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FINANCIAL MANAGEMENT PERSPECTIVES OF PUBLIC SERVICE AGENCIES IN FACING VARIOUS CHALLENGES AND OPPORTUNITIES TO SERVE THE COMMUNITY

Prof. Karhi Nisjar Sardjudin¹, Achmad Fadjar², Julkardi Nababan³, Eli Kurniawati⁴

Widyatama University Bandung, Indonesia.

karhi@widyatama.ac.id achmad.fadjar@widyatama.ac.id julkardi.nababan@widyatama.ac.id

eli.kurniawati@widyatama.ac.id

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INTRODUCTION

The tasks carried out by the apparatus in carrying out the main tasks and functions of providing services to the community are coloured with dissatisfaction from the community towards the community towards the community service. We can analyze it in a simple way why this condition continually becomes a permanent opinion from the general public towards the apparatus. In developing countries these conditions will occur and be experienced by all people in general.

There are two dichotomies that create gaps, among others, on the one hand, the demands of the community's needs which are getting higher both in quantity and quality are expected to be relatively less capable of the apparatus. So there is a gap that will continuously describe the ability to meet the government is always lower than the demands of the needs of the community's expectations.

Demands for community needs will develop according to a series of measurements, while the ability to meet the expectations of needs develops according to a series of arithmetic. The phenomenon will occur in almost all aspects of life, including in the demands of the community, namely the party served and the ability of the government in serving.

In Indonesia, the current negative image of government performance seems to be un favourable, for example the impression of a bureaucratic, slow, corrupt, inefficient apparatus and other things that shows that the apparatus is still less professional, Government Regulation No. 23 of 2005 concerning Financial Management of Public Service Agencies is one of the breakthroughs of the government to answer various limitations from the apparatus or government in serving the public.

LITERATURE REVIEW

Financial Management of Regional Public Service Agencies - BLU Objectives and Principles

Public Service Agency (BLU) aims to improve services to the community in order to advance public welfare and educate the nation's life by providing flexibility in financial management based on economic principles and productivity, and the application of sound business practices based on the authority delegated by the relevant parent agency. Business practice is the organization of organizational functions based on management principles in the context of providing quality and sustainable services.

Some principles that must be fulfilled by BLU in order to achieve its goals:

1. Local governments remain responsible for the implementation of the authority delegated to the BLU, therefore, local governments must play a supervisory role on the performance of the services of the delegated authority implementation.
2. The BLU is part of the achievement of the objectives of the regional government and therefore the legal status of the BLU is not separate from the regional government as the parent agency so that the Regional Head is responsible for the implementation of public administration policies delegated to the BLU in terms of service benefits generated without prioritizing financial search.
3. The official appointed to manage the BLU is responsible for the implementation of the public service delivery activities he delegated to him.
4. Work plans and appointees to manage the BLU are responsible for carrying out public service delivery activities delegated to it.
5. Work plans and budgets as well as financial reports and BLU performance are prepared and presented as an inseparable part of the work plan and budget as well as financial reports and performance of SKPD / local government.
6. BLU manages public service delivery in line with sound business practices. In order to realize the concept of a healthy business, the BLU must always improve efficiency and productivity, among others by the authority to plan and determine the required resources without prioritizing profit seeking.

REQUIREMENTS, STIPULATION AND REVOCATION

Government agencies can be allowed to manage finances with PPK - BLU if they meet Substantive Requirements, Technical Requirements and Administrative Requirements. Substantive requirements are met if the relevant government agency carries out public services relating to:

1. Provision of general goods and /services
2. Management of certain areas / areas for the purpose of improving the community's economy or public services and /or
3. Management of special funds in the context of improving the economy and / or services to the community,

Technical requirements are met if :

1. Service performance in the fields of duties, principals and functions deserves to be managed and improved through BLUD, among others, having the potential to improve
2. the delivery of services effectively, efficient, and productively and has technical specifications that are directly related to public services to the public.
3. Financial performance of SKPD or Healthy Work Units, shown by the level of revenue capability from services that tends to increase and efficient in financing expenditures.

