

# SIMAKU-PT: Implementation of Financial Performance for Higher Education Governance Using Web Based Applications

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## *Abstract*

General phenomenon in Indonesian states that universities in this country are still haven't implement the principles of Good University Governance. Universities have strategic role in advancing science and technology by applying the value of the humanities as well as the cultivation and sustainable empowerment of the nation in accordance with Law No. 12 Year 2012. This study uses a technical judgment sampling survey with Research and development approach. The results of research outcomes in form of web based budget implementation called Management and Financial Accounting Information System in Higher Education (SIMAKU-PT) with features: Performance based Budgeting, financial administration, accounting in accordance with Statement of Financial Accounting Standards (PSAK) No. 45 of not for profit accounting with integrated accrual basis. SIMAKU-PT is able to produce a performance-based budget based on strategic plans of Higher Education according to the principles of money follow function and value for money, it is able to support the system of disbursement and accountability of funds in a transparent and accountable use of the money should accounted mechanism with a system of imprest fund or fixed funds, and able to produce financial reporting integrated with the budget include are: budget realization reports, activity reports, statements of financial position and cash flows in accordance with the provisions of PSAK No. 45. The model supports financial governance for College transparency and accountability towards Good University Governance. This study was the first in Indonesia which produce innovative technology in universities governance. Research products have been implemented in some universities such as University of Muhammadiyah (UM) Yogyakarta, UM Jember, UM Tangerang and School of Transport Management (STMT) Trisakti.

**Keywords:** SIMAKU-PT; good university governance; performance-based budgeting; money follow function; accrual basis

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## INTRODUCTION

Governance and management have terms that relate to the implementation of organizational functions effectively and efficiently. United Kingdom Audit Commission (2003) notes Governance as accountability framework where users and stakeholders have a goal to achieve the expected objectives. The current trend requires not just governance but good governance which have an implementation in the form of performance management programs, and the provision of

strategic resources and appropriate. Aspects of governance focuses on doing the right thing, while management is more focused on doing it right.

Comprehensively, the development of an organization such as universities must be initiated by a good foundation of governance so that the vision and mission of the organization in future could be seen clearly, and followed by good management to support the achievement of governance (Osahon et al, 2006). College has a strategic role in improving the quality of the generation stated in the law No. 12 of 2012 about Higher Education in Indonesia. Where there is a significant level of quality assurance activities to improve Higher Education in the Global level, national and regional (Kiewelo, 2013). Moreover, Indonesia continues to reorganize and enhance the function of college through regulations for state universities and higher education organized by the public. In fact the quality position of higher education in Indonesia compared with universities around the world has not been encouraging, because it is still in lower position (UNESCO, 2013).

On the other hand, universities can not be separated with the advancement of Information and Communication Technology or ICT which highly leverage for performance-based financial management. ICT are influential forces in society which in turn move to universities as industry. The industrial revolution has shifted from learning model, traditional research to be more varied in interactive responsive and become more individualized (Jatmiko, 2015). Alignment colleges with ICT could be synergized to carry out the mandate of public so that they will be able to actualize the legitimacy, transparency, accountability and responsibility. This is in accordance with Statement of Financial Accounting Standards (PSAK) No. 45 which is a non-profit organization in the form of funding universities must be managed properly so that it will be able to actualize the performance to meet the two main principles: the principle of money follow function and value for money (Ismail AN, 2016).

This study emphasizes the aspects of ICT such as the implementation of innovative applications named Management and Financial Accounting Information System in Higher Education (SIMAKU-PT) that is able to be a catalyst to achieve good university governance to the standards of a world class university.

## LITERATURE RIVIEW

Various accounting literature states that colleges carry out the mandate to improve the quality of human resources be more qualified, has the function of social control, to support cultural preservation, became the center of training and workforce development, and the formation of attitudes. Inkeles and Smith (1974) stated that education is the most effective tool to change human beings, the impact of education in the formation of the human qualities twice or three times more powerful than others. Maintain and improve the quality and limitations of resources is a challenge that should always be addressed properly especially for private universities. Their task is not easy and limited resources make the universities should be best managed. One aspect of management that has to laid well first is financial management. To support the realization of good governance required more modern alternatives financial management (Cohen and Levinthal, 1990). Financial management is called Performance-Based Financial Management.

