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FINANCIAL INDEPENDENCE OF PUBLIC EDUCATION SERVICE AGENCIES: INTEGRATION OF VALUE FOR MONEY ANALYSIS AND PER-11/PB/2021 FROM AN ISLAMIC ECONOMIC PERSPECTIVE



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Abstract

This study aims to answer the main question regarding how the financial performance and level of independence of Public Bodies (BLU) at State Islamic Religious Higher Education Institutions, specifically UIN Siber Syekh Nurjati Cirebon, can be comprehensively evaluated through the integration of Value for Money (VfM), the PER-11/PB/2021 framework, and Islamic economic principles based on maqāṣid al-syarī'ah. The research background is based on the urgency for Islamic higher education institutions to demonstrate fiscal governance that is accountable, efficient, and aligned with Sharia values. The novelty of the research lies in the development of an Islamic Value for Money (IVfM) evaluation model that combines quantitative indicators with Sharia parameters to produce a more holistic assessment. The research method uses quantitative-qualitative triangulation through analysis of audited financial statements for 2022–2024 and a normative study of maqāṣid. The results of the analysis show that the economic level is in the range of 86.09%–95.68%, the consistency efficiency level is above 100%, but the effectiveness fluctuates, with the highest RoA of 24.93%, liquidity is very strong (9.36–88.96x), and the level of independence has increased significantly to 88.23% in 2024. These results show BLU statistics and demonstrate the acoustics of governance with the principles of ḥifẓ al-maal, maslahah, and Istiqlal Al-Maal as the foundation of Islamic public finance.

Abstrak

Penelitian ini bertujuan untuk menganalisis tentang kinerja keuangan dan tingkat independensi Badan Layanan Umum (PSA) pada Perguruan Tinggi Keagamaan Islam Negeri, dalam kasus ini adalah di UIN Siber Syekh Nurjati Cirebon, yang dapat dievaluasi secara komprehensif melalui integrasi pendekatan Value for Money (VfM), dalam kerangka PER-11/PB/2021, dan prinsip ekonomi syariah berdasarkan maqāṣid al-syarī'ah. Penelitian ini dilatarbelakangi oleh urgensi perguruan tinggi Islam untuk menunjukkan tata kelola fiskal yang akuntabel, efisien, dan sejalan dengan nilai-nilai syariah. Penelitian ini menawarkan pengembangan model evaluasi Islamic Value for Money (IVfM) yang memadukan indikator kuantitatif dengan parameter Syariah untuk menghasilkan penilaian yang lebih holistik. Metode penelitian menggunakan triangulasi kuantitatif–kualitatif melalui analisis laporan keuangan auditan tahun 2022–2024 dan kajian normatif maqāṣid. Hasil analisis menunjukkan bahwa tingkat perekonomian berada pada 86,09%–95,68%, tingkat efisiensi konsisten di atas 100%, namun efektivitas berfluktuasi dengan RoA tertinggi sebesar 24,93%, likuiditas sangat kuat (9,36–88,96x), dan peningkatan independensi yang signifikan hingga 88,23% pada tahun 2024. Hasil tersebut menggambarkan stabilitas fiskal BLU dan menunjukkan keselarasan tata kelola dengan prinsip-prinsip BLU. ḥifẓ al-maal, maslahah, dan Istiqlal Al-Maal sebagai landasan keuangan publik Islam.



INTRODUCTION

Public sector management reform has shifted its focus from procedural compliance to performance and value orientation (Christensen & Oslo, 2020). This shift was initiated by the concept of *New Public Management* (NPM) (Pratama & Kalalinggi, 2019). Through the implementation of NPM theory, public sector reform is directed towards applying private sector management principles to improve government efficiency, effectiveness, and accountability (Osborne, 1993). The traditional bureaucracy of the Indonesian government appears to be procedurally rigid and hierarchical, making it relatively slow, complicated, expensive, and lacking in transparency (Christensen & Oslo, 2020). Business management in the private sector is considered superior to traditional bureaucracy, so private sector management needs to be applied to the public sector to make services more competitive, easier, faster, and cheaper (Christensen & Oslo, 2020). In addition, financial management should be more flexible and productive by prioritizing the principles of efficiency, effectiveness, and transparency (Government of Indonesia, 2012).

In Indonesia, the NPM concept is manifested in the establishment of Public Service Agencies (BLU) (Muhammad Luthfi Nurhadi & Dini Rosdini, 2025) and (Novianti, 2023) through Government Regulation No. 23 of 2005, which was later updated with Government Regulation No. 74 of 2012 concerning Financial Management of Public Service Agencies, including BLUs in the field of education at State Universities and State Islamic Universities (PTKIN). The BLU status at PTKIN, including UIN Siber Syekh Nurjati Cirebon, aims to reduce dependence on the State Budget's Pure Rupiah (RM) and encourage financial independence (Andy Slamet, 2022). This independence is expected to serve as a means to achieve optimal improvements in academic service quality, in line with community needs and the demands of the times. (Muhammad Luthfi Nurhadi & Dini Rosdini, 2025).

As a State – Owned Religious Higher Education Institution (PTKIN), like other State – Owned Enterprises, it is given the authority to implement sound business practices to produce goods and/or services without prioritizing profit based on the principles of efficiency and productivity, and is given flexibility in financial management, including the direct use of Non – Tax State Revenue (PNBP). The main objective is to improve the quality and efficiency of public services by innovating and responding to community needs more quickly (Novianti, 2023). However, the flexibility of BLUs brings a new dilemma, namely, the demand for BLU leaders to ensure accountability and optimal performance (Aryada et al., 2025). Some studies, such as those conducted by , found that although PTKIN's PNBP increased after BLU and had an impact on improving the quality of academic and non – academic services, the main challenges lie in the effectiveness and efficiency of the utilization of BLU funds and assets, as well as in transparency and accountability (Keumala et al., 2023). Failure to achieve proportional performance can lead to inefficiency, accumulation of *idle funds*, and even cases of fund misuse, which undermine public trust and violate the principles of *Good Governance* (Jiang et al., 2025).

We have witnessed news reports of *BLU PTKIN failures*, such as those experienced by UIN Sultan Syarif Kasim (UIN Suska) Riau and UINSU (UIN North Sumatra, Medan). These cases have ensnared former BLU leaders (rectors) and several employees, who have been convicted by the court on charges of BLU fund corruption. This could have happened due to weak internal control (Awodiran et al., 2024), low levels of transparency and accountability, and abuse of authority in the management of public funds (Juwita, 2025). Therefore, it is mandatory to implement transparency and accountability in the management of BLU finances sourced from the community (Sari & Muslim, 2023),

especially from student tuition fees (UKT), so that evaluation of BLU financial performance becomes a necessity to measure success in achieving operational and public service objectives effectively and efficiently without abuse.

