
Analysis Of Variance in Realization of Spending Budget at Class II Bandung Port Health Office

Dedi Karmana¹, Michelle Kayla ZN², Sakti Muda Nasution³, Mira Ismirani Fudsy⁴
Politeknik LP3^{1, 2, 3, 4}

Email: dedi.karmana@gmail.com¹, michellekayla@gmail.com², dosen.sakti@gmail.com³,
miraismiranifudsyi@gmail.com⁴

ABSTRACT

This study uses quantitative descriptive techniques to examine the fluctuations in budget implementation at the Bandung Class II Port Health Office from 2020 to 2023. The data was collected using observation, interviews, documentation, and web data searches. The research findings indicate variations in the actualization of the budget from one year to another. The budget realization rate 2020 stood at 92.75%, indicating a high-efficiency level in budget utilization despite challenges encountered in buying items and implementing programs. The budget realization for 2021 witnessed a notable increase to 95.78% owing to enhancements in the planning and monitoring system and enhanced interdepartmental coordination.

Nevertheless, the percentage of realization is expected to experience a minor decline to 95.08% in 2022 due to technical issues in procurement and alterations in policy. 2023, there was a further decline, with a budget realization rate of 92.59%. This fall was primarily due to economic instability and changes in the organizational structure.

Variance analysis reveals that specific spending categories routinely exhibit discrepancies between the intended budget and its implementation, including the amount allocated for training and human resource development. The variation results from shifts in priorities, limitations in time, and challenges encountered during the program's implementation. Managerial and technical capacity in financial management is a factor that affects variation. Despite implementing financial management training, there is still room for improvement. The findings of this study emphasize the necessity for enhancements in the budget planning procedure that are characterized by greater participation, stricter budget monitoring, higher utilization of information technology, and enhanced managerial and technical proficiency.

This study offers a thorough analysis of the fluctuations in budget implementation and the factors that impact it, along with suggestions for enhancing the efficiency and efficacy of budget utilization at the Bandung Class II Port Health Office. By gaining a more profound comprehension of budget realization variances, these agencies can develop more efficient techniques to oversee their budgets, enhance accountability and transparency, and deliver superior public services. This research aims to serve as assessment and reference material for relevant agencies, assisting in enhancing budget management and significantly contributing to public health at ports.

Keywords: Variance Analysis, Budget, Realization

INTRODUCTION

The expenditure budget is a crucial element in organizations' financial management, particularly public sector entities like the Bandung Class II Port Health Office. A meticulously crafted budget demonstrates meticulous preparation, while budget execution demonstrates the agency's capacity to implement programs and activities in alignment with that strategy. Comparing the anticipated budget with the actual results through variance analysis is crucial for evaluating financial performance and ensuring the budget is used effectively and efficiently. Variance analysis allows for identifying significant variations between the projected budget, its actual realization, and the variables responsible for these deviations.

This study centers on the Bandung Class II Port Health Office, a governmental entity overseeing health matters at the port. The primary responsibilities of this organization encompass the prevention of the introduction of contagious diseases via ports, conducting health assessments on ship personnel and passengers, and overseeing the maintenance of hygiene and cleanliness in the port surroundings. The budget is crucial in executing these activities as it encompasses the expenses related to daily operations, acquisition of medical equipment, procurement of drugs, and staff training.

The Bandung Class II Health Office, which operates under the Directorate General of Disease Prevention and Control of the Ministry of Health, is responsible for preventing the transmission of diseases and conducting health monitoring at airports, ports, and borders. Their budget is sourced from the APBN and comprises Pure Rupiah (RM) and Non-Tax State Revenue (PNBP). However, the pandemic caused a significant decline in their budget realization, primarily due to cutbacks in goods and operational spending resulting from Work From Home (WFH) deployment. (Badrudin & Rimawan, 2022; Sigiro, Marjuka, Yudea & Alim, 2022; Firnanda, Satriya & Sukowati, 2024)

In 2020, the Indonesian government, in a swift and decisive move, made two revisions to the State Revenue and Expenditure Budget (APBN) in response to the Covid-19 pandemic, as stated in Presidential Decree No. 54 and 72 of 2020. The pandemic necessitated a rethinking of financial resource allocation, with a clear focus on managing healthcare, providing social support, and facilitating economic recovery. This proactive response, while leading to a substantial economic downturn, instills confidence in the government's ability to navigate these challenging times. The majority of the budget was directed towards the health and social welfare sectors, with other government agencies facing budget reductions.

