

## **Factors Affecting the Realization of BLUD Capital Expenditure (Case Study at Lamongan Regency Health Center 2018-2020)**

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**ABSTRACTS:** This study assesses and understands the impact of BLUD Revenue, DAK Health, Regional Original Income (PAD) on Realization of BLUD Capital Expenditure at 33 Health Centers in Lamongan Regency, where Regional Public Service Agency (BLUD) Revenue, Health DAK Revenue and Regional Native Income earned in lamongan district government health office over the past 3 years showed an increase and decrease. Referring to the data, researchers are interested in researching the phenomenon to get results that match the reality conditions. In this study using descriptive methods with quantitative data, namely BLUD revenue data, Health DAK Revenue, Regional Original Income and capital expenditure obtained from the Lamongan District Health Office for the period 2018-2020. The sampling technique in this study is *nonprobability sampling*, a source of data used by the Lamongan District Government Health Center Budget Realization Report. The overall population of Puskesmas in Lamongan Regency, with a sample of 33 Health Centers. Data analysis techniques use multiple linear regression analysis. The results of the study proved simultaneously BLUD Revenue, Health DAK Revenue, and Regional Original Income impacted Capital Expenditure at 33 Health Centers in Lamongan Regency in 2018 to 2020, while partially showing results that BLUD Revenue and Regional Original Income had a significant impact on Capital Expenditure, but Health DAK Income had no impact. against capital expenditure.

**Keywords:** BLUD Revenue, Health DAK Revenue, Regional Native Income and Capital Expenditure

### **I. INTRODUCTION**

Regional financial management is part of the process of implementing local government including financial management at the Puskesmas Regional Public Service Agency, where Puskesmas is an institution that has an obligation to serve the community in terms of health, Puskesmas is required to be able to serve the community, can be independent in management and can develop and be able to provide services that can be reached by all parties, then it is very natural that the health sector is required always. leading in providing services, so that the slightest deficiency needs to be addressed immediately in providing health services that are very maximal. Due to the increasing demand for optimization of Health Center services, but in other aspects Puskesmas also faced many obstacles due to the limited budget allocation available to run Puskesmas operations, as well as financial management bureaucracy that affects the smoothness of services provided.

"The provisions of Permendagri No. 79 of 2018, were created to reduce decision-making inefficiencies and encourage flexibility of regional devices whose duties and functions provide community services to manage their own finances and develop their operational activities in the field of service through financial management exceptions that differ in general from regional financial management. After becoming a Regional Public Service Agency (BLUD), the Health Center can independently manage the finances of the income it receives, does not have to be deposited first into the regional treasury and without dependence on the Local Government. in the financial management guidelines of the Regional General Service Agency, although referring to local government rules, but the implementation is different from the financial management of the Regional General Service Agency (BLUD) based on se Director General of Regional Financial Development Number 981/4092/KEUDA year 2020 regarding the financial management guidelines of regional general service agencies while the financial management pattern of the Regional General Service Agency refers to Permendagri number 77 of 2020 concerning technical guidelines. Regional Financial Management, where from the two regulations form and the names of the documents mentioned there is a difference between each other. In the financial regulation BLUD is prepared in accordance with government accounting standards, so that BLUD and government financial statements are consistent. In government accounting standards, the government itself is required to compile financial statements consisting of budget statements, financial statements, and records of financial statements. As stated (Ramadhan et al., 2020) Financial statements can be used as a basis for decision making by users of financial statements or stakeholders. To be useful, financial statements apply the precautionary principle adopted.

Examination of the financial statements of regional public service bodies examined, among others, the Regional Inspectorate, the Audit Board (BPK), refers to Permendagri No. 2018 Article 79 Article 99 and the

Public Accounting Office (KAP) ref. PK BLU Department of Coaching Director's Letter on Policy examination of Financial Statements of Public Service Institutions, No. S-75 / PB.5 / 2019. Taking into account the policy of the Audit Board (BPK) on the review of BLU financial statements submitted by the Ministry of Finance, it is likely that the Regional Device Work Unit (SKPD) of the Regional Public Service Agency (BLUD) will be audited through the participation of the Public Accounting Firm (KAP). BLUD financial statements to enforce the same policy, while opd or local government is checked only by the Regional Inspectorate, The Audit Board (BPK).

BLUD receives revenue from services, grants, cooperation with other legitimate parties, and other BLUDs (Restianto & Bawono, 2015), where BLUD can come from legal services, grants and other revenues from the Regional General Services Unit (BLUD). The Public Service Unit (BLUD) of Lamongan Regency Health Center uses minimum service standards set by the Regent of Lamongan who is his authority and must pay attention to the quality of service, fairness and equalization of services, costs and ease of access to services. Services provided to the community, grants, the results of cooperation with other parties and/ or other business results, budgets and revenue targets generated by APBD and other sources of revenue for the Regional General Services Unit (BLUD). The implementation of this budget for employee spending, capital expenditure, spending on goods and / or services, and the mechanism is implemented in accordance with the provisions of the laws and regulations, as well as the implementation of the budget in accordance with expectations. Identification of needs, taking into account the cash budget in the Budget Implementation Document (DPA), taking into account total cash, revenue estimates and expense estimates.

From the results of the financial management of the Regional Public Service Agency (BLUD) in the Lamongan Regency Government Health Center from 2018 to 2020 shows the amount of Regional Public Service Agency (BLUD) Revenue, DAK Health Revenue and Local Original Income obtained in 33 Health Centers in the Lamongan Regency Government Health Office for the last 3 years amounting to Rp. 284,088,980,997.15 with a proportion of Regional Public Service Agency (BLUD) Revenue of 74.07%, Special Allocation Fund Revenue 22.05%, and Local Original Income of 3.88%. Revenue of the Regional General Services Agency (BLUD) for 3 years amounted to Rp. 210,424,086,908.10 while DAK Revenue for 3 years amounted to Rp. 62,646,131,258.00 for Regional Original Income for 3 years amounting to Rp. 11,018,762,831.05 while Capital Expenditure for 3 years amounted to Rp. 15,894,713,842.00 This data shows that every year both income figures and non-flat spending figures, This means that it always increases or decreases every year, it can be seen that the comparison of total revenues in the period 2018 and 2019 has increased by 13.56%, while the period 2019 and 2020 decreased by (12.42%), this also applies to capital expenditure where there are conditions of increase and decrease per year, seen from the comparison of total capital expenditures in the period 2018 and 2019 experienced an increase of 0.71% while the period 2019 and 2020 decreased by (37, 84%).

From the data it can be known that the Revenue of the Regional Public Service Agency (BLUD) and DAK Health Revenue are the main source of funds of 33 Health Centers that have become BLUD in the Lamongan Regency Government to finance all expenditures of the Regional Public Service Agency (BLUD) including Capital Expenditure, while the Regional Original Income (PAD) is actually a source of supporting funds. As for the amount of capital expenditure in 33 Health Centers in the Lamongan Regency Government from 2018 to 2020 amounting to Rp. 15,894,713,842.00 or 6% of the amount of Regional Public Service Agency (BLUD) Revenue, DAK Health Revenue and Regional Original Income (PAD) is allocated for Capital Expenditure. This condition also shows that the proportion of the allocation of funds sourced from BLUD, DAK Health and Regional Original Income (PAD) is greater in routine shopping, namely operational spending consisting of employee spending and service goods spending.