The field of higher education, particularly State Islamic Higher Education Institutions (PTKIN) in Indonesia, has transformed into 28 BLUs, including UIN SSC. The State Islamic University of Siber Syekh Nurjati Cirebon (UIN SSC), formerly the State Islamic Institute of Syekh Nurjati Cirebon (IAIN), was designated as a BLU on June 27, 2022, based on the Minister of Finance Decree Number 252/KMK.05/2022, along with UIN Salatiga. The transformation into a UIN on May 21, 2024, marks a new era in the development of technology-based religious higher education, which has implications for organizational governance, financial management systems, human resources, and services. This change in status brings with it a dual mandate: in addition to providing high-quality and competitive Islamic higher education, it must also ensure transparency and accountability in the management of public funds (students) and provide optimal value and benefits for all stakeholders.

To address the challenges of transparency and accountability in the financial management of BLU PTKIN, formal financial performance measurement has been carried out through two main approaches, namely *the Value for Money* (VfM) concept and performance analysis based on the framework of the Director General of Treasury Regulation Number PER-11/PB/2021 concerning Guidelines for Governance and Performance Assessment (Maturity Level) Public Service Agency. Both approaches are essentially oriented towards achieving economical, efficient, and effective financial performance. However, these approaches still have limitations because they tend to be positivistic and treat financial performance solely as a technical-administrative issue, without adequately considering the ethical dimensions, distributive justice, and socio-religious objectives inherent in the character of PTKIN. Therefore, the application of the *maq şid al-syarī'ah* principle is urgent in evaluating the financial performance of BLU PTKIN, as a normative framework that ensures that every use of public funds is not only economically efficient but also in line with the principles of benefit (*maşlahah*), trust, and justice. The integration of *maq şid al-syarī'ah* in the financial performance analysis of BLU PTKIN serves as an ethical control so that the financial flexibility of BLU is truly directed towards supporting the achievement of Islamic education goals, improving the quality of academic services, and protecting the interests of all stakeholders in a sustainable manner.

This research is very important for analyzing the financial performance of BLU PTKIN, with a case study at UIN Siber Syekh Nurjati Cirebon during the 2022–2024 period using two analytical approaches, namely *Value for Money* and analysis based on the framework of the Director General of Treasury Regulation Number PER-11/PB/2021. These two approaches focus more on positivism and only financial aspects, so they are integrated into the perspective of Islamic Economics as a more holistic evaluation lens because it emphasizes the ethical, moral, and socio-religious dimensions inherent in PTKIN. Public funds managed by BLU PTKIN are assets that have sharia implications through the concept of *maq şid al-syarī'ah*. The combination of these two complementary analytical approaches is rarely analyzed, especially in the perspective of Islamic economics. The results of this study are expected to be a reference for BLU PTKIN in financial management so that it is oriented towards *maşlahah 'ammah* (public interest) and *'adalah fid-distributof* (distributive justice).

Partial studies have analyzed financial performance using Value for Money, such as (Erica et al., 2024), (Mwakolo et al., 2024), (Haliah et al., 2023), (Prasetyo et al., 2022), and (Yaman, 2022), and all these studies come out with varying results. However, in general,

analysis using the Value for Money concept can assess the level of economy, efficiency, and effectiveness of an entity. Meanwhile, research assessing the financial performance of Public Service Agencies using PER – 11/PB/2021 has been conducted by (Widowati & Masdjojo, 2025) , (Safitri, 2022), (Indratni, 2024a), (Kusumadewi & Yudianto, 2024), and (Science et al., 2024). This comparison is expected to provide a more comprehensive picture of the condition and trends in BLU's financial performance, as well as serve as a basis for strategic improvements in the future.

Literature Review

This study is based on New Public Management (NPM). NPM is understood as a public sector reform paradigm that emphasizes efficiency, effectiveness, accountability, results orientation, and the adoption of private sector managerial practices in public sector organizations (Osborne, 1993). The selection of NPM as the grand theory is considered appropriate because UIN SSC has the status of a Public Service Agency (BLU), which is given regulatory flexibility in financial management, operational autonomy, and the freedom to implement sound business practices to improve the quality of educational services. To bridge the abstract concept of NPM with organizational practice, this study uses *Good Governance* as a middle theory. The theory of good governance emphasizes the principles of transparency, accountability, responsiveness, effectiveness, and fairness in the administration of public organizations (UNDP, 1997; Addink, 2019). In the context of BLU UIN SSC, good governance functions as a normative and institutional mechanism that ensures NPM flexibility remains within the corridor of public accountability and good university governance. Good governance becomes a conceptual link between the flexibility of BLU management and the demands of state financial accountability.

From an NPM perspective, BLU UIN SSC is not only oriented towards bureaucratic procedural compliance but also directed towards performance – based management and the principles of *value for money* and PER – 11/PB/2021. Therefore, it is necessary to integrate performance assessment from the perspective of maqasid Sharia. This theory states that economic value in Islam cannot be separated from the ethical and moral objectives of maqṣid al – syarī'ah, namely justice, social benefit and public welfare (falah and maslahah), protection of rights, and spiritual and economic balance. This perspective differs from value theory in conventional economics, which focuses on financial ratios, utility, and maximum profit (Fachruddin & Pratama, 2024; Soediro & Meutia, 2018).

The Concept of Public Service Agencies (BLU)

The establishment of Public Service Agencies (PSAs) in Indonesia is an implementation of a more practical public sector management reform (Christensen & Oslo, 2020). The BLU is inspired by the concept of *New Public Management* (NPM) (Muhammad Luthfi Nurhadi & Dini Rosdini, 2025) which emphasizes decentralization, autonomy, flexibility, efficiency, and market/customer orientation in the provision of public services (Manajemen et al., 2025). NPM emphasizes performance – oriented public sector management (Ratnawati & Susilowati, 2023) and results rather than rigid, hierarchical bureaucracy and procedures that are relatively slow, complicated, expensive, and lacking in transparency. The implementation of NPM aims to improve the efficiency, effectiveness, and accountability of public services (Osborne, 1993).

