

## Evaluation of the Regional Public Service Agency Budget Absorption Level in Gresik, East Java

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### ABSTRACT

**Background:** Absorption of the expenditure budget is one of the performance assessments that is still a challenge in the Regional Public Service Agency (BLUD) of Health Center in Gresik Regency. The purpose of this study is to explore the evaluation of the level of absorption of the budget of the regional public service agency of the Health Center in Gresik Regency.

**Subjects and Method:** This qualitative study was conducted in Health Center in Gresik Regency in 2 to 28 October 2022. The informants in this study were the owner or person in charge of the clinic with a total of 24 (twenty-four) people with triangulation of sources. The qualitative data and information were analyzed using source triangulation.

**Results:** In the Resource Indicator which includes knowledge, attitudes and workload at the BLUD Health Center, it is known that the informant's knowledge regarding budgeting and BLUD absorption is quite sufficient. In addition, with the change in the status of the Health Center to BLUD, the workload of health workers has also increased. All informants have a good attitude and commitment in implementing BLUD Health Center. The unavailability of regulations related to HR management, accounts payable, investment management and cooperation management in the context of financial independence at the BLUD Health Center in Gresik Regency. There has never been any monitoring assistance from the planning process to the absorption of the BLUD budget at the Gresik Regency Health Center by the Gresik Regency Regional Financial Revenue Management Agency (BPPKAD).

**Conclusion:** It is necessary to immediately issue regulations in the form of Decrees and Regent's Regulations related to the management of Human Resources, accounts payable, investment management, and the management of cooperation with the BLUD Health Center in Gresik Regency.

**Keywords:** Budget, BLUD & Public Health Center

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### BACKGROUND

Today, public service agencies, both government and private, are required to provide quality and quality services, which are expected to build customer trust until success is achieved. This is a challenge in itself when there are still many government agencies and apparatus that have not been able to meet the expectations of the community (Adam et al.,

2017). This can be seen from the number of complaints and complaints related to public dissatisfaction with public service providers related to fairly long procedures and the lack of certainty of the service period, non-transparent requirements, so that the apparatus or officers who provide services are deemed to be still incapable and professional (Triprasetya et al, 2017).

As the front line in providing health services to the community, Health Center are required to be able to provide excellent service in order to improve public health. In meeting the demands of the community, many problems have arisen, such as the limited budget for the operation of the Health Center, the convoluted bureaucratic flow in the process of disbursing funds to financial management regulations that can hinder the smooth running of services.

Government policies related to Regional Public Service Agency (BLUD) as stated in the Minister of Home Affairs Regulation No. 79 of 2018 provides an opportunity to provide excellent service. Health Center is one of the institutions that can implement the Financial Management Pattern (PPK-BLUD). According to the Regulation of the Minister of Health of the Republic of Indonesia No. 43 of 2019 concerning Public Health Centers, it is known that the UPTD of the Public Health Center of the Regional Public Service Agency is a functional health organization that is used as a center for community health development that can provide comprehensive and integrated health services and foster communities in basic activities to achieve targets in the health sector.

In addition, the government's policy as stated in the Regulation of the Minister of Finance of the Republic of Indonesia No.129/-PMK.05/2020 concerning Guidelines for the Management of Public Service Bodies, that PPK BLU is a pattern of financial management that provides flexibility in the form of flexibility to implement sound business practices to improve services. to society. The implementation of PPK BLUD is expected to improve performance so that the income of the Health Center can be better. With the increase in income, financial independence will also increase so that the fulfillment of operational activities can be realized immediately (Punitha et al., 2003).

As mandated by Permendagri No. 79 of 2018 concerning the Regional Public Service Agency (BLUD), currently the Gresik Regency Government has implemented the Financial Management Pattern System of the Regional Public Service Agency (PPK BLUD) in health service agencies that provide health services directly to the community, namely the Health Center. This is stated in the Decree of the Regent of Gresik Regency No. 821/154-4/HK/437.12/2019 concerning the Implementation of the Regional Public Service Agency for the Community Health Center in Gresik Regency. In the attachment to the Regent's Decree, 17 Health Centers in Gresik Regency have established the Financial Management Pattern of the Regional Public Service Agency (BLUD).