Many previous studies that conducted research on Regional Original Income such as research (Sustenance et al., 2019) which showed that Regional Original Income (PAD) has an impact on capital expenditure on the Health function, this shows a high dependence on the original income of the region which triggers that local governments must dig deeply. Maximum increase in the original income of the region, this is inversely proportional to the study conducted (Suryani & Pariani, 2018) which showed that the Regional Original Income (PAD) did not have a significant impact on capital expenditure, this shows that although the increase in Regional Original Income (PAD) in an area, it cannot be ascertained that there is an increase in capital expenditure in the area concerned. While the study (Vanesha et al., 2019) related to Regional Original Income (PAD) and DAK Revenue in its study showed that Regional Original Income (PAD) and DAK Revenue partially had no impact on capital expenditure, ini showed that the impact of DAK Income on capital expenditure could be due to the small contribution of DAK Revenue and Regional Original Income (PAD) to overall capital expenditure. on regional spending, but contributing to the expenditure of goods and services, while the study from (Juniawan & Suryantini, 2018) showed the opposite response, that Regional Original Income (PAD) and DAK have an impact on Capital Expenditure, this means increasing sources of income from Regional Original Income (PAD). Can add infrastructural facilities and public facilities so as to provide

benefits in improving regional development in accordance with regional planning targets.

Based on previous studies, it can be drawn a gap theory, among others, variables that will be studied have never been and rarely studied before, one of which is about the revenue variables of the Regional General Service Agency (BLUD), as well as from the object of the study that is different from previous researchers, if the previous study focused on the local government or regional device work unit (SKPD), then the study is now focused on the Regional General Service Agency (BLUD) and financial statements 33 (thirty). three) Puskesmas in the Lamongan Regency Government. So that it can be concluded until now there are still problems in health centers that have become Regional Public Service Agencies (BLUD) in providing services to the public, because this form of service can be in the form of facilities and infrastructure contained in shopping, one of which is capital expenditure, thus raising the question of whether the Puskesmas that have been in the form of regional public service agencies (BLUD) have obstacles in increasing the acceptance of the Regional Public Service Agency (BLUD). Whether due to low BLUD income or improper spending allocation, so this inequality makes Puskesmas still consider the importance of subsidies from local governments in the form of Local Original Income (PAD), while Regional Original Income (PAD) will also be divided for services in other Regional Device Organizations (OPD) in providing maximum services to the community, although this fiscal inequality can be overcome by allocating funds from The central government, one of which is the Special Allocation Fund (DAK)." While the purpose of this study is to assess the impact of Regional Public Service Agency (BLUD) Revenue, Health DAK Revenue and Regional Original Income on The Realization of Capital Expenditure of Regional Public Service Agency (BLUD) Puskesmas.

## **II. LITERATURE REVIEW**

### **Stewardship Theory**

*Grand theory* on which this study is based is an element of *agency theory*, namely *stewardship theory*. "(Eksandy et al., 2019) mentioned that the purpose of public sector organizations is to serve and be accountable to the public. so that it can be applied to the case model of public sector organizations with the theory of *stewardship*. Stewardship theory is designed so that *stewards* as trustees can act in the public interest and are not motivated to act in accordance with individual goals. When the Puskesmas as *stewards* can account for every result of its implementation to those who are entitled to receive accountability it will increase public trust. The importance of management theory for this study is to explain the existence of health centers as organizations that can be believed to provide good health services to the community, namely by managing income and spending, so that the purpose of economic management in order to meet public health optimally. Therefore *stewards* (managers) deploy all their capabilities and skills to maximize income management and streamline spending in general and capital expenditure in particular for the benefit of the community, in this case the health sector, the higher the level of public health, the better the health center in organizing the wheels of the organization.

### **Regional Financial Management System**

#### **Understanding the Regional Financial Management System**

(Hutahaean, 2013) The system is a network of interconnected programs that are united to carry out an activity or achieve a goal, while the understanding of regional financial management according to (Karianga, 2017) is all activities of regional financial management officials based on their responsibilities and authorities including the preparation of plans, implementation, monitoring and performance reporting. Regional Financial Management System is an information system that facilitates the documenting, managing and reporting activities of regional budgets and finances (Ratifah & Ridwan, 2014), where this system is part of the organizational system that controls through reporting local government work. Implementation of financial management implemented by all parties concerned can produce quality financial statements that become a real form of financial management accountability (Defitri, 2018). So that it can be concluded that regional financial information must contain at least budget information, budget implementation, and financial statements, and in the implementation of all are not difficult to use by the public and must be announced to the public, and must also be submitted to the Minister who organizes government affairs in the financial sector in accordance with the provisions of the laws and regulations, because it is mandatory, then if regional development information and information Regional finance is not announced or does not convey regional financial information by the Regional Head, one of which will be charged administrative sanctions, one of which is a written warning from the Minister for the governor, and by the governor as a representative of the Central Government for the Regional Head of either the Regent or Mayor.

#### **Principles of Regional Financial Management System**

The principle of regional financial management according to (Moha et al., 2017) is a variety of activities including accountability, value for money, honesty, openness, and control. According to (Soleh & Rochmansjah, 2010), the principles of financial management needed to control regional financial policies include honest public financial management and transparency in regional financial management, aiming to

create horizontal accountability between local governments and their communities, control of regional revenue and spending budgets (APBD) must be evaluated frequently and then increasingly show signs of success in improving services and improving the welfare of the community. Only by implementing good financial management can quality financial statements be published as a form of financial management accountability (Charolina et al., 2013). The regional financial management system is built with reference to government accounting standards with final results in the form of major financial statements consisting of actual budget statements, balance sheet statements, cash flow statements, operational statements, equity change statements, statements of changes in more budget balances and records of financial statements. Financial statements become an aspect that further increases accountability for government management because these financial statements are useful in determining the policies of *stakeholders*, both internal government parties and for external parties such as the public, creditor investors and others.

So that this financial statement becomes part of the accountability report of government management by the regional head. The main unsut related to the basic concepts of regional financial management systems include record keeping bases, recording methods, accounting entities, financial statements, qualitative characteristics of financial statements, accounting periods, measurement units, account codes.

#### **Regional Revenue and Spending Budget (APBD)**

(Nordriawan & Hertianti, 2010) presenting the budget as a statement of performance estimates that will be obtained within a certain period of time within financial standards. The Regional Revenue and Expenditure Budget is a financial plan in one annual cycle of local governments in Indonesia that has been approved by the DPRD, where the APBD is regulated in the Regional Regulation (Yasin et al., 2017) Financial management in APBD describes the capability of local governments in managing finance to finance activities in the form of regional spending aimed at ensuring and improving the quality of life in order to fulfill regional responsibilities. (Vanesha et al., 2019)." According to Halim (2004),, the Regional Revenue and Spending Budget (APBD) is *"The local government's operational plan outlined in Rupiah that shows the estimated expenditure to fund local government operations and the estimated revenue to meet expenditures (expenditures), usually for 1 year"*. (Halim, 2004). It can be concluded that the Regional Revenue and Spending Budget (APBD) is a concrete form of a comprehensive local government work plan that contains a detailed plan on the type and amount of receipts, as well as the type of expenditure and amount of funds to achieve the planned goals within a certain period of one year budget approved by the DPRD.

#### **Regional Revenue and Spending Budget Cycle (APBD)**

The regional financial management cycle includes the stages of planning, implementation, reporting, supervision to accountability for the implementation of the Regional Revenue and Spending Budget (APBD) (Nuzullestary, 2021). "A cycle is a process that continues to be repeated continuously, fixed and regular and continuous, if associated with the budgeting process, then the cycle is the planning process, implementation process and accountability process within one year of the budget starting from the time the document is established until the end of the budget implementation period. In the preparation of the Regional Revenue and Expenditure Budget (APBD), according to (Korompot & Poputra, 2015), must pay attention to matters including the issuance of the Regional Head Circular Letter on Guidelines for the Preparation of Budget Work Plan (RKA), preparation and discussion of Budget Work Plan (RKA) and drafting of Regional Revenue and Expenditure Budget (APBD) Regional Revenue and Expenditure Budget (APBD) to the DPRD, the joint approval of the DPRD and regional heads, the latter provided a Regional Revenue and Expenditure Budget (APBD) and a Draft Of Perkada on The Elaboration of Regional Revenue and Expenditure Budget (APBD) to the Governor to be assessed.