Financial Management performance based must meet at least two aspects, which is money follow function and value for money. Money follow function principle is a principle where money follows the function, it means that the planning and implementation of the new funding can be made after the organization has a clarity of function (Pratolo, 2015b). The function indicated by the strategic planning of an organization. Based on these activities the organization compile a financial planning in the form of a budget.

Universities in Indonesia is a public sector organization. Financial reporting follows the provisions of Accounting Standard (PSAK) No. 45, which is The Accounting Standard for Non Profit Organization Non Profit Accounting Standards Organisation. In PSAK No. 45 appointed that the Financial Reporting for Non Profit Organizations include: Activities Report, Statement of Changes in Net Assets and Statement of Financial Position. Activity Report is a report that presents the revenue and expenditure of the organization in the current year (Jatmiko, 2015). Also in need of performance audit or commonly called value for money audit is an audits to evaluate

the extent of the operational processes of an organization to achieve economizing, efficiency, and effectiveness (Pratolo, 2015a). Performance audit could be held when predetermined performance indicators and targets both in the aspect of cost of inputs, inputs, outputs, and outcomes. Determination of indicators need to consider certain aspects, i.e: Specific, Measurable, Attainable, Realistic, and Timeline (SMART).

Higher Education financial reporting process is now in synergy with ICT products. To be able to apply an ICT good governance, it is absolutely necessary from planning, implementation processes and management of ICT that will be apply should be based on standards that has already got acknowledgement widely. So the design of web-based applications has launched and given name (SIMAKU-PT).

**RESEARCH METHODOLOGY**

This study used a qualitative approach which is both research and development aims to reveal in-depth information and in accordance with the purpose of research. The data collected by combining a variety of ways: a literature study, field observation depth interviews (indepth interview). The study of literature has used to search the various libraries in line with the study, both articles, studies and textbooks; Field observations made by examining in depth the website that becomes object of study; In-depth interviews conducted with internalization question, swooping and focus on issues that were examined (Pratolo, 2015a). The sample used purposive sampling technique. In the process development sample consists of (1) testing black-box respondent, (2) respondents of functionality and usability aspects testing. The main object of this research is the University of Muhammadiyah Yogyakarta. Clearly the approach and steps in implementing science activities until the product is acceptable and beneficial to both users, researchers will explain it as follows:

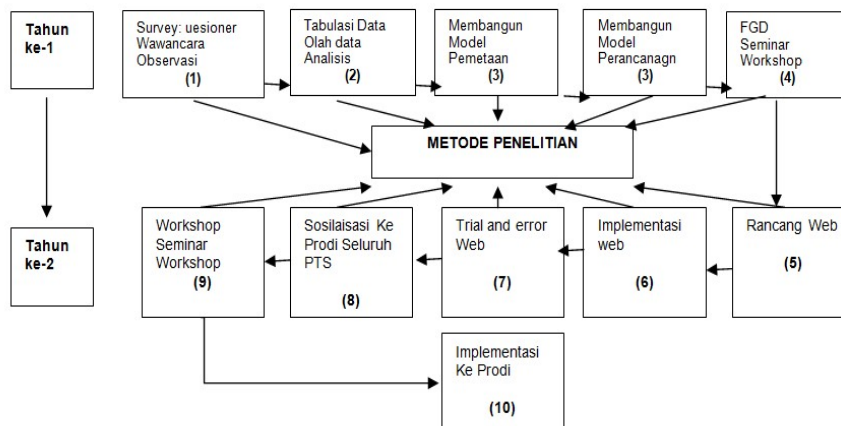


Fig. 1: The Cycle of Research Method (Pratolo, 2015a)

**FINDING**

This study has successfully performed design performance-based financial management for college. SIMAKU-PT being copyrights registered in the by Ministry of Law and Human Rights with the registration number: C14.2015.00046. Here is an explanation of the SIMAKU-PT.

**A. Access to SIMAKU-PT**

The login page is used to enter the SIMAKU-PT system for each party who has the duties and functions of each, including the admin function of controlling the system, units and sub-units function, cashier function, and accounting functions.