The Health Center BLUD budget plays an important role in reforming financial management in the public sector, as well as improving government services to the community. The financial management of the Regional Public Service Agency in Gresik Regency has entered its 3rd year, namely 2019 – 2022. The BLUD budget allocation at the Gresik Regency Health Center in 2020 is Rp. 38,560,856.763.16, and the budget allocation for BLUD Health Center revenue in 2021 is Rp. 39,632,520,113.99 or an increase of 2.77% from the previous year. The budget allocation comes from the preparation of a budget business plan based on the expenditure needs and the ability of the income that is estimated to be obtained from services to the community, grants and cooperation with other parties and other businesses, APBD and other BLUD revenues.

The Budget Business Plan is then submitted as a reference for the preparation of the draft regional regulation on the APBD. Preparation of a Budget Implementation Document (DPA) by the BLUD Health Center which contains revenues, expenditures and financing based on regional regulations on

APBD to be ratified as a basis for proper budget execution. In government agencies in the form of Public Service Agencies (BLU), Budget Business Plans (RBA) are categorized as a form of performance-based budgeting and in Government Regulation Number 23 of 2005 which regulates the financial management of Public Service Agencies. The preparation of the budget is based on the estimated target income that is expected to be obtained from the community. The existence of RBA is expected to increase flexibility, efficiency, accountability, and transparency in the implementation of tasks in managing the budget.

Budget absorption (government spending/expenditure) is one way of government fiscal policy in encouraging economic development. Initially, the need for spending or absorption of the budget was aimed at accommodating goods and services and meeting the needs of the community in an economic cycle that the private sector could not provide (Pramudya, 2021). Budget absorption is done by comparing the actual expenditure against the budget. The level of budget absorption can show the performance and capacity of government agencies in implementing and accounting for the planned activities. The more optimal the absorption of the budget for several activities is directly proportional to the better public services and facilities perceived by the community (Mardiasmo & MBA, 2009).

The suboptimal absorption of the UP-TD BLUD Health Center budget in Gresik Regency in 2021 is a challenge in assessing the performance of the Health Center BLUD. In 2020 the realization of BLUD Health Center expenditures amounted to Rp. 28,784,792,-361.63 or (74.65%) when compared to the income earned. While in 2021 the realization of BLUD Health Center expenditures is Rp. 28,-753,215,773.75 or (72.55%) of the revenue allocation. The failure of the budget absorption target resulted in the loss of the benefits

of spending, because apparently not all of the funds allocated could be utilized by the government. Moreover, in 2021 there will be a decrease in expenditure realization of 2.1% when compared to the previous year. The following is a graph of the absorption of the Public Health Center BLUD budget in Gresik Regency for the 2021 Fiscal Year.

Many researches on budget absorption have been carried out. Several variables such as planning, employee understanding, budget changes, training, organizational commitment and external influences, with varying results between researchers. According to Yulianti (2019), budget changes have a negative impact on budget absorption for central government agencies, while according to Lestari, et al (2014) budget changes have a positive impact on local government budget absorption.

This is different from what was stated by Rifai and Inapty (2016) that the delay in budget absorption is not influenced by human resources, regulations, and planning. Meanwhile, according to Halim (2017) the factors that affect budget absorption include weak budget planning, the length of the budget discussion process, the slow process of tendering, fear of officials in using the budget, limited human resources, technical regulations/guidance and implementation of activities. Low budget absorption will certainly cause potential losses for the national economy. The expected multiplier effect of the budget issued by the government in the national economy is in vain.

Absorption of the expenditure budget is one of the performance assessments that is still a challenge in the Regional Public Service Agency of the BLUD Health Center in Gresik Regency. The low (72.55%) or less than the expected target can be an obstacle in providing health service benefits to the community. In addition, until now there has not been an evaluation related to the absorption of the

BLUD Health Center budget in Gresik Regency. The purpose of this study is to explore the evaluation of the level of budget absorption of public health centers in Gresik Regency.