The enactment of the Financial Management Pattern for Public Service Agencies (PPK – BLU) is based on the issuance of Government Regulation Number 23 of 2005 in conjunction with Government Regulation Number 74 of 2012 concerning Financial Management of Public Service Agencies. This Government Regulation serves as an implementing regulation of Law No. 1 of 2004 on the State Treasury, which provides a

technical and detailed framework for the financial management of BLUs, which are part of the overall state treasury system. These PSBs were established with the aim of improving services to the community in order to promote public welfare and educate the nation (Republic of Indonesia, 2004). The assets of PSBs are state assets that are not separated, unlike state – owned enterprises (BUMN), so that the income obtained from the services provided constitutes state revenue. BLU revenue is managed, utilized, and can be used directly to finance the relevant BLU's expenditures, but with an emphasis on the principles of efficiency, productivity, and accountability.

BLU work units are given significant financial flexibility, allowing them to manage the income they earn directly to finance their operational activities, unlike the state budget mechanism for non – BLU work units (Government of Indonesia, 2012). This flexibility is expected to encourage innovation, improve service quality, and accelerate response to community needs (Basuki & Al – Hasin, 2024), while maintaining strong internal controls so that BLU's financial management is transparent and accountable (Awodiran et al., 2024). Thus, BLU Satker is positioned in the middle, between regular APBN Satker, non – BLU Satker, and State – Owned Enterprises (BUMN)/State – Owned Legal Entity Universities (PTNBH). The comparison between the three can be seen in the table below:

Table 1. Comparison of State Universities (PTN) under the State Budget (APBN), BLU, and State – Owned Universities with Legal Entity Status (PTNBH)

No	Criteria	PTN Satker	BLU PTN	State-Owned Enterprises
1	Legal status	Ministry/Agency	K/L Section	Legal Entity
2	State Assets	Not separated	Not separated	Separate
3	Management	Governance	Semi – corporate, semi – autonomous	Autonomous
4	Purpose	Nonprofit services, not permitted to conduct business	Service priority but may apply profit – making business practices to services	Profit Orientation
5	Financial management	Rigid and inflexible	Flexible, can immediately use income	Highly flexible
6	Funding sources	State Budget in RKA – KL	State Budget Revenue, Non – Tax State Revenue	State Budget (PMN), Business income
7	Human Resources/Employees	Civil Servants	ASN and BLU Employees	Legal Entity Employees
8	Government Control	Very strong	Weak	Not strong
9	Taxation	Not a taxable entity	Not subject to tax	Tax subject (Entity)
10	Accounting Standards	Government Accounting Standards (SAP)	SAP & Financial Accounting Standards (SAK)	SAK
11	Supervision, Inspection/Audit	APIP (Inspectorate, SPI), BPKP, and BPK	APIP (Inspectorate, SPI), BPKP, BPK, and KAP	Commissioners, Board of Commissioners, BPK, and KAP

Source: Ministry of Finance, data processed.

The implementation of the Public Service Agency Financial Management Pattern (PPK – BLU) at State Islamic Higher Education Institutions (PTKIN) is actually an effort to reduce bureaucracy in the implementation of educational services. According to (I Nyoman Sukraaliawan1 & Putu Agustana, 2023), debureaucratization is characterized by the application of the principles of participation and equality of service. Equality of service includes providing standardized access, facilities, and treatment. Debureaucratization is a form of implementation of the New Public Management (NPM) concept, where the application of NPM (Nurman et al., 2024) initiates a shift in paradigm, orientation, and practice in the delivery of public sector services. The focus has shifted from public administration to public service management. The old paradigm tended to prioritize bureaucratic systems and procedures that were inefficient, with services known to be complicated, slow, and ineffective. This has been replaced by a new paradigm that is oriented towards results and service performance with equal access to services that are fast, easy, and inexpensive (Osborne, 1993).

Value for Money Analysis

Value for Money is a performance evaluation concept that focuses not only on costs but also on the results achieved (Lombi et al., 2022). The flexibility granted to UIN SSC due to its BLU status in financial management is in accordance with Government Regulation Number 23 of 2005, as amended by Government Regulation Number 74 of 2012 concerning the Financial Management of Public Service Agencies. As a BLU, financial management must be based on the principles of efficiency and productivity, thereby requiring a continued emphasis on accountability. Flexibility is also expected to encourage innovation, implement sound business practices to improve service quality, and accelerate response to community needs. The goal is to ensure that public funds, in this case the Single Tuition Fee (UKT) for students, are used economically, efficiently, and effectively, as well as fairly, to generate the greatest benefit for students.

The concept of value for money emphasizes maximizing benefits over time by utilizing available resources (Changalima et al., 2022) to improve accountability and performance at UIN SSC (Yap, 2023; Djuanda, 2024). In other words, VFM emphasizes achieving the right balance between economy, efficiency, and effectiveness (Yap, 2023) as well as equitable benefits, on its impact. VFM is said to be high when there is an optimal balance between the three dimensions or elements. The VFM concept can be illustrated as follows:

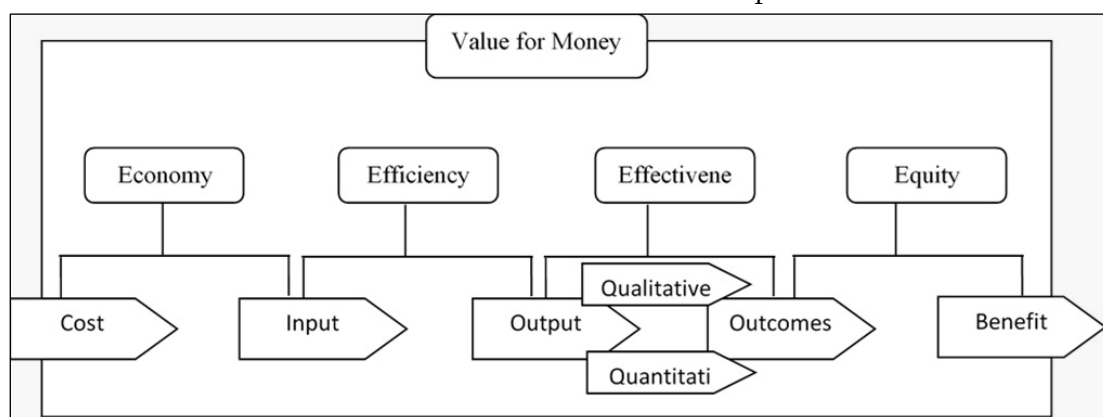


Figure 1. Value for Money Concept (adapted)