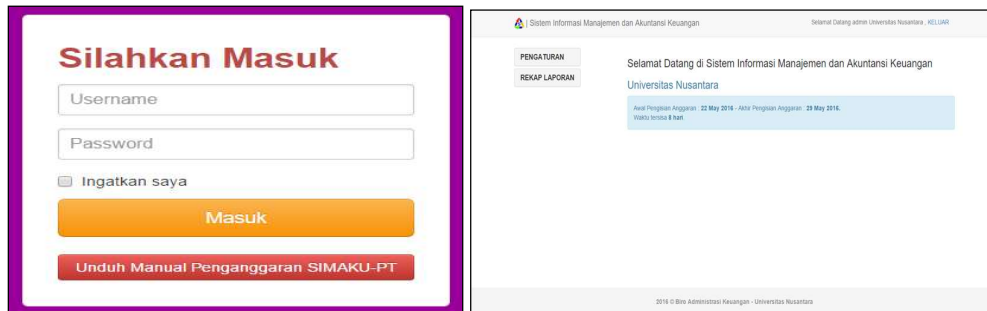


Fig. 2: Username and Main Home for SIMAKU-PT

**B. Work unit settings and work unit password**

The setting of work unit is including working unit code, name of work unit, user name and password. After the account settings or CoA (Chart of Account) include post level, group level, the species level, object level, and the level of object details as shown in Figure 3 below:

No	Kode Unit	Nama Unit	Nama User	Password	Actions	Status
1	01.00	Rektorat	0100	0100untara	Ubah	ok
2	01.01	Rektor	0101	0101untara	Ubah	ok
3	01.02	Wakil Rektor 1	0102	0102untara	Ubah	ok
4	01.03	Wakil Rektor 2 (otorisator 2)	0103	0103untara	Ubah	ok
5	02.00	Fakultas Ekonomi	0200	0200untara	Ubah	ok
6	02.01	Dekanat FE	0201	0201untara	Ubah	ok
7	02.02	Prodi Manajemen	0202	0202untara	Ubah	ok
8	10.00	Biro Keuangan	1000	1000untara	Ubah	ok
9	10.01	Kabiro Keuangan (otorisator 1)	1001	1001untara	Ubah	ok

Kode	Keterangan	Action
1	Aktiva	update   hapus
2	Kewajiban	update   hapus
3	Aktiva Bersih	update   hapus
4	Penerimaan	update   hapus
5	Biaya	update   hapus

Fig. 3: Output details of expenditure per activity of work unit and Output Budget Recap on SIMAKU-PT

**C. Module of The Unit Planning and Budgeting**

Budgeting module for units is used to setup a vision-mission work units, programs and activities of work unit for each business process, and to make the detail of revenue and budget revenue and expenditure budget. Planning and budgeting mechanisms of work units using SIMAKU-PT can be explained as follows: Planning and budgeting of facilities that exist on work unit is a setting facility used for strategic planning vision, mission, goals, and objectives; determine the activities and arrange details budget of perform each activity; also the facilities to produce recap budget output in each unit as shown in figure 4 (read: from left to right).

FORM RINCIAN PENDAPATAN/BELANJA SUB-KEGATAN Tahun Anggaran 2015/2016		Rinci Pendapatan/Belanja	
INDUK BELANJA		Induk Anggaran	
KODI UNIT/KELUA		01.00	
KODE PRODI/BIK		0	
NAMA PRODI/BIK		0100untara	
NAMA PROGRAM/KELOMPOK		0101	
REKAP		Rekap/kegiatan	
NAMA KELOMPOK		0102	
LATAR BELAKANG		0103	
REKAP		0200	
INDUK PENDAPATAN		0201	
JADWAL		0202	
SUMBER DANA		1000	
No. Bk		1001	
REKAP PENDAPATAN			
REKAP BELANJA			
1154	Biaya yang akan		900.000
11543	Biaya yang akan		900.000
115431	Biaya yang akan		900.000
1154311	Biaya yang akan		900.000
	kegiatan	0101	900.000
		0102	0.000
		0103	0.000
		0200	0.000
		0201	0.000
		0202	0.000
		1000	0.000
		1001	0.000
		1002	0.000
		1003	0.000
		1004	0.000
		1005	0.000
		1006	0.000
		1007	0.000
		1008	0.000
		1009	0.000
		1010	0.000
		1011	0.000
		1012	0.000
		1013	0.000
		1014	0.000
		1015	0.000
		1016	0.000
		1017	0.000
		1018	0.000
		1019	0.000
		1020	0.000

