

Analysis of Cost Realization Based on Budget as a Control Tool at CV. Achazia Tigris

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Abstract

This study aims to analyze and determine the cost budget and its realization as a cost control tool at CV Achazia Tigris. Using quantitative descriptive method with a research approach used to describe something factually and accurately using numerical data by comparing the budget and cost realization using analysis of variance as a tool to determine the difference between budget and cost realization and using documentation techniques by analyzing company documents such as project cost budget plans. The results of the analysis of CV. Achazia Tigris in implementing this project, preparing a project cost budget as a form of project cost planning without knowing the unexpected risks that occur during the implementation of the new classroom construction project. This states that the cost budget function has not functioned properly as a control tool because there are still unfavorable differences (unfavorable) for the company. This research is important to analyze unexpected risks that occur to minimize losses that may occur so that no losses occur in the implementation of the next project.

INTRODUCTION

Companies face the problem of discrepancies between budgets that have been planned and the realization of costs that occur in the field caused by lack of careful planning, changes in operational conditions, or inaccuracies in projecting costs. These deviations can lead to overbudgeting or underbudgeting which ultimately affect the financial health of the company. This can also happen because companies do not have a systematic cost control mechanism in place which makes it difficult to monitor expenses in real-time and identify areas of waste.

Often the financial statements and cost realizations do not provide a clear enough picture of the extent to which the budget is being used effectively, this can result in delays in decision making within the company. Rising raw material prices, changes in government regulations, natural disasters and global economic conditions also often affect cost realization. These factors are sometimes difficult to predict in the budget planning process, so the role of the budget in planning and evaluation tends to be difficult to implement.

Dina Palijama (2018) in a study entitled Project Budget Analysis as a Cost and Performance Control Tool at CV. Putra Papua Sejahtera shows that the function of the cost budget plan has not functioned well as a cost control tool because there is still a variance that does not benefit the company.

Reny Mony, Ahmad Juanda, Adi Prasetyo (2019) in a study entitled Project Material Budget Analysis as a Cost Control Tool in Construction Companies (Case Study CV. Niny Pratama) the results of the research obtained by CV Niny Pratama are said to have succeeded in controlling the company well, seen from how the company is able to streamline the use of materials so that there is no shortage of materials. In addition to the quantity of materials, the company also managed to

make a favorable difference derived from the actual price of materials that was lower than the budgeted one.

The question of this study is how the cost and realization can function as a cost control tool at CV. Achazia Tigris?, and the purpose of this study is to analyze and determine the cost budget and its realization as a cost control tool at CV. Achazia Tigris.

METHODS

In this study, the type of data used is quantitative descriptive data. The type of research used is descriptive method. The data source in this study is secondary data, namely data that has been processed by the company in the form of budget data and realization of project costs. Data collection using documentation techniques, namely by analyzing company documents such as project cost budget plans. The informants in this study are CV Achazia Tigris. Arfan, S.T. as the owner of CV. Achazia Tigris as the key informant, the company treasurer and foreman of the CV. Achazia Tigris field labor project as additional informants and the research subject in the Construction of New Classrooms UPT SDN 7 Mengkendek Marinding District Mengkendek Tana Toraja Regency.

This study uses 3 data collection techniques, namely direct research observation techniques to the CV. Achazia Tigris company, this is done so that the data obtained is in accordance with the data needed by the researcher, interview techniques by conducting questions and answers with competent parties within the company, and documentation techniques through recording and copying reports, documents, and other information from the internet and books and also other sources related to the title under study. The data analysis technique uses a quantitative descriptive method is a research approach used to describe something factually and accurately using numerical data by comparing the budget and cost realization using analysis of variance as a tool to determine the difference between budget and cost realization and using documentation techniques by analyzing company documents such as project cost budget plans.

RESULTS AND DISCUSSION

Subheadings Level 2

Based on data obtained from CV. Achazia Tigris on the project Construction of New Classrooms UPT SDN 7 Mengkendek Marinding Mengkendek District Tana Toraja Regency in 2023, the budget value that was determined as a whole was IDR 442,119,504.77 plus tax value added (VAT) of 11%, the total budget amounted to IDR 490,700,000, but the realization occurred losses caused by unfavorable weather so that the project was delayed. The losses incurred were caused by high rainfall which caused landslides around the project site and prevented materials from entering the project site so that the project was completed outside the project contract time, because of this delay the company was fined 0,001% per day from the bid price. The delay occurred for 30 days from the project contract, so the company had to pay a fine of IDR 14,721,000 and it was from the payment of this fine that caused the company to suffer losses.

