient or not absorbed in using the existing budget at the agency to finance all its activities. Following expenditure growth, balanced income growth is needed (Mahmudi, 2016: 156). The expenditure growth formula is as follows:

Expenditure Growth Year t=

Expend. Realization Year t-Expend. Realization Year t-1Expend. Realization Year t-1

**Table 4**  
**Expenditure Growth Performance Assessment Criteria**

Criteria	Size
Naik	Positif
Turun	Negatif

(Mahmudi, 2016)

### Analysis of Expenditure Harmony

According to (Mahmudi, 2016: 160) expenditure harmony is a balance between expenditure. This ratio shows how the regional government allocates funds for expenditure optimally according to the needs of the budget work plan. It also refers to the function of the budget as a means of distribution, allocation and stabilization. Expenditure harmony analysis :

#### Analysis of Operating Expenditures on Total Expenditures

The analysis of operating expenditure on total expenditure is a comparison between total operating expenditure and total regional expenditure. This ratio provides information about the part of regional expenditure allocated for operating expenditures. Operating expenditures are expenditures whose benefits are consumed within one fiscal year, so that operating expenditures are in short-term and in certain cases are routine or recurring.

In general, the standard measurement of operating expenditure dominates total regional expenditure, which is between 60-90% (Mahmudi, 2016: 162):

$$\frac{\text{Operation Expenditure Realization}}{\text{Total Expenditure}} \times 100\%$$

#### Capital Expenditure Analysis of Total Expenditures

The analysis of capital expenditure to total expenditure is a comparison between the total realized capital expenditure and the total regional expenditure. Based on this ratio, the report reader can find out the share of regional expenditure allocated for investment in the form of capital expenditure in the relevant fiscal year. In contrast to operating expenditures which are short term and routine, current capital expenditures will provide medium and long term benefits

In general, the standard for measuring capital expenditure against total regional expenditure is between 5-20% (Mahmudi, 2016: 162):

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

#### Expenditure Efficiency Analysis

The expenditure efficiency ratio is the comparison between expenditure realization and expenditure budget. This ratio is used to measure the level of budget savings made by the government. The local government is considered to have implemented budget efficiency if the efficiency ratio is less than 100%. Conversely, if it exceeds 100%, it indicates a waste of the budget. The expenditure efficiency formula is as follows:

$$\text{Expenditure Efficiency Ratio} = \frac{\text{Realisasi Belanja}}{\text{Anggaran Belanja}} \times 100\%$$

In general, efficiency values are categorized in the table below (Mahmudi, 2016: 164):

**Table 5**  
**Efficiency Interval Scale**

Percentage	Category
Above 100 %	Not Efficient
90% - 100 %	Less Efficient
80% - 90 %	Efficient Enough
60% - 80%	Efficient
Under 60%	Most Efficient

(Mahmudi: 2016)

## Results and Discussion

The results obtained from the calculation of the performance of the budget are as follows:

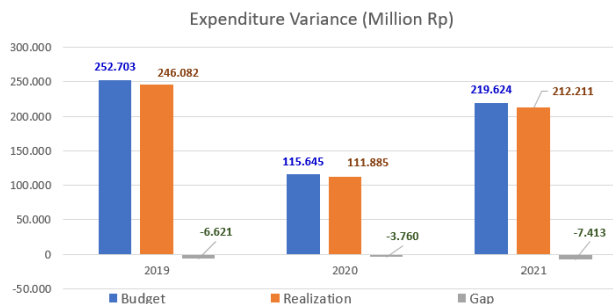
### 1. Expenditure Variance Analysis

**Table 6**  
**Expenditure Variance Analysis**

Year	Expenditure		Gap	Percentage (%)
	Realization (Rp.)	Budget (Rp.)		
2019	246.081.700.539	252.702.705.526	-6.621.007.987	2,62
2020	111.884.593.245	115.644.963.005	-3.760.369.760	3,25
2021	212.210.610.374	219.624.034.724	-7.413.424.350	3,38

Processed Research Data (2022)

**Figure 4**  
**Expenditure Variance**



The results of the expenditure variance analysis in table 6 show that the Housing, Settlement Areas and Land Offices of the Bandung Regency have made savings and used the budget properly and are included in the favorable variance category, this statement is evidenced by the absence of realization that exceeds the expenditure budget.