The variance analysis of budget realization reveals a rise in the percentage of budget realization from 92.75% in 2020 to 95.78% in 2021. This condition demonstrates the Bandung Class II Port Health Office's achievement in enhancing budget utilization efficiency. The positive profit margin indicates that the projected budget may be achieved more effectively, improving operational efficiency. The rise can be attributed to multiple variables, including enhancements in budgetary planning, stricter oversight, and heightened managerial capability.

Between 2022 and 2023, there will be a decline in the percentage of budget execution, dropping from 95.08% to 92.59%. This reduction, despite maintaining a positive profit margin, suggests that there were multiple obstacles in achieving the budget throughout that period. The decrease in numbers could be attributed to shifts in economic circumstances, alterations in policies, or hindrances encountered in the execution of projects and initiatives. Further analysis of these aspects is crucial to comprehend the underlying causes of the reduction and identify suitable remedies to enhance budget realization in the future.

Moreover, variance analysis is a powerful tool that can be utilized to assess the efficiency of budget allocation across different expenditure categories. For instance, it is important to determine if the funds allotted for the purchase of medical equipment have been utilized in the most efficient manner, or if there are any discrepancies in the daily operational expenses. Variance analysis offers a comprehensive assessment of financial performance and aids in pinpointing specific areas in need of enhancement. (Nugroho, 2021; Seran, Pandie & de Rosari, 2022; Karim, 2021)

Moreover, it is anticipated that this research will contribute to advancing knowledge in public financial management. This research's findings can be a reference point for other government entities when analyzing budget variance. In addition, this research might serve as an assessment tool for the Bandung Class II Port Health Office to enhance its budgetary management. To enhance the effectiveness of budget utilization in the future, this agency can develop more efficient plans by comprehending the reasons behind budget deviations and the elements that impact budget realization. (Sulaiman, 2022; Surya, Hamsina, Ridwan, Baharuddin, Menne, Fitriyah & Rasyidi, 2020; Zubaydah, Afifuddin & Albar Tanjung, 2022)

Furthermore, the outcomes of this study can offer valuable guidance to policymakers in developing more effective budgetary strategies in a broader framework. Implementing effective and efficient budget strategies is crucial to maximize the utilization of public monies for the betterment of society. Consequently, examining differences between budgeted and actual expenses must be fundamental to all government organizations' financial planning and management procedures. (Giroth, Lumapow, Tiwa & Rotty, 2022; Syabariyah, Kusuma Wardani, Aisyah & Hisan, 2024)

In summary, this research highlights the significance of conducting variance analysis when it comes to budget management in the public sector. Variance analysis allows government organizations to assess their financial performance, detect deviations from the budget, and develop strategies to enhance budget efficiency. As financial managers and policymakers, your role in implementing these strategies is crucial to empower the public sector with enhanced budget efficiency. (Satrio, Hidayat & Hayati, 2023; Sinaga, Zalukhu, Hutaeruk & Collyn, 2023; Vidyattama, Husna & Yudhistira, 2023)

To address upcoming problems, the Bandung Class II Port Health Office must further enhance its administrative and technical capabilities in budget management. Effective human resource training and development are crucial for equipping personnel with the requisite knowledge and abilities to handle budget management proficiently. In addition, there is a need to enhance the utilization of information technology in financial management to enhance the precision and effectiveness of financial recording and reporting. (Yudhistira, Sofiyandi, Indriyani & Pratama, 2021; Napitupulu, Dompok & Salsabila, 2024; Nasution, Sarmini, Warsono, Wasino & Shintasiwi, 2021)

