

THE ANALYSIS OF FINANCIAL MANAGEMENT USING THE BOPO RATIO IN PAMSIMAS PROGRAM IN UJUNG KUBU VILLAGE, NIBUNG DISTRICT, BATUBARA REGENCY (TIME: JANUARY TO AUGUST 2021)

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ABSTRACT

The Government of Indonesia implements the Community-Based Water Supply and Sanitation Program (Pamsimas-Program Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat), which is one of the national programs which is structurally organized by the Central Government to Local Governments to increase the accessibility of rural residents from scarcity of proper drinking water and proper of sanitation facilities by community based approach. The implementation of clean water service activities also needs to pay attention to management principles, because in running an organization it is very necessary to have management, especially in financial management. Financial Management of KPSPAMS Kubu Water of Ujung Kubu Village using a BOPO ratio (operational costs to operational income) is managed in a clean, responsible, transparency and professional system. This is a qualitative research or field research as the researchers explain this research in detail according to data and facts in the field and researchers also have curiosity in depth about the problems being studied in this study. The data used in this study is descriptive qualitative including an inductive approach for the research and emphasize on the subjectivity as well as the meaning of experience for individuals. The results of this study have a good impact on the people of Ujung Kubu Village because of the benefits of Pamsimas in analyzing financial management such as 1). In terms of health, 2) socio-cultural and 3) economic

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1. INTRODUCTION

The Community-Based Water Supply and Sanitation Program (PAMSIMAS) is a program that serves the needs of clean water to remote areas and coastal villages where in these places are very difficult to get clean water. This program is a stimulant with a community empowerment-based approach and get the community as the main and the government only as a facilitator [1]

The Government of Indonesia is committed to achieving the Millennium Development Goals target in the Water and Sanitation Sector (WSS-MDG), namely reducing half of the population proportion who do not have access for drinking water and basic sanitation by 2015.

To meet the target, the Government of Indonesia implemented the Community-Based Water Supply and Sanitation Program (Pamsimas), which is one of the national programs organized structurally by the Central Government to the Regional Governments to be able to increase access of rural residents from peri-urban for drinking water and sanitation facilities. appropriate with a community-based approach. The Pamsimas program began in 2008, and up to 2012 it was successfully to increase the access for having drinking water and sanitation services, as well as the values and behavior of clean and healthy living in approximately 6800 villages/kelurahans in 110 districts/cities [2], [3]

The Pamsimas Program in North Sumatra Province starts from 2014 to 2021. The Pamsimas program is implemented to support two national agendas, they are to increase the coverage of proper water services and sustainable drinking water and sanitation, namely Clean Water for the People, and Community-Based Sanitation so Universal Access can be achieved

Universal access is targeted by the Government of Indonesia in 2019. This must be achieved in particular for Ujung Kubu Village, Nibung Hangus District, Batubara Regency for 100% drinking water services and 100% stop doing defecate wheresoever. In order for this target to be realized, it requires the

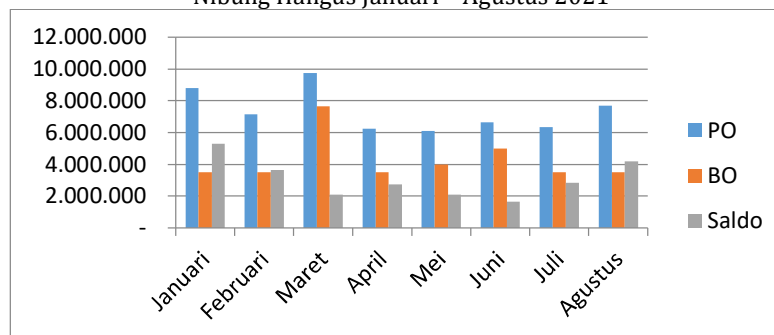
The Analysis Of Financial Management Using The Bopo Ratio In Pamsimas Program In Ujung Kubu Village, Nibung District, Batubara Regency (Time: January To August 2021). Zulia Rifda Daulay, et.al

participation of all the people of Ujung Kubu Village and the cooperation of all parties including the village government, local government and stakeholders so that all people of Ujung Kubu Village can enjoy drinking water services and clean and healthy lifestyle, especially not defecating wheresoever which has been a habitual action for some people on the coastal area.

