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The Design of Evaluation Model Towards The Public-Service-Agency Financial Management System at Medan State University

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Abstract. The issuance of Indonesian finance minister's decree, No. 362/KMK.05/2018 about the designation of Medan State University as government institution that applies financial management system of public service agency, requires it to have transparant, accountable and well-organized performance evaluation model. The problem that arises in carrying out the evaluation function is the unavailability of performance evaluation model and instruments that can be used to enroll the evaluation process. Thus, this paper attempts to develop a performance evaluation model at Medan State University in achieving its vision and missions. The procedures of this study involve writing research proposal, identification of need analysis, mapping the evaluation model, development, validation, implementation, data processing, and writing report. This study yields a valid model and instruments that can be implemented as a supervisory system to the academic activities at Unimed.

Keywords: Performance Evaluation Model, Financial Management, Public Service Agency, Medan State University

1. Introduction

Since the late 1990s, there was a fundamental movement within the Indonesian government system into reformation era [1]. The new system demands changing in almost every sector of Indonesian educational governance, including higher education. The rapid movement of the demands leave many universities in Indonesia no choice except facing them [2]. Universities, nowadays, are encountered sophisticated operational problems and global challenges to meet the demands. Thus, proper decisions, work fast and flexible are essentially needed. In this case, these situations show that there is a need to have an effective and efficient system in order to achieve Good University Governance (GUG).

According to [3], the paradigm towards the Indonesian higher education system has recently altered. University does not only play its role as the science center, research center and public service, but also as a corporation that needs to compete to ensure its survival. In this case, the competitions among universities usually undergo in quality, price and services [4]. The Indonesian government must be responsible to manage these competing situations among universities that they can enroll well organized the educational activities and public services at the same time [5]. With its authorities, Indonesian government grants otonomy policy to several universities, including Medan State University (Unimed), to implement the Good University Governance so that Indonesian universities have global competitiveness.



In the Regulation of [6] concerning about the Statute of Unimed section 1 which stated that Unimed is a state university that provides academic education and vocational education in various scientific and / or technological disciplines, and if it meets the requirements, it can organize professional education. By the issuance of the Decree of [7] Number 362 / KMK.05 / 2018 concerning the establishment of the Medan State University as an government institution which implements the Public-Service-Agency Financial Management (PK-BLU), the responsibilities and duties of Medan State Universities also alter inaccordace with the PK-BLU regulations.

The issuance of [7], No. 362/KMK.05/2018 about the designation of Medan State University as government institution that applies the Public-Service-Agency Financial Management, requires it to have transparant, accountable and well-organized performance evaluation model. This status will certainly have an impact on the management system of Unimed towards planning, performance of implementation and evaluation, and reporting. In this position, performance of evaluation is one of the most important aspect because Unimed has a working contract with the central government and will be evaluated every fiscal year [8]. However, Unimed does not have a well performance evaluation to undergo such development [9]. Therefore, there is a need to design an appropriate model to conduct evaluation to the performance of Unimed in achieveing its vision and mission and also to fulfill the working contract with the government. Based on the above description, the authors attempt explore the issue “*What is the model for the evaluation of academic performance in Unimed in achieving Unimed's vision and mission?*” will be explored in this paper.

2. Theoretical Framework

2.1. *The Concept of Good University Governance*

The concept of Governance has recently been recognized and become an important component to the sustainable development. Experts attempt to define the meaning of Governance in many contexts, such as [9] stated that governance is about an organisation which directs itself, process and structure used to acquire the goals. Governance is very crucial in terms of how organizations are related and their stakeholders. In this case, governance involves policies and procedures for decision making and control over the direction and management of the organization to be effective [10]. This refers to practices that require supervision, control, disclosure, and transparency [11], university structure, delegation and decision making, planning, organizational coherence and direction [12].

Universities will not be able to achieve the goal of being excellent in all of its visions and missions without applying the basic principles of GUG which are based on the pillars of academic freedom and autonomy. Furthermore, [13] suggests the following dimensions of GUG: (1) Context, mission and goals, (2) governance structure, (3) Management, (4) Autonomy, (5) Accountability, and (6) Participation.

2.2. *Public Service Agency*

Public Service Agency is an agency within the Government that is formed to provide services to the community in the form of providing goods and / or services that are sold without prioritizing seeking profit and conducting their activities based on the principles of efficiency and productivity. Public Service Agency is a government agency mandated by Ministries / Institutions to provide public services, such as health services, education, area management and fund management [14].

According to [15], there are special characteristics that distinguish the Public Service Agency and other organizational units or government institutions. The characteristics referred to are:

1. Public Service Agency provides direct services for the community. The income earned by Public Service Agency is obtained from the community as its consumers, which is income. in the form of Non-Tax Revenue
2. Public Service Agency must carry out business practices like the private sector, but without prioritizing profit-seeking.