Application at UIN Siber Syekh Nurjati Cirebon, the calculation of the value for money concept measures how efficiently PNBP funds are used and how effectively these funds finance the three pillars of higher education, producing quality graduates, research,

and community service. The costs incurred are relatively low and reasonable, with high productivity, so that performance targets or key performance indicators (KPIs) are achieved, and all UIN SSC priority programs are realized. Every expenditure made must provide maximum benefits for all the academic community easily, evenly, and fairly. In general, VFM is evaluated through three main pillars (Erica et al., 2024; Sugar & Webb, 2022), as follows:

- a. *Economy*, also known as "thrift without waste" in the implementation of activities and budgets. This principle of economy means efforts to eliminate unnecessary or minimizable costs without reducing quality. This economic dimension refers to obtaining inputs of the right quality and quantity at the lowest price, so that every expenditure is considered prudent and economical. This involves internal control systems, careful procurement practices, effective negotiations, and low-cost risk management and cost setting to minimize expenditures without sacrificing quality. If the value is close to 100%, it means that the realization is in accordance with the budget; if the value is <100%, it indicates savings; and if it is >100%, it indicates waste. To measure the economic level in the public sector, including at BLU UIN SSC, budget ceiling and expenditure realization data are required.

$$\text{Level of Economy} = \frac{\text{Realization Budget}}{\text{Budget Constraint}} \times 100\%$$

Equation 1. Formula for Measuring the Level of Economy

- b. *Efficiency* is closely related to productivity. Efficiency is closely linked to productivity and is measured by comparing output with input costs. It reflects the optimal use of resources to generate maximum output or quality products. Efficiency is expressed as the ratio of output to input. An organization is efficient if it produces more output with the same input, or the same output with less input. POBO values above 100% indicate high efficiency and sustainability, 100% reflects break even, while values below 100% signal inefficiency and potential budget deficits.

$$\text{Efficiency Level (BOPO)} = \frac{\text{Operating Expenses}}{\text{Operating Income}} \times 100\%$$

Equation 2. Efficiency Level Measurement Formula (BOPO)

$$\text{Efficiency Level (POBO)} = \frac{\text{Operating Income}}{\text{Operating Expenses}} \times 100\%$$

Equation 2. Efficiency Measurement Formula (POBO)

- c. *Effectiveness* relates to the achievement of outputs in relation to objectives or policies, i.e., the performance that must be achieved. Operational activities are considered effective when the ultimate goals and objectives of the policy (*spending wisely*) are achieved. Measuring the extent to which the goals and objectives of the program or policy have been achieved, as well as the resulting impact (*outcome*). This pillar focuses on the relevance and success of the program in meeting the needs of *stakeholders* and achieving the mission of UIN SSC. Measuring the level of effectiveness requires data on revenue realization and budget or revenue targets, with the following formula:

$$\text{Effectiveness Level} = \frac{\text{Income realization}}{\text{Income Target}} \times 100\%$$

Equation 3. Effectiveness Level Formula

Performance Evaluation of BLU Based on PER-11/PB/2021

Directorate General of Treasury Regulation Number PER – 11/PB/2021 regulates guidelines for assessing the governance and performance (maturity level) of BLUs. Performance assessment according to this regulation uses a results based and process – based approach. However, only results based assessment, which is the focus of this study, covers financial aspects with four main indicators, including liquidity, efficiency, effectiveness, and level of financial independence.

a. Liquidity

Liquidity is used to measure the ability of BLUs to settle their short – term obligations. This refers to the ability to pay debts and bills that are due within one fiscal year. The ratios used are the current ratio and cash optimization ratio.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Equation 4. Current Ratio Formula

b. Efficiency

Efficiency is used to assess the ability of BLU UIN SSC to produce service outputs as reflected in operating income. The ratio used is Operating Income to Operating Expenses (POBO). A higher efficiency figure indicates that BLU UIN SSC is better at producing service outputs. The calculation formula is as follows:

$$\text{Efficiency (BOPO)} = \frac{\text{Input BLU (Operating Expenses)}}{\text{Output BLU (Operating Income)}} \times 100\%$$

Equation5 . Efficiency Ratio Formula (BOPO)

and

$$\text{Efisiensi (POBO)} = \frac{\text{Output BLU (Operating Income)}}{\text{Input BLU (Operating Expenses)}} \times 100\%$$

Equation6 . Efficiency Formula (POBO)

c. Effectiveness

Effectiveness is used to measure the BLU's ability to utilize its resources, including the utilization of assets or equity in achieving objectives or generating surpluses. It measures the rate of return on BLU assets/equity in achieving objectives/targets or value benefits. The ratios used are *Return on Assets* (RoA) and *Return on Equity* (RoE).

$$\text{Effectiveness (RoA)} = \frac{\text{Surplus (Deficit)}}{\text{Total Assets}} \times 100$$

Equation7 . Return on Assets (ROA) Effectiveness Formula

$$\text{Effectiveness (RoE)} = \frac{\text{Operating Income}}{\text{Total Equities}} \times 100$$

Equation8 . Formula for Return on Equity (ROE) Effectiveness

d. Level of Independence

The level of independence is used to measure the dependence of BLU spending on Pure Rupiah (RM) from the State Revenue and Expenditure Budget (APBN). The closer the level of independence is to 100%, because PNBP is close to or exceeds RM, *the more independent* the BLU is. In other words, the dependence of BLU spending on RM is lower,

and conversely, the further away from 100%, the higher the dependence of BLU on RM. The calculation formula is as follows:

$$\text{Level of Independence} = \frac{\text{Total Income PNBPN}}{\text{Total RM}} \times 100$$

Equation9 . Financial Level of Independence Formula

From the four indicators above, the following table shows:

Indicator	Indicator	Definition	Measurement Objective
KE.1	Liquidity	The ability of BLU to settle short – term obligations	To measure the ability of BLU UIN SSC to settle short – term liabilities.
KE.2	Efficiency	The ability of BLU UIN SSC to produce service output	Measuring the ability of BLU UIN SSC to produce service output.
KE.3	Effectiveness	The ability of BLU to utilize its resources to achieve its objectives.	Measuring the ability of BLU UIN SSC to utilize its resources to achieve its objectives.
KE.4	Level of Independence	The dependence of BLU spending on Pure Rupiah (RM) from the State Budget (APBN).	Measuring the dependence of BLU UIN SSC spending on Pure Rupiah (RM) from the APBN

Islamic Economics Based on Maqasid al-syari'ah

In Islamic economic studies, maqṣid al-syarī'ah is a normative framework that not only measures the success of financial output, but also assesses the dimensions of benefit (maslahah) and justice (al-ʿadl) in the activities of economic institutions. Maqṣid places the objectives of sharia as the main evaluative benchmarks, including: ḥifẓ ad-dīn (protection of religion), ḥifẓ an-nafs (protection of life), ḥifẓ al-aql (protection of reason), ḥifẓ an-nasl (protection of offspring), and ḥifẓ al-māl (protection of wealth), which form the basis for holistic financial performance evaluation in religious – based institutions such as BLU UIN SSC. Journal Walisongo + 1.

