



The Influence of Procurement Literacy and Budget Supervision on Regional Public Health Service Agency Budget Absorption of Tugurejo Hospital

Zudan Arief Fakrulloh, Erni Nurhayati

Universitas Borobudur, Indonesia

Email: cclsis@yahoo.com, rasyiderni@gmail.com

Keywords

Influence; Procurement literacy; Budget monitoring; Budget absorption

Abstract

Financial planning, management, and control will improve with a greater understanding of procurement literacy and budget monitoring. The regulations about the procurement of government goods and services are currently governed by Presidential Regulation Number 54 of 2010, with the most recent amendment being Presidential Regulation Number 16 of 2018, commonly known as the Presidential Decree on Government Procurement of Goods and Services. These regulations were formulated by the Procurement Policy Institute for Government Goods and Services, also known as LKPP. The urgent/immediate need for goods/services results in the procurement process for goods/services sometimes not complying with the provisions for procurement of goods/services. Therefore, a budget monitoring role is needed, so that budget absorption can be absorbed optimally. This research aims to determine the influence of procurement literacy and budget supervision on the absorption of the BLUD Tugurejo Hospital. This type of research uses quantitative descriptive, using regression testing via the SPSS application. The research results show that procurement literacy and budget supervision have a significant effect on the absorption of the BLUD Tugurejo Hospital. The positive impact that arises is the improvement of existing infrastructure in the village so that national development can continue to move in a better direction. In practice, the BLUD of Tugurejo Regional Hospital requires budget supervision by competent human resources so that the planned budget absorption can be realized perfectly. Competent HR means HR with a high level of financial literacy and procurement literacy



© 2023 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).

1. Introduction

Nowadays, intense competition in business cannot be separated from the increasingly rapid development of business both locally, nationally, and internationally with various scales and targeted segments. This competition encourages business people to always be the customer's choice and be able to retain their customers. Every company is required to create a good and integrated competitive strategy because competition is the key to the success or failure of the company. The increasing intensity of competition from competitors leads companies to always pay attention to needs and desires and try to meet consumer expectations by providing more satisfying services than those provided by competitors. Thus, only quality companies can compete and dominate the market (Atmawati, R dan M, 2007).

As business competition becomes increasingly competitive as a result of changes in customer tastes, technology, and changes in the business landscape, every company, whether producing goods or services, must be able to demonstrate the superiority of both its goods and services to be better able to compete in such tight competition (Aziz, 2020). The advantages must be maintained, renewed, and improved continuously, while the weaknesses must be corrected or eliminated. This must be done so that the process of achieving the company's stated goals can proceed according to what has been planned. Facing these situations and conditions, companies must determine their management strategies and policies, especially in the areas of Financial and Human Resources (HR) Management Strategy.

Human resource management is now a necessity and is no longer an option if a company wants to develop. Management attention is needed so that each individual can recognize, explore, and develop their potential so that they can work optimally and productively within the company. This also applies to all village officials in Indonesia. (Shuha, 2018)

Since the beginning, BLUD RSUD Tugurejo has faced challenges to ensure that the goods/services procurement process is efficient, effective, open, transparent, competitive, accountable, and non-discriminatory. Of course, this requires fundamental change and continuous improvement; These include, among other things, the quality of human resources in goods/services procurement organizations and financial managers, increased control over the procurement process by various parties, simpler bureaucratic structuring while still adhering to the principle of accountability, as well as structuring business actors and improving laws, institutions and regulations. Thus, the procurement function by BLUD RSUD Tugurejo in practice requires budget supervision by competent human resources so that the planned budget absorption can be realized perfectly. Competent HR means HR with a high level of financial literacy and procurement literacy.

One of the contributing factors is the low budget absorption in local governments. Budget absorption is directly related to the goods/services procurement process. Many economic observers highlight the problem of low levels of budget absorption as an indicator of the bureaucracy's failure in managing its human resource competencies. One of the causes of low budget absorption is a lack of understanding of financial literacy, which sometimes causes budget absorption not to comply with provisions for the procurement of goods/services. (Warongan, Sonddaks, & D.L., 2017)

Law Number 17 of 2003 concerning State Finances states that the budget is a tool of accountability, management, and economic policy. The budget is an economic policy that functions to realize economic growth and stability as well as equal distribution of income to achieve state goals. The Regional Revenue and Expenditure Budget (APBD) is the embodiment of the Regional Government's work plan in the form of monetary units for a period of one year and is oriented towards public welfare goals. (Bastian., 2006)