## SUBJECTS AND METHOD

### 1. Study Design

The design of this study was a qualitative research using a phenomenological approach with a research focus aimed at exploring the evaluation of the absorption rate of the regional public service agency's budget at the Gresik District Health Center by means of triangulation. This research was conducted on 2-28 October 2022 at Gresik District Health Center.

### 2. Population and Sample

The informants in this study were the owner or person in charge of the clinic with a total of 24 (twenty-four) people with triangulation of sources

### 3. Study Variables

**Variables Dependent** : Input, Regulation, Planning

**Variables Independent** : Budget Absorption

### 4. Operational Definition of Variables

**Input** : Budgets should be made and prepared several months before the new fiscal year begins. At this stage, the role of top management will be very influential.

**Regulation** : Has an adequate and reliable accounting information system for budget planning and control that has been agreed beforehand

**Planning** : Financial activities that contain proposed expenditure planning in one period and proposed sources of income to finance these expenditures.

**Budget Absorption** : Absorption of the budget is an important factor in the success of the government/regional government in carrying out its functions of stabilization, allocation and distribution.

### 5. Study Instrument

The instrument used is a interview guide to exploring the evaluation of the level of absorption of the budget of the regional public service agency of the Health Center in Gresik Regency.

### 6. Data Analysis

Qualitative research analyzes research results by using source triangulation.

### 7. Research Ethics

The ethical test has been carried out and the results have passed the ethical clearance test at the IIK Strada Indonesia ethics commission. The research ethics permit approval letter was obtained from the Research Ethics Committee at the Indonesian Strada Institute of Health Sciences, City of Kediri, No. 3367/-KEPK/VIII/2022, on 15 September 2022.

## RESULTS

### A. Input

Based on the results of the study, it is known that the knowledge of the informants regarding the Regional Public Service Agency is still quite adequate. Almost all informants know about flexibility in financial management and governance of BLUDs. However, the informants' knowledge regarding BLUDs is only limited to the flexibility of budget management related to budget shifts. Flexibility in terms of budget absorption is not just knowledge related to the implementation time of shifts but also about the knowledge and capabilities of human resources in planning, including the use of SILPA funds.

However, with the change in the policy of Health Center to Health Center BLUD, the workload of HR in Health Center has also increased. Almost all of the informants agreed that with the change in the status of the Health Center to BLUD, the workload of officers also increased. Especially before the status change to become a BLUD Health Center, many human resources or health workers at

the Health Center were concurrently working. They consider that with the change in the status of the BLUD, there will be additional tasks because the Health Center is also required to be independent in financial and other management.

The existence of Health Center human resources (competence) has a large role in improving service quality, the role of HR is considered capable of carrying out or carrying out a job or task based on skills and knowledge and supported by the work attitude required by the job. Most of the informants felt that the increasing workload of health workers at the BLUD Health Center was due to the existence of multiple tasks that were not in accordance with their competencies. The change in the status of the Health Center to BLUD is considered quite difficult by the Health Center in terms of financial management, this is because almost all Health Center do not yet have competent personnel in financial management. According to Hakim and Firmanto (2021), The dual work responsibilities that occur in the Health Center are not followed by the remuneration that should be obtained by the workforce. Workers who have responsibilities and a higher workload should receive remuneration in accordance with their work even though the worker is a non-civil servant worker. This is because the payroll system implemented at the Health Center is based on the procedure for the salary of Civil Servants (PNS) which will later be given the amount of remuneration based on the class of PNS and the benefits obtained.

### **B. Regulation**

The importance of regulation in the implementation of BLUD at the Health Center. As is the case with the relevant Regional Head or Regent Regulations The Technical Guidelines for Regional Expenditures in carrying out the financial management pattern (PPK BLUD) for Health Center in Gresik Regency have

referred to Gresik Regent Regulation Number 90 of 2021 concerning Technical Guidelines for Financial Management of Regional Public Service Boards for Community Health Centers. It is known that the BLUD Health Center in Gresik Regency has been started since the end of 2019 and it is stated that BLUD financial management is all activities that include planning, implementation, administration, reporting, accountability and supervision of regional finances, which are managed in an orderly manner, obeying the laws and regulations, efficient, effective, economical, transparent and responsible by taking into account the principles of justice, propriety and benefit for the community.