REKAP BERBASIS FUNGSI									
Rekap Total Universitas									
Rekap Total Sub Unit									
Rekap Total Per Unit									
Unit Kerja: 0101 (01-02)									
No	Jenis Kegiatan	Kegiatan	Latar Belakang	Tujuan	Lingkup	Jadwal	Pendapatan	Belanja	Sumber Dana
PROSES BISNIS 1: PENGELOLAAN SUMBER DATA									
1	Rutin	Pembelian dan pemeliharaan bangunan	Karena ...	agar ...	internal kampus	Desember 2016	0	15.000.000	SPP
							SUB TOTAL	0	15.000.000
							TOTAL	0	15.000.000
Unit Kerja: Prodi Manajemen									
No	Jenis Kegiatan	Kegiatan	Latar Belakang	Tujuan	Lingkup	Jadwal	Pendapatan	Belanja	Sumber Dana
PROSES BISNIS 2: KEMAHASISWAAN									
1	Rutin	Pembelian jasa cetak dan pembelian kertas	Untuk keperluan ...	agar ...	mahasiswa ...	Januari 2016	0	900.000	SPP
							SUB TOTAL	0	900.000
							TOTAL	0	900.000

Fig. 4: Output details of expenditure per activity to work unit and Output Budget Recap on SIMAKU-PT

### D. Financial Administration Module

Modules of the financial administration used for the processing of submissions disbursement sub unit, authorization Letter of Request for Payment by the head of the unit, set up Payment Order (SPM) and the authorization of SPM and printing evidence of disbursement of cash to the unit by the cashier, as shown in figure 5 -7:

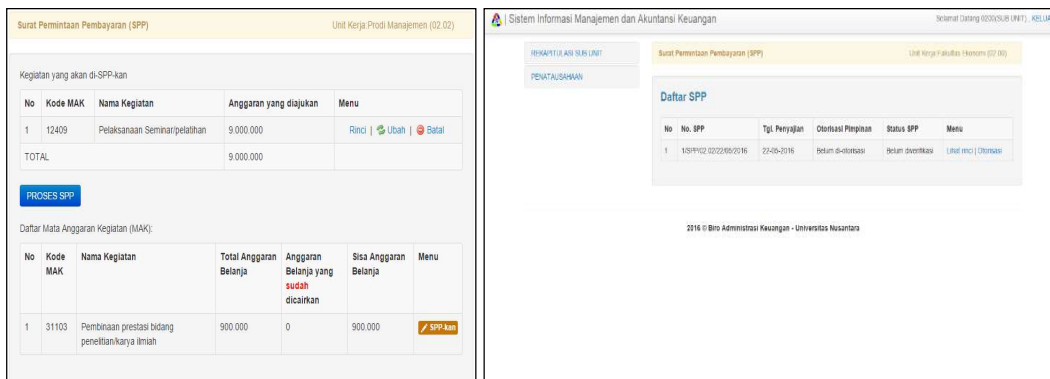


Fig. 5: SPP processing and authorized by Leaders on SIMAKU-PT

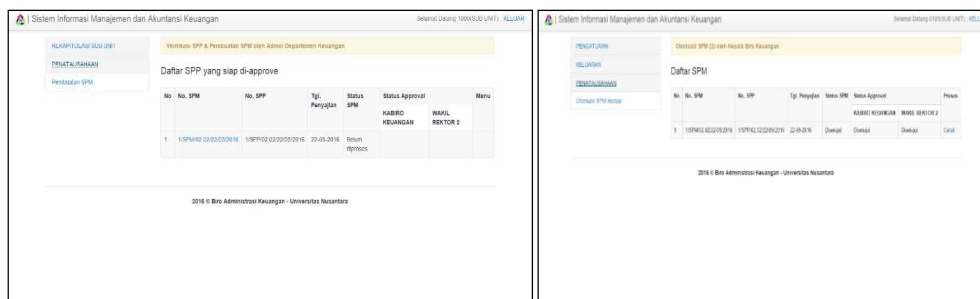


Fig. 6: SPM setup and authorization on SIMAKU-PT

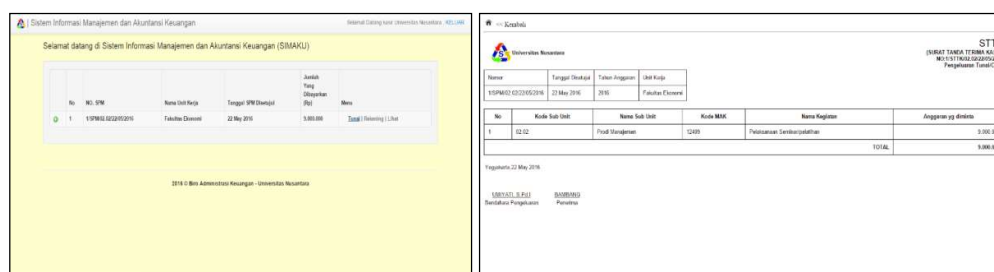


Fig. 7: Cash Disbursement and Issuance of Certificate of Teller Cash Out on SIMAKU-PT