Planning is an important element in an organization. Planning determines all activities that need and will be carried out to achieve the goals and objectives to be achieved. To realize planning, a budget is needed. The budget is a blueprint for the description, actions, and formalities of the planning process. (Dharmanegara, 2010) As a report from the Directorate General of Fiscal Balance shows, the level of absorption of regional spending in funding public services is greatly influenced by the budget planning process. (BPKP., 2011)

In its development, the Procurement Section/Procurement Services Unit (ULP) of Tugurejo Regional Hospital has the main duties and functions being responsible to Budget Users/BLUD Leaders, but in organizational structure, it is under the Budget sub-section, it is hoped that the budget monitoring function can be realized. The extent of implementation of BLUD financial management is carried out by the provisions of statutory regulations, namely, the procurement process is by the provisions of the Presidential Decree on procurement of goods/services, and the payment/accountability letter process for procurement of goods/services must be by the provisions of the Government Regulation on BLU Financial Management. Returning to the principles of BLUD is efficiency, productivity, and flexibility in financial management patterns, as an exception to the provisions of regional financial management in general. Efficiency in providing goods/services according to the principles of procurement of goods/services, without prioritizing profit. Provision of goods/services to increase productivity in providing services to the community, with flexibility in financial management patterns. Flexible in managing the income obtained by the hospital according to needs. Therefore, directed and regular supervision is needed in monitoring the financial budget so that budget absorption is optimal and well absorbed.

Financial planning is important in achieving financial goals. Financial literacy has an application dimension which implies that an individual must have the ability and confidence to use his financial knowledge to make village financial decisions. (Houston., 2010) Based on the existing problems, namely a lack of understanding of the procurement process, several human resources are not yet certified and do not want to be placed in the procurement organization, as well as a lack of supervision of the BLUD budget. Lack of budget supervision and control has resulted

in the Tugurejo Hospital Semarang BLUD budget experiencing a minus exceeding the budget planning. This is felt to be less competent in implementing financial and procurement literacy patterns about monitoring and absorbing the procurement budget optimally.

Referring to the description above, the problem formulation that must be answered in this research is to test whether procurement literacy has a significant effect on the absorption of the Tugurejo Hospital Semarang BLUD budget. And, does budget monitoring have a significant effect on the absorption of the Tugurejo Hospital Semarang BLUD budget?

Supervision is generally defined as the main activity in management to ensure that work is carried out according to plan and with the desired results. Supervision takes place following the following pattern: 1). Setting standards based on control. 2). Measure work results as soon as possible. 3). Compare the results of the work with the standards or bases that have been previously determined. 4). Take corrective action. The term supervision is known in management science and administration science, namely as an element in management activities.

Supervision itself can be: 1) Politics if the target is effective and/or legitimate. 2) Juridical/legal, if the measure is law enforcement. 3) Economics, when the measurement is effective. 4) Morals and ethics, if the target of measurement is the state of morality. (Huda, 2003)

Good budget management is very important for the continuity and development of an organization because it is closely related to the continued welfare of many people. Good budget management is a Value for Money principle and is necessary. It is believed that implementing the Value for Money principle can improve public sector performance. The aim of measuring performance with the Value for Money concept is to measure the level of economy in resource allocation, efficiency in the use of resources with optimal results, and effectiveness in the use of resources. Value for Money can be achieved if the organization has used the smallest input costs to achieve optimum output to achieve organizational goals. (Mardiasmo., 2002) The monitoring indicators consist of: (Vincent Gaspersz., 1998)

- a. Supervision input;
- b. Supervision process;
- c. Supervision output.

Procurement literacy is a reference as a guideline/determination that is used as a basis for implementing Government Procurement of Goods/Services. This Presidential Regulation is used as a guideline for spending on the procurement of goods/services using State Revenue and Expenditure Budget (APBN)/Regional Revenue and Expenditure Budget (APBD) costs.

Literacy in procurement of goods/services referred to in this research is the Presidential Regulation on Government Procurement of Goods/Services, namely: 1) Presidential Regulation no. 54 of 2010 concerning Procurement of Government Goods/Services. 2) Presidential Regulation no. 35 of 2011, Presidential Regulation no. 70 of 2012 concerning the Second Amendment to Presidential Regulation no. 54 of 2010 concerning Procurement of Government Goods/Services. 3) Presidential Regulation no. 172 of 2014 concerning the Third Amendment to Presidential Regulation no. 54 of 2010 concerning Procurement of Government Goods/Services. 4) Presidential Regulation no. 4 of 2015 concerning the Fourth Amendment to Presidential Regulation no. 54 of 2010 concerning Procurement of Government Goods/Services. 5) Presidential Regulation No. 16 of 2018 concerning Procurement of Government Goods/Services.