3. Public Service Agency is run on the principles of efficiency and productivity. Different from government agencies that prioritize very high budget absorption, in BLU budget absorption is not a target because the budget surplus / excess can be reused in the following year to improve the quality of its services.
4. There is flexibility and autonomy in carrying out Public Service Agency operations, namely flexibility in financial management, in managing human resources and in managing and procuring assets.
5. Public Service Agency is exempt from the provisions of state financial management in general. This provision is the spirit of autonomy given to the Public Service Agency to "violate" provisions in state finances. An example is the Public Service Agency being allowed to use the proceeds directly.

2.3. Financial Report

Financial reports are the final result of the accounting process. According to [16] statement of financial position is a list of assets, liabilities, and owner's equity at a specific time, usually on the last date of a particular month or year. Meanwhile, activity reports are in the form of income statements for government agencies / agencies. Referring to the definition of the income statement [16] is a summary of income and expenses for a certain period, such as one month or one year. Thus the real activity report is a report that shows the activities of the agency in carrying out its business in order to obtain income and expenses incurred in order to generate that opinion.

Financial reports are prepared in order to provide information relating to the performance and financial position of a company. This information then becomes the basis for users of financial statements to make economic decisions. Financial reports are also a form of company management accountability for the management of the company and the resources owned by the company.

3. Research Method

This research is a type of research and development or Research and Development (R&D). According to [17] the method of research and development (Research and Development) is a research method used to produce certain products, and to test the effectiveness of these products. This research design uses the 4D (four-D) development model. The research and development model 4D model consists of 4 stages, namely; define, design, develop, and disseminate [18].

3.1. Define

Activities at this stage are carried out to define and define development requirements. In other models, this stage is often named needs analysis. Each product certainly requires a different analysis. In general, in this definition, development needs analysis activities are carried out, product development requirements that are in accordance with user needs as well as research and development models (R & D models) that are suitable for developing products. Bias analysis is carried out through literature studies or preliminary research.

3.2. Design

[18] divides the design stage into four activities, namely: constructing criterion-referenced tests, media selection, format selection, initial design. In the design stage, the researchers has made an initial product (prototype) or product design.

3.3. Develop

[18] divided the development stage into two activities, namely: expert appraisal and developmental testing. Expert appraisal is a technique for validating or assessing the feasibility of a product design. In this activity, evaluations are carried out by experts in their fields. The advice given is used to improve the material and learning design that has been prepared.

Developmental testing is the activity of testing product designs on the real target subject. At the time of this trial, response data, reactions or comments from the target user model were sought. The trial results are used to improve the product. After the product has been repaired, it is then tested again to obtain effective results.

3.4. Dessiminate

[18] divided the dissemination stage into three activities, namely: validation testing, packaging, diffusion and adoption. In the validation testing stage, products that have been revised at the development stage are then implemented on their real targets. At the time of implementation, the measurement of the achievement of the objectives was carried out.

This measurement is carried out to determine the effectiveness of the product being developed. After the product is implemented, the developer needs to see the results of achieving the goals. The unattainable goal needs to be explained the solution so that the same mistakes do not repeat after the product is disseminated

4. Results

Based on the process of 4D steps, we design a model that can measure the performance of Public-Service-Agency financial Management System at Medan State University. In this case, we classified the financial management system into four categories, such as:

1. Process of Effectiveness

The process of effectiveness is a part of financial management system that consists of bussiness process improvement, automation, working capital optimization and strategic cost reduction

2. Revenue Enhancement

Revenuing enhancement is plays an important role in making financial management system. This is because this aspect includes optimization of assests/facilities, priority and segmentation, excellent study program and assurance and integrity billing

3. Working Capital Optimization

Another important aspect to design financial management system is optimizing the working capital. By optimizing the working capital, it can manage account receivable, optimizing cash, and making inventory management.

4. Strategic Cost Reduction

In managing financial system, a manager should consider about the reduction of strategic cost. Reducing strategic cost is necessary to consider since it can eliminate leaks, improve procurement strategy, and strengthen supporting units.

In order to give a brief overview about the design of financial management system implemented at Medan State University, see Figure 1 below.