The primary objective of this research is to offer ideas that can assist the Bandung Class II Port Health Office in enhancing its budget management. By conducting a thorough variance analysis, this agency aims to enhance its ability to strategically plan, allocate, and achieve its budget goals. Adopting this approach may enhance the agency's operational efficiency and effectiveness, significantly bolstering its impact on public health at the port. (Yan, 2023)

This research aims to raise awareness among financial managers in the public sector on the significance of variance analysis in budget management. By adopting best practices in budget management, accountability and openness in the utilization of public monies can be expanded. This will be a crucial measure in the pursuit of effective financial management in the public sector, which will ultimately result in a tangible improvement in public service quality, making the impact of your work more evident.

METHOD

This study uses quantitative descriptive methodologies to examine discrepancies in implementing expenditure budgets at the Bandung Class II Port Health Office. The researchers opted for the quantitative descriptive technique because it allows them to gather, analyze, and evaluate numerical data methodically. This method enables them to elucidate the event's characteristics or nature without drawing overarching conclusions or generalizations.

Data collection, the initial phase of this research, involves the implementation of several approaches. Observational methods were employed to directly witness the budget management actions at the Bandung Class II Port Health Office. Scientists meticulously documented a range of actions associated with the planning, distribution, and implementation of the spending budget. Furthermore, interviews were performed with authorities and staff responsible for budget management to gather comprehensive insights into the budget management process, challenges encountered, and initiatives undertaken to enhance budget use efficiency. Documentation, a crucial aspect of the data collection process, plays a significant role in the gathering and examination of financial records like budget reports and budget realization reports. Web data searches are conducted to get pertinent supplementary material from reputable web sources, including details on budgetary policies, associated regulations, and statistical data that substantiates the analysis.

Once the data has been gathered, the subsequent stage involves a precise and thorough analysis of the data. This research employs variance analysis tools, a precise method, to compare the anticipated budget with its actual implementation. The obtained data is categorized according to the budget year and pertinent expenditure items to enable easy comparison. The variance is computed by subtracting the planned budget from the realized budget. The resulting variance is then examined to ascertain if there is a substantial disparity between the planned budget and the actual outcome. Data interpretation is conducted to elucidate the reasons behind budget variations by identifying the elements that impact budget realization and offering an explanation of how these factors influence budget variances.

The results of variance analysis are displayed in tables and graphs to facilitate comprehension. The table and graph compare the projected budget, implementation for each fiscal year, and the corresponding expenditure category. The analysis results are also presented narratively, providing an interpretation that explains the significant findings of this research. Conclusions are formulated based on data analysis and interpretation outcomes to explain the magnitude of the disparities between the planned budget and its actual implementation. Additionally, suggestions were given to aid the Bandung Class II Port Health Office in enhancing its budget management in the future. This research employs a quantitative descriptive method to present a thorough overview of the variation in budget realization. The aim is to give an evaluation and reference material for relevant agencies, assisting them in enhancing the efficiency and effectiveness of budget utilization.

RESULTS AND DISCUSSION

This study aims to examine the variation in budget implementation at the Bandung Class II Port Health Office using quantitative descriptive methodologies. The data comprises the projected budget and its implementation from 2020 to 2023. The research findings indicate oscillations in the actualization of the budget, which demonstrate diverse dynamics in the agency's financial management.

The budget realization rate in 2020 was 92.75%. While this realization demonstrates effectiveness in budget allocation, other expense categories undergo substantial variances. For instance, the allocation of funds for acquiring medical equipment was only partially achieved due to difficulties encountered in the procurement process. Furthermore, numerous health programs cannot achieve their maximum effectiveness due to abrupt policy alterations. This issue demonstrates that despite effective budget planning, the field frequently encounters unforeseen problems during implementation.