There are several factors in implementing e-procurement of goods/services, including the following.

- a. System quality factors.
- b. Transparency Factor.
- c. Accountability Factor.
- d. Market Access Factors and Business Competition.
- e. Procurement Efficiency Factors.
- f. Monitoring and Audit Factors.
- g. Information Access Factor.

Budget absorption is the achievement of an estimate to be achieved during a certain period viewed at a certain time (realization of the budget). More easily, lay people call it budget disbursement. Because what is being observed is a public sector organization or government entity, budget absorption here can be interpreted as the disbursement or realization of the budget as stated in the Budget Realization Report (LRA) at a certain time (Halim., 2012) In line with this, budget absorption is one of the stages of the budget cycle which starts from budget planning, determining and ratifying the budget by the House of Representatives (DPR), budget absorption, budget supervision, and accountability for budget absorption. (Kuncoro., 2013)

Good budget absorption can be seen from the level of implementation of physical realization and scheduled budget realization by the work plan during one period of the budget year. The government is part of several elements that form society in the existing social system. This situation then creates a reciprocal relationship between the government and stakeholders, which means that the government must carry out its role in two directions to meet the needs of the government itself and other stakeholders in a social system. Therefore, everything produced and done by each part of the stakeholders will mutually influence each other.

In line to improve community welfare through government activities as a stakeholder who has an important role in the process of advancing a region, the government is expected to be able to carry out maximum development efforts. The progress of a region can be seen from how the government as the highest authority in a region must be able to manage the existing budget for the benefit of the people of the region. The interests of the people referred to here are how the budget that has been passed is indeed a representation of what the people want so that the results will return to the people later. Budget absorption indicators include:[11]

- a) Accuracy of budget targets in achieving targets set by the company.
- b) Speed in absorbing the budget for procurement of goods and services determined by the company.
- c) Optimal budget absorption can be proven without waste occurring in any area in the implementation of work to achieve this goal.

Optimal budget absorption can be proven without experiencing obstacles that can cause the failure of part or all of the efforts to achieve goals.

2. Materials and Methods

To evaluate if financial literacy has a substantial effect on village budget absorption, the research goal was met. As a result, this study falls within the category of explanatory research. Field research is the technique used to acquire data and information. The data obtained will be analyzed using the SPSS 21 application.

Suharyadi and Purwanto state that a population is a collection of all possible people, objects, and other measures that are objects of attention or a collection of all objects of concern. In this research, the focus was on respondents totaling 42 respondents.

The sample is part of the population or part of the number and characteristics of the population. Sugiyono(Sugiyono, 2018) stated that the sample is part of the number and characteristics of the population. In determining the number of samples, the author uses the Slovin formula in Umar(Umar, 2013) which is to determine the approach to the number of samples needed for a population as follows:

$$n = \frac{N}{1 + N e^2}$$

$$1 + N e^2$$

Information :

n = Total Sample

N = Total Population

e = percentage sampling error rate

acceptable, in this study determined 5% (0.05)

So with the known population (respondents) then:

$$n = \frac{42}{1 + 42 (5\%)^2}$$

$$1 + 42 (5\%)^2$$

$$n = \frac{42}{1,105}$$

$$1,105$$

$$n = 38,00 \text{ sample/person.}$$

The hypothesis in this research is as follows:

H₀: It is suspected that Procurement Literacy has a positive and significant influence on the Tugurejo Regional Hospital BLUD Budget Absorption.

H_a : It is suspected that Procurement Literacy does not have a positive and significant influence on the Tugurejo Regional Hospital BLUD Budget Absorption.

H₀: It is suspected that Budget Supervision has a positive and significant influence on the Tugurejo Regional Hospital BLUD Budget Absorption.

H_b : It is suspected that Budget Supervision does not have a positive and significant influence on the Tugurejo Regional Hospital BLUD Budget Absorption.

3. Results and Discussions

Research Result

Good budget absorption can be seen from the level of implementation of physical realization and scheduled budget realization by the work plan during one period of the budget year. The government is part of several elements that form society in the existing social system. This situation then creates a reciprocal relationship between the government and stakeholders, which means that the government must carry out its role in two directions to meet the needs of the government itself and other stakeholders in a social system. Therefore, everything produced and done by each part of the stakeholders will mutually influence each other.