PAMSIMAS program has brought many benefits to the people of Ujung Kubu Village, Nibung Hangus District, Batu Bara Regency, North Sumatra Province. Ujung Kubu Village, Nibung Hangus District consists of 9 (nine) sub-villages with a population of 7200 people, 1730 families. Most of the people work as fishermen because the village of Ujung Kubu is in around seashore area. So far, the villagers have to get drinking water from people who have boring by buying Rp. 10,000 to Rp. 15,000, per drum, it means the villagers has to pay for drinking water Rp. 150,000 to Rp. 200,000, - every month in the average (according to usage requirements). This is a burden because the community's income from fishermen is not always satisfying. So people who cannot afford to buy drinking water use water from wells belong to the villagers.

In 2015 Ujung Kubu village received funds allocation of Pamsimas II Rp. 220,000,000, - sourced from APBN (State Budget) and in 2017 Ujung Kubu Village received funds allocation Rp. 245,000,000 sourced from APBD funds (Regional Revenues and Expenditures Budget). The Drinking Water Facilities built in Ujung Kubu village can serve 7 sub-villages, 836 families, 3010 people and 383 SR units. The community also has no objection to pay Rp. 1,800 / M3 or + Rp. 50,000/month according to consumer use. Here is Income and Operational Costs data managed by KPSPAMS Kubu Water, Ujung Kubu Village, Nibung District

Picture1.1 :Income and Operational Costs data managed by KPSPAMS Kubu Water Desa Ujung Kubu Kec. Nibung Hangus Januari – Agustus 2021



From the data above it can be seen that in the management of contribution cost drinking water, there are ups and downs in payments so it is necessary to pay attention to the management especially in financial management. Ujung Kubu Village has the management which is dominated by men in PAMSIMAS program which is known as KPSPAMS . KPSPAMS (Drinking Water and Sanitation Facility Management Group) is a local institution in managing Drinking Water Facilities (SAM) which has been appointed by the Head of the Village Head. Meanwhile, in the management KPSPAMS. It has already has a *Memorandum of Association/Articles of Association* of KPSPAMS which has made a notarial deed to legalize the management.

Financial management talks about financial management which basically can be carried out not only by companies, but also by individuals, families and the government. Financial management is all decisions and activities related to efforts to obtain funds and allocate these funds based on planning, analysis and control in accordance with management principles which require in obtaining and allocating these funds in efficiency (utility) and effectiveness (usability). [4] For this reason, it is necessary to have various management functions which include planning, directing, managing and controlling in using and meeting financial needs in an organization or company. The purpose of financial management itself is to maximize profits and minimize costs to get maximum decision making [5]. The problems that sometimes occur in management are that KPSPAMS experiences problems in coordinating, the manager's lackness of knowledge in terms of techniques to overcome any community who are sometimes late in making payments.

2. LITERATURE REVIEW

The term management has been interpreted by various parties with different perspectives from their work backgrounds. According to James A.F. Stoner and Carles Wankel provide management boundaries as follows "management is the process of planning, organizing, leadership, and controlling the

efforts of members of the organization and the use of all other organizational resources in order to achieve organizational goals." [6].

For a company, finance is like an important foundation and must be managed properly. If not, the company's finances will fall apart and stop the company's activities. Therefore, companies need a special division or team to manage finances. Well, usually this section is called financial management. Financial management is expected to be able to explain some of the decisions that must be made, namely decisions about investment, decisions in funding, or decisions about meeting funding needs, and profit sharing decisions [7], [8]

In other words, financial management is a combination of science and art which discusses, examines and analyzes how a financial manager uses all company resources to raise funds, manage funds and distribute funds with the aim of being able to provide profit and sustainability for the company [9]

Financial reports are prepared based on relevant data, and carried out with the correct accounting and valuation procedures, so that the actual financial condition of a company or business will be seen. In addition, it is also known the amount of income and costs incurred during a certain period [10] [11].