Based on table 6, the realization of the budget in 2019 amounted to IDR 246,081,700,539 or a percentage of 97.38% of the total budget set. DISPERKIMTAN has made savings of 2.62% of the total budget set. In 2020 actual spending decreased to 96.75%, the budget savings made in 2020 were higher than the previous year of 3.25% of the total budget set. A decrease in expenditure realization also occurred in 2021 to 96.62%. In 2021 DISPERKIMTAN will save a budget of 3.38% or IDR 7,413,424,350.

The performance analysis shows that the total expenditure realized by the Bandung Regency DISPERKIMTAN is smaller than the amount budgeted for 2019-2021, so the performance has been good. The lowest expenditure variance percentage occurred in 2019, namely 2.62% and the highest expenditure variance percentage in 2021 with a percentage of 3.38%

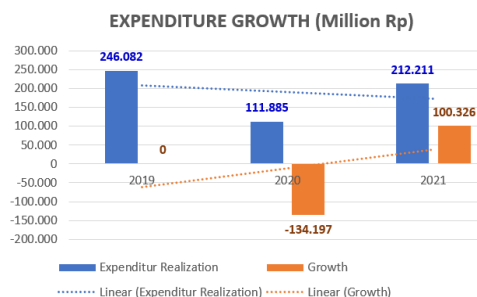
**Expenditure Growth Analysis**

**Table 7**  
**Expenditure Growth Analysis**

Year	Expenditure		Percentage (%)
	Realization (Rp.)	Growth (Rp.)	
2019	246.081.700.539	-	-
2020	111.884.593.245	-134.197.107.294	-54.53
2021	212.210.610.374	100.326.017.129	89.67

Processed Research Data (2022)

**Figure 5**  
**Expenditure Growth**



Based on the calculation above, in 2019 to 2020 spending growth shows a negative calculation of 54.53% because in 2020 there was an Corona virus disease 2019 (Covid-19), so that the existing budget plans must be refocused for handling the Corona virus disease 2019 (Covid-19). In 2020 to 2021 showed a positive calculation of 89.67% budget growth and the realization that occurred was IDR 100,326,017,129. One of the factors causing high growth in 2020 to 2021 is due to increased expending on grants.

**Analysis of Expenditure Harmony**

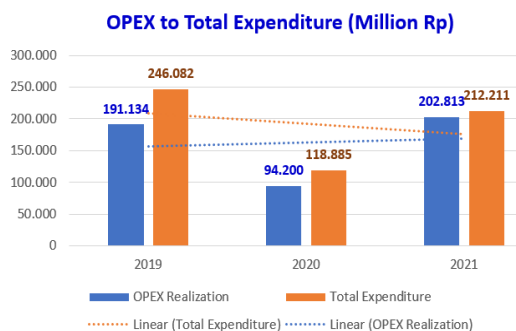
1. Analysis of Operating Expenditures on Total Expenditures

Table 8  
Operation Expenditure On Total Expenditure

Year	Expenditure		Percentage (%)
	Operation Realization (Rp.)	Total Expenditure (Rp.)	
2019	191.133.748.549	246.081.700.539	77,67
2020	94.200.359.485	118.884.593.245	84,19
2021	202.812.862.474	212.210.610.374	95,57
Average :			85,81

Processed Research Data (2022)

Figure 6  
OPEX to TOTAL EXPENDITURE



Based on the calculation results above, in 2019, 77.67% of operational expenditure was used by the Bandung Regency DISPERKIMTAN with a realization of IDR 191,133,748,549. An increase occurred in 2020 of 84.19% of total expenditure with a realization of IDR 94,200,359,485. In 2021 there will also be an increase of 95.57% of total expenditure with a realization of IDR 202,812,862,474

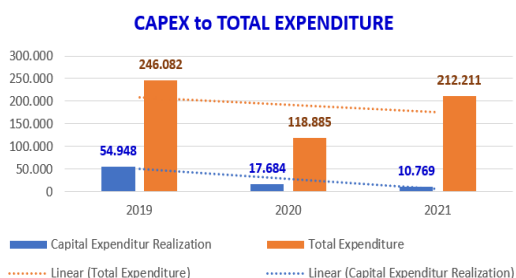
2. Analysis of Capital Expenditures on Total Expenditures

Table 9  
Capital Expenditure On Total Expenditure

Year	Expenditure		Percentage (%)
	Capital Expenditur Realization (Rp.)	Total Expenditure (Rp.)	
2019	54.947.951.990	246.081.700.539	22,33
2020	17.684.233.760	118.884.593.245	15,81
2021	10.768.569.369	212.210.610.374	5,07
Average :			14,4