Although the financial performance of BLU has so far focused more on conventional indicators through value for money analysis covering economy, efficiency, effectiveness, plus liquidity and financial independence through regulatory policy PER – 11/PB/2021, this evaluation is only quantitative and tends to ignore ethical and social aspects that should be an inherent part of the operations of State Islamic Religious Education institutions. Maqṣid provides a strong normative direction for evaluating whether financial performance is not only healthy in terms of numbers, but also produces benefits for society, avoids losses, and promotes the welfare of the people (Anggraini et al., 2018; Andy Slamet, 2022) .

The urgency of applying maqṣid in evaluating the financial performance of BLUs based on PTKIN arises for two main reasons. *First*, the limitations of conventional evaluation, which only calculate and evaluate performance based on financial ratios alone,

fail to capture the social – spiritual dimension. For example, a high liquidity ratio may reflect technical solvency, but it does not necessarily reflect a contribution to the welfare of society, which is one of the objectives of *maqṣid* (Algifari & Andrini, 2024; Andy Slamet, 2022). *Second*, the need for social welfare. UIN SSC, as an Islamic educational institution, should not only assess success based on economic productivity alone, but also evaluate the extent to which its activities benefit students, the community, and society at large. In this context, *maqṣid* serves as a moral and ethical foundation that transcends mere financial output (Andy Slamet, 2022).

A number of contemporary studies (Algifari & Andrini, 2024; Andy Slamet, 2022), show that performance that integrates *maqṣid* is more related to social welfare and long – term sustainability, not just numerical parameters. This also addresses the gap in BLU performance evaluation that has not been covered by the conventional framework (Soediro & Meutia, 2018).

METHOD

This study employs a quantitative qualitative triangulation approach using secondary data in the form of audited financial reports of the BLU UIN Siber Syekh Nurjati Cirebon for the period 2022 – 2024, sourced from <https://pengawasinternal.uinssc.ac.id/peraturan – perundang – undangan/>. The triangulation approach was applied to improve the validity and depth of analysis by combining Value for Money – based financial performance measurements and PER – 11/PB/2021 regulations with normative qualitative interpretations of the calculation results (Nurfajriani et al., 2021) and descriptive analysis from an Islamic economic perspective. The financial data used is official data that is open and/or has obtained permission for use for academic and scientific publication purposes, so that its use complies with the principles of research ethics and public accountability. Data collection was carried out through field research using the technique of audited financial report documentation for three consecutive years. The collected data were then systematically reviewed to obtain a complete picture of the performance, economic level, efficiency, effectiveness, liquidity, and financial independence of BLUs.

Data analysis was carried out using the Value for Money (VfM) method and PER – 11/PB/2021 – based analysis as quantitative measures in assessing the financial performance of BLUs through five indicators, namely economy, efficiency, effectiveness, liquidity, and level of financial independence. The combination of these two approaches aims to produce a more comprehensive and balanced assessment of financial performance during the research period.

Although the VfM and PER – 11/PB/2021 analyses provide a comprehensive overview of financial performance, this study needs to integrate them with an Islamic economic perspective in order to present ethical dimensions and public values. Therefore, it is necessary to integrate performance assessments with the perspective of *maqasid* Shariah. Islamic values such as *ḥifẓ al-māl*, *ʿadl*, *maṣlaḥah* (falah and maslahah), blessings, and *istiqlāl al-māl* are used as a normative framework in the development of the Islamic Value for Money (IVfM) concept, so that BLU performance assessments are not only oriented towards financial achievements but also towards the achievement of *maqṣid al – syarīʿah*. This perspective differs from the value theory in conventional economics, which focuses on financial ratios, utility, and maximum profit (Fachruddin & Pratama, 2024; Soediro & Meutia, 2018).

RESULTS AND DISCUSSION

Results

Based on data from the Budget Implementation Report, the financial performance of BLU UIN Siber Syekh Nurjati Cirebon from 2022 to 2024 shows varying and fluctuating trends. The following are the results of the analysis using the *Value for Money* principles and policies outlined in PER–11/PB/2021. We present the results of the calculation as follows:

Economic efficiency

Table 2. Economic Level of Financial Performance of UIN SSC (2022 – 2024)

Year	Budget		Economic Level
	Ceiling	Realization	
	Budget (Rp million)	Budget (Rp million)	
2022	168,338,599,000	144,917,132,411	86.09
2023	296,038,082,000	283,235,926,779	95.68%
2024	206,871,041,000	183,950,496,757	88.92%

Source: UIN SSC financial data (processed data)

Efficiency level

Table 3. Efficiency Level (BOPO) of UIN SSC (2022 – 2024)

Year	Operational		BOPO
	Operational Revenue (Rp million)	Operational (IDR million)	
2022	162,659,355,604	131,862,869,593	81.07
2023	303,007,203,143	283,067,074,000	93.42%
2024	208,071,025,797	183,039,831,309	87.97%

Source: UIN SSC financial data (processed data)

Table 4. Efficiency Level (POBO) of UIN SSC (2022 – 2024)

Year	Operational		POBO
	Operational Revenue (Rp million)	Operational (IDR million)	
2022	162,659,355,604	131,862,869,593	123.35%
2023	303,007,203,143	283,067,074,000	107.04%
2024	208,071,025,797	183,039,831,309	113.68%

Source: UIN SSC financial data (processed data)

Table 5. Composition of UIN SSC BLU Revenue (2022 – 2024)

Revenue Sources	2022 (IDR million)	2023 (IDR million)	2024 (IDR million)
Revenue from State Budget Allocation/RM	106,440,039,377	219,231,253,825	112,059,228,000
Revenue from Education Services	35,971,599,400	77,026,169,494	89,186,321,500

Revenue from Provision of Goods & Other Services	—	—	371,830,216
Revenue from BLU Cooperation	74,882,900	395,305,123	871,392,508
BLU Banking Service Revenue	152,713,571	1,307,651,531	1,962,587,519
Other BLU Revenue	—	2,582,412,948	5,986,625,175
Revenue from BLU Services Sourced from Government Entities	—	—	381,960,000
General PNB Revenue		92,765,663	
Total Revenue		142,639,235,248	300,635,558,584
			210,819,944,918

Source: UIN SSC financial data (Data Processed)

Effectiveness Ratio

The Effectiveness Ratio is used to measure the ability of BLU to utilize its resources, including the utilization of assets or equity in achieving objectives, or to generate a surplus. It measures the rate of return on BLU's assets/equity in achieving objectives/targets or value benefits. The ratios used are *Return on Assets* (RoA) and *Return on Equity* (RoE).