Finance is related to calculations and numbers, if there is a slight error in entering numbers or formulas it will be fatal and the results achieved will be inaccurate. In making this financial report must be done carefully, in depth and honestly. In this case, to analyze financial management, use the ratio analysis of BOPO (Operating Expenses and Operational Income). BOPO is a comparison between operating expenses and operating income in measuring the level of efficiency in carrying out its operations [11], [12]

3. METHOD

The research design used by the author is descriptive qualitative. Qualitative research has inductive approach to construct knowledge used in research and emphasizes subjectivity as well as the important meaning of experience for individuals. Descriptive method as a method used to describe or analyze a research result but not used to make broader conclusions [13], [14]. This research was conducted in Ujung Kubu Village, Nibung Hangus District, Batu Bara Regency in 2022 [15]

In this research, researchers tried to observe the financial management of the KPSPAMS Kubu Water management in Ujung Kubu Village for the community-based sanitation drinking water supply program and in this study the researchers would carry out a series of activities in the field such as to find research locations, field observations, data collection, conducting in-depth interviews, observation, and documentation. [14]

The data processing techniques in this study are about analyzing financial management by using the BOPO ratio (Operating Expenses to Operating Income). BOPO is the ratio used to measure the management ability of KPSPAMS (Water Supply and Sanitation Facility Management Group) in controlling operational costs tot operational income by KPSPAMS so that it can minimize the problems managed by of KPSPAMS

BOPO can be calculated by the formula:

$$\text{BOPO} = \frac{\text{Operational Cost}}{\text{Operasional Income}} \times 100\%$$

The BOPO limit conditions mentioned in Circular Letter Number 15.07/DPNP of 2013 are as follows:

Table 2 ; The BOPO Assessment Criteria

RATIO	PREDICTION
BOPO ≤ 75%	Very Good
75% < BOPO ≤ 76%	Good
76% < BOPO ≤ 77%	Good Enough
78% < BOPO ≤ 79%	Not Good
BOPO > 80%%	Bad

3. RESULTS AND DISCUSSION

The people of Ujung Kubu village have started to use clean water from PAMSIMAS and initial installation for House Connection (SR - Sambungan Rumah) costs Rp. 350,000, and for usage fees is Rp. 1,800 per 1 m3. Ujung Kubu Village is one of the villages that has established the PAMSIMAS program.

PAMSIMAS can be enjoyed by the villagers in 2015 and it gives many positive impacts or benefits for the people of Ujung Kubu Village.

The PAMSIMAS program is one of the real actions of the Indonesian government, both central and regional as the efforts to develop villages and increase the supply of drinking water and sanitation as well as to improve public health. Clean water is the right of all people. Because there are still many people in Indonesia who still have difficulty in accessing clean water and sanitation facilities due to limited existing infrastructure. The PAMSIMAS program is based on community empowerment, so the community's role is very important in management and the community also have the responsibility for the whole part of the program, start from the planning to program implementation.

The success or failure of the implementation of a program is assessed from the management principles applied. Management not only identifies and analyzes, but also effectively combines the talents of people and empowers them to achieve goals. Financial management is also very important to note. Financial management is the overall decisions and activities related to efforts to obtain funds and allocate these funds based on planning, analysis and control in accordance with management principles which emphasize that in obtaining and allocating these funds, efficiency and effectiveness must be considered [7].

In this case the financial management analysis uses the BOPO ratio (Operational Costs and Operational Income) to measure the management's performance, the lower the BOPO ratio the better the management's performance, because it means there is efficiency in using resources in the organization. Bank Indonesia determines the best figure for the BOPO ratio is below 75% because if the BOPO ratio runs over 75% to nearly 100% then the company can be categorized as inefficient in carrying out its operations.