Analysis of variance is an analytical method as a cost control tool that is used to determine the difference between the budget that the company has made and the realization that occurs in the field. There are 2 types of variance (difference) that occur, namely, favorable (profitable) and

unfavorable (not profitable). So an analysis of variance is needed to find out where the deviations occur in the project being worked on. In this case it can be seen in the table sourced directly from the director of CV. Achazia Tigris, types of variance analysis, namely analysis of variance of direct raw material costs, analysis of variance of direct labor costs and analysis of variance of factory overhead costs.

There is no difference in price gains and losses from the price of raw materials because the budget unit price and the realized unit price are the same. Thus the results of the analysis of variance of the difference in the price of raw materials (SHBB) are the same.

There is no difference in profit and loss in the price of the quantity of raw materials because the unit quantity and the actual quantity are the same. Thus the results of the analysis of variance of the price difference of raw materials (SKBB) are the same.

There is no price difference from the cost of direct labor so that it does not experience a profit (favorable) and also does not experience a loss (unfavorable). Thus the results of the analysis of variance labor rate difference (STTK) are the same.

The difference in labor efficiency does not have a favorable difference and does not experience an unfavorable difference. Thus the results of the analysis of variance for the difference in labor efficiency (SETK) are the same.

The difference between the budget and the realization of overhead costs for the project does not have a favorable difference and does not experience an unfavorable difference. Thus the results of the analysis of variance of factory overhead costs (BOP) are the same.

The difference in project overhead costs does not have a favorable difference and does not experience an unfavorable difference. Thus the result of the variance of the difference in factory overhead costs (BOP) is the same.

This deviation occurred due to high rainfall which caused landslides around the project site and therefore the project was delayed. This delay requires the Company to pay a fine of 0.001% per day of the bid price and this delay occurred for 30 days, the realization increased due to the payment of late fees of Rp 14,721,000 with a cost efficiency of -3.00%. Thus, the realization is greater than the budget that has been set and causes losses to the Company.

DISCUSSION

Subheadings Level 2

With the results of the analysis of variance for the New Classroom Construction project UPT SDN 7 Mengkendek Marinding Mengkendek District Tana Toraja Regency was delayed for 30 days which required the Company to pay a fine of 0,001/day of Rp 14,721,000. This occurred due to high rainfall which caused landslides around the project site so that the material had difficulty entering the project site. The company is said to have controlled if it has been able to control costs in accordance with the plan set by the Company but CV. Achazia Tigris was unable to control costs in this project so that the Company has an unfavorable difference.

The results of this study are the same as the results of previous research from Dina Palijama (2018) in her research entitled Project Budget Analysis as a Tool Cost and Performance Control at CV. Putra Papua Sejahtera and previous research from Osval Brando Latunggamu, Herman Karamoy, Meily Kalalo (2021) in his research entitled Project Budget Analysis as a Cost Control Tool at PT Esta Group Jaya Manado which states, the function of the cost budget plan has not functioned properly as a control tool cost because there is still an unfavorable variance. The company also prepares a project cost budget as a form of project cost planning without knowing

how to control direct material costs, direct labor costs, and project overhead costs during project implementation so that there is still an unfavorable difference (unfavorable).

The results of this study are also the same as the results of previous research from Hakimah (2021) in her research entitled Analysis of the Role of Budget as a Planning and Project Cost Control Tool at CV. Anugerah Jaya Surabaya which states that CV. Anugerah Jaya does not make variance analysis reports appropriately so that deviations that occur are not quickly known how big the deviation is.

However, this research is not the same as previous research from Reny Mony, Ahmad Juanda, Adi Prasetyo (2019) in his research entitled Project Material Budget Analysis as a Cost Control Tool in Construction Companies (Case Study of CV. Niny Pratama) because the CV. Niny Pratama company was able to streamline the use of materials so that there was no shortage of materials, the company also managed to make a profitable difference from the actual price of materials that was lower than what had been budgeted.

CONCLUSION

Based on the results of the analysis, CV. Achazia Tigris in the implementation of this project, prepared a project cost budget as a form of project cost planning without knowing the unexpected risks that occurred during the implementation of the new classroom construction project. In fact, in the comparison between the budget and the realization of costs for the New Classroom Construction project UPT SDN 7 Mengkendek Marinding Mengkendek District Tana Toraja Regency states that the cost budget function has not functioned properly as a control tool because there are still unfavorable differences (unfavorable) company.

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