Administrative requirements are met if the relevant government agency can present all of the following documents:

1. Requirements for the ability to improve the performance of services, finances and benefits for the community made by the leadership of the agency that proposes the proposal as a BLU and is known by the Head of SKPD.
2. Governance patterns, namely internal regulations which define organizations and governance, accountability and transparency.
3. The strategic plan includes the requirements for vision, mission, strategic programs and measurement of performance achievement.
4. Principal financial statements that apply to the agency, including budget realization reports / financial operating reports, financial position reports, and notes to financial statements and balance sheets
5. The minimum service standard is the minimum service standard prognosis that has been approved by the head of the SKPD.
6. Final audit report or requirements to be willing to be independently audited. The basic financial statements are prepared in accordance with the accounting system that applies to local governments.

The latest audit report is an audit of the last year's financial report by an external auditor, before the SKPD or Work Unit is proposed to apply the PPK - BLUD. The Regional Head, in accordance with his authority, gives the decision on the stipulation or rejection letter against the proposed BLU no later than 3 (three) months after receiving it from the head of the SKPD. The determination can be in the form of a full BLU status granted if all the requirements have been satisfactorily fulfilled. BLU status gradually given if substantive and technical requirements have been met, but administrative requirements have not been satisfactorily fulfilled.

STANDARD AND SERVICE RATES

Minimum service standards can be proposed by government agencies that implement PPK - BLU by considering service quality, equity and service equality, costs and ease of getting services, costs and convenience to get services. In order for the standard service functions to achieve the expected goals, the BLU service standards should meet

the SMART requirements (Specific, Measurable, Attainable, Reliable and Timely), namely:

1. Focus on the type of service
2. Can be measured
3. Achievable
4. Relevant and reliable
5. On time

PLANNING AND BUDGETING

BLU prepares a 5 (five) annual business strategic plan with references to the Regional Medium-Term Development Plan (RPJMD). Based on the strategic plan, the BLU prepares an annual RBA. BLU Business Plans and Budget Plans, hereinafter referred to as RBAS, are business planning and budgeting documents that contain programs, activities, performance targets and budgets of aBLU.

The BLU submits an RBA accompanied by proposals for minimum service standards and costs from the territory that will be generated to the head of the SKPD / regional government to be discussed as part of the work plan and budget of the SKPD, The BLU RBA is part of the work plan and budget of the SKPD. However, if BLU is an SKPD, the BLU RBA is part of the APBD draft. PPKD, in accordance with its authority, reviews the BLU cost and budget standards in the framework of processing SKPD work plans and budgets, or APBD designs, part of the definitive APBD submission and determination mechanism.

GOVERNANCE PRINCIPLES

BLUD operates based on governance patterns or internal regulations that contains:

1. Organizational Structure describes the position, division of tasks, functions, responsibilities, and authority in the organization.
2. Work Procedures describe the relationships and work mechanisms between position positions and functions in the organization.
3. Logical Function Grouping describes a clear and rational division between service functions and supporting functions in accordance with the principles of internal control in the context of the effectiveness of organizational achievement.
4. Human Resources Management describes clear arrangements and policies regarding human resources that are oriented towards fulfilling quantitatively and quality / competently to support the achievement of organizational goals efficiently, effectively and productively.

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REMUNERATION

BLUD management officers, supervisory boards, secretariat supervisory boards and BLUD employees can be remunerated according to the level of responsibility and professionalism required for employee benefits in the form of salary, fixed allowances, honorariums, incentives, bonuses for achievement, severance and / or retirement.

Remuneration for the board of trustees and secretary of the council is given in the form of honorarium. Remuneration for BLUD - SKPD / Work Unit is determined by the Regional Head based on a proposal submitted by the leadership of BLUD-SKPD / Work Unit through the regional secretary. For civil servant management officials who are temporarily dismissed from their positions, they receive an income of 50% (fifty percent) from the remuneration of the last month at the BLUD since the date of dismissal or as much as the salary of a civil servant based on the last rank decision.

BUDGET IMPLEMENTATION DOCUMENTS

The BLU budget implementation document covers at least all income and work, cash flow projections, as well as the amount and quality of services and / or goods produced by the BLU. Budget implementation documents that have been approved by PPKD are

the basis for withdrawing funds Sourced from the Regional Budget by the BLU. In the event that the budget execution document has not been legalized by the PPKD, the BLU can make the highest expenditure as much as the last year's budget implementation document.