Table 3. Operational Income and Operational Cost Data of KPSPAMS Kubu Water
 Januari – Agustus 2021

Operational Income and Operational Cost (BOPO)				
Month	BOPO = $\frac{\text{Operational Cost}}{\text{Operational Income}} \times 100\%$		BOPO	Information
	Operational Income (in million/ rupiah)	Operational Cost (in million/ rupiah)		
January	8.800.000	3.500.000	39,8%	Very Good
February	7.150.000	3.500.000	49,0%	Very Good
March	9.750.000	7.650.000	78,5%	Not Good
April	6.236.000	3.500.000	56,1%	Very Good
May	6.100.000	4.000.000	65,6%	Very Good
June	6.645.000	5.000.000	75,2%	Good
July	6.340.000	3.500.000	55,2%	Very Good
August	7.680.000	3.500.000	45,6%	Very Good

Source: Primary Data of Kubu Water KP SPAMS 2021

Based on the table above the BOPO KP SPAMS Kubu Water Village Ujung Kubu ratio, it can be seen that highest operational costs to operational income is in March 2021 because at that time there was a purchase of a 3000 L water tank to replace a leaking/damaged water tank and replace several pipes distribution which has been damaged as they are hit by sea tides, for June 2021 the BOPO ratio is high due to renovating damaged control panels and purchasing diesel fuel to activate generators as in June 2021 the electricity often go out. Whereas for January, February, April, May, July and August 2021 the BOPO ratio is still in a very good condition as the ratio is below 75% (BOPO <75%).

From the conditions above, it can be seen that the increase in BOPO indicates that finance at KP SPAMS has too high operational cost in several months which have not been able to be covered with the income, so that in March and June 2021 it can be said to be less efficient.

According to Danim there are six characteristics of good leadership, they are: understanding the authenticity of the history of the organization's existence, understanding the authenticity of organizational resources, understanding the authenticity of organizational structure, understanding the authenticity of organizational strengths, understanding the authenticity of organizational missions, understanding the

authenticity of organizational meaning. The management of KP SPAMS in managing finances works in a clean, responsible, transparent and professional manner.

As long as the Drinking Water Facility was running in Ujung Kubu Village there were several obstacles, one of the obstacles at the Kubu Water KP SPAMS was that some people were sometimes still delay in payments. To overcome this, KPSPAMS Kubu water management will come to customers to collect bills. If the people cannot meet the deadline of the payment, a fine of IDR 3,000/month will be imposed. The fine is to discipline the community and respect the board in management. In addition, the community must also commit to obey the rules or regulations that have been agreed at the beginning of the program with full responsibility. Payment for a house connection from PAMSIMAS access to clean water is of course based on the discussion with the people of Ujung Kubu Village, Nibung Hangus District, Batu Bara Regency.

The benefits of PAMSIMAS in Ujung Kubu Village have a good impact on the village community. The impacts that have been felt by the community from the PAMSIMAS program are as follows: 1). From a health point of view, reducing diarrhea and digestive diseases, water quality that meets health standards because it was tested in a health laboratory 2 times so that the water is worthy for drinking, 2). The socio-cultural side has an impact on the people of Ujung Kubu village who are close to the sea to live a clean and healthy lifestyle, especially not defecating wheresoever, 3). From the economic side, it can save expenses for people who work as fishermen who have been buying water outside the village at high prices, especially during the dry season. 30.000,- to Rp. 60,000, - per month [16][17].

The government in the program to empower communities of villages to get access for drinking water and sanitation needs is a very good achievement. Because of all this, considering that the adequacy rate for clean water and sanitation in Indonesia is very small, especially in rural areas.

4. CONCLUSION

Based on the research on the Community-Based Water Supply and Sanitation Management (PAMSIMAS) in Ujung Kubu Village, Nibung Hangus District, Batu Bara Regency, there are several points can be concluded:

Financial management at KP SPAMS Kubu Water, Ujung Kubu Village, Nibung Hangus Subdistrict using BOPO ratio analysis shows that financial management performance is in a very healthy condition, the ratio is below 75% (BOPO <75%) but in March 2021 experienced an unhealthy condition due to the high operational cost to replace water tanks and pipes that have been damaged. The management of KP SPAMS manages the finances works in a clean, responsible, transparent and professional.

PAMSIMAS has positive impacts that have been felt by the people of Ujung Kubu Village, it can be seen from the health, socio-cultural and economic aspects. From health point, people get worthy and clean drinking water and minimize diarrheal diseases. Meanwhile, from a socio-cultural perspective, with clean water and the construction of healthy latrines for the poor, the habitual action of the village community to do defecating wherever is no longer to be done and leads a healthier life. While on the economic side, if the village community lives healthily it will increase family productivity it means the community's economic capacity will grow and give them better life.

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