It can be concluded in the government's financial management cycle, the budgeting cycle in the Regional Revenue and Spending Budget (APBD) is the first step taken in order to map the cost of the objectives to be implemented during the one-year budget period, where in its implementation, all revenues are recorded and accounted for in accordance with applicable regulations.

#### **Financial Management System of the Regional Public Service Agency (BLUD)**

(Hasibuan, 2020) The Public Service Agency (BLU) is a work unit of one of the local governments that aims to provide public services managed in accordance with the authority provided by the parent agency concerned. While the Public Service Agency according to (Restianto & Bawono, 2015) is *"The establishment of a government agency intended for the provision of services to the public in the form of goods or services for sale, not prioritizing profit, and operating on the principle of efficiency and productivity"*. According to (Lukman, 2013) "BLUD is a government agency that provides services providing goods and services, while the definition of the Regional Public Service Agency According to (Kanal Knowledge, 2016) that BLUD is a Work Unit under the SKPD within the scope of the government, which was formed with the aim of providing services in the form of providing goods or services to the community sold without profit-oriented, in carrying out its operations holds the principles of efficiency and productivity. So that the Regional Public Service Agency (BLUD) can run by prioritizing the principle of efficiency and productivity, where the Regional Public Service

Agency (BLUD) also conducts activities to provide goods or services and provide services for all communities with non-profit oriented. So it can be said that the Regional Public Service Agency (BLUD) is an organization or institution that provides services to the community that in its operational implementation uses funds from APBD (DAK and PAD) and some of the services provided, because the Regional Public Service Agency (BLUD) is made not for profit. In other words, the Regional Public Service Agency (BLUD) wants to be used as an organization that aims not to seek profit (*not profit oriented*) but focus on providing optimal services for the public, through increasing its revenue sector to finance service spending that also increases as well.

#### **BLUD Financial Management**

(Lukman, 2013) BLUD financial management consists of planning and budgeting, income and spending, cash control, receivables/debt and investment control, inventory management, accounting, reporting and accountability and BLUD budget surplus and deficit. Financial management patterns that provide flexibility in the form of flexibility to implement healthy business practices to improve services to the community in order to promote the general welfare and educate the life of the nation, as an exception to the provisions of state financial management in general (Restianto & Bawono, 2020). The Regional General Services Agency (BLUD) has its own specificity, which is flexible in its financial management. The definition of flexibility in (PERMENDAGRI No. 79 of 2018 concerning regional public service agencies, 2018) explains that flexibility is the relaxation of financial management models to advance the general welfare and educate the life of the nation by implementing good business practices to improve services to the community without profit.

As for the thing that distinguishes between the Regional Public Service Agency (BLUD) and the Regional Device Work Unit (SKPD), in terms of financial management, where in carrying out its activities the Regional Public Service Agency (BLUD) can attract costs for its business in terms of service use, because the Regional General Services Agency (BLUD) is given more authority in managing its finances. So it can be concluded that spending is based on the cost structure outlined in the *definitive* Budget Business Plan (RBA), whose management is organized flexibly, by following good and healthy business practices, which is the amount of expenditure with the volume of service activities based on equality, where the flexibility of spending by imposing the spending threshold set in the Budget Business Plan (RBA) that must be received. The approval of the relevant parties, in accordance with its authority, because the financial management model of the Public Service Agency is a financial management model that provides flexibility in the form of flexibility in implementing good business practices to improve services to the community, promote the general welfare, and educate the life of the nation (PP No. 58 of 2005 on Regional Financial Management, 2005)."

#### **BLUD Financial Management Pattern Policy**

##### **Budget Business Plan (RBA)**

BLUD must draw up an annual Budget Business Plan (RBA), "RBA is a business planning and budgeting document that contains programs, activities, performance targets and budgets of a BLU (Lukman, 2013). The basis for the preparation of a Budget Business Plan (RBA) is based on performance and cost accounting calculations according to the type of service that at least presents direct and indirect costs about the needs and capabilities of revenues expected to be received. The Budget Business Plan (RBA) adheres to a flexible budget pattern with a certain percentage threshold accompanied by minimal service standards, which include a summary of revenue, expenditure and financing, details of the revenue budget, expenditure and financing which is the budget plan for all annual activities expressed in units reflected by the revenue, spending and financing plan (Nilasari, 2020).

##### **Budget Work Plan (RKA)**

After the Budget Business Plan (RBA) is formed, integration and consolidation is carried out and becomes a unitary of the Budget Work Plan (RKA), which is then submitted to the PPKD as the basis in drafting local regulations on APBD. The proposed budget work plan (RKA) will be examined by the budget team to be included in the draft regional regulations on APBD, which will then be formulated into local regulations on APBD. The stages and timelines of the preparation and determination of the Budget Business Plan (RBA) process follow the stages and timelines of the preparation process and APBD specifications. Further provisions on searches and submissions. Decide that changes to the Regional General Services Agency (BLUD) Budget Business Plan (RBA) are governed by the Regional Director Regulations.

##### **Implementation of budget**

(Nilasari, 2020) Stated in the implementation of the Budget needs to exist, first the Budget Implementation Document (DPA) that has been approved to be the basis of the implementation of the budget of the APBD for employee spending, capital expenditure, and spending on goods or services whose mechanism is implemented in accordance with the provisions of the laws and regulations. Both Cash Budgets, which aim to carry out the budget periodically as needed, taking into account the cash budget in the Budget Implementation Document (DPA), and with regard to the amount of cash available, revenue projections and expenditure projections. Third, it means that in implementing the budget, the Regional General Services Unit (BLUD)

conducts financial management, which at least includes income and expenditure, income and expenditure, debt and receivables, inventory, fixed assets and investments, and participation.

**Financial Statements Presented**

The preparation of the financial statements of the Regional General Services Agency (BLUD) as a reporting entity is carried out using accrual-based SAP (Restianto & Bawono, 2020). The purpose of preparing financial statements is to provide information about BLUD if government accounting standards do not regulate blud business types so that BLUD can develop and implement its own accounting policies regulated by BLUD Information about financial conditions, performance, and changes in financial conditions that help make decisions about its use. The report also shows what management did or accounted for for the resources entrusted to it. You can see the grouping of accounts used to compile financial statements, including:

**Table 1. 1 Grouping of Financial Statement Preparation Accounts**

| Account Code | Description | Report  |
|--------------|-------------|---------|
| 1            | Assets      | Balance |
| 2            | Obligation  |         |
| 3            | Equity      |         |
| 4            | LRA revenue | LRA     |
| 5            | Shop        |         |
| 6            | Financing   |         |
| 7            | LO revenue  | LO      |
| 8            | Burden      |         |

Source: SE Director General of Regional Financial Development No. 981/4092/KEUDA year 2020

**BLUD Financial Statements**

Financial Statements include Budget Realization Reports, Operational Reports, Equity Change Reports, Balance Sheets, and Notes on Financial Statements, with the first explanation of the Budget Realization Report, a Report that provides information on the achievement of income, expenditure, and financing. The preparation of LRA is taken from the balance sheet of account codes 4, 5 and 6. Both Budget Balance Change Reports Provide more information about the increase or decrease in budget balance in the report year than the previous year. The budget balance that is more often abbreviated sal itself is a combination of balances derived from the accumulation of SiLPA / SiKPA and other adjustments allowed for the previous budget year and the current year. The third Cash Flow Statement, the cash flow statement reflects cash, income and expense information and the final cash balance of the central /local government related to operating activities during a given period. Fourth Operational Report, a report that outlines the increase in the equalization of economic resources and their use organized by the Central / Regional Government for government implementation activities during one report period. The preparation of operational statements is taken from the balance sheet of account codes 7 and 8. The Fifth Statement of Change in Equity, the Equity Change Report provides information regarding the increase or decrease in equity during the reporting year compared to the previous year. The statement of changes in equity for presentation in this financial statement provides, at a minimum, corrections for the relevant period at the beginning of equity, surplus/deficit - LO, and direct increase/decrease in equity. The Balance Sheet describes the financial position of the reporting entity in terms of assets, liabilities, and equity on a date. The preparation of the balance sheet is taken from the balance sheet of account codes 1 and 2 then into the balance sheet and final equity. The elements covered by the balance sheet consist of assets, liabilities, and equity.

