
PLANNING, BUDGETING, FORECASTING AND FINANCIAL EVALUATION AT PKU MUHAMMADIYAH BANTUL HOSPITAL

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Abstract

Planning, budgeting, forecasting and financial evaluation have a contribution in providing hospital business strategies both in the short and long term. The importance of careful planning in the preparation of budgeting and the right forecasting to improve budget management performance in the hospital. This research is qualitative research with interview data collection techniques, and observation in the form of questionnaires as supporting data. Data analysis using 3 stages, namely data reduction, data presentation, and conclusion drawing. The planning process in PKU Muhammadiyah Bantul Hospital is known to have run quite well, budgeting goes according to procedures by using applications and the budgeting process is bottom up so as to improve management performance, while evaluations are carried out every 6 months by the finance manager. The planning, budgeting, forecasting and financial evaluation at PKU Muhammadiyah Bantul Hospital is known to have run quite well. The existence of technical and human resource barriers has caused the process to run less optimally. There is a need to improve the improvement of applications and improve the performance of human resources related to budgeting.

Keywords: Planning, Budgeting, Forecasting, Financial Evaluation, Financial

INTRODUCTION

Budget preparation is an important part of the accounting system in corporate agencies in all fields, including health agencies. Hospitals as Public Service Agencies (BLU) and Regional Public Service Agencies (BLUD) which serve the public interest, must plan an optimal service strategy to the community. Therefore, as a government agency, hospitals in carrying out their operations must focus more on efficiency and effectiveness (Ashanti, 2014).

In order to achieve such effectiveness and efficiency, there has been a reform in the field of calculating costs at the Hospital with the issuance of Government Regulation No. 23 of 2005 and the Minister of Home Affairs Regulation No. 61 of 2007 concerning unit cost calculation based on performance measurement and budgeting.

Zuraidha's research (2014) in RSUD Bangil Pasuruan shows that although the current budget system has generally been said to be good, ideally the performance-based budgeting system has not been achieved, where there are several things that have not

been implemented optimally, such as: the stage of determining performance indicators not yet indicators of benefits and impacts on each program that is compiled, the absence of a standard expenditure analysis (ASB) as a reference for budget preparation, budget calculations are still based on historical data and logical estimates, and at the accountability stage there has not been a cash flow statement as a part from BLUD financial statements.

Budget comparative report analysis conducted by Fadillah (2017) shows that generally problems faced by hospitals related to budget calculations are, less rigorous in predicting the budgeted costs, in addition to weak supervision of the realization of budgeted income and costs can also make the difference not profitable because the Hospital focuses on social obligations to provide optimal services.

Planning, Budgeting and Forecasting (PPE) must function well to support the business in understanding how its activities are taking place, so that it has a contribution to providing a long-term strategy. This is a way to allocate resources to have strategic business objectives and plan actions to

help meet the company's strategic goals in response to changing things for the better. Where in the face of challenges that increasingly challenge the business environment shows that the current PPE process is still less than optimal, and many companies whose performance management processes do not meet strategic or operational business needs (O'Mahony et al, 2016).

The importance of a mature planning in the preparation of budgeting and the right forecasting to improve the performance of budget management in hospitals, especially in the field of accounting management, where the budget control system is a common tool used in controlling costs and improving performance.

Through planning, implementing and auditing budgets, managerial functions (planning, coordination, motivation, and control) can operate more effectively and efficiently. As a Public Service Agency, PKU Muhammadiyah Bantul Hospital is fully responsible for structuring financial management as well as the course of business. In order to achieve maximum service, one of them is to organize

sound financial governance to support organizational growth.

To increase the acceleration of the performance indicators that have been set, it is necessary to maintain the continuity of hospital service improvement programs. There is a need for systematic, directed, integrated planning in the overall business budgeting, synergy by involving cooperation and commitment from all units / installations / sections / fields. That's why every year PKU Muhammadiyah Hospital carries out the activities of preparing a Business Plan and Budget (RBA).

RBA in the hospital is an important factor, in the application in the hospital requires the preparation of planning, budgeting and RBA evaluation in the hospital. Based on the explanation, the researcher was interested in conducting research with the title "Planning, Budgeting, Forecasting and Financial Evaluation at PKU Muhammadiyah Bantul Hospital."

RESEARCH METHODS

This research is a qualitative research with data collection techniques namely interviews and observations in

the form of questionnaires as supporting data. Data analysis using 3 stages, namely data reduction, data presentation, and conclusion drawing / verification.