As a manifestation of the working relationship between the regional head and the head of the BLU, both parties signed a performance agreement (a agreement). In the agreement, the regional head was assigned the head of the BLU to carry out public service activities in accordance with those conducting public service activities in accordance with those listed in the budget execution document, and the head of the BLU had the right to manage and as stated in the budget implementation documents.

BLU spending that exceeds the flexibility threshold must have the approval of the regional head on the recommendation of the SKPD head or BLU leader. In the event of a budget shortfall, the BLU may submit additional budget proposals from the APBD to PPKD through the SKPD head in the event that the BLU is the UPTD. In the context of cash management, BLU organizes the following matters:

1. Plan cash receipts and disbursements
2. Collecting income or bills
3. Save cash and manage bank accounts
4. Make a payment
5. Obtain sources of funds to cover short-term deficits
6. Utilize a short-term cash surplus to obtain additional income.

BLU management is carried out based on sound business practices while opening a bank account is opened by the BLU leadership at a commercial bank. Utilization of cash surpluses is carried out as a short-term investment in financial instruments with low risk.

MANAGEMENT, RECEIVABLES AND DEBT

BLU can provide receivables in connection with the delivery of goods, services / or other transactions that are directly or indirectly related to BLU activities. BLU receivables are managed and settled in an orderly, efficient, economical, transparent and responsible manner that can provide added value, in accordance with sound business practices and based on statutory provisions.

BLU can have debts in connection with operational activities and / or lending agreements with other parties and are managed and settled in an orderly, efficient, economical, transparent and responsible manner, in accordance with sound business practices.

The authority of borrowing is regulated by regional head regulations. Utilization of debt originating from short-term loan agreements is shown only for operational expenditure.

The use of debt originating from a long-term loan agreement is shown only for capital expenditure. Loan agreements are carried out by authorized officials in stages based on the loan value. Repayment of debts is the responsibility of BLU. The right to collect BLU or debt becomes expired after 5 (five) years since the debt is due, unless otherwise stipulated by law.

BLU cannot make long-term investments, except with the approval of the regional head. Long-term investments include capital participation, long-term bond ownership, or direct investment (establishment of a company). If the BLU establishes (create a business entity with a status statues, the ownership of the business entity is with the regional head. The profit gained from long-term investment is BLU income.

GOODS MANAGEMENT

The procurement of services by BLU is based on the principles of efficiency and economics, in accordance with sound business practices. BLU can be partly or wholly exempt from the generally accepted provisions for the procurement of government goods / services if there are reasons for effectiveness and / or efficiency. This authority is based on the level of values stipulated in the regional head regulation.

BLU cannot transfer and / or write off fixed assets except with the approval of the authorized official. The authority to transfer and / or write off fixed assets is based on the level of value and type of goods in accordance with the provisions of the law.

"Fixed assets" are tangible assets that have a useful life of more than 12 (twelve) months to be used in BLU activities or utilized by the general public, in accordance with applicable accounting standards.

The procurement of service goods by BLU is important to be carried out based on the principles of efficiency and economics, in accordance with Sound business practices. BLU can be released in part or in full from the general provisions for government procurement of goods

Services if there are reasons for efficiency and / or efficiency. This authority is based on the level of values stipulated in the regional head regulation.

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Referred to fixed assets are tangible assets that have a useful life of more than 12 (twelve) months to be used in BLU activities or utilized by the general public, in accordance with applicable accounting standards.

ACCOUNTING, FINANCIAL RESPONSIBILITY AND PERFORMANCE

BLU applies a financial management information system in accordance with needs and sound business practices. Therefore every BLU financial transaction must be carried out by supporting documents managed in an orderly manner in accordance with financial accounting standards issued by the Indonesian accounting profession association.

BLU financial reports include at least the report on the realization of the budget / operational report, balance sheet, cash flow statement and notes to the report accompanied by a report on performance. Realization reports / operational reports are adjusted to the provisions in the accounting standards applicable to the BLU concerned.