The seventh is the record on the Financial Statements, The notes on the financial statements include a narrative explanation or detailed information about the figures presented in the Budget Achievement Report, SAL Change Report, Operating Report, Equity Change Report, Balance Sheet and Cash Flow Statement. Records of financial statements also include information about accounting policies used by reporting entities and other information required and recommended by government accounting standards and presentations necessary to reasonably present financial statements. Records of financial statements disclose/present/provide data to disclose general information about reporting entities and accounting entities; provide an overview of the achievement of the financial goals of the reporting year as well as the obstacles and obstacles to achieving them; provide information on the basis of the preparation of financial statements and the selection of accounting policies applicable to transactions and other important events; present the details and explanations of each post on the front cover of the financial statements; disclose information required by government accounting standards statements not presented on the front of financial statements; Provides other information necessary for reasonable presentation, which is not presented in the financial statements face sheet.

### **BLUD Revenue**

According to (Restianto & Bawono, 2020) income is the gross inflow of economic benefits arising from the service activities of the Regional General Services Agency (BLUD) during a period resulting in the addition of net equity. Based on (President of the Republic of Indonesia, 2019) stated that BLUD Revenue is revenue obtained from quality improvement activities in the service of the Regional Public Service Agency (BLUD) as needed, where all revenues of the Regional Public Service Agency (BLUD) can be directly used to finance spending from the Regional Public Service Agency (BLUD) concerned or it can be said that BLUD revenue is received by the TREASURER who increases the Balance. Budget More within one year of the budget period that is the right of the Regional General Services Agency (BLUD), and does not need to be paid back by the Regional General Services Agency (BLUD). While BLUD Income is a government right that is recognized as an increase in net worth. The revenue structure of the Regional General Services Agency (BLUD) is sourced from services, grant revenue, income from cooperation with other parties, and other legitimate BLUD revenues.

As for the explanation of BLUD revenue based on (BLUD.co.id, 2021) that is, first revenue from services, service revenue can be received in cash or non-cash, this income usually comes directly from patients who directly pay a sum of money to the cashier or through transfer or debit which is the reward obtained because of services provided to the community, or through the BPJS claims process. The details of income from this type of income include medical services, medical support services, non-service services, National Health Insurance (JKN) Kapitasi income. Both Grant Revenue, BLUD Income sourced from grant revenue can be in the form of goods or money or assets that become balance sheet enhancers, and the receipts made can be in the form of bonded grants or unbound grants that can be obtained directly from the body or society. Third Revenue From Cooperation with Other Parties, BLUD Revenue sourced from cooperation with other parties must have a contract document or MOU between the Regional General Services Agency (BLUD) and third parties as evidence that suggests cooperation with the relevant Regional General Service Agency (BLUD), if there is no form of contract document, it needs to be clarified the form of cooperation and the form of acceptance through Further analysis. As for the form of cooperation that can be done between the Regional Public Service Agency (BLUD) with partners or third parties, among others, the results of education program cooperation, the results of training program cooperation, and other business cooperation results, can also cooperate in parking lots and rental forms, including kiosk rental, room rental, building rental and advertising / land rental."

### **Health DAK Revenue**

According to (Government Regulation of the Republic of Indonesia Number 55 of 2005, 2005) the definition of DAK is "Special Allocation Fund, hereinafter referred to as DAK, is a fund sourced from state budget revenues allocated to certain regions with the aim to help fund special activities that are regional affairs and in accordance with national priorities". According to (Darise, 2008)"The Special Allocation Fund (DAK) is intended to help finance special activities in an area, especially to finance the needs of facilities and infrastructure in terms of services to communities that have not reached certain standards or to encourage the acceleration of development in the region. The DAK consists of a Physical Special Allocation Fund and a Non-Physical Special Allocation Fund. DAK revenue according to (Usman et al., 2008) is the transfer of balance funds made by the central government that has different objectives and basic properties, where all funds are channeled into APBD, while DAK Health revenue according to President of the Republic of Indonesia (2019) is funds allocated to the region to fund the operational activities of priority programs in the field of national health that are regional affairs for improve the accessibility and quality of health services in the area. Admissions from the DAK in the field of health are used to fund regional affairs and special activities aligned with national health development priorities, identified through government work plans, and if the region is already involved, incorporated into health operations assistance activities (BOK), namely to accelerate the implementation of minimum health service standards and funding the implementation of national plans to reduce the burden of public financing in the health sector, especially at the health center.

### **Local Native Income (PAD)**

According to (Nurlan, 2007) stated that the Original Regional Income is the income earned by the region collected based on local regulations in accordance with the laws and regulations. Meanwhile, according to (Nurcholis, 2005) stated that the Original Regional Income is income obtained from local tax proceeds, local levy proceeds, regional company profits, and others that are legitimate. According to (Regulation of the Minister of Home Affairs No. 77 of 2020, 2020) explaining the definition of Regional Income is all regional rights that are recognized as an increase in the value of net worth in the period of the relevant fiscal year. Regional revenues are detailed according to local government affairs, organizations, accounts, groups, types, objects and details of objects as well as sub-details of regional revenue objects. Regional income consists of local revenue, transfer income and other legitimate regional income. The original income groups of regions separated into four types of income include local taxes, local levies, separated regional wealth management proceeds and other

legitimate local native income, where the original income of the region is managed based on the authority of financial management in OPD.

(Wulandari & Iryanie, 2018) Stated that Regional Original Income is an element of APBD, which in The Regional Original Income (PAD is shown a picture of a region can utilize its sources of income sourced from local taxes, local levies, the results of the utilization of assets belonging to separated regions and other legitimate PAD. Meanwhile, according to (President of the Republic of Indonesia, 2019) Local Revenue is the right of local government received recognized as an increase in net worth in the period of the fiscal year, provisions related to Regional Original Income consist of local taxes, local levies and the results of utilization of separate regional assets and other legitimate local original income. Classifying the Regional Revenue and Expenditure Budget (APBD) based on accounts, groups, types, objects, object details, sub-details of the original revenue object of the area where it is managed on the basis of financial management responsibilities at the relevant Regional Device Work Unit (SKPD).

### **Capital Expenditure**

BLUD spending according to (Restianto & Bawono, 2020) is an obligation of the Regional Public Service Agency (BLUD) which is recognized as a reduction in the value of net worth, which has been paid from BLU cash and banks in the relevant budget period. (Syaiful, 2006) Capital Expenditure is an expenditure made in the framework of capital formation that adds fixed assets / inventory that provides benefits of more than one accounting period, including expenses for maintenance costs that maintain or increase the useful life, increase the capacity and quality of assets, which according to (Regulation of the Minister of Home Affairs No. 47, 2021) It is stated that assets are economic resources controlled and/or owned by local governments as a result of past events and from future economic and/or social benefits are expected to be obtained, both by local governments and communities, and can be measured in units of money, including non-financial resources necessary for the provision of services to the general public and resources maintained for historical and cultural reasons.

