



AN ANALYSIS OF LATENESS IN THE ADOPTION OF THE MINISTRY /  
INSTITUTIONAL BUDGET:  
Case Study on the Unit of Public Services Agency of the State Islamic University of  
North Sumatera North Medan

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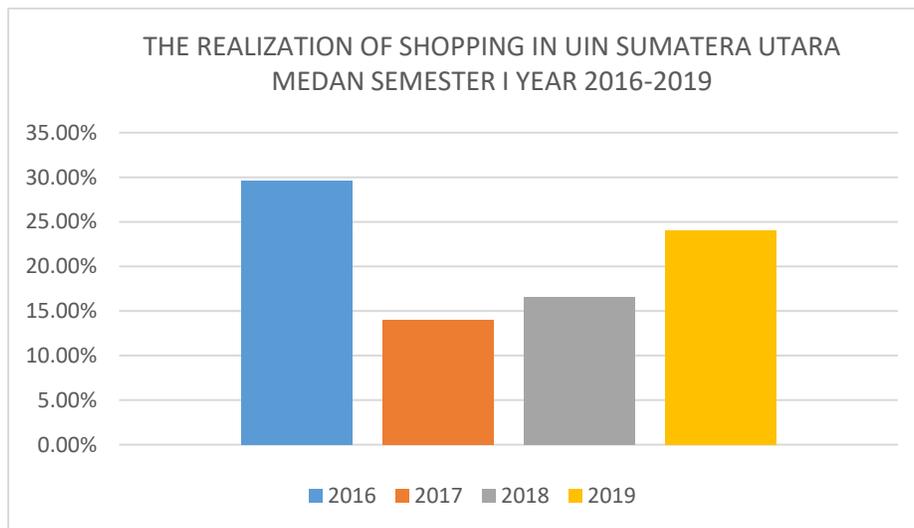
**Abstract.** *The purpose of this research is to find and analyze the factors that cause the delay in absorption of the budget of Ministries / Institutions, especially in the Public Service Agency Work Unit of the State Islamic University of North Sumatera, Medan. Data collection techniques used are documentation studies, interviews, and observations. The results showed that the budget realization at the State Islamic University of North Sumatera Medan in the first semester of the 2016-2019 fiscal year was still less than 40%. In 2016 the realization was 29.61% of the Budget Ceiling, in 2017 it decreased to 14.03% of the Budget Ceiling, in 2018 it was 16.58% of the Budget Ceiling and 2019 it was 26.20% of the Budget Ceiling. Of course, there will be an accumulation of budget absorption in the second semester or at the end of the year. From the research, it is concluded that the planning factors, human resource factors, and goods / services procurement factors influence the absorption of the budget at the Islamic State University of North Sumatera, Medan. To correct problems in planning factors, human resource factors and goods / services procurement factors, it is better if the State Islamic University of North Sumatera Medan reduces budget revisions and prepares the budget as accurately as possible according to the planned priority scale, transferring employees at the beginning of the fiscal year and proposing additional formation for the admission of Civil Servants or recruiting BLU honorary personnel who are competent in financial management and improving the quality of human resources by sending officials / employees to attend training and skills or training and increasing certified officials / employees for the procurement of goods / services.*

**Keywords:** *Budget, absorption, planning, human resources, procurement.*

## INTRODUCTION

In practice, budget realization absorption is difficult to achieve one hundred percent. All Ministries / Agencies always report a surplus in their budget or that the budget was not fully absorbed at the end of the fiscal year. Some of the problems that cause budget absorption include bureaucratic obstacles that occur due to lack of coordination between work units and implementing agencies / units resulting in a decrease in budgets, incompetent human resources in setting project and budget priorities, unsupportive regulations and policies, constrained by physical land acquisition, lengthy licensing constraints, low capacity of project implementers and restrictions / relocation of project financing sources.

The report on the realization of the semester I budget at UIN of North Sumatra Medan for the 2016 budget year to the 2019 fiscal year also did not reach 40%<sup>1</sup>. The following shows the realization of the expenditure budget for UIN of North Sumatra Medan in the first semester of the 2016-2019 fiscal year as follows:



*Graph 3*  
*Realization of Expenditures at UIN North Sumatra Medan Semester I*  
*2016-2019 Fiscal Year*

The slow absorption of the budget is a classic problem that continues to occur every year. The slow realization of government programs and activities has an impact on budget realization. For example, the plan to construct Buildings and Buildings for Education, which should have been completed before the start of the school year, but due to low budget

<sup>1</sup> <http://e-rekon-lk.djpbk.kemenkeu.go.id/> viewed on 9 February 2020 at 21.26 pm.