### E. Accounting and Financial Reporting Module

Accounting and financial reporting module is used to automatically perform accounting records and produce working papers and financial reporting in accordance with the provisions of Statement of PSAK No. 45 about Accounting for Non-profit Organization. The ledger includes the working papers and the list of balances. Financial reporting includes the Budget Realization Report based on nature and function-based, Activity Report and Statement of Financial Position. The accounting process and the preparation of financial statements presented in Figure 8-9 as follows:

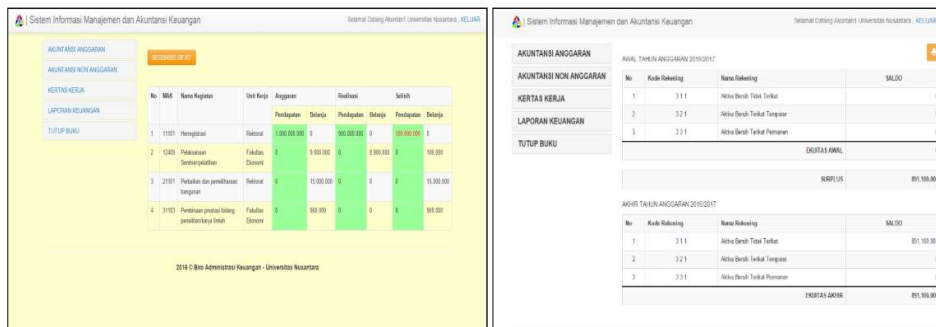


Fig. 8: Budget Realization Report and Statement of Changes in Nett Assets on SIMAKU-PT

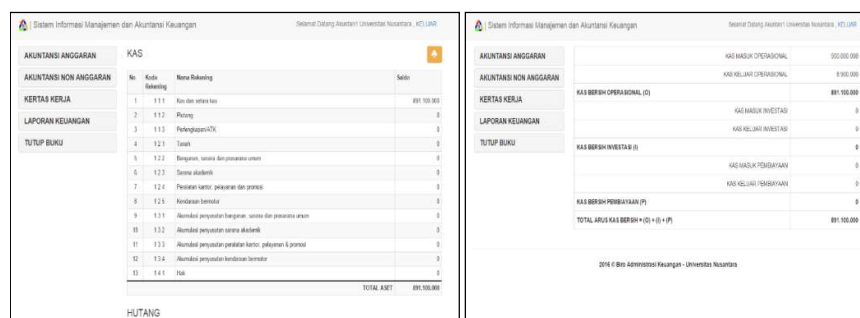


Fig. 9: Statements of Financial Position and Cash Flow Statement on SIMAKU-PT

SIMAKU-PT Applications provides the speed and accuracy of the financial management process in college based on performance and providing trust to human in the loop. SIMAKU-PT also includes support to the establish of structured dialogue between creative people and technology developers and to the integration of artists into research and innovation project. This application is able to support the creation of good university governance. This application has been successfully used in University of Muhammadiyah (UM) Yogyakarta, UM Jember, UM Tangerang (still in progress) and School of Transport Management (STMT) Trisakti (still in progress). Therefore SIMAKU-PT application proven the synergy between universities and ICT so it realized the legitimacy between stakeholders and the community.

### CONCLUSION AND SUGGESTION FOR FUTURE RESEARCH

University is a nation's efforts to achieve national development and human resources development is one of the determining factor. The college is entity that has a vision and mission to educate the nation through *Tridharma Perguruan Tinggi*. In running the wheels of college at the moment, there are three aspect that must be considered, they are the aspect of governance, management, and ICT. Governance is a formulation of what would they be what and where will the university go. Management is an effort made to meet governance. Good governance will drive good management and good management would encourage the achievement of good governance. ICT is an aspect of technology which is able to be a catalyst for speed, accuracy, and efficiency of resources. SIMAKU-PT is present as a catalyst for the advancement of university management to actualize Good University Governance in Indonesia.

The limitation in this study is developing system must consider about the culture aspect. When the system is ready the cultural aspect must be changed. Important to note, a good system should work together with people who want to accept the changes.

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