(Wulandari & Iryanie, 2018) Capital expenditure is an expenditure made in the framework of the purchase / procurement or development of tangible fixed assets that are worth 12 (twelve) months to be used in government activities. These expenses also include regular additional expenses and maintenance costs to maintain or increase service life. Criteria for expenditure of goods and capital, i.e. if the needs and others are met, the expenditure can result in the acquisition of fixed assets or other assets that increase age, income and capacity, the expenditure exceeds the minimum capitalization of fixed or other assets. assets stipulated by government regulations, Fixed Assets acquired should not be sold for the purpose of acquiring fixed assets or other assets whose age, capacity, quality, and quantity continue to increase, their expenditure must meet the minimum capitalization value of fixed assets and other assets. (Halim & Kusufi, 2012) said capital expenditure is an expenditure for the acquisition of other assets that can provide benefits more than the accounting period, where capital expenditure includes, 1) land capital expenditure, 2) capital expenditure of equipment and machinery, 3) capital expenditure of buildings and buildings 4) road capital expenditure, irrigation, and networking and 5) capital expenditure of other fixed assets, including intangible assets, for example applications or *software*, all of which must provide a useful life of more than 1 year.

### **III. RELATIONSHIPS BETWEEN VARIABLES**

#### **The Effect of Revenue of the Regional Public Service Agency (BLUD), On the Realization of Capital Expenditure BLUD Puskesmas**

The financial independence of the Regional General Services Agency (BLUD) is expected to demonstrate the capability of the organization in self-financing its spending expenditures, where the independence of financial management in this case can be indicated by the large or small blud revenue compared to other incomes, one of which is the income of DAK Health and Regional Original Income (PAD), due to the Regional General Service Agency (BLUD). Aiming to improve services to the community in order to promote the general welfare and educate the life of the nation by providing flexibility in financial management based on economic and productivity principles, and the implementation of healthy business practices, then everything must be done to spur the increase in BLUD Revenue, one of which is by bringing in investors to be willing to invest or invest, which automatically ultimately adds to the revenue of the Regional General Services Agency (BLUD) itself.

The Regional General Services Agency (BLUD) has flexibility in managing its finances, because it is excluded from the provisions of regional financial management in general in providing services to the community, so it is very clear that in performing services to the community will require considerable spending, it must be balanced with income that must rise significantly to support the amount of spending budgeted for service operations and for services. procurement of capital expenditures. So it can be concluded that the greater the BLUD income, the greater the Puskesmas in carrying out maximum health services and facilities, which has a greater effect on capital expenditure. (Indonesian Accountants Association, 2017)stated that the high



organizational capabilities of the Regional General Services Agency (BLUD) are able to provide encouragement to improve the quality of service produced so as to increase the quantity and continuity of service to customers which can ultimately increase revenue for BLUD organizations. Based on these thoughts, this study can propose hypotheses including:

Ha2 :The Regional Public Service Agency (BLUD) has a positive impact on the Realization of Capital Expenditure BLUD Puskesmas.

#### **The Effect of Health Special Allocation Fund (DAK) Revenue on the Realization of Capital Expenditure BLUD Puskesmas**

The realization of the central government with the region in financial relations is one of them is from the Special Allocation Fund (DAK) of Health. The hope is that this Special Health Allocation Fund was created to reduce special costs that become burdens and obligations borne by the Regional Government, where the Health Special Allocation Fund is utilized and directed to procurement, improvement, development, improvement of facilities and infrastructure that have a long economic life and above the capitalization limit, based on this is expected by the directing of the use of Special Health Allocation Funds for activities that have been It is expected to increase service to the public through capital expenditure.

From the study conducted (Ayem, 2018) in his study showed that Economic Growth, General Allocation Fund (DAU), Special Allocation Fund (DAK) and Regional Original Income (PAD) simultaneously had a significant impact on capital expenditure, and the study conducted (Hairiyah et al., 2018) in his study showed that after the expansion of the Special Allocation Fund had a significant and positive impact on Capital Expenditure. Thus, researchers are interested in retesting whether special allocation fund revenue (DAK) has an impact on capital expenditure realization, based on previous studies, hypotheses are proposed, among others:

Ha3. Revenue from the Special Allocation Fund (DAK) has a positive impact on the Realization of Capital Expenditures for BLUD Puskesmas.

#### **The Effect of Regional Original Income (PAD) on the Realization of Capital Expenditure BLUD Puskesmas**

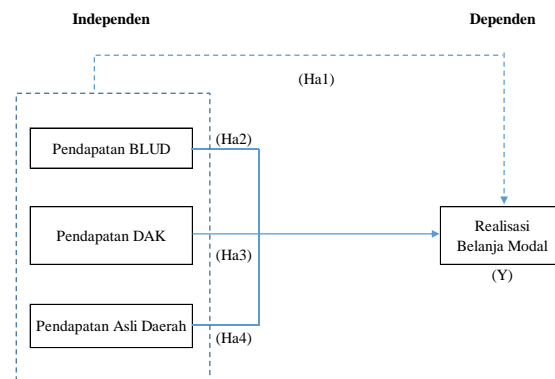
PAD is one of the indicators that determine the degree of independence of a region, where the greater the acceptance of pad of an area, the lower the level of dependence of the local government on the central government, therefore the local government always spurs to collect funds for regional purposes in financing routine activities and development, it can be concluded that the greater the capability of the local government in attracting and collecting its PAD resources, Then the ability to finance spending will be further resolved because of the large source of income owned, because the Original Regional Income is obtained and collected by the region based on regional regulations in accordance with legislation (Sukmawati & Isaac, 2019). The role of PAD in regional finance becomes an important measuring tool in the implementation of the wheels of local government, because with the increase of PAD it becomes one of the capital success in achieving regional development goals, because PAD can determine the capacity of local governments in carrying out their functions, including carrying out public services (*public service function*) and carrying out development (*development function*). , in its implementation the local government must pay attention to the principles of democracy, equality and justice, involving the participation of the community, and accountability with regard to the potential of the region.

From the study conducted (Sustenance et al., 2019) in his study showed that PAD, DAU, and DOK have an impact on capital expenditure, and the study conducted (Bakhrudin et al., 2020) in his study showed that PAD, DAU and DBH have an impact on capital expenditure. Thus, researchers are interested in retesting whether Regional Original Income (PAD) has an impact on the Realization of Capital Expenditure, based on previous studies, hypotheses are proposed, among others:

Ha4: The Original Regional Revenue (PAD) has a positive impact on the Realization of Capital Expenditure BLUD Puskesmas."

#### **Study Model**

This study model has 4 variables, of which there are three independent variables and one dependent variable, further study models that will be studied are poured in the form of charts including:



**Figure 3. 1 Study Model**

**IV. RESEARCH METHOD**

The study that the authors use is the design of causality studies, which is to prove the relationship between cause and effect of several variables by using experimental methods that control *independent variables* that will affect *dependent variables* in planned situations. In this study aims to describe each variable and test the relationship between variables, namely BLUD Income variable, Health DAK Income variable, Regional Original Income variable against Capital Expenditure in Lamongan Regency Government Health Center. The data used in this study is quantitative, which is a type of data that can be measured or calculated directly, which is in the form of information or explanations expressed by numbers or in the form of numbers, namely BLUD Revenue data, Health DAK Income, Regional Original Income (PAD) and Capital Expenditure. From the numbers obtained will be further analyzed in the data analysis, in this case the quantitative data needed is the 2018-2020 Budget Realization Report from 33 health centers that have become fully BLUD. In this study, the author used secondary data sources that have been collected for purposes other than solving the problem at hand, which is secondary data obtained not directly from the object of the study but from the data that is already available such as documents related to financial statements. The documents used in this study include the Budget Realization Report for fiscal year 2018-2020, in addition, researchers also use various documents related to this study such as literature materials by tracing literature related to problems that are in accordance with the subject points in this study, one of which is archives, articles, journals and books.