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absorption, may not be able to be used in the following year. The next example is the road construction plan that is not optimal, as it should be, asphalt can be cast for 8-10 km at the beginning of the year, but due to low absorption, only three to five km have been implemented. This will greatly impact budget absorption and public welfare.

Based on the explanation above, the researcher tries to explain and elaborate on the problems that cause the delay in budget absorption of Ministries / Institutions, especially at BLU of UIN North Sumatera Medan.

### **LITERATURE REVIEW**

The budget is one of the tools that plays an important role in an organization and government. A good government budget will be reflected in the effectiveness of government performance in the community, so the government should create a budget that is mature and realistic to be realized so that the welfare of the community can be achieved. The low and slow absorption of the budget of Ministries / Institutions and Regions in Indonesia is a phenomenon that continues to occur every year. Efforts have been made to optimize budget absorption, but the facts still show that no changes have been found in relation to budget absorption.

In practice, budget realization absorption is difficult to achieve one hundred percent. All Ministries / Agencies always report a surplus in their budget or that the budget was not fully absorbed at the end of the fiscal year. Some of the problems that cause budget absorption include bureaucratic obstacles that occur due to lack of coordination between work units and implementing agencies / units resulting in a decrease in budgets, incompetent human resources in setting project and budget priorities, unsupportive regulations and policies, constrained by physical land acquisition, lengthy licensing constraints, low capacity of project implementers and limitations / relocation of project financing sources.

Nationally, the absorption of the budget for the first semester of the 2016-2019 fiscal year according to data from the Directorate General of Treasury on average less than 40%. The Ministry of Religion as one of the 4ths (fourth) largest budget holders in Indonesia should try to increase / improve its budget absorption performance. The report on the

implementation of the State Budget for the Ministry of Religion for 2015 to 2019 is still less than 40%. Law on State Finance Number 17 of 2003 clearly states that the power to manage state finances from the President to the Budget User Officials as the Head of the Work Unit is to carry out the budget. Based on this, all budget user officials should immediately realize their budgets as stated in the DIPA, and not wait until the end of budget execution.

## **METHODOLOGY**

This research is descriptive qualitative in nature, with the aim of explaining the implementation of the budget realization of ministries / agencies, especially BLU of UIN North Sumatra Medan and to reveal the problems that cause delays in the realization of the expenditure budget at BLU of UIN North Sumatra Medan.

Descriptive research is to record carefully all the symptoms that are seen and heard and read (via interviews, photos, videos, personal documents, brochures, etc.) and the researcher also compares, combines and draws conclusions.<sup>2</sup> The type of data used in this research is qualitative data obtained from interviews with related parties who are considered competent in providing the information needed in this study. Sources of data used in this study consist of:

1. Primary data, sourced from interviews with officials / employees of UIN North Sumatra Medan with regard to budget realization, among others, the Head of the AUPK Bureau, the Head of Planning and Finance, the Head of Subdivision. Finance and BMN, Kasubag. Planning, Procurement Officers, Expenditure Treasurers and staff directly involved in budget execution.
2. Secondary data, data obtained from other parties or other sources related to this research that has been processed and obtained through available documents, including the Budget Implementation List (DIPA), Activity Operational Guidelines (POK), taken from the Electronic Reconciliation and Financial Report application, and the expenditure realization report data from the SAIBA application.