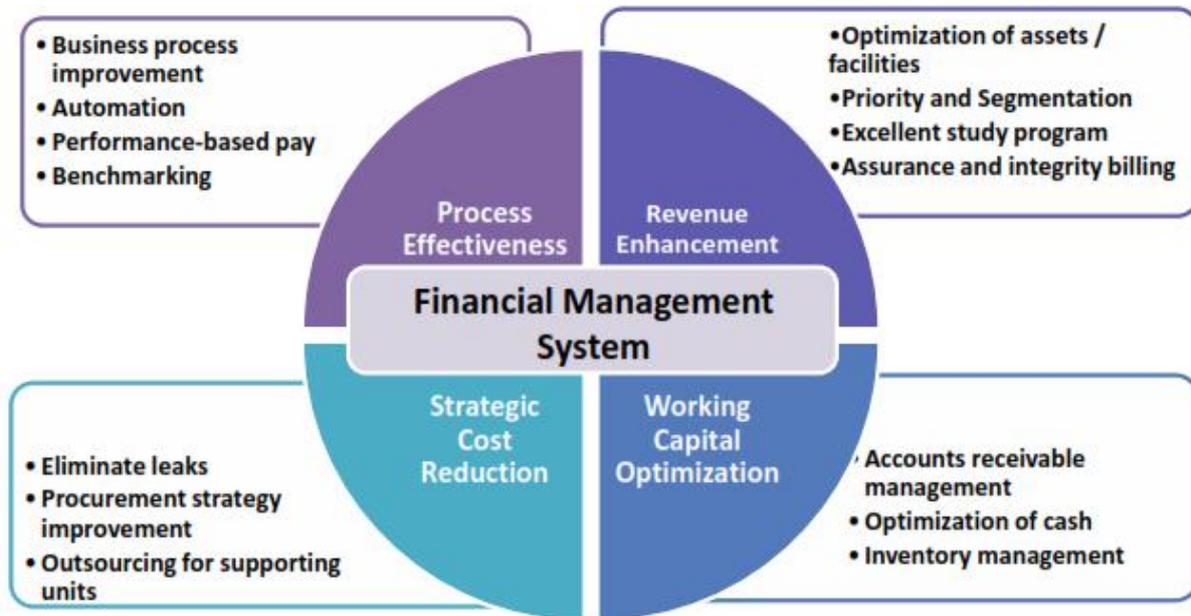


Figure 1. Public-Service-Agency Financial Management

Based on the condition, we attempt to design an evaluation model towards the implementation of Public-Service Agency Financial Management System at Medan State Universities. In this case, we call this as PIMACR model which means the steps of designing it, such as

1. Policies and standards,
2. Instrument and evaluation guide
3. Measuring / application of instruments
4. Analysis and recommendations
5. Complying between recommendations and on going programs
6. Review of models and follow up for improvements

To be more specific, an overview towards the model can be seen in the following Figure 2

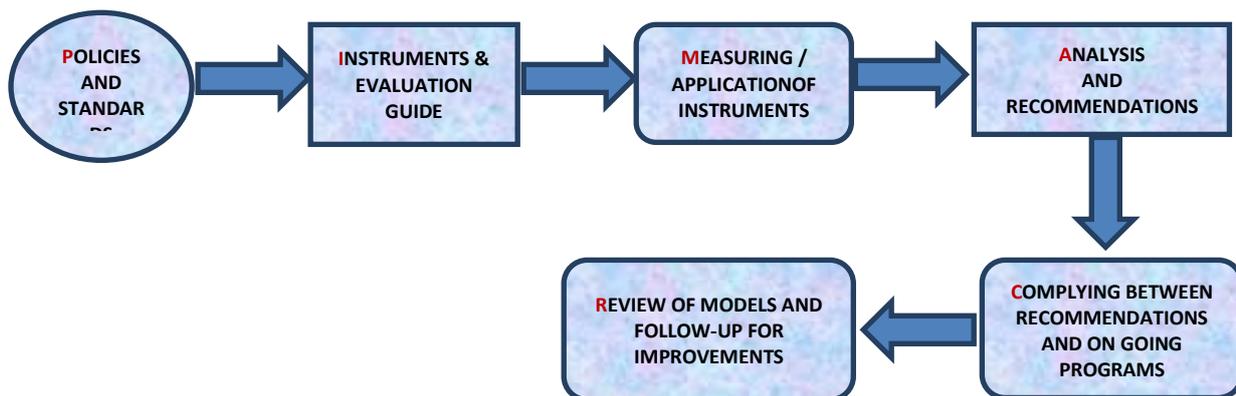


Figure 2. PIMACR Model

5. Conclusion

The performance evaluation model developed is able to measure the performance achievements of the financial management system in a planned, consistent and sustainable manner. The model developed specifically for the implementation of the Public Service Agency is called the PIMACR model, which

consists of 6 stages, namely: policies and standards; instruments & evaluation guide; measuring / application of instruments; analysis and recommendations; complying between recommendations and on going programs; review of models and follow-up for improvements.

PIMACR evaluation model can be used to measure the gains of the financial management system at another college if in accordance with the characteristics of the State University of Medan.

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