**Population, Sample and Data Retrieval Techniques**

The study population is 33 health centers in Lamongan Regency of East Java for the period 2018-2020 which has become BLUD and published BLUD financial statements. The sample used in this study is 33 health centers in the Lamongan Regency Government. The criteria used as a sample are Puskesmas which has become BLUD in the span of 2018-2020. Puskesmas which routinely report financial statements in the 2018-2020 budget year. Puskesmas which has capital expenditure transactions during the period 2018-2020. During the study period, Puskesmas had complete data needed consistently from 2018 to 2020. In this study the sampling technique used by the author is a *non-probability sampling* technique, with *full sampling*, i.e. all populations are used as samples. The study took data from 2018 to 2020. The variables used in this study are Regional General Service Agency (BLUD) Revenue (X1), Health DAK Revenue (X2), Regional Original Income (PAD) (X3) as an independent variable, and Capital Expenditure Realization (Y) as dependent variables. The description of variable operations is:

**Statistical Analysis**

"Descriptive statistical analysis is a statistical analysis used to provide a description of the characteristics of each variable used, including BLUD Revenue, DAK Income, Regional Original Income and Capital Expenditure. Each study variable looked at was the amount of data, average value, maximum, minimum and standard deviation (Ghozali, 2018). In this study, the discussion of descriptive statistical analysis was conducted for data that had been normal. Further classical assumption tests include the Autocorrelation Test, Multicollinearity Test, Heteroscedasticity Test, and Multiple Linear regression analysis. Multiple Linear Regression Analysis. It involves two or more free variables between dependent variables (Y) and independent variables (X1, X2 and X3). In this study, multiple linear regression analysis was used to prove the extent of the influence of BLUD Revenue (X1), DAK Revenue (X2) and Regional Original Income (X3) on BLUD Capital Expenditure (Y) at the Health Center in lamongan regency for the 2018-2020 financial report period. This analysis can also be used to predict how the state of dependent variables, if two or more independent variables as an indicator of whether to increase or decrease. The statistical formula that the author will use is:  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$  (Ghozali, 2018)

Information:

Y: Capital Expenditure BLUD Puskesmas

$\alpha$ : Constant

$\beta$ : *Slope* or Regression Coefficient

$x_1$ : Revenue of the Regional General Services Agency (BLUD)

$x_2$ : Health Special Allocation Fund (DAK) Revenue

$x_3$ : Local Original Income

e.: *Error*

After performing multiple linear regression analysis, the final process is hypothesis testing using the Coefficient of Determination Goodness of Fit Test (R<sup>2</sup>), Testing regression coefficients together (Test F), testing the coefficient of partial regression (test t) (Ghozali, 2018).

## V. RESULT

### Descriptive Analysis

The research was done in the East Java province's Lamongan Regency Government. Lamongan Regency's government headquarters is situated 50 kilometers west of Surabaya City. Lamongan Regency is part of the Surabaya metropolitan region, namely Gerbangkertosusila. There are already two regional hospitals in Lamongan, namely Dr. Soegiri (type B) and Ngimbang (type C), each of which has the status of a Regional Public Service Agency (BLUD) capable of managing its finances independently, as well as 33 Health Centers that have been designated as Regional Public Service Agencies (BLUD) between 2018 and 2020. The data was processed in this study using the statistical test tool version 26 and Microsoft Excel 2019 to facilitate the processing of variable data, with the variables used in this study being BLUD Capital Expenditure as dependent variables and BLUD Revenue, DAK Revenue, and Regional Native Income as independent variables (PAD). The data was extracted from the Lamongan District Government Health Office's 2018-2020 Financial Report of the Regional Public Service Agency (BLUD).

The descriptive statistics test revealed the results of descriptive statistical calculations on N samples ranging from 99 to 33 Puskesmas during a three-year period. The average BLUD Revenue is 2,125,495,827.3545, the standard deviation is 648,913,349,17329, with the maximum value of 3,364,469,466.00 at Lamongan Health Center in 2019 and the lowest value of 899,154,238.29 at Tlogosadang Health Center in 2018. This can be interpreted as Puskesmas managing stable BLUD revenue throughout each period, while the decrease in BLUD revenue in 2020 is due to the impact of the pandemic that hit Lamongan Regency, causing the income and spending planning to become hampered. As a result, Puskesmas continues to require funding from both the central and local governments to support all Puskesmas spending, both operational and capital expenditure. Average Health DAK Revenue of 632,789,204.6263, standard deviation of 91,196,200,60499, with the highest Health DAK Revenue of 810,029,000.00 in Sambeng Health Center in 2019 and the lowest DAK Revenue of 467,903,600.00 in Sukorame Health Center in 2018, this can be interpreted as DAK Revenue of 467,903,600.00, specifically at Sukorame Health Center in 2018. Fill out the form below to become a Puskesmas Asset.

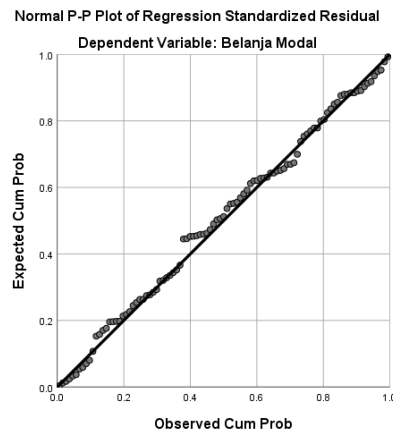
The average Regional Original Income (PAD) was 111,300,634.6571, with a Standard Deviation of 64,494,928.78639, with the greatest Regional Original Income (PAD) of 255,679,700.04 in 2019, mostly at Sambeng Health Center, and the lowest value of 13,530,000.00 in 2020, primarily at PuskesmasPucuk. The fluctuating Regional Original Income as a result of the covid 19 pandemic that struck Indonesia and Lamongan Regency in particular, causing the government wheel order to falter, as well as the failure to meet targets established through PAD reception posts, caused the government wheel order to falter. The average BLUD capital expenditure is 160,552,665,0707, while the standard deviation is 82,456,488,85327. With the highest capital expenditure of 309,789,200.00 in 2018, at Sambeng Health Center, and the lowest capital expenditure of 2,827,000.00 in 2020 at PuskesmasKembangbahu, it can be concluded that the decrease is due to the decrease in capital expenditure. Because public requirements include not just development but also welfare and public health, the initial allocation for capital expenditure was shifted to operational spending for health, along with allocations for social assistance and unexpected expenditures.

### Classic Assumption Test

#### Normality Test

The normality test is used to determine whether regression models on bound variables (dependent) and free variables (independent) have a normal distribution or not. The normality test is carried out using graph analysis (scatterplot), which involves comparing cumulative and normal probability plots. The residual data plotting will be compared to the diagonal line if the data distribution is normal, and the line depicting the actual data will follow its diagonal line if the data distribution is normal. Scatterplot analysis reveals that the point

spreads around the diagonal line and follows the diagonal line's direction, indicating that the regression model respects the normality assumption.