Processed Research Data (2022)

Figure 7  
CAPEX to TOTAL EXPENDITURE





Based on the results of the calculation above, Bandung Regency DISPERKIMTAN conducts capital expenditures regularly from 2019-2021. In 2019 the percentage of capital expenditure was 22.33% of total spending or IDR 54,947,951,990. In 2020 there was a decrease in the use of capital expenditure. DISPERKIMTAN only uses capital expenditure of IDR 17,684,233,760 with a percentage of 15.81% of total expenditure. In 2021 there will also be a decrease with a percentage of 5.07% of total expenditure or IDR 10,768,569,369. The capital expenditure ratio for the Bandung Regency DISPERKIMTAN is still fluctuating because the Bandung Regency DISPERKIMTAN in 2021 prioritizes expenditure allocations for operational expenditure needs.

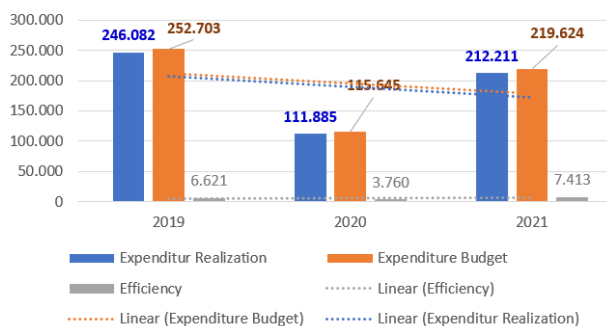
3. Expenditure Efficiency Analysis

Table 10  
Expenditure Efficiency

Year	Expenditure		Peren-tage (%)
	Expenditur Realization (Rp.)	Expenditure Budget (Rp.)	
2019	246.081.700.539	252.702.708.526	97,38
2020	111.884.593.245	115.644.963.005	96,75
2021	212.210.610.374	219.624.034.724	96,62
Average :			96,92

Processed Research Data (2022)

Figure 8  
EXPENDITURE EFFICIENCY  
EXPENDITURE EFFICIENCY (Million Rp)



As shown in Table 10 above, DISPERKIMTAN in 2019-2021 has implemented budget efficiency with the percentage being at a realization rate below 100%.

Conclusion

Based on the results and discussion of the research that has been described, the authors can conclude the following conclusions:

1. The performance of the expenditure budget seen from the spending variance at the Bandung Regency DISPERKIMTAN for the 2019-2021 period shows that financial performance has been good. This is indicated by the average target realization of Bandung Regency DISPERKIMTAN expenditure of 96.92%. The realization of the Bandung Regency DISPERKIMTAN budget has a lower value than the set budget.
2. The growth in expenditur for the Bandung Regency Housing, Settlement Areas and Land Affairs Service (DISPERKIMTAN) for the 2019-2021 period has fluctuated. In 2019/2020 it decreased by -54.53% because in 2020 there was an outbreak of the corona virus 19 so that the existing budget plans. Must be refocused for handling corona 19. In 2020/2021 there was an increase of 89.67% of total expenditure realization. This is due

to the increasing amount of spending on grants and social assistance at the Bandung Regency DISPERKIMTAN.

3. The ratio of expenditure harmony for the Department of Housing, Settlement Areas and Land Affairs (DISPERKIMTAN) for Bandung Regency for the 2019-2021 period shows that operating expenditure is prioritized over capital expenditure. In the 2019-2021 period, the average operating expenditure was 85.81% while the average capital expenditure was 14.40%. In 2021 capital expenditure has decreased from the previous year.
4. The expenditure efficiency ratio shows that the performance of the Bandung Regency Housing, Settlement Areas and Land Office (DISPERKIMTAN) for the 2019-2021 period has been efficient. Because the overall calculation results are not more than 100%.
5. The problem with a decrease in capital expenditure occurred at the Bandung Regency DISPERKIMTAN due to the Covid-19 outbreak which forced the government to focus on the interests of handling the Covid-19 outbreak and prioritizing employee health by reducing/eliminating face-to-face activities.
6. The efforts that have been made by the Bandung Regency DISPERKIMTAN in overcoming existing obstacles are by planning as well as possible at the start of budgeting and as much as possible increasing performance and conducting periodic evaluations.

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