RESULT AND DISCUSSION

The purpose of this study was to find out the planning, budgeting and forecasting activities at PKU Muhammadiyah Bantul Hospital. The results of the interview revealed that the planning activities at PKU Muhammadiyah Bantul Hospital had gone well seen from the planning that was arranged based on long-term and short-term planning. This shows that PKU Muhammadiyah Bantul Hospital has compiled budget planning through programs related to human resources both in terms of quantity and quality of human resources (development/ training through training and development), preparation of work programs, and setting time targets.

Zuraidha's (2014) previous research shows that the most important thing to do in implementing budget planning is to formulate strategic objectives that refer to business strategic planning. This means that

PKU Muhammadiyah Bantul Hospital has carried out budget planning in accordance with the reference of the strategic plan based on Government Regulation Number 23 of 2005 concerning BLU Article 10 Paragraph (1) Financial Management that the BLU / BLUD Business Strategic Plan must refer to the Strategic Plan or RPJMD.

PKU Muhammadiyah Bantul hospital is known to study the environment both internally and externally first. Where internal environmental studies are carried out based on the conditions of the Hospital and the needs of patients, while the current external environmental assessment is in the form of BPJS regulation. In line with the statement of Suyatno, et al (2018) which states that environmental assessment is the initial stage in the planning process which contains elements of uncertainty, the planning of health service activities relies on how well the hospital anticipates events that will occur in the future.

The study of planning can provide an overview of the planning team in anticipating and dealing with various changes that will occur in the

future. Both in the form of threats and opportunities to improve the financial management compilation team and of course maintain the survival of the hospital. Munandar (2013) states that planning can be used as an alternative choice when a company is expected to have various alternative choices which inevitably have to be chosen to stay afloat in running the company's operational activities. In addition, the planning will make all activities from existing parts of the hospital coordinated.

Interview with the Secretary of the Work Program and Budget Preparation Team stated that the budget planning process at PKU Muhammadiyah Bantul Hospital used a top down system to the middle manager. Top management will provide direction at the end of the year using strategic initiatives. After being compiled into programs by the middle manager, the program was printed and made one and then authorized by the Implementing Agency after recapitulation into a budget book.

The existence of a good budget planning will have an impact on the preparation of a good budget also

because the planned work program will help make budgeting more optimal. Supported by the interview results that the results of the planning and budgeting process carried out by the hospital are work programs that include operational budgets, investment budgets and a more effective cash budget. The existence of a work program is also beneficial for the achievement of the budget targeted by the hospital, where PKU Muhammadiyah Bantul Hospital always increases the minimum income target of 10-20% every year.

In line with Michael's (2017) expression, that budgeting is one of the management tools used in achieving company goals. In relation to the management control system, the budget preparation process is a plan based on the impact of the work plan on profits. The success of the budget to support the company's goals can be determined from the extent to which the budget can fulfill its functions.

The existence of parties who play a role in the budgeting process is one of the factors that influence the success of financial management in a company, including the head of the budget, director and secretary as well as

the budgeting team. The results of the interviews indicate that the finance department is the party that has the most role in the budgeting process. In line with O'mahony's (2015) research, as many as 65% of respondents stated that the budget part was the party that spent the most time in the budgeting process, while 18% of respondents stated senior / finance chief then 7% of respondents chose managers, and 3% of respondents have a CEO and a part of operations as a party who spends time on budgeting.

The method used by the Hospital in preparing budgeting is to use a combination of bottom up systems and strategic initiatives. In line with Saray's (2014) study which also states that the budgeting at PT. Manado Graphic Media uses the bottom up method, where using this method can improve management performance in preparing the production cost budget in terms of planning and controlling production costs.

PKU Muhammadiyah Bantul Hospital also has budget achievement indicators / targets. Interviews with the Finance Manager, Secretary and Team Work Program and Hospital Budgeting Team stated that the target of achieving

the majority budget was in the form of qualitative taking into account the trend figures in the last 5 years, and analyzed every year between 10 - 20%. This shows that the Hospital has estimates in creating a healthy budget program both in the short and long term. Michael (2017) states that the estimation or projection of future activities is based on the budget, where the accuracy of estimates will result in good planning, coordination and supervision.