Validity Test.

The purpose of this test is to find out whether the measurement tool that has been prepared has validity or not. Operationally valid or not. Operationally, validity can be defined as whether the questionnaire truly reveals the level of validity of the population and research.

Validity test decision-making:

- If the calculated r-value > r table, then the question item is valid.
- If the calculated r-value > r table, then the question item is invalid (failed).

Table 1 Validity Test

No	Variable and Item	R Table	R Count	Information
<i>Procurement Literacy</i>				
	X1.1	0,2404	0,689	Valid
	X1.2	0,2404	0,849	Valid
	X1.3	0,2404	0,860	Valid
	X1.4	0,2404	0,681	Valid
	X1.5	0,2404	0,689	Valid
	X1.6	0,2404	0,381	Valid
	X1.7	0,2404	0,402	Valid
<i>Budget Monitoring</i>				
	X2.1	0,2404	0,849	Valid
	X2.2	0,2404	0,860	Valid
	X2.3	0,2404	0,681	Valid
<i>Budget Absorption</i>				
	Y1.1	0,2404	1,000	Valid
	Y1.2	0,2404	0,827	Valid
	Y1.3	0,2404	0,737	Valid
	Y 1.4	0,2404	0,310	Valid

The results of the validity test for all variables in this study show that the calculated r-value > r-table is 0.2404. It shows that the questions on all research variables are valid.

Reliability Test.

This test is carried out to determine the extent to which a variable or construct is said to be reliable (fit) to be used for research. (Ghozali, 2018) The result is an index that shows how far a measuring device can be trusted or relied upon. Reliability test decision-making:

- If a variable has a reliability value (Cronbach's Alpha) > 0.6, it is said to be reliable
- If a variable has a reliability value (Cronbach's Alpha) > 0.6, it is said to be unreliable.

Table 2. Validity Test

No	Variable	Cronbach alpha	Information
1	Procurement Literacy	0,858	Reliable
2	Budget Monitoring	0,743	Reliable
3	Budget Absorption	0,726	Reliable

The variables in this research, based on reliability tests, show a Cronbach alpha value above 0.60, so it can be concluded that all of them are reliable.

Hypothesis Test**Table 3. Hypothesis Test**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std Error	Beta	T	Sig.
Procurement Literacy --> Budget Absorption	0.257	0.341	0.217	4.251	.013
Budget Monitoring--> Budget Absorption	0.248	0.301	0.370	4.190	.000

a. Hypothesis Testing 1.

The results of testing the influence of Procurement Literacy on the Tugurejo Regional Hospital's BLUD Budget Absorption obtained a significance value of $0.013 < 0.05$, so it was found that Hypothesis 1 was accepted. This means that Procurement Literacy has a significant effect on the level of Budget Absorption of BLUD RSUD Tugurejo.

This research is very appropriate because it was conducted within the scope of a government agency, namely Tugurejo Regional Hospital. In this environment profit is not the main goal. Villages must provide services to the public. Therefore, in the implementation of procurement of goods/services by government agencies, financial profits/losses are not taken into account. Procurement of goods/services within the BLUD RSUD Tugurejo is based on public accountability and transparency of the benefits of procurement results in supporting the implementation of the agency's main tasks and functions, while still implementing the principles of effectiveness and efficiency.

b. Hypothesis Testing 2.

The results of testing the effect of Budget Supervision on the Budget Absorption of BLUD RSUD Tugurejo obtained a significance value of $0.000 < 0.05$, so it was found that Hypothesis 2 was accepted. This means that Budget Supervision has a significant effect on the level of Budget Absorption of BLUD RSUD Tugurejo.

The benefit of internal control is that it can help an organization achieve profitable achievements and targets, and prevent loss of resources. Can help produce trustworthy financial reports and can also ensure an organization complies with laws and regulations, avoiding a bad reputation and all its consequences. Furthermore, it can also help direct an organization to achieve its goals and avoid detrimental things.

An incorrect selection process can produce incompetent providers so that the quality of goods/services does not match plans. In addition, errors in the process of selecting goods/services can result in late work completion times and administrative costs for obtaining goods/services being more expensive compared to the costs incurred by private agencies for similar procurement. Therefore, in the procurement of goods and services, strict budget monitoring is required to avoid purchasing goods whose function does not match what the government expects in the future.