Table 6. Effectiveness Level (RoA) of UIN SSC (2022 – 2024)

Year	RoA - Assets		Effectiveness Level (RoA)
	Surplus/Deficit (IDR million)	Total Assets (IDR million)	
2022	30,758,435,614	468,159,942,730	6.57
2023	152,133,182,562	610,300,910,060	24.93%
2024	25,030,194,488	631,142,042,466	3.97

Source: UIN SSC financial data (Data processed)

Table 7. UIN SSC Effectiveness Rate (RoE) (2022 – 2024)

Year	RoE - Equity		Return on Equity (RoE)
	Operating Revenue (IDR million)	Total Equity (IDR million)	
2022	162,659,355,604	465,906,784,912	34.91%
2023	303,007,203,143	608,985,404,867	49.76%
2024	208,071,025,797	630,457,181,554	33.00%

Source: UIN SSC financial data (processed data)

Liquidity ratio

This liquidity ratio is not calculated in the VfM analysis. The current ratio of UIN Siber Syekh Nurjati Cirebon for the years 2022 – 2024 indicates a very strong liquidity position, showing that this UIN SSC campus has more than sufficient current assets to cover all its short term liabilities.

Table 8. UIN SSC Financial Liquidity Levels (2022 – 2024)

Year	LIQUIDITY		Liquidity Level
	Current Assets (IDR million)	Short-Term Liabilities (IDR million)	
2022	21,082,151,829	2,253,157,827	9.36
2023	40,695,874,953	1,315,505,193	30.94
2024	60,921,925,097	684,860,912	88.96

Source: UIN SSC financial data (data processed)

Financial Independence Level

The level of independence is used to measure the dependence of BLU spending on Pure Rupiah (RM) from the State Revenue and Expenditure Budget (APBN). The closer the level of independence is to 100%, because PNPB is close to or exceeds RM, *the more independent* the BLU is. In other words, the dependence of BLU spending on RM is lower, and conversely, the further away from 100%, the higher the dependence of BLU on RM.

Table 9. Financial Independence Level of UIN SSC (2022 – 2024)

Year	PNBP Revenue (IDR million)	State Budget Funds (RM)	Level of Independence (%)
		(IDR million)	
2022	56,219,316,227	106,440,039,377	52.82
2023	83,775,939,318	219,231,263,825	38.21
2024	97,491,586,027	110,494,983,648	88.23

Year	RoA		Effectiveness Rate	Description
	Surplus/Deficit	Total Assets		
2022	30,758,435,614	468,159,942,730	6.57%	Effective
2023	152,133,182,562	610,300,910,060	24.93%	More Effective
2024	25,030,194,488	631,142,042,466	3.97%	Effective

Discussion

Economic Level Analysis

Based on Table 2, the financial management of UIN Siber Syekh Nurjati Cirebon (UIN SSC) during the 2022 – 2024 period shows a very good economic level. This is reflected in the ratio of actual expenditure to the budget ceiling, which was 86.09% (2022), 95.68% (2023), and 88.92% (2024), respectively, where actual expenditure was consistently below or close to the budget ceiling. This condition shows that UIN SSC is capable of implementing programs and activities with a good level of savings without reducing service quality. This finding is in line with the principle of *economy* in the Value for Money (VfM) concept, namely, *spending less for the same input*, which emphasizes prudent *fiscal management*.

The results of this study are in line with the findings of the Cianjur Regency Ornamental Plant Research Center, which shows that the economic ratio during the 2017–2018 period was categorized as very economical because the budget realization was smaller than the set target. The pattern of budget absorption below the ceiling in the study is seen as an indicator of successful economic budget management within the Value for Money framework. The similarity of this pattern indicates that spending realization below the ceiling, as occurred at UIN SSC, is a common and acceptable practice in public sector financial management, as long as it is still able to achieve the planned outputs and outcomes.

UIN SSC's highest level of economy occurred in 2023 at 95.68%, which indicates that budget absorption was optimized to almost reach the ceiling. This condition shows that most of the planned programs can be realized, so the risk of *idle budget* is relatively small. This finding is also consistent with the research on the Pekalongan City Government, which recorded an increase in the economic ratio from 92.40% in 2021 to 94.58% in 2022. The study confirms that the increase in the economic ratio reflects more economical and controlled budget use, although it still needs to be balanced with improvements in efficiency and effectiveness in budget management.

In 2024, the UIN SSC expenditure realization ratio decreased to 88.92% of the budget ceiling. This decline can be interpreted as a weakening of budget absorption capacity compared to the previous year, mainly due to the failure to achieve BLU revenue targets and a decline in revenue from the state budget/RM allocation, particularly from SBSN. The BLU revenue target set at IDR 142,122,772,000 was only realized at IDR 73,404,152,219 or 51.65% by the end of the fiscal year. This finding reinforces the argument (Prameswari et al., 2024) that even though the economic level may increase or remain stable, limited revenue and less adaptive budget planning can have an impact on the effectiveness and efficiency of the overall financial performance of the public sector.

From an Islamic economic perspective, the relatively stable economic level at UIN SSC reflects the application of the principle of *hifz al-mal*, which is to protect public assets from waste (*israf*) and unproductive use (*tabzīr*). The expenditure realization ratio, which is close to but does not exceed 100%, indicates a balance between fiscal prudence and successful program implementation. Thus, UIN SSC's budget management not only meets technical economic criteria according to VfM and PER–11/PB/2021, but is also in line with sharia ethics in public fund management, namely realizing benefits without neglecting the principles of trust and social responsibility.

Effectiveness Analysis through RoA and RoE

Based on the calculations in Table 6, the Return on Assets (RoA) value of UIN Siber Syekh Nurjati Cirebon (UIN SSC) shows significant dynamics during the 2022–2024 period, namely 6.57% (2022), increasing sharply to 24.93% (2023), and decreasing to 3.97% (2024). The surge in RoA in 2023, which increased nearly fourfold compared to the previous year, indicates that after effectively becoming a Public Service Agency (BLU), UIN SSC was able to utilize its assets very effectively to generate a surplus. This increase reflects improvements in asset management, intensification of operational activities, and a more optimal alignment between the asset structure and the service output produced.