BLU financial reports are an inseparable part of SKPD / regional government financial accountability reports. The incorporation of BLU financial statements in the SKPD / local Government financial statements is carried out in accordance with government accounting standards and is audited by an external examiner in accordance with statutory provisions.

The BLU leadership is responsible for the BLU'S operational performance in accordance with the benchmarks set out in the RBA so that the BLU leadership issues and reports BLU'S operational performance in an integrated manner with financial statements.

A detailed discussion of the budgeting, implementation, administration, reporting and accountability of the financial management of the regional public service bodies is discussed in the Financial Management Book on SKPD and BLUD.

INSTITUTIONAL, GUIDANCE AND SUPERVISION

In the event that a government agency needs to change its institutional status to implement PPK - BLU, the change in institutional structure of that government agency is guided by the provisions stipulated by the minister responsible for the utilization of the State apparatus.

This provision is intended to establish the institutional status of government agencies that implement PPK-BLU which results in changes in structural work units or become non-structural in local government. The BLU Management Officer consists of:

1. Leader
2. Finance Officer
3. The Chair's

Technical Officer functions as the general person in charge of BLU's operational and financial responsibilities, which is obliged to:

1. Prepare a BLU business strategic plan
2. Prepare an annual RBA
3. Propose candidates for financial officers and technical officials in accordance with applicable regulations
4. Delivering accountability for BLU's operational and financial performance

The BLU Financial Official serves as the person in charge of :

1. Coordinate the preparation of the RBA
2. Prepare BLU budget implementation documents
3. Manage income and expenditure
4. Carrying out cash management
5. Conduct debt management -receivables
6. Develop policies on the management of goods, fixed assets and investment of BLU
7. Carrying out this system the management of financial management
8. Carrying out accounting and preparing financial statements

The BLU technical officer functions as the technical person in charge in their respective fields who are obliged to:

1. Arranging planning of technical activities in their field
2. Carry out technical activities according to the RBA
3. Take responsibility for operational performance in their fields.

BLU management officers and BLU employees may consist of civil servants and / or non- civil service professional staff who can be employed permanently or on a contract basis. BLU technical coaching is carried out by SKPD while BLU financial coaching is carried out by PPKD, In BLUD practice the tendency to intervene from authority often occurs so that the authority of local government is relatively disturbed.

As an illustration, a BLUD in a region is faced with how to respond to a military policy that is not in harmony with the laws and regulations No. 17 of 2003 which states that all State authorities must be audited by an independent external audit. While the policy of a ministry with number 79 of 2018 is not in harmony with the Law which states that BLUDS in the Regions do not need to be externally audited such as KAP as an extension of BPK considering the limited number of BPK staff compared to the large number of BLUDS that must be examined. The impact of this will affect the Implementation of BLU financial management nationally.