Based on the Presidential Regulation of the Republic of Indonesia Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods/Services that the Procurement of Government Goods/Services, hereinafter referred to as the Procurement of Goods/Services, is an activity financed by the APBN/APBD, the process begins with the identification of needs, until the handover, the work. In the context of using the budget or spending on goods/services to meet the operational needs of the BLUD Health Center. Currently BLUD Health Center are also required to refer to regulations related to the procurement of goods and services. However, until now there is still no regulation that specifically regulates the procurement of goods/services at the Gresik Regency BLUD Health Center.

### **C. Planning**

Planning is the activity of selecting facts and relating the facts and making and using estimates or assumptions for the future by describing and formulating the activities needed to achieve the desired results.

Based on Gresik Regent Regulation Number 90 of 2021 concerning Technical

Guidelines for Financial Management of Regional Public Service Agency Public Health Centers, BLUDs prepare DPA based on Regional Regulations concerning APBD to be submitted to PPKD. Based on the results of the study, it is known that the BLUD Health Center in implementing budget planning has been prepared based on priority needs. However, in practice, budget absorption is still relatively low.

#### **D. Budget Absorption**

The absorption of the BLUD Health Center budget in Gresik Regency is still low. At the beginning of the change in the status of the Health Center to BLUD Health Center there were still regulations that were not yet available, such as the Perbub for non-subsidized capitation services which until early 2022 was still SILPA because it could not be utilized and at the same time there was Minister of Health Regulation Number 6 of 2022 concerning the Use of Services. Health Services and Support for Operational Costs of Health Services in the Utilization of National Health Insurance Capitation Funds at First Level Health Facilities Owned by Local Governments.

The budget sources for the BLUD Health Center in Gresik Regency consist of the APBD and Non-Physical DAK, namely BOK. The level of budget absorption can be seen from the small results of the calculation of the budget variance. The smaller budget variance can illustrate the ability of local governments to manage regional finances so that the achievement of the development that has been determined. The total expenditure budget that has been accounted for by the Regional Government Work Units (SKPD) listed in the budget realization report is expenditure absorption. The absorption rate of BOK funding sources at the BLUD Health Center is still not maximized. It is known that dIn the planning function of BOK Health Center BLUD budget planning, which is more

timely in budgeting, both planning and shifting so that there is no change in the RBA in budget execution, it can accelerate the implementation of activities. In the actuating aspect, the difference in the time of disbursement of money is that the BOK funds of the Health Center in Gresik Regency still use the Change money system instead of the LS. This requires commitment from each BLUD Health Center to immediately carry out financial realization or process SPJ so that activities can be carried out and are not hampered.

## **DISCUSSION**

### **A. Input**

#### **1. Knowledge**

Knowledge is the result of human sensing or the result of knowing someone about an object through their five senses. The five human senses for sensing objects are sight, hearing, smell, taste and touch. At the time of sensing to produce knowledge is influenced by the intensity of attention and perception of the object. A person's knowledge is mostly obtained through the sense of hearing and the sense of sight (Notoatmodjo, 2014). Knowledge is directly proportional to the performance generated by human resources, the knowledge of informants related to the allocation of the Regional Public Service Agency's budget in 8 (eight) Health Centers of Gresik Regency is quite sufficient.

Almost all informants know that the flexibility of PKM BLUD's financial management is carried out every three months, however, there are still many who feel that they have not received information regarding the schedule for implementing budget shifts.

The importance of knowledge related to BLUD in human resources at the Health Center is very much needed in the implementation or implementation of BLUDs in accordance with Permendagri No.79 of 2018 concerning Regional Public Service Bodies. This

is in line with research conducted by Siska, et al (2021) which states that sThe better the quality of human resources owned by the Health Center, the better the performance of the BLUD Health Center in the city of Pekanbaru.