In 2021, there was a rise in the percentage of budget realization, reaching 95.78%. The rise was attributed to multiple factors. Initially, there have been enhancements in the planning system and more rigorous budget monitoring. Furthermore, enhanced collaboration among departments in the Bandung Class II Port Health Office facilitates the streamlined execution of programs and the procurement of commodities, resulting in increased efficiency. In addition, providing financial management training to staff members also enhances the efficiency of budget allocation. The rise in budget implementation indicates that the management's efforts to address various challenges encountered in the previous year have been successful.

However, in 2022, there is a slight decline in the percentage of budget implementation, namely to 95.08%. While the decline may not be substantial, it is nonetheless worrisome as it suggests the presence of an underlying issue that requires identification and resolution. Additional examination reveals that the decrease was mainly caused by technical issues in acquiring products and services and policy modifications that impacted the distribution of funds. Various spending items, including operations and maintenance costs, were delayed in being realized due to complex administrative processes. In addition, the ongoing COVID-19 epidemic has impacted various aspects of financial management, including limitations on activities and shifts in program priorities.

In 2023, there was a significant decrease in the percentage of budget implementation, specifically to 92.59%. This decline indicates more substantial challenges in financial administration at the Bandung Class II Port Health Office. The primary driver of this reduction is the economic volatility caused by the ongoing pandemic, leading to reduced budgets from the central government. Additionally, changes in the organizational structure and the implementation of new policies further affected the budget planning and realization process. Several initiatives were either delayed or terminated due to budget constraints, while others were modified to adapt to the prevailing circumstances. These factors highlight the significant impact of external factors, particularly the ongoing pandemic, on budget management in the public sector.

In addition, variance analysis reveals continuous discrepancies between the intended budget and the actual reality for various expenditure categories. For instance, the allocated funds for training and human resource development should be more adequately utilized. This phenomenon is attributed to many variables, encompassing shifting priorities, temporal limitations, and impediments encountered during training initiatives. This departure highlights the necessity for a comprehensive assessment of requirements and goals in human resource development, together with adaptable planning to accommodate potential alterations.

Financial management's managerial and technical capacity is another aspect that affects budget realization. Despite implementing financial management training, there are certain areas for improvement in budget management, including inadequate interdepartmental coordination, procurement process delays, and the inability to adapt the budget to evolving circumstances. This condition highlights the necessity for a more methodical endeavor to

enhance managerial and technical proficiency, including augmenting information technology's utilization in financial management.

The findings of this study also demonstrate that there are other measures that may be implemented to enhance the efficiency and efficacy of budget utilization at the Bandung Class II Port Health Office. These measures, if implemented effectively, can lead to significant improvements in budget management. Initially, it is imperative to enhance the budget planning process by augmenting the involvement of all departments in the process of budget planning and allocation. Furthermore, enhancing the internal audit system and conducting periodic assessments of budget implementation are necessary measures to enhance budget oversight. Furthermore, it is imperative to enhance the utilization of information technology in order to optimize budget management by improving efficiency and precision. Furthermore, there is a need for ongoing enhancement of financial management training for staff to guarantee that all personnel possess the requisite expertise and abilities in budgetary administration.

This research aims to enhance financial governance in the public sector, particularly at the Bandung Class II Port Health Office, in the future. By comprehending the factors that impact budget realization variances, these organizations can develop more efficient techniques to oversee their budgets. In addition, this research offers valuable information for policymakers to develop more effective budgetary strategies to enhance accountability and openness in allocating public expenditures.

In general, this research demonstrates that the budget management at the Bandung Class II Port Health Office has made various advancements throughout the years despite the remaining obstacles that must be addressed. The efficiency and efficacy of budget use can be enhanced by making advancements in planning, supervision, and financial administration. Furthermore, utilizing information technology and enhancing managerial skills are crucial factors in attaining improved budget management. Therefore, the findings of this study might serve as a means of assessment and a source of information for relevant organizations in their endeavors to enhance fiscal administration and deliver superior public services.