**Figure 5. 1 Normality Probability Plot Test Results**

Source: Statistical Test Tool

The Kolmogorov-Smirnov test is used to further persuade and reinforce whether the findings of the previous distributed graph test are normal or not. This test is used to determine if a regression equation will pass normality and provide a more detailed number. Based on Sig. Kolmogorov-Smirnov, the results of normality testing were achieved jointly. When compared to the level of significance of 5% or = 0.05, the significance value of the Kolmogorov-Smirnov test for BLUD Revenue is 0.200, Health DAK Revenue is 0.200, Regional Original Income is 0.188, and Capital Expenditure is 0.190, indicating that the figures of each variable are higher than the level of significance. This indicates that the data distribution meets the normalcy assumption and does not deviate from its zero curve. As a result, regression model analysis may be performed on all of the variables in this research.

#### **Autocorrelation Test**

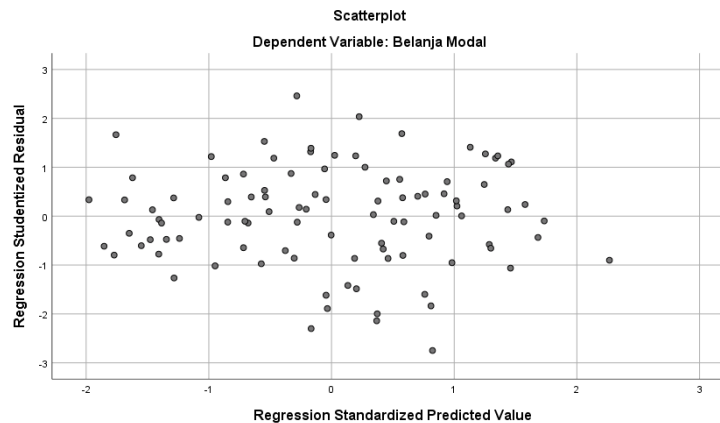
This test is actually based on an *error model* that has a correlation as it has been shown that the Observation Value ( $n = 99$ ;  $k-1 = 3-1$ ;  $dL = 1.6317$ ;  $dU = 1.7140$ ;  $d / R^2 = 1,632$ ). Furthermore, the Durbin-Watson value calculated at 1.632 will be compared to using a table with a confidence level of 5%, the number of samples 99 and the number of independent variables as much as 3, then the Durbin – Watson table shows the value of  $dL = 1.6317$  and  $dU = 1.7140$ , because the value of the calculation is between  $dU$  and  $dL$  then the data or model can not be concluded. The basis of *the Runs Test* decision-making is that if the value of Asymp.Sig (2-tailed) is smaller than 0.05 then there are autocorrelation symptoms, and conversely if the value of Asymp.Sig (2-tailed) is greater than 0.05 then there are symptoms of autocorrelation. Based on the results of the SPSS output above, the value of Asymp is known. Sig. (2-tailed) of 0.189 greater than 0.05 ( $0.189 > 0.05$ ), it can be concluded that there are no symptoms of autocorrelation.

#### **Multicollinearity Test**

Based on *collinearity statistics tolerance* and *variance inflation factor (VIF)*, shows that all independent variables namely BLUD income, health DAK income and regional original income (PAD) have *variance inflation factor (VIF)* below 10 ( $VIF < 10$ ) with tolerance numbers that show a value of more than 0.1 (*tolerance*).  $> 0.10$ ). Thus it can be said that the model formed there are no symptoms of multicollinearity, then the study variable can be used for regression model analysis.

#### **Heteroskedasticity Test**

The heteroskedasticity test is used to see if there is a variance inequality from one observation to the next in regression models; if the variance value remains the same, it is called homoscedasticity; if the variance value changes, it is called heteroskedasticity; a good regression model is homoscedasticity or does not occur heteroskedasticity. The following are some of the outcomes of calculations using SPSS apps based on Scatterplot known and acquired heteroskedasticity testing results:



**Figure 5. 2 Variable Scatterplot Charts of Capital Expenditure**

Source: Statistical Test Tool

Based on the scatterplot of random spreading points and spreading both above and below the number 0 on the Y axis, there is no specific pattern that is organized. Therefore, it can be concluded that there is no heteroskedasticity and data is free from the symptoms of heteroskedasticity in this regression model, then the regression variable capital expenditure in the study can be used for regression model analysis.

**Multiple Linear Regression Analysis**

Analysis of multiple linear regression models can be done after the regression model meets classical assumptions, the results of multiple linear analysis are used to determine the influence of the multiple linear regression equation model from the VARIABLE BLUD Revenue (X1), Health DAK Income (X2), Regional Original Income (PAD) (X3) and Capital Expenditure variable (Y), where this analysis uses SPSS statistical test tool, In the regression equation the structural equation is among others:

$$Y_{BM} = \beta_{1BLUD} + \beta_{2DAK} + \beta_{3PAD} + e$$

**Hypothesis Test**

**Simultaneous Significance Test (Test F)**

Simultaneous hypothesis testing (Test F) is used to investigate the effect of independent variables on dependent variables when they are present. This test is performed by comparing the significance value F to the default significance value of 0.05. If F 0.05 is significant, then the choice to reject Ho and accept Ha is justified, since it can be shown that the free variable in this research has an effect on the bound variable, and vice versa. If  $F > 0.05$ , the choice to accept Ho and reject Ha is justified, indicating that the free variable in this research has no effect on the bound variable. Results of a simultaneous hypothesis test (Test F) using SPSS, based on the regression column F with Sig. The F test statistics indicate that variables BLUD Income, Health DAK Income, and Regional Original Income (PAD) all have an effect on capital expenditure variables simultaneously. This is demonstrated by the significance value of F being less than 0.05 (0.000 = 0.05), which indicates that Ha1 is received. This indicates that BLUD Revenue, Health DAK Income, and Regional Original Income (PAD) all have an effect on capital expenditure variables.

**Individual Parameter Significance Test (Test t)**

Individual Parameter Significance Test (Test t) results in a computed value of t of 4,857 with a sig of 0.000 for the BLUD Revenue variable. The outcome of the sig analysis. 0.000 is less than 0.05 or (0.000 < 0.05), indicating that partly variable BLUD Income has an effect on Capital Expenditure; consequently, Ha2 is acceptable. The computed t value for the Health DAK Income variable is 0.909 with a significance level of 0.632. The outcome of the sig analysis. 0.529 is more than 0.05 or (0.000 > 0.05), indicating that partly variable Health DAK Income has no effect on Capital Expenditure; consequently, Ha3 is rejected. In the Regional Original Income (PAD) variable, the estimated t value is 4,014 with a sign of 0.000. The outcome of the sig analysis. 0.000 is less than 0.05 (0,000 < 0.05), indicating that partly variable Regional Original Income (PAD) has a considerable effect on Capital Expenditure; consequently, Ha4 may be accepted.

**Determination Coefficient Test (R2)**

The determination coefficient value is intended to see how much influence the three variables result from the three variables namely BLUD Income (x1), Health DAK Income (X2) and Regional Original Income (PAD) (X3) on capital expenditure variables. The magnitude of R<sup>2</sup> is  $0 \leq R^2 \leq 1$ , where the closer to 1 means the regression model can be said to be good because the closer the relationship between independent variables with dependent variables and vice versa. The results of the determination coefficient (R2) analysis using SPSS, while the results of the determination coefficient testing are:

According to the result, R Square is 0.374. The size of the determination coefficient is 0.374, or 37.4 percent, which indicates that the variable Capital Expenditure is influenced by BLUD Revenue (X1), Health DAK Income (X2), and Regional Original Income (PAD) (X3). This indicates that variable contributions to BLUD Income, Health DAK Income, and Regional Original Income (PAD) total 37.4 percent, while the remaining 62.6 percent is explained or impacted by factors not included in this research model, such as SILPA and Other BLUD Revenues.