## 2. Attitude

In determining a complete attitude, knowledge, thoughts, beliefs and emotions play an important role. Like knowledge, attitude also has a level based on its intensity, namely willing to accept a given stimulus (object), providing answers or responses to questions or objects encountered, giving positive values to objects or stimuli, in the sense of language with other people, even inviting or influence or encourage others to respond, the highest level of attitude is to be responsible for what he believes.

The positive attitude shown by the BLUD Health Center is motivated by the flexibility or flexibility in financial management. The importance of flexibility, especially in terms of budget shifts, makes Health Center no need to wait for changes to the regional budget (PAPBD) which is only carried out once a year.

Attitudes have an important role in explaining a person's behavior in their environment, although there are many other factors that influence behavior such as stimulus, individual background, motivation and personality status. Knowledge, attitudes and skills are the main indicators for forming competence.

## B. Regulation

Regulation or Policy According to Handoyo, E (2012), policy and has a general and specific meaning which refers to decisions or actions that provide direction, coherence and continuity. In this case, Paul Hogget (1999) defines policy as an action or not an action that is more than a specific decision related to how to achieve goals and focus on the desired goals.

In the health sector, an understanding of policies that are known as health policies is also obtained. According to WHO (2016), Health Policy or health policy is a decision, plan and action taken to achieve public health goals.

In general, regulations that support the implementation of BLUDs at the Gresik District Health Center, especially in terms of budget use, are still limited. Regulations related to technical guidelines for the use of budgets, procurement of goods and services, accounts payable, cooperation and investment at BLUD Health Centers are still not available to date. Regulations that support financial and non-financial flexibility should be immediately drawn up and ratified by the Regional Head. The role of the Health Office is to assist the Health Center to facilitate the preparation of regulations related to BLUDs at the Health Center.

## C. Planning

*Planning* is the activity of selecting facts and relating the facts and making and using estimates or assumptions for the future by describing and formulating the activities needed to achieve the desired results.

Planning is the process of determining the goals that have been set. Through planning, a manager or leader identifies desired work results and identifies actions to achieve them. In relation to the planning function, the budget is a set of goals/targets to be achieved within a certain period. In order to achieve short-term plans (as part of long-term planning), management needs to prepare a budget as a guide for implementing activities (Puspaningsih, 2002).

The frequency of budget shifts that are more often carried out by Health Center can be caused by the lack of precision in the planning process. Until now there has not been any monitoring related to planning to budget realization by the Regional Financial Management Agency.

Budget planning as a control design and determine the direction that will be taken by an organization to achieve an organizational goal. Budget planning is the most important factor in increasing budget absorption, the worse the planning, the more obstacles and difficulties that can cause budget absorption that is not optimal (Sulistyowati, et al., 2022). Based on the results of the study, it is known that the role of the Regional Revenue and Finance Management Agency in monitoring the implementation of the BLUD Health Center in Gresik Regency is still minimal.

#### **D. Budget Absorption**

Budget execution is the stage where resources are used to implement budget policies. The implementation of the budget must be carried out consistently in accordance with the DPA (Budget Implementing Document) that has been prepared previously, this will minimize the occurrence of delays in budget absorption (Sulistyowati, et al., 2022). The implementation of the budget sourced from the APBD is used for personnel expenditures, capital expenditures, and goods/services expenditures whose mechanism is carried out in accordance with the provisions of laws and regulations (Permendag RI No. 79 of 2018).

The absorption of the BLUD Health Center budget in Gresik Regency is still low. At the beginning of the change in the status of the Health Center to BLUD Health Center there were still regulations that were not yet available, such as the Perbub for non-subsidized capitation services which until early 2022 was still SILPA because it could not be utilized and at the same time there was Minister of Health Regulation Number 6 of 2022 concerning the Use of Services. Health Services and Support for Operational Costs of Health Services in the Utilization of National Health Insurance Capitation Funds at First Level Health Facilities Owned by Local

Governments. In addition, there are several obstacles related to the menu of the Non-Physical Special Allocation Fund (DAK) at the Health Office which also have an impact on the absorption of the DAK budget at the Health Center.

#### **AUTHOR CONTRIBUTION**

All authors contributed to this study

#### **CONFLICT OF INTEREST**

There is no conflict of interest in this study

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