

ABSTRACT

This study evaluates the application of budget performance efficiency indicators in the Work Unit of the Higher Education Service Institution (LLDIKTI) Wilayah VI with a focus on Performance-Based Budgeting. In the context of increasing demands for transparency and accountability in public financial management, this study focuses on the effectiveness and efficiency of budget use and its impact on achieving development goals. This study also explores strategies to optimize the efficiency of the Satker and outlines alternative ideal efficiency calculation formulas.

The research methodology used is a case study qualitative approach with in-depth interviews with resource persons who are in direct contact with budgeting and secondary data analysis of budget performance reports. The data collected includes budgeting information from 2021 to 2023. The results showed that there was a misalignment between the efficiency formula applied and the policy of accelerating budget realization. This has the potential to reduce the final results of the Budget Performance Score, even though the output achievements and budget absorption have been maximized. In addition, the results of the evaluation state the need to adjust the efficiency formula to ensure harmony between efficiency, effectiveness and policies to accelerate budget absorption.

This study recommends the development of an alternative efficiency formula that is more proportional to program output achievements and budget realization. Thus, efficiency evaluation can be carried out more fairly and accurately, reflecting the real performance of work units. The findings are expected to contribute to the development of a more effective and efficient budget management system in the public sector, as well as provide a basis for policy makers in setting more appropriate performance indicators.

Keywords: Performance-Based Budgeting, Higher Education Public Service Agency, Effectiveness, Efficiency, Budget Performance Evaluation, Public Financial Management.