However, the decline in RoA in 2024 indicates that the effectiveness of asset utilization has undergone a correction. Although the ratio remains positive, meaning that assets still generate net benefits, this decline indicates a decrease in the operational return on assets. This condition may be influenced by asset expansion, increased depreciation expenses, or changes in the composition of assets towards assets that do not directly generate

income. This pattern shows that the effectiveness of BLUs tends to peak in the early post – autonomy phase, followed by a consolidation phase. A similar phenomenon was also found in the study at Dr. Wahidin Sudirohusodo General Hospital in Makassar, where financial performance showed good results in several periods but faced challenges in asset return indicators. This indicates that the surge in post – autonomy effectiveness or institutional flexibility is not a unique phenomenon, but rather a common pattern in public service entities undergoing governance transformation.

The results of the Return on Equity (RoE) analysis in Table 7 reinforce these findings. UIN SSC's RoE value was recorded at 34.91% (2022), increased to 49.76% (2023), and then decreased to 33.00% (2024). In 2022, the first year of BLU establishment, the RoE of 34.91% indicates that every rupiah of equity is capable of generating approximately 0.35 rupiah in operating income, reflecting fairly efficient capital utilization amid the post – COVID – 19 pandemic consolidation phase. The sharp increase in RoE in 2023 indicates much stronger capital productivity, more effective revenue mobilization, and high operational returns on equity resources.

In 2024, the decline in RoE to 33.00% reflects a moderate contraction in capital effectiveness, which is likely due to an increase in total equity without a corresponding increase in operating income. Nevertheless, the ratio remains within the efficient range and indicates that BLU capital management is still being carried out prudently and sustainably. This pattern is consistent with the findings of Salsabila et al. (2023), who recommend comparative analysis across public service institutions to understand variations in effectiveness and the structural factors that influence it.

Within the framework of Value for Money and the provisions of PER – 11/PB/2021, the high RoA and RoE in 2023 reflect the effectiveness of outcome achievement, not just output. Assets and equity not only increased nominally, but were actually converted into surpluses and operating income that supported educational services. From the perspective of *maqṣid al – syarī'ah*, this effectiveness demonstrates the achievement of *tahqīq al – maslahah*, namely the optimization of public resources to provide tangible benefits to the academic community through improved educational services, strengthened infrastructure, and enhanced academic quality. Thus, the financial effectiveness of UIN SSC can be assessed not only as a technocratic achievement but also as an ethical and social success in the management of Islamic educational institutions.

Liquidity Level Analysis

Based on Table 8, the liquidity level of BLU UIN Siber Syekh Nurjati Cirebon (UIN SSC) during the 2022 – 2024 period shows a very strong position. In 2022, as the first year of the establishment of the Public Service Agency status, where the first semester still operated as an APBN work unit, the liquidity ratio was recorded at 9.36x. This means that UIN SSC's current assets were approximately nine times greater than its short – term liabilities. This condition reflects healthy and adequate liquidity to ensure the fulfillment of all short – term liabilities without financial pressure. This ratio can be categorized as ideal in the context of public sector financial management because it shows a balance between prudence and resource utilization.

In 2023, the liquidity ratio increased significantly to 30.94x, and in 2024 it jumped even higher to 88.96x. This trend indicates a very rapid accumulation of current assets, particularly in the form of BLU cash, which increased from IDR 15.19 billion (2022) to IDR 31.19 billion (2023), reaching IDR 54.54 billion by the end of 2024. Although these conditions ensure very strong short – term solvency, excessively high liquidity ratios also indicate potential inefficiencies in cash management, as some funds may be idle and not

optimally utilized to support improvements in education, research, and community service.

This finding is in line with the results of the study at the Kelet Regional Public Hospital (BLUD RSUD Kelet), which showed a very high liquidity ratio during the COVID–19 pandemic, namely 485.37% in 2020 and increasing to 598.27% in 2021. The study concluded that although liquidity met or even exceeded BLUD standards, extremely high liquidity does not automatically reflect optimal financial performance, as a balance between cash capacity and service quality is still required. This comparison reinforces the finding that high liquidity is a common phenomenon in public service entities that have financial management flexibility, but risks causing inefficiency if not accompanied by fund productivity policies. Conversely, (Salsabila et al., 2025) showed the opposite condition, where the cash ratio is relatively low (0.5 in 2019 and declining to 0.25 in 2023). This low cash ratio indicates challenges in liquidity management and has an impact on overall financial health. This comparison shows that UIN SSC's liquidity position is well above the average of other public service institutions, so the liquidity risk is relatively very small. However, the "over–liquid" condition also poses its own challenges in achieving efficiency and effectiveness in the use of funds.

Within the Value for Money (VfM) framework as stipulated in PER–11/PB/2021, high liquidity does reflect economic aspects and fiscal prudence. However, VfM also emphasizes the importance of productivity and resource optimization. Therefore, the liquidity ratio of 9.36x in 2022 can be viewed as the most balanced condition, while the ratios of 30.94x (2023) and 88.96x (2024) indicate the need for more productive cash management strategies, such as accelerating strategic spending, investing in improving the quality of education, research, scholarships, or developing endowment funds. From an Islamic economic perspective, very high liquidity conditions need to be reviewed through the principles of wasatiyyah (balance) and the prohibition of iktinz or neglect of wealth. Public assets must not only be kept secure (*hifz al–ml*), but also optimized to produce sustainable benefits. Thus, although the liquidity of UIN SSC indicates very prudent financial management, strengthening the fund's productivity strategy through short–term sharia instruments or educational endowment funds is important so that the funds are not merely stored but actually provide sustainable social and academic added value.

Analysis of Financial Independence Level

Based on the calculations in Table 9, the financial independence ratio of UIN Siber Syekh Nurjati Cirebon (UIN SSC) illustrates the comparison between internal revenue sourced from Non–Tax State Revenue (PNBP) and external funding from the government (APBN/RM). In 2022, the independence ratio reached 52.82%, indicating that more than half of the campus's operational funding came from internal revenue. This condition reflects a moderate level of financial independence and marks the initial success of the implementation of the Public Service Agency (BLU) mechanism in diversifying revenue sources. However, in 2023, the independence ratio decreased to 38.21%, indicating an increase in dependence on APBN funds. This decline can be attributed to increased funding for strategic programs sourced from the government or a decrease in PNBP revenue due to temporary disruptions in service activities. Nevertheless, the operational stability and fiscal discipline of UIN SSC remain intact.