DISCUSSION AND RESULT

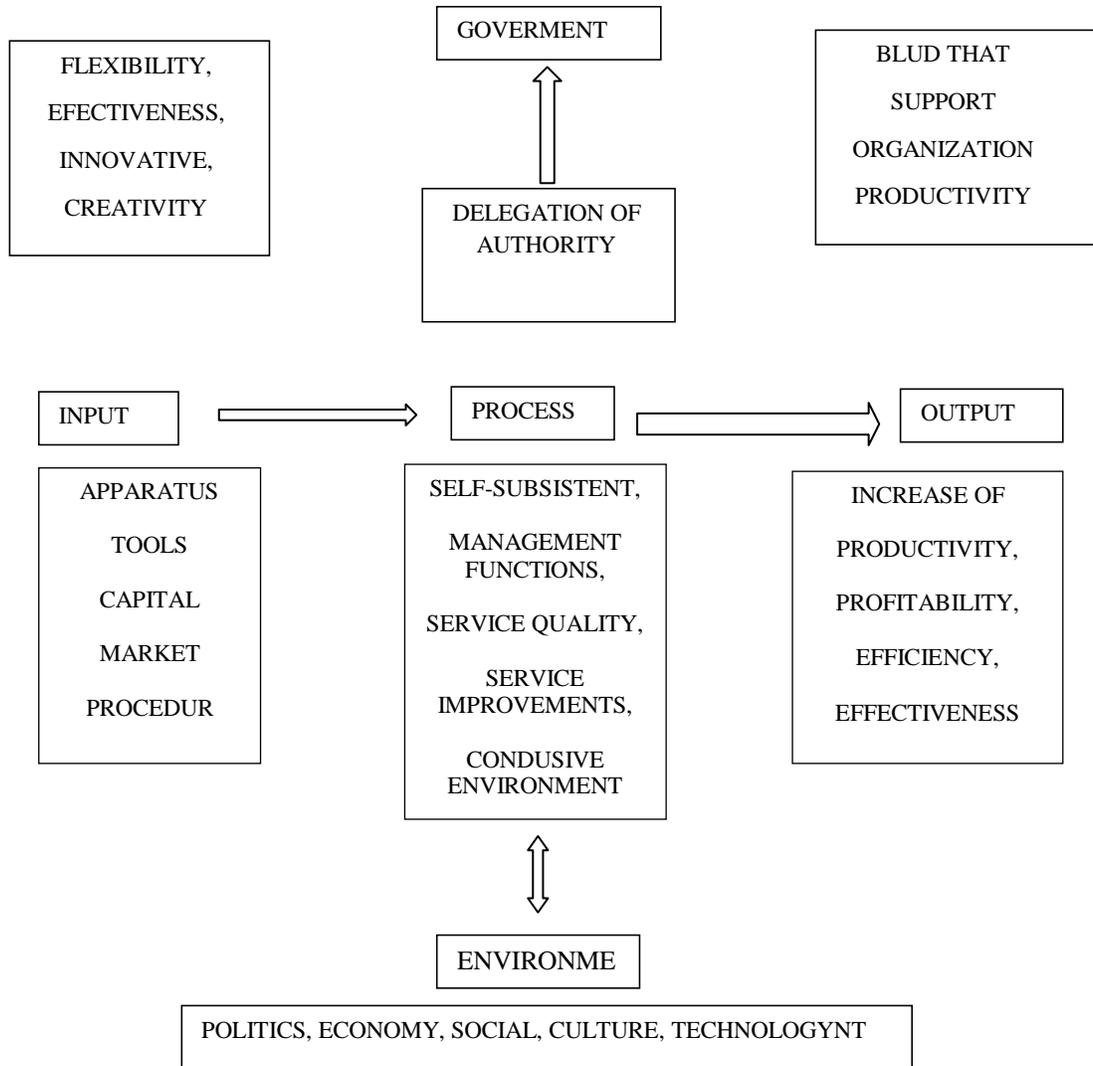
Judging from management theory, PP No. 25 of 2005 is actually a form of what is called delegation. Delegation of authority in an organization is a factor that can foster responsibility which in turn creates independence in acting or making decisions. By delegating such authority, it is hoped that the work unit or the Regional Public Service Agency (BLUD) will be able to improve the quality of its services to the public. Logically, giving authority to manage management and funds by itself requires a great responsibility, and this responsibility will encourage the organization or work unit to spur achievement and work effectively and efficiently. The BLUD work pattern as

mentioned above is based on "The Societal Public Service Concept", which focuses on consumer satisfaction, a surplus for BLUDS and the interests of the general public. This principle is a combination of the thoughts of public organizations and business organizations in determining the indicators of organizational goals, namely organizational productivity.