**Table 5. 1** Hypothesis Testing Results

| Hypothesis |  | t      | Sig  | Conclusion |
|------------|--|--------|------|------------|
| Ha1        | BLUD Revenue, Health DAK Revenue and Regional Native Income impact capital expenditure realization | 18.918 | .000 | Accepted   |
| Ha2        | BLUD revenues impact capital expenditure realization   | 4.857  | .000 | Accepted   |
| Ha3        | Health DAK Revenue has an impact on capital expenditure realization                                | .632   | .529 | Rejected   |
| Ha4        | Regional Original Income has an impact on capital expenditure realization                          | 4.014  | .000 | Accepted   |

Source: Processed Data Results

## VI. DISCUSSION

### Effect of BLUD Revenue (X1), Health DAK Income (X2) and Regional Original Income (PAD) (X3) on Capital Expenditure (Y)

Based on the analysis of data that has been done, obtained results that state that BLUD Revenue, Health DAK Revenue and Regional Original Income (PAD) simultaneously impact capital expenditure in the Lamongan Regency Government Health Center in the period 2018 to the period 2020, from the results of hypothesis testing simultaneously showed that the significance of  $0,000 < \alpha = 0.05$  means BLUD Revenue, Health DAK Revenue and Regional Native Income (PAD) affect the increase in Capital Expenditure. This means that the higher the income received, the greater the expenditure spent, including capital expenditures, this is in accordance with the mandate (PERMENDAGRI No. 79 of 2018 concerning the Regional Public Service Agency, 2018), which states that BLUD is not aimed at seeking profit, although the higher the income received, it will be offset by the greater the expenditure issued. This study is in line with the study conducted by (Ayem, 2018) the results of the study showed that DAK and PAD revenues together have an impact on capital expenditure.

#### Effect of BLUD Revenue (x<sub>1</sub>) on Capital Expenditure (Y)

BLUD revenue is generated and increased in order to reduce the reliance of health centers that have become BLUD on local and central governments. As a result, BLUD has flexibility in managing its finances, as it is exempt from the provisions of regional financial management in general when providing services to the community, and providing services to the community will require significant spending, which serves as a counterweight. BLUD income is continually encouraged to grow. Blud's superior organizational skills enable it to contribute to the enhancement of service quality in order to increase the quantity and continuity of service to clients, hence increasing income for BLUD enterprises. (Indonesian Accountants Association, 2017). The partial hypothesis test findings generated in BLUD Revenue indicated that the test coefficient t was 4,857 with a significance level of 0.000. The outcome of the sig analysis. 0.000 is less than = 0.05 or (0,000 0.05), indicating that partially BLUD income has a large effect on Capital Expenditure. This indicates that changes in BLUD Revenue in Puskesmas become a factor in determining changes in capital expenditure.

#### Effect of Health DAK Income (x<sub>2</sub>) on Capital Expenditure (Y)

The primary purpose of the Special Allocation Fund is to reduce special costs that become burdens and obligations borne by the Government, where the Special Allocation Fund is used and directed for the procurement, development, and improvement of facilities and infrastructure with a long economic life and exceed the capitalization limit; this is expected by directing the use of Special Allocation Funds for activities determined to be expected. The results of a partial hypothesis test conducted in Health DAK Revenue indicated that the test coefficient t was 0.632 with a sig of 0.529. The outcome of the sig analysis. 0.529 is more than = 0.05 or (0,000 > 0.05), indicating that partly variable DAK Health Income has little effect on Capital Expenditure. This also indicates that the rise or reduction in Health DAK revenue is not a factor in determining the growth in capital expenditure, since capital expenditure is a subset of total BLUD expenditures. The findings of this study contradicted prior research (Hairiyah et al., 2018), which demonstrated that the Special Allocation Fund (DAK) had an effect on Capital Expenditure.

### **Effect of Regional Native Income (PAD) ( $x_3$ ) on Capital Expenditure (Y)**

Regional Native Income serves as a barometer for a region's independence. Local governments whose PAD continues to grow will be more autonomous in administering their governments, resulting in improved development and service to the community. As a result of the local government's constant encouragement to raise funds for regional needs in order to fund daily operations and development activities (capital expenditure), it can be concluded from the aforementioned studies that the greater the local government's capability of attracting and collecting PAD resources, the greater the ability to finance spending in general and capital expenditure in particular will be resolved due to the large source of income owned. The partial hypothesis test result calculated in Regional Original Income (PAD) indicates that the test coefficient  $t$  is 4,014 with a significance level of 0.000. The outcome of the sig analysis. 0.000 is less than 0.05 (0,000 0.05), indicating that Regional Original Income (PAD) has a significant effect on Capital Expenditure. The findings of this study corroborate recent research (Bakhrudin et al., 2020), which shown that PAD has an effect on capital spending.

## **VII. CONCLUSION**

The analysis and discussion of the impact of BLUD Revenue, Health DAK Revenue, and Regional Original Income (PAD) on Capital Expenditure revealed that BLUD Revenue, Health DAK Revenue, and Regional Original Income (PAD) all had an effect on the realization of Capital Expenditure by the Lamongan regency government. BLUD income had a limited influence on the Lamongan Regency Government's capital expenditure realization. DAK Kesehatan income has a negligible effect on the Lamongan Regency Government's capital expenditure realization. Regional Original Income (PAD) had a limited influence on the Lamongan Regency Government's capital expenditure realization.

### **Limitation**

The study's weakness is that the researchers used only secondary data gathered from the Audit Board-audited Budget Realization Report (LRA) (BPK). The research was limited to three years of observation since it was limited to Puskesmas that had acquired BLUD. Future studies should extend the observation period and also include other factors that are believed to have an effect on capital spending. This research employed just three independent factors to influence capital spending as dependent variables: BLUD Income, Health DAK Income, and Regional Original Income.

### **Suggestion**

Puskesmas is anticipated to raise the intensity of its revenue, for example, by developing income management from non-health sectors, such as buildings that may be hired for weddings, building leases for sports fields, or parking facilities, as well as investor withdrawals. Health Centers in the Lamongan Regency Government can increase capital expenditure, particularly on medical equipment and laboratories. This is one way to increase BLUD revenue from laboratory tests performed on patients, because if the equipment is insufficient, the patient will eventually transfer to a private hospital or another health center, implying that the Health Center spends capital to increase revenue. Health Centers in the Lamongan Regency Government may expand and add facilities and infrastructure, such as buildings and treatment facilities, to accommodate inpatients, in an attempt to boost BLUD revenue, which is estimated to be around \$1 million. It is possible to lessen reliance on national and regional funds. For the subsequent research, further data should be collected to ensure that the findings are more applicable, which is more than three years when additional independent variables are included.

### **Managerial Implications**

The managerial implications of this research are that Puskesmas must strive for adequate work facilities in the form of work equipment and the availability of adequate buildings and buildings to facilitate employees performing their duties or providing services by assessing the needs of facilities related to public services. Implementing a system of rewards and punishments, such as providing remuneration in accordance with the provisions, so that in practice, all employees at the Health Center can be more maximal in providing services to the community, in accordance with the the Lamongan Government Policy (2019), said remuneration is based on the level of responsibility and professional requirements, while taking into account the principles of proportionality, equality, propriety, and performance. Implementing a financial application system that enables employees at Puskesmas to work more effectively and efficiently can improve productivity and efficiency across the board, from budgeting (RBA), implementation management, and accountability, to accounting reporting, where BLUD financial statements must be accrual-based.

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