These findings are in line with the study, which shows that the average independence ratio of state universities with BLU status in Indonesia is 70.87%, indicating that there is still structural dependence on government funding. The study emphasizes that the

operational flexibility of BLUs is often limited by the dominance of state budget funds, so that the main objective of BLUs to achieve fiscal independence has not been fully optimized. Compared to these findings, the independence ratio of UIN SSC in 2022 and 2023 is still below the national average for BLU PTN, which indicates that the initial phase of the BLU transition tends to be characterized by fluctuations in independence and temporary dependence on government funds.

A significant change occurred in 2024, when UIN SSC's financial independence ratio increased sharply to 88.23%. This achievement demonstrates a very strong capacity to generate and maintain operational income from internal sources, while reducing dependence on the state budget/RM to a minimal level. When compared to the findings of , this achievement places UIN SSC above the average financial independence of BLU PTNs in Indonesia. Thus, UIN SSC can be categorized as a BLU that has achieved a high level of fiscal independence and demonstrates mature financial management. Overall, this three – year trend illustrates a progressive transition from fiscal dependence to financial sustainability, in line with the normative objectives of the BLU model.

From a Value for Money (VfM) perspective, financial independence is an important indicator of efficiency and effectiveness. PER – 11/PB/2021 emphasizes that an increase in the proportion of financing sourced from PNBPN reflects the ability of BLUs to create value independently. The leap in the independence ratio in 2024 shows the strategic success of UIN SSC in reducing dependence on the State Budget's Pure Rupiah (RM) and optimizing internal revenue as the main source of financing. Regulatory – wise, an independence ratio approaching 100% is an ideal condition for BLUs as it reflects fiscal efficiency, operational flexibility, and long – term financial sustainability.

From the perspective of *maqšid al – syarī'ah*, this increase in financial independence is a manifestation of the principles of *istiqlāl al – mlī* (economic independence) and *mas'ūliyyah* (moral responsibility). State Islamic Religious Universities are required not only to rely on state subsidies, but also to be able to manage internal potential in a trustworthy manner for the benefit of the people. The increase in the independence ratio from 52.82% (2022) to 88.23% (2024) shows that UIN SSC has been able to finance most of its activities through PNBPN, thereby strengthening fiscal sustainability and public accountability. In this context, financial independence does not only mean technocratic efficiency, but also reflects *accountability dualism*, namely financial responsibility to the state and moral – social responsibility to the people (*mas'ūliyyah ilhiyyah wa ijtīm'iyah*).

Analysis of VfM Integration, PER-11/PB/2021, and Islamic Economics

The overall financial performance of UIN SSC during 2022 – 2024 shows a consistent pattern. *Triangulation* analysis between the results of quantitative analysis (VfM & PER – 11/PB/2021 ratios) and Islamic economic values (*maqšid syariah*) provides a more comprehensive picture.

Table 10. *Triangulated* analysis of VfM & PER – 11/PB/2021 ratios with Islamic economics

Dimension	Results of Quantitative Analysis	Managerial Meaning	Maqṣid Meaning
Economical	Cost – effective (86 – 95%)	Controlled spending	<i>ḥifẓ al-māl</i>
Efficiency	Highly efficient (POBO >100%; BOPO < 100%)	Optimal input → output, Professional & responsible	<i>Itqān, amanah</i>
Effectiveness	Productive (high RoA – RoE)	Targets achieved, utilization of of assets and equity for academic purposes	<i>Achieving the greater good</i>
Liquidity	Very strong	Safe from risk, Cash productivity	<i>Moderation</i>
Independence	Increased → 88%	Fiscal independence and sustainability	<i>Fiscal independence</i>

Source: Data processing and analysis results

This integration shows that BLU UIN SSC is not only superior in terms of numbers and technically efficient, but also fulfills the aspects of *value* and sharia objectives, is ethically and socially valuable, so that it can be assessed in accordance with the main objectives of *maqṣid al-syarī'ah*, which include safeguarding public assets (*ḥifẓ al-māl*), realizing professionalism (*itqān and amanah*), benefit (*maslahah*), upholding justice (*al-'adl*), realizing balance (*wasatiyah*), and economic independence of PTKIN (*istiqlāl al-māl*).

These findings reinforce the Islamic Value for Money (IVfM) model, an evaluative approach that integrates economic efficiency with sharia values. Through IVfM, financial performance measurement not only assesses *input–output–outcome* aspects, but also *purpose and ethics*. Thus, the success of BLU UIN SSC in managing its finances can be assessed as a balanced achievement between fiscal accountability and spiritual accountability, while strengthening the role of Islamic economics in public financial management.

Conclusion

This study concludes that the financial performance of UIN Siber Syekh Nurjati Cirebon as a Public Service Agency (BLU) during the 2022 – 2024 period is stable, healthy, and shows a direction of continuous improvement. These findings reinforce previous literature on the effectiveness of the BLU scheme in increasing the flexibility of public institution financial management, while also expanding the study by incorporating the normative dimension of Islamic economics. Thus, performance evaluation is not only technocratic but also ethical and oriented towards public benefit.

From a Value for Money (VfM) perspective, consistent budget realization below the ceiling reflects economical and accountable spending management practices. Operational efficiency, as reflected in BOPO <100% and POBO >100%, demonstrates the BLU's ability to create value through resource optimization, not merely cost savings. Meanwhile, high effectiveness—especially in 2023—confirms that assets and equity can be utilized productively to support the three pillars of higher education, although performance fluctuations indicate the need for medium – and long – term asset management strategies. Strong liquidity puts BLU UIN SSC in a secure financial position, but at the same time indicates potential idle funds. From the perspective of VfM and *maqṣid al – syarī'ah*, this condition requires a more productive cash management policy so that public funds can

generate social added value (masalah) without neglecting the principle of prudence. A significant increase in the level of financial independence to 88.23% in 2024 confirms the success of BLU in reducing dependence on the state budget, while reflecting the principle of *istiqlal al – mlī* in Islamic economics.

The policy implications of these findings are: (1) for PTKIN leaders and BLU managers, it is necessary to strengthen *value creation strategies* through service innovation, revenue source diversification, and productive asset optimization; (2) for the Ministry of Religious Affairs and the Ministry of Finance, these results support the need for affirmative policies to expand and strengthen the PTKIN BLU model; and (3) for regulators and academics, the Islamic Value for Money (IVfM) framework developed in this study can be used as an alternative evaluation model for sharia –based public financial management that balances fiscal accountability, economic efficiency, and the achievement of *maqṣid al – syarī'ah*.

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