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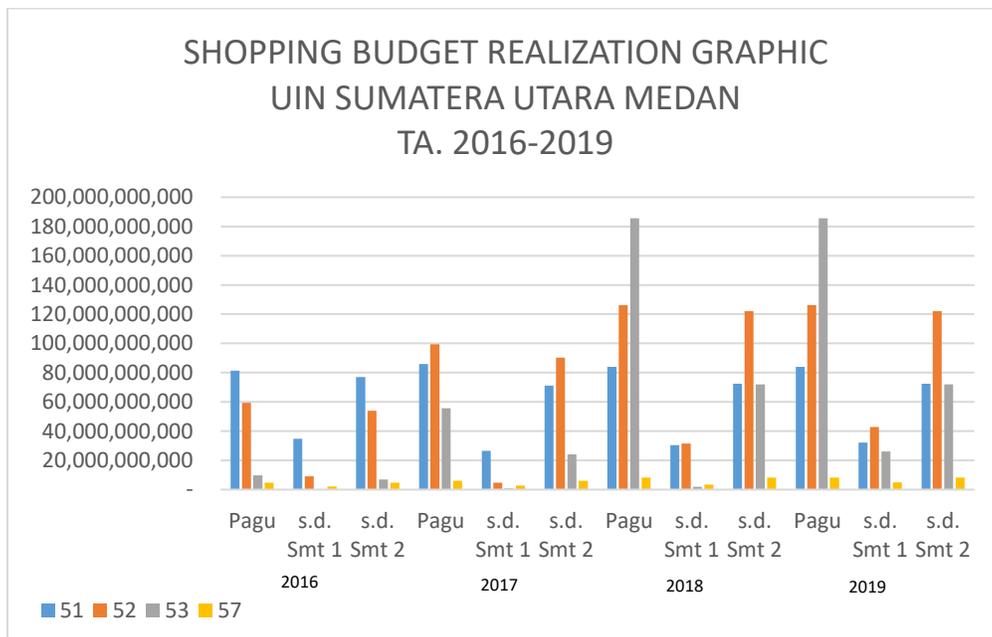
<sup>2</sup> Burhan Bungin, *Metodologi Penelitian Kualitatif* (Jakarta: PT. Grafindo Persada, 2001), p. 234

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**FINDINGS AND DISCUSSION**

Data yang diterima dari Bagian Perencanaan dan Keuangan BLU UIN Sumatera Utara Medan tentang Realisasi anggaran Belanja Tahun Anggaran 2016-2019 ditunjukkan pada data sebagai berikut:



*Graph 4  
Realization of the Expenditure Budget of UIN North Sumatera Medan  
2016-2019 cal Year*

From the table graph 4 above shows that the budget realization at the BLU of UIN North Sumatera Medan in the first semester of the 2016-2019 fiscal year is still less than 40%. In 2016 the realization was 29.61% of the Budget Ceiling, in 2017 it decreased to 14.03% of the Budget Ceiling, in 2018 it was 16.58% of the Budget Ceiling and 2019 it was 26.20% of the Budget Ceiling. Of course, there will be an accumulation of budget absorption in the second semester or at the end of the year.

The implications of this low or disproportionate state of budget absorption can result in:

- a) The non-absorption of activities that should have been carried out at the beginning of the fiscal year has resulted in government programs or services to the community being unable to be implemented quickly.

- b) The delay in disbursement of the budget for goods / services expenditure causes the fiscal stimulus function and the multiplier effect of government spending on public economic activity to be suboptimal at the beginning of the fiscal year.
- c) The accumulation of invoices to the state at the end of the fiscal year creates a heavy burden on the provision of government money / cash, thereby allowing a cash mismatch to occur.

Based on the evaluation of the realization of the expenditure budget at the BLU of UIN North Sumatra Medan as stated above, several factors were found that influenced the delay in budget absorption, among others:

### **1. Planning factor**

Budget planning is the earliest stage of a budget management process. Power of Budget User / Property User, in this case the Minister / Head of Institution, prepares the Ministry / Institution Work Plan and Budget (RKA-K / L) for the next 1 (one) year based on the work performance to be achieved accompanied by an estimated expenditure. The RKA-K / L was submitted to the DPR to be discussed in the preliminary talks on the draft APBN. The results of these discussions are submitted to the Ministry of Finance in this case to the Minister of Finance as material for drafting a bill on the next year's APBN.

The results of interviews and direct observations of researchers in the Planning and Finance section of UIN North Sumatra Medan found several problems related to planning, including:

- a) The number of changes in the budget work plan carried out by the Work unit which should have been determined at the beginning of the fiscal year but in the current year many Work units have made changes / improvements to the budget plan which resulted in a Budget Revision.
- b) Changes to work plans made by work units, changes made will also require time to complete, as mandated in Per-2 / PB / 2020 article 43 which states that submission of requests for data equality as referred to in paragraph (2) is carried out every two months, so that if there is a work unit that revises the budget, the work unit submitting the budget revision will take 1-2 months, because the

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planning will not accommodate only 1 (one) work unit, but it must be cumulative.