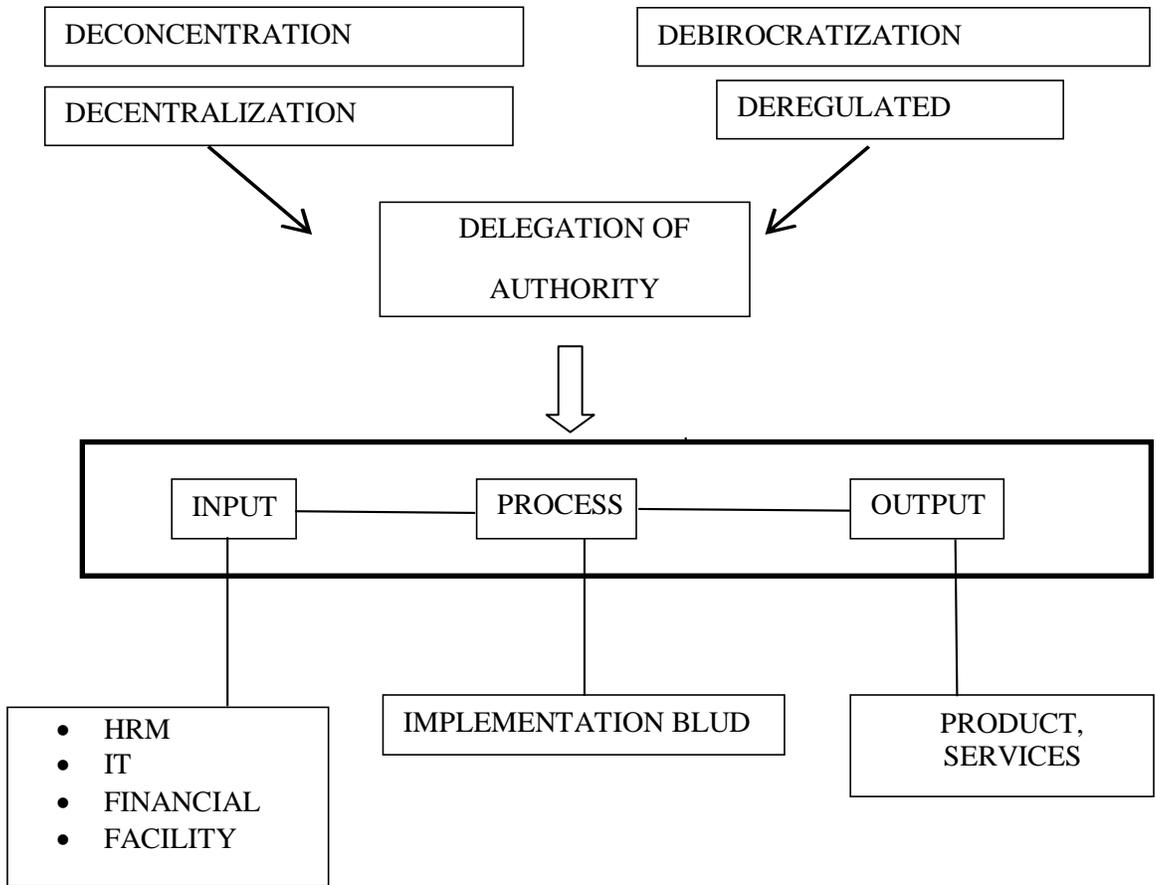
The delegation of authority to the BLUD to manage its own management funds implies that the unit must be able to maintain its survival and existence as a public service. With a clear existence and position, a BLUD organization is not only able to maintain customer trust, but its functional acceptance can be maintained and enhanced. However, due to the nature of this BLUD is a non-profit organization (non-profit organization), the functional acceptance is not intended to seek profit but to support the improvement of service quality which is the responsibility of the unit.

This means that the productivity of such an organization is not seen in the profits it receives, but in how the unit manages the services and funds it receives effectively and efficiently. Or in other words, the implementation of the tasks / functions of an organization is basically a harmonious combination of social functions and commercial functions.

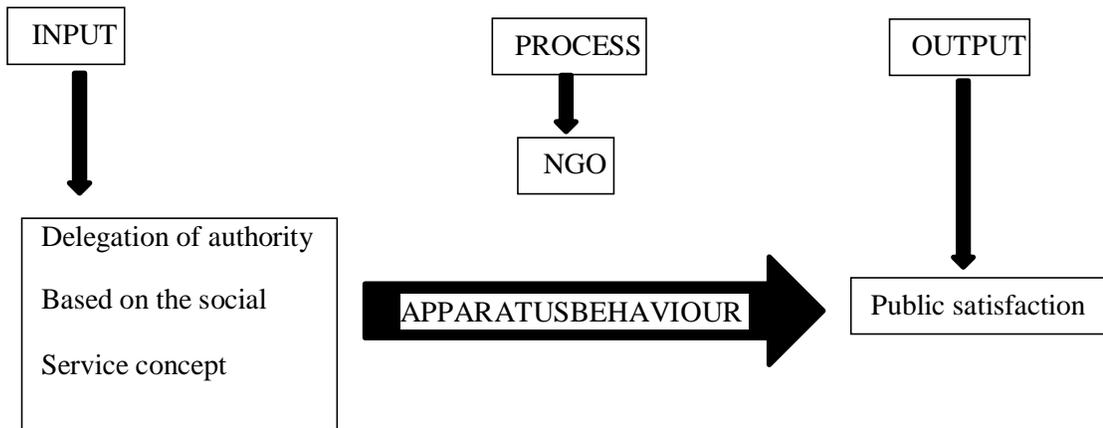
The description based on the theoretical and empirical approach produces a framework which can be described as follows:

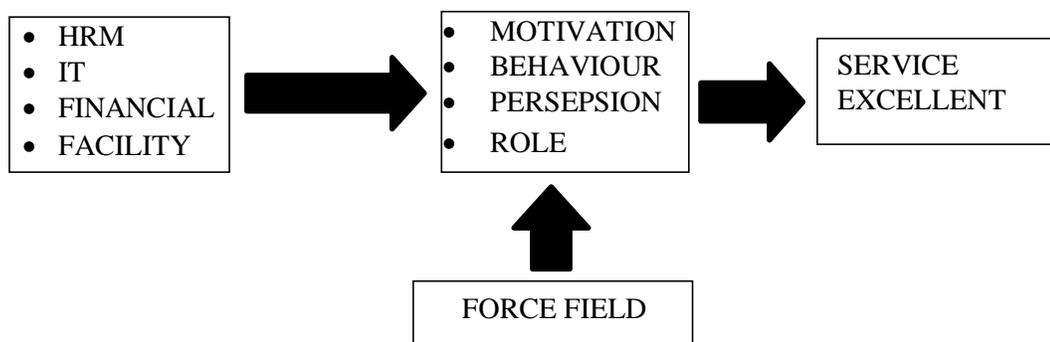


Based on this framework, it shows that the authority granted to the BLUD is a trigger that can move the organization to improve its growth and healthy competitiveness through increasing the productivity and quality of services as well as the management of human and non-human resources in the work unit. BLUDS can plan, organize, direct, implement, supervise, monitor and evaluate, foster, develop, and compensate the personnel of human resources for service delivery, so that the expected service behaviour can be improved. Explanation of the relationship of this phenomenon can be described as follows:



and development of BLUD management. The concept of delegation of authority, related to the satisfaction of the people who are given services, and the portion of the contribution of revenue for the giver of authority, compared to the level of growth and development of BLUD management. The relationship between delegation of authority and increased service within the framework of changing aspects of organizational behaviour can be described as follows:





These problems include the issuance of various policies in the form of rules issued by the central and regional governments sometimes lacking in harmony.

1. Part of the socialization of the policy is very poor so it is not synergic and has different interpretations
2. In general , human resources who should be the driving force in implementing policies lack an understanding of the substance of the problems so that they are sometimes very apriori
3. Vulnerable to a variety of different interests, it is difficult to achieve optimally
4. Limited sources of funds as initial operational capital to improve service quality to the community

If we examine the condition so far as has been explained in the background and the emergency of the Government's policy on Management of Regional Public Service Agencies No. 25 of 2005, it should be through these PPs that the shortcomings can be minimized.

CONCLUSION AND SUGGESTION

Regional public service agencies especially those engaged in the field of health services to the public have excellent opportunities / operations. The increasingly dense population of Indonesia and the increasing demand for quality public services is an opportunity to be responded to in increasing BLUD revenues, which in turn will have an effect on improving the local origin.

Increased community purchasing resources the more prosperous the community in meetings the future community services is expected to increase the quality of health services, the increasing the amount of revenue from health services. So that the centre of public health services will increasingly develop and prosper so that people served are more satisfied.

Regional public service agencies, especially public health services that are currently developing and already in the form of legal entities such as Public health centre, RSUD, are a necessity to be considered by policy makers considering various significant benefits both for the benefits of the people's welfare and for the benefit of service centre for public health. In line with this, high quality service results are a driving component

for increasing local revenue. The more the quality of community services increases, the public satisfaction will also increase with these health services.

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