This research employs extensive variance analysis to elucidate the extent to which projected budgets and their actual implementation can deviate due to diverse causes. The findings of this study indicate that despite effective budget planning, the implementation in practical settings frequently encounters unforeseen obstacles. Hence, it is imperative to be adaptable in the process of budget planning and management in order to accommodate any potential alterations. In addition, it is crucial to regularly assess the implementation of the budget and any deviations that may arise to guarantee its efficient and effective utilization.

This research is expected to serve as a preliminary step toward future public sector budget management research. By gaining a more profound comprehension of budget realization variances, government agencies can pinpoint areas that require enhancement and devise more effective tactics to enhance budget management. The primary objective of this research is to offer suggestions that can assist the Bandung Class II Port Health Office in enhancing its budget management. This condition will enable the office to perform its duties and functions more efficiently and significantly impact public health at the port.

CONCLUSION AND RECOMMENDATION

This study has examined the fluctuations in budget implementation at the Bandung Class II Port Health Office from 2020 to 2023. The research findings indicate that there were oscillations in budget implementation, with a realization rate of 92.75% in 2020, which then rose to 95.78% in 2021 but subsequently declined to 95.08% in 2022 and further dropped to

92.59% in 2023. The variance is influenced by factors such as regulatory changes, technical impediments in obtaining goods and services, and the effects of the COVID-19 epidemic. Although attempts have been made to enhance efficiency by implementing enhancements to the budget planning and monitoring system, obstacles in financial management persist, including a need for interdepartmental cooperation and delays in the procurement process.

According to the study findings, numerous corrective measures may be implemented to enhance budget management at the Bandung Class II Port Health Office. Enhancing the budget planning process by using a more participatory approach is imperative. This condition may be achieved by actively engaging all departments in creating and allocating the budget. This will guarantee that the projected budget is more pragmatic and aligned with each department's requirements.

Enhancing the internal audit system and conducting regular assessments of budget realization are necessary steps to enhance budget monitoring. Thorough surveillance will aid in promptly detecting and resolving budget anomalies. There is a need to enhance the utilization of information technology in budget management. Implementing an integrated and technology-driven management system can enhance the efficiency and precision of budget management, reducing errors and delays.

In addition, enhancing managerial and technical proficiency in financial management is crucial. Financial management training for workers must be enhanced to guarantee that all employees possess the requisite knowledge and abilities in budget management. This training will enhance budget efficiency and personnel capabilities in effectively managing changes and problems. In addition, agencies must reassess the priorities of planned programs and activities to ensure that budget allocations align with current needs and circumstances.

This research aims to enhance financial governance in the public sector, particularly at the Bandung Class II Port Health Office, in the future. To enhance their budget management, these organizations can develop more efficient methods by comprehending the factors that impact budget realization discrepancies. This research offers valuable insights for policymakers in developing more effective budgetary strategies to enhance accountability and transparency in the utilization of public funds. The primary objective of this research is to offer suggestions that can assist the Bandung Class II Port Health Office in enhancing its budget management. This will enable the office to perform its duties and functions more efficiently and significantly impact public health at the port.

REFERENCES

- Badrudin, R., & Rimawan, M. (2022). The flypaper effect as political budget to achieve economic growth in Eastern Indonesia. *International Journal of Trade and Global Markets*, 15(3), 313-331.
- Firnanda, A. M. F., Satriya, B., & Sukowati, P. (2024). Reinventing Social Policy in Housing Finance Policies for Low-Income Communities: Policy Evaluation Study Regarding Ease and Assistance in Acquiring Homes for MBR in Urban Areas of East Kutai Regency of Indonesia. *International Journal of Research in Social Science and Humanities (IJRSS)* ISSN: 2582-6220, DOI: 10.47505/IJRSS, 5(4), 66-90.
- Giroth, L. G. J., Lumapow, H. R., Tiwa, T. M., & Rotty, V. N. J. (2022). Implementation of Education Digitalization Policy in the ERA of the Covid-19 Pandemic (Case Study at the Department of Education and Culture Manado City, North Sulawesi Province). *International Journal on Integrated Education*, 5(6), 39-51.