- c) The work unit submitting a budget revision does not understand the planning administration process, such as a budget revision which should be made from account 52 to account 52 or vice versa submitted through the change matrix, this is clearly wrong. Then the proposal will be returned.
- d) Budget preparers do not yet understand the use of a Standard Account Chart (BAS) which is not in accordance with its designation so that it affects budget disbursement.
- e) There is a revised percentage threshold. Percentage threshold is the amount of the percentage of expenditure realization that is allowed to exceed the budget in DIPA BLU. This revision can be made if the Satker revenue has exceeded the target set in the DIPA. Usually the revenue target for the BLU of UIN North Sumatera Medan is achieved in September as evidenced by the Letter of Endorsement of BLU Revenue and Expenditures for the third quarter, as a result the revision process can only be carried out in October and finally there is a delay in budget absorption due to the revision of the threshold.
- f) Faculties / Postgraduate / Units in preparing the budget for the following year, sometimes they do not budget for priority scale activities or just copy and paste from the previous year's budget.
- g) There are changes in policy, for example savings in spending by the Government.

## **2. Human Resources (HR) Factors**

Human Resource Management (HR) is an acknowledgment of the importance of an organization's workforce as a very important human resource in contributing to organizational goals, and the use of several functions and activities to ensure that HR is used effectively and fairly for the benefit of individuals, organizations and society<sup>3</sup>.

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<sup>3</sup> Priyono dan Marnis, *Manajemen Sumber Daya Manusia*, (Sidoarjo, Zifatama Publisher, 2008), p. 4

Human Resources (HR) is an asset of an organization that can determine whether the performance of an organization is good or bad. The success of an organization is largely determined by the quality of the people who work in it. HR plays an important role in achieving the goals of the organization. It can be said that almost all problems faced by an organization are always related to the human resources in it.

Financial management in an agency can operate optimally if the Human Resources (HR) possessed have good competence and quality. To manage quality finances, an official or employee who really understands and understands management is needed. For this reason, competent and qualified human resources are needed.

ome of the problems related to human resources at UIN North Sumatra Medan, among them are:

- a. Lack of staff, especially for financial managers.
- b. Mutation of employees, if the employee mutation pattern is not evenly distributed it will cause unproductive units, of course the units that manage finances will also be the same, Change of Position, change of Procurement Officers or procurement officials who have just passed the training for procurement of goods / services, this can hamper the budget disbursement process, because new officials do not have experience in determining partners or do not understand the actual procurement process / mechanism.
- c. Dual positions. Concurrent positions occur in financial management officials such as the Dean and concurrently the position of Commitment Making Officer, a Lecturer in one of the Faculties holds a Commitment Making Officer, Head of Sub-Division. BMN has concurrent positions as Procurement Officer and others so that the employee's performance is not focused and is not optimal in carrying out his duties.
- d. Lack of legal protection for procurement actors. This is indicated by a sense of concern for law enforcement officials who are aggressively fighting corruption, such as external examiners, namely the Attorney General's Office, the Corruption Eradication Commission (KPK) and the Supreme Audit Agency (BPK), internal audit officials, namely the Inspector General (Itjend) and the Finance and

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Development Supervisor (BPKP). This fear can result in procurement actors being very careful in making decisions about the procurement of goods / services.

### **3. Goods / Services Procurement Factors**

Government procurement of goods / services, hereinafter referred to as the procurement of goods / services, is an activity to obtain goods / services by the Ministry / Institution / other regional work unit / institution whose process starts from planning needs to completion of all activities to obtain goods / services<sup>4</sup>.

The procurement system is a way to get the goods and services needed by using certain methods and processes. There are two types of procurement systems that are commonly used, namely conventional systems and e-procurement systems. According to Presidential Regulation Number 54 of 2010 along with all its amendments, it explains that there are several parties involved in the procurement of goods / services, including Budget User / Proxy of Budget User (PA / KPA), Commitment Making Officer (PPK), Procurement Service Unit / Procurement Officer (ULP / PP), Committee / Officials Receiving Results of Work (PPHP) and Providers of Goods / Services.