After completing the planning and budgeting process by the drafting team at the hospital, reporting and evaluation will be carried out. According to Ratnawati (2011) evaluation is a process of measuring and giving value to how much service benefits that have been achieved based on the objects that should be provided and real whether the results in the implementation have been effective and efficient. Existing evaluations can be used to assess management performance whether good or bad, if it is good then the management will get an award in the form of bonuses or class increases otherwise if the performance is bad then improvements need to be made.

Evaluation activities at PKU Muhammadiyah Bantul Hospital were known to be carried out after the program was completed and reported, thus the financial managers can conduct an evaluation by checking the implementation of the budgeting every 6 months. The evaluation results then provide an overview of the budget implementation that has been achieved and has not been achieved, thus the financial manager will get an overview to do the budgeting process next year based on the evaluation of the budget that has been evaluated.

In line with research Saray (2014) states that budget evaluation and realization of production costs can be used to see the condition of the company so that with the existing evaluation can be seen whether there is a favorable or adverse deviation. Evaluation of the cost budget can be used as a tool to assess the performance of company management. By carrying out evaluations as performance appraisals can help companies in an effort to improve management performance or help companies to correct deviations in production costs so that each realization of production costs

can be controlled in accordance with a predetermined budget.

In the implementation of Planning, Budgeting and Estimation (PPE), as many as 10 (100%) respondents stated that the Director is the party that plays a role in decision making, while the parties who play a role in the PPE process both now and in the future are 7 (70%) respondents stating the financial part and the remaining 30% is operational. In line with Saray's (2014) study, the finance department is a part that is sufficiently involved in the PPE process, where the budget is prepared and studied by the finance department to ensure that the budget details are appropriate or not. Furthermore, the budget submitted by the leader / director is then sent to the production department to be carried out.

There are several obstacles that support the budget section of PKU Muhammadiyah Bantul Hospital in the process of planning, budgeting and estimation, including technical obstacles such as budget reporting, not being able to connect between Syncore and hospital SIM, even though the budget is made manually, so that HR cannot see when there is data those who

forget are not included, not reported and so on, other than that the barriers of human resources such as programs that managers make are more about routine matters and personal behavior, where managers must socialize to each manager that the activities budget must be immediately accounted for.

Technical barriers can be updated and developed through web applications every year, this allows technical barriers to reporting Syncore licenses that have not been connected with the hospital SIM can be developed over time. However, barriers are sourced from human resources, where managers are still required to remind human resources to be able to account for their work by immediately demonstrating that the performance of human resources in the PPE process is still considered less efficient. There is a need for regular and periodic internal controls to increase awareness of human resources for their respective responsibilities. Lacob's (2015) research shows that lack of internal control can lead to waste, embezzlement, inaccurate and misleading accounting, minimal completion of joint work due to lack of financial and management information.

In order to improve the performance of human resources, it is necessary to improve the short-term planning made by the Secretary of the Drafting Team of the Hospital Work and Budget Program in the budget planning process at PKU Muhammadiyah Hospital in Bantul. According to the results of the interview, there are 4 aspects of planning in the field of Human Resources that are of paramount concern to the Hospital, namely: welfare Human resources such as salary increase programs, holiday allowances, year-end bonuses, education subsidies as assistance to their children's school, victim subsidies , recreation, employee sports; developing elementary school skills and skills such as training and training; administrative order related to documentation and SPO and improvements related to facilities and infrastructure.

Based on the results of interviews supported by theory and previous research shows that the planning, budgeting and estimation activities at PKU Muhammadiyah Bantul Hospital have run well where the hospital has planned budgeting based on

short-term plans, long-term plans, and several studies before budgeting. Whereas in the preparation process of the Hospital using a program that is sufficient to support the process of running effectively, supported by budgeting parties who have good quality and quantity that supports the creation of a good PPE. There needs to be an improvement in technical barriers and barriers to human resources that are obstacles for the hospital in the PPE process so that PPE activities at PKU Muhammadiyah Bantul Hospital take place more optimally.

CONCLUSION

1. Budgeting planning at PKU Muhammadiyah Hospital in Bantul has run quite well, where PKU Muhammadiyah Hospital has carried out long-term and short-term planning through environmental assessment activities first.
2. The budgeting process runs according to procedures by using programming applications that are bottom up so as to improve management performance in preparing the budget.

3. The evaluation process is carried out every 6 months by the finance manager. The evaluation results are then used as the basis for making the next year's budget. There are still a number of obstacles in the current PPE process, such as technical and human resource constraints resulting in less optimal PPE processes, so that there is a need for improvements with improvements / improvements in applications and improved performance of human resources related to budgeting.

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