4. Conclusion

Based on the results of data analysis, hypothesis testing, and discussion, it can be concluded that there is a significant relationship between the influence of Procurement Literacy on the Tugurejo Regional Hospital's BLUD Budget Absorption, and there is a significant relationship on the influence of Budget Supervision on the Tugurejo Regional Hospital's BLUD Budget Absorption. Based on respondents' open statements regarding the procurement literacy variable, the majority of respondents thought that a good understanding of procurement according to Tugurejo Hospital procedures was driven by several things such as increasing human resource competency. Based on respondents' open statements regarding supervision variables budget, most respondents thought that HR competency plays a key role in monitoring leaks in the budget for the use of funds in the procurement of goods and services at Tugurejo Hospital.

5. References

- Aldina., Irma. (2016). Pengaruh Kualitas Dipa, Sistem Pengendalian Internal Pemerintah Dan Sistem Anggaran Berbasis Kinerja Terhadap Tingkat Penyerapan Anggaran (Studi Empiris Pada Skpd Di Kota Padang). *Ekonomi Akuntansi Universitas Negeri Padang*.
- Atmawati, R Dan M, Wahyudin. (2007). Analisis Pengaruh Kualitas Pelayanan Terhadap Kepuasan Konsumen Pada Matahari Departement Store Di Solo Grand Mall. *Daya Saing*.
- Aziz, Abdul. (2020). Analisis Pengaruh Procedural Justice, Distributive Justice, Dan Satisfaction Terhadap Organizational Citizenship Behavior (Ocb) Dengan Affective Commitment Sebagai Variabel Mediasi:(Studi Kasus Pt. Hartono Istana Teknologi). *Jurnal Ekonomi, Manajemen Dan Akuntansi (Jema) Universitas Ngudi Waluyo*, 1(1), 47–60.
- Bastian., Indra. (2006). *Akuntansi Sektor Publik: Suatu Pengantar*. Jakarta: Erlangga.
- Bpkp. (2011). *Menyoal Penyerapan Anggaran*. Yogyakarta: Bpkp Press.
- Dharmanegara, Ida Bagus Agung. (2010). *Penganggaran Perusahaan. Teori Dan Aplikasi*. Yogyakarta: Graha Ilmu.
- Ghozali, Imam. (2018). *Aplikasi Analisis Multivariate Dengan Program Ibm Spss 25*.
- Halim., Abdul. (2012). *Akuntansi Sektor Publik Akuntansi Keuangan Daerah. Cetakan Keempat*. Jakarta: Salemba Empat.
- Houston. (2010). *Dasar-Dasar Manajemen Keuangan. Edisi 11*. Jakarta: Salemba Empat.
- Huda, Ni'matul. (2003). Pengawasan Pusat Terhadap Daerah (Kajian Terhadap Peraturan Daerah “Bermasalah”). *Jurnal Hukum Ius Quia Iustum*, 10(23), 28–45. <https://doi.org/10.20885/iustum.Vol10.Iss23.Art2>
- Kuncoro. (2013). *Metode Penelitian Kuantitatif Kualitatif Dan R&D*. Jakarta: Erlangga.
- Mardiasmo. (2002). *Akuntansi Sektor Publik /Mardiasmo*. Yogyakarta: Andi.
- Purwanto, Suharyadi Dan. (2009). *Statistika Untuk Ekonomi Dan Keuangan Modern (Dua)*. Jakarta: Salemba Empat.
- Shuha, Khalida. (2018). Analisis Pengelolaan Desa (Studi Kasus Pada Desa-Desa Selingkungan Kecamatan Lubuk Alung Kabupaten Padang Pariaman). *Universitas Negeri Padang*, 1–21.
- Sugiyono, Prof. Dr. (2018). *Metode Penelitian Kuantitatif (Cet. 1)*. Bandung: Alfabeta.
- Umar, Husein. (2013). *Metode Penelitian Untuk Skripsi Dan Tesis. Jakarta: Rajawali, 42*.
- Vincent Gaspersz. (1998). *Manajemen Produksi Total, Strategi. Peningkatan Produktivitas Bisnis Global*. Jakarta: Gramedia Pustaka Utama.
- Warongan, Ledy S. Gagola, Sonddaks, Jullie J., & D.L., Jessy. (2017). Menurut Bastian (2006), Anggaran Pendapatan Dan Belanja Daaerah (Apbd) Adalah Untuk Kurun Waktu Satu Tahunan Dan Berorientasi Pada Tujuan Kesejahteraan Publik . Akuntabilitas Kinerja Instansi Pemerintah (Lakip). Dilaksanakan Setelah Proses Perencana. *Jurnal Akuntansi Dan Auditing “Goodwill,”* 8(1), 108–117.