Some of the problems related to the procurement of goods / services at UIN North Sumatera Medan include:

- a. Lack of Officials / employees assigned to the committee for the procurement of goods / services who have a certificate of expertise in the procurement of goods / services. In accordance with Presidential Regulation Number 54 of 2010 which states that all procurement officials are required to have a certificate of expertise in the procurement of goods / services issued by the Goods / Services Procurement Policy Institute (LKPP). To obtain a certificate of expertise is not easy and only employees who are truly deemed to have the competence and ability in the field of goods / services procurement will be awarded a certificate proving that they have passed the goods / services procurement exam.

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<sup>4</sup> Presidential Regulation of the Republic of Indonesia Number 54 of 2010 concerning Government Procurement of Goods / Services.

- b. The delay in the preparation of the schedule for the auction is due to budget blockages so that the procurement committee cannot predict the schedule that will be implemented.
- c. Delayed or failed determination of the winner, this could have happened because there was an error in the evaluation process, no participant submitted the bid document after there was an extension period, none of the participants who passed the bid evaluation were found to have errors in the Bidding Documents or not in accordance with the provisions in the Regulations This president. All participants are involved in Corruption, Collusion and Nepotism (KKN), all participants are involved in unfair business competition, all Tender price offers for goods / construction work / other services are above HP's, negotiation of costs on Selection is not achieved, and / or KKN involves the Election Working Group / PPK.
- d. There are repeated auctions, usually due to a number of reasons, including the number of participants who passed the qualifications in the prequalification process less than 3 (three), except in Limited Tenders. After giving the extension time, none of the participants submitted the qualification documents.
- e. There is a rebuttal in the job auction process, this can result in determining the winner will also take a long time. As a result of this, the budget disbursement process took longer, even up to the end of the fiscal year.
- f. Late completion of work by third parties (partners). This could happen due to weather factors, shipping factors, unavailability of materials because the goods ordered have not arrived and others. In accordance with the Regulation of the Minister of Finance Number 190 / PMK.05 / 2012 in direct payments for the procurement of goods / services, it can be paid if the goods / services have been handed over by the issuance of an official report on the handover of goods or an official report on the completion of the work.
- g. Addendum exists, is used when there are additions or attachments to the main agreement, but it is an integral part of the main agreement.

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## CONCLUSION

The delay in budget absorption at BLU of UIN North Sumatera Medan tends to be the same, from 2016 to 2019 the budget in the first semester or second quarter of absorption is still below 30%, as a result there will be an accumulation of budget disbursement at the end of the year.

Based on the results of research conducted by researchers, it can be concluded that the delay in budget absorption at BLU of UIN North Sumatera Medan is influenced by several factors. First, the planning factor. Problems in planning include the problem of budget revision, the Budget is only a copy and paste from the previous year and HR does not understand the Standard Accounts Chart (BAS). Second, the HR factor. Problems in the human resource factor include lack of employees, employee mutations that occur not at the beginning of the year and concurrent positions, and third, the factor of procurement of goods / services. Problems in the procurement of goods / services are lack of officials / employees who have certificates, objections in the job auction process, delays in completion of work by third parties and official mutations or changes in procurement officials that take place in the middle of the year and there are concerns about law enforcement officials.

Based on the above conclusions, the researcher provides the following suggestions / input:

- a. All faculties / units / institutions within the UIN of North Sumatera Medan to prepare the budget accurately and as best as possible according to the priority scale so that there is no mismatch between the budget listed in the RKA-K / L and the approved DIPA;
- b. To reduce budget revisions, especially for revisions to the use of opening balances should be done at the beginning of the year and eliminating the revision of the threshold.
- c. Leaders at UIN North Sumatera Medan to propose additional formation for the admission of Civil Servants, or recruit BLU honorary staff to anticipate a shortage of staff, especially employees for financial managers to be placed in universities or in faculties and units.

- d. If the leadership of UIN North Sumatra Medan rotates / transfers officials / employees it is carried out at the beginning of the fiscal year, so that the assigned officials / employees can more freely understand the budget realization process.
- e. Improving the quality of human resources for both financial management and procurement of goods / services, namely by assigning officials / employees to attend financial training and training for goods / services procurement.

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