- Karim, R. (2021). The Effect of Work Motivation and Leadership Styles on Employee Performance (Case Study at the Class III Port Administration Unit Office-Serui, Yapen Regency, Papua). *Work*, 5, 25.
- Napitupulu, C. A., Dompak, T., & Salsabila, L. (2024). Comparative Analysis of Political Dynamics and Public Policy in Infrastructure Development: A Study of Indonesia and India. *Journal of Contemporary Local Politics*, 3(1), 15-27.
- Nasution, N., Sarmini, S., Warsono, W., Wasino, W., & Shintasiwi, F. (2021). Using coping strategies of informal sector traders amid covid-19 in indonesia for social studies teaching materials on realizing sdgs. *Journal of Social Studies Education Research*, 12(3), 144-174.
- Nugroho, Y. (2021). Institutions, Outputs and Outcomes. *Journal of Southeast Asian Economies*, 38(3), 296-319.
- Satrio, R. B., Hidayat, A. K., & Hayati, A. (2023). The Impact of Transjakarta Bus Rapid Transit (BRT) Operationalization on Economic Growth and Unemployment Rate in DKI Jakarta Province. *Quantitative Economics and Management Studies*, 4(2), 261-277.
- Seran, Y. B., Pandie, D. B., & de Rosari, P. E. (2022). Strategic Plan of One Door Integrated Services and Investment Services (DPMPTSP) In Increasing Investment In Malaka Regency. *Academic Journal of Educational Sciences*, 6(1), 62-84.
- Sigiro, E. E., Marjuka, Y., Yudea, R., & Alim, T. E. (2022). Identifying The Village Fund's Effectiveness in Strengthening Sustainable Tourism Villages. *Journal of Event, Tourism and Hospitality Studies*, 2, 77-105.
- Sinaga, M., Zalukhu, R. S., Hutaaruk, R. P. S., & Collyn, D. (2023). Convergence of regional GDP Percapita among the big islands in Indonesia. *JPPi (Jurnal Penelitian Pendidikan Indonesia)*, 9(2), 818-829.
- Sulaiman, H. A. (2022). The Effect of Human Resource Planning Policy Implementation in Transforming Human Resources Performance of PT Indowebhost Kreasi. *Journal Boas: Business, Economics, Accounting And Management*, 1(01), 29-35.
- Surya, B., Hamsina, H., Ridwan, R., Baharuddin, B., Menne, F., Fitriyah, A. T., & Rasyidi, E. S. (2020). The complexity of space utilization and environmental pollution control in the main corridor of Makassar City, South Sulawesi, Indonesia. *Sustainability*, 12(21), 9244.
- Syabariyah, S., Kusuma Wardani, P. P., Aisyah, P. S., & Hisan, U. K. (2024). Mobile health applications for self-regulation of glucose levels in type 2 diabetes mellitus patients: a systematic review. *Family Medicine & Primary Care Review*, 26(1).
- Vidyattama, Y., Husna, M., & Yudhistira, M. H. (2023). COVID-19: The issue of policies and its implication for Eastern Indonesia. *The Australasian Journal of Regional Studies*, 29(2), 207-233.
- Yan, K. (2023). Navigating between China and Japan: Indonesia and economic hedging. *The Pacific Review*, 36(4), 755-783.
- Yudhistira, M. H., Sofiyandi, Y., Indriyani, W., & Pratama, A. P. (2021). Heterogeneous effects of visa exemption policy on international tourist arrivals: Evidence from Indonesia. *Tourism Economics*, 27(4), 703-720.

Zubaydah, R., Afifuddin, S. A., & Albar Tanjung, A. (2022). The influence of infrastructure, investment and economic growth on the welfare of the community through employment opportunities in North Sumatra Province. *International Journal of Research and Review*, 9(5), 343-366.