

Challenges and Efforts of Financial Management Systems in Private Universities in Indonesia

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Abstract. This study aims to analyze and examine the financial management system in private universities. As an educational institution, of course the main focus of private tertiary institutions is to create quality graduates who are useful for the nation and state. In an effort to improve the quality of education, a private tertiary institution must be able to manage and manage finances in a transparent and good manner so that usage can proceed according to a predetermined plan. Budget management is often a problem, because private tertiary institutions often fail or are not effective and efficient in managing the budget resulting in various problems, such as inadequate infrastructure, lecturer and staff salaries below the district/city minimum wage, lecturer competency still lacking because they have never participated in training or technical guidance as well as on the quality competence of graduates at private tertiary institutions. So that there is a need for changes related to good financial management in order to create an increase in the quality of education in private tertiary institutions. This research is expected to be one of the solutions for the implementation of good financial management in private universities.

Keywords: Private Higher Education; Financial Management; Quality of Education

INTRODUCTION

In improving the quality of Human Resources, the most important thing is Education. Higher Education is the final gate before entering the competitive world of work, therefore the quantity of graduates is no longer the main focus in the success of a Higher Education but rather the quality of graduates. Currently, higher education institutions in Indonesia are dominated by private universities or abbreviated as PTS. Based on statistical data obtained in 2022, it is known that there are 2982 PTS in Indonesia, this number is spread across 14 areas of the Coordination of Private Higher Education (KOPERTIS) and the number of PTS is equivalent to 95.97% of the total Indonesian Universities. Private Higher Education in 14 KOPERTIS areas include Academy, High School, Polytechnic, Institute and University.

To build a quality PTS certainly has many challenges that must be faced, one of which is the most basic problem, namely good financial management at PTS institutions. Financial Management is a very critical issue, because it has an impact on various fields in the overall PTS management. Therefore efforts to anticipate and overcome these problems should be carried out in a more in-depth settlement and development.

Financial management is the effective and efficient management of funds in a transparent manner to achieve goals. Currently, the management of funds in some PTS has not run effectively and efficiently, giving rise to various

problems. This is a big challenge, given the complexity of financial management, it requires major changes. As an important part of higher education management, financial management is responsible starting from the process of collecting, using and distributing university funds to fulfill activity plans, adding supporting facilities, infrastructure and increasing lecturer competencies through training and research. All of these processes must be able to run optimally, in order to realize a good quality of higher education.

Financial resources are very important organs in various types and levels of organizations everywhere. The results of good financial management will certainly give birth to competent and superior human resources, both employees, lecturers and students. Innovations developed for the realization of good higher education financial management can be started by placing people who have competence related to financial administration in proper positions, such as in the Finance Bureau Section. Then a variety of the latest methods were developed by utilizing technology to create transparency in the use of the budget in stages during one academic year of lectures.

Observing the fact that financial management in private universities is a complex matter, it is hoped that this paper will be able to open a new perspective on budget management in terms of improving the quality of private higher education institutions in Indonesia. Recognizing risks, anticipating and formulating various

strategies to overcome financial management problems is the focus of this paper.

METHODS

This research uses a type of literature research or library research. When viewed based on its nature, this paper is included in descriptive research that examines data obtained based on facts. The data obtained is in the form of literature or problem solving that has been carried out to overcome problems through a critical and structured view. The data sources used are literature reviews such as articles, scientific journals, books, proceedings, research results including theses, theses and others that are relevant.

RESULTS AND DISCUSSION

Management or financial management can be interpreted as a flow or process for carrying out financial regulatory activities in order to mobilize human resources, asset management, and funding with several objectives that cover the whole starting from the process of planning, negotiation, implementation, as well as supervision, Minarti (2011 :213). In contrast, Sutrisno (2013: 1) says that "financial management is a company activity related to efforts to obtain funds at affordable costs accompanied by various allocations of these funds effectively and efficiently". From these various opinions regarding financial management, it can be concluded that financial management is the process of empowering various sources of funds obtained in achieving the goals of educational institutions.

Economic conditions Most of today's society is unstable and changes every time erratically. This has an impact on the income of private universities through tuition fees that are in arrears and are not running optimally. not right on target, this becomes a chain that is likely to be repeated in the future if it is not anticipated through careful planning. There needs to be awareness in anticipating all the potential problems that are at high risk in the management of private tertiary institutions.

Sources of income so far have been obtained from government grants, tuition fees and donations from donors, so it is very vulnerable if it is continued like this. Audits must be carried out to anticipate all threats that will occur and see gaps that have been an unresolved problem.

Development of infrastructure facilities will be hampered and change will be difficult to achieve.

Methods of Auditing and Improving the Financial Management System

The function of using the budget in private tertiary institutions still revolves around the old method, namely simple accounting. An in-depth analysis is an important point that should be carried out at any time so that the results of using the budget can be seen in more detail, such as an assessment of benefits, university operations to management itself, because financial reports cannot describe in detail the current situation. in the field.

"Transparency" means openness. If translated in terms of management, this transparency can be interpreted as a process of carrying out open management, both in program activities and so on. Reporting regarding income and use of the budget must be done at any time which includes the budget related to details of expenditures, income which is then made in the form of an accountability report. Of course when this reporting is done correctly, it will make it easier to understand and find out. "Accountability" in PTS budget management if done properly then the balance sheet will reap positive results, because every process of using the budget goes according to plan and can be accounted for. "Effective" means achievement or success in carrying out as planned. Gamer (2004) explains that effectiveness is not only limited to the process being carried out as planned, but rather the value that the success obtained is in line with the vision of the Institution itself. "Efficiency" is the best result of what is done and what is produced. Financial management means that every use of the budget must be in accordance with what was designed, so that it is right on target and can be accounted for. In PTS financial management, transparency is an obligation. With implementation openness in management so that all use of the budget will be right on target, which will have an impact on improving PTS services in general.

Every year an evaluation will be carried out regarding the use of the budget, the results of this evaluation can be used as a reference for changes. If later discrepancies are found related to the use of the budget, steps can be taken immediately to overcome them. Completeness related to infrastructure at PTS can slowly be built or held, the welfare of lecturers and staff will also have an impact if budget management is sound.

Management of financial management in tertiary institutions should not focus on the budget management process, but rather, be oriented towards performance and management of costs and benefits in each activity plan to be carried out, comprehensive budget management and budget efficiency that is right on target. There are 3 things that must be considered in improving the financial management system, namely forming competent human resources through training so that the ability to manage the budget that is owned can be applied in an integrated manner in private tertiary institutions, creating detailed objective procedures so that accountability for the use of the budget can be to look at the details of the expenditure of the budget, and the last thing is to do more in-depth research on the budget proposed for each study program, staffing and so on to minimize any swelling in the budget.

CONCLUSION

Financial management in private tertiary institutions will run optimally if the system, financial management is carried out in a transparent manner from the collection of sources of funds, use, accountability to evaluation goes well. The awareness of PTS managers and the responsible sector, namely the financial sector, in an effort to anticipate various potential losses needs to be a concern, because this is the starting point for the birth of other problems. Monitoring, evaluating, auditing and planning effective and efficient financial management can be a solution to overcome the problems faced. Because one of the main keys in improving the quality of education in private universities is sound financial management.

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