



# Identification of the Establishment of the Regional Public Service Agency (BLUD) of Pasar Besar Ngawi in Ngawi District, Ngawi Regency

Ita Mardiani Zain<sup>1\*</sup>, Rindawati<sup>2</sup>, Wiwik Sri Utami<sup>3</sup>, Sri Murtini<sup>4</sup>, Bambang Sigit Widodo<sup>5</sup>

<sup>1,2,3,4,5</sup> *Geography Education Department, Faculty of Social Sciences and Law, Universitas Negeri Surabaya*

\*Correspondence author. Email: [itamardiani@unesa.ac.id](mailto:itamardiani@unesa.ac.id)

## ABSTRACT

Improving services to merchants in traditional markets is one solution where competition and the number of modern stores are growing. The application of BLUD in traditional market management is a creation in overcoming competition. With the BLUD system, it will make the relevant regional apparatus work unit (SKPD) more flexible in managing the market, both traders and the budget generated from the merchant levy for market progress. Representative data is needed to determine the feasibility of establishing the Ngawi Large Market Market BLUD in Ngawi District, Ngawi Regency. The purpose of this study is the identification of the fulfillment of substantive, technical and administrative requirements in the establishment of BLUD in Pasar Besar Ngawi in Ngawi District, Ngawi Regency. This type of research is descriptive research using a quantitative approach. Data collection was carried out using multiple sources of evidence, namely questionnaires, interviews, documentation and direct observation. Data analysis techniques use quantitative descriptives with substantive, technical, and administrative criteria. The results of the study found that the Ngawi Large Market in Ngawi District, Ngawi Regency has not met the two criteria of substantive requirements, has met the criteria of technical requirements, and has not met the eight criteria of administrative requirements.

**Keywords:** *BLUD, Pasar Besar Ngawi, Substantif, teknis, administratif.*

## 1. INTRODUCTION

One of the reform agendas in the field of state finance is from traditional budgeting to performance-based budgeting (Kurrohman, 2013). With this performance-based, the direction of use of government funds is no longer oriented to inputs but to outputs [1]. This is then stated in article 68 and article 69, UU No.1/2004 concerning the State Treasury, which states that government institutions whose main duties and functions are to provide services to the community can apply flexible financial management patterns by highlighting productivity, efficiency and effectiveness. As a follow-up to the regulation, the Minister of Home Affairs has issued Minister of Home Affairs Regulation Number 61 of 2007 concerning Technical Guidelines for Financial Management of Regional Public Service Agencies which is the basis for the implementation of

financial management for Regional Public Service Agencies (BLUD)[2].

BLUD is a Regional Equipment Work Unit (SKPD) or Work Unit at SKPD within the local government which was formed to provide services to the community in the form of providing goods and / or services sold without prioritizing profit-seeking, and in carrying out its activities based on the principles of efficiency and productivity[3]. The BLUD, (PPK-BLUD) Financial Management Pattern (PPK-BLUD) is a financial management pattern that provides flexibility in the form of flexibility to implement sound business practices to improve services to the community in order to advance general welfare and educate the nation's life, as an exception to regional financial management provisions in general[4].

Most health services in Ngawi Regency that used to have UPT status have now become BLUD. However, for all markets in Ngawi Regency, it is still not a BLUD. In order to become a BLUD, a work unit must meet the requirements as stated in Permendagri Regulation 79 of 2018 concerning Regional Business Service Entities. These requirements must be submitted and evaluated by an Assessment Team established by the Regional Head[5]. The requirements in the formation of BLUD consist of technical requirements, substantive requirements, and administrative requirements [6]. The aim of the study was to identify the fulfillment of the substantive, technical and administrative requirements in the establishment of a BLUD in Pasar Besar Ngawi, District of Ngawi, Regency of Ngawi. The aim of the study was to identify the fulfillment of the substantive, technical and administrative requirements in the establishment of a BLUD in Pasar Besar Ngawi, District of Ngawi, Regency of Ngawi..

## 2. METHOD

The process of preparing this research includes collecting information on identifying the fulfillment of requirements to become BLUD from the Besar Ngawi market to be studied. Here are the methods and steps of conducting research :

### 2.1. Types of Research

This type of research is descriptive research using a quantitative approach. Descriptive research is a study that examines the status of a group of humans, an object, a condition, a system of thought, or an event in the present. The purpose of this descriptive research is to make a systematic, factual and accurate description, picture or painting of the facts, properties and relationships between the phenomena investigated[7].

The approach used in this study is a quantitative approach. A quantitative approach is research that uses numerical / numerical data analysis [8]. So this study aims to explain the characteristics of the variables studied with the data used in the form of numeric / numbers.

### 2.2. Data Collection

Data collection was carried out using multiple sources of evidence, namely questionnaires, interviews, documentation and direct observation.. The stakeholders who were respondents to obtain research data were representatives from the Regional Public Service Agency which was the object of study.

### 2.3. Analysis Data

#### 2.3.1. Identify Substantive Requirements

Substantive requirements are met if they are operational in providing public services that produce semi-public goods or services. These general services relate to:

1. Provision of general goods and/or services;
2. Management of special funds to improve the economy and/or services to the community; and/or
3. Management of certain areas/areas for the purpose of improving the economy of the community or public services

#### 2.3.2. Identify Technical Requirements

Technical requirements are met if :

1. characteristics of the duties and functions of the Technical Implementation Unit of Regional Agencies/Agencies in providing more appropriate services if managed by implementing BLUD, so as to increase the achievement of success targets; and
2. has the potential to improve services to the community and financial performance if managed by implementing BLUD.

Eligibility criteria in technical requirements include::

1. has the potential to improve service delivery effectively, efficiently, and productively; and
2. have technical specifications that are directly related to general services to the public.

Criteria for the potential to improve services to the community and financial performance, including :

1. estimated development plans seen, for example from the increase/diversification of service units, the number of consumers and the level of customer satisfaction; and
2. calculation/plan to increase revenue in the next few years with the establishment of BLUD

#### 2.3.3. Identification of Administrative Requirements

Administrative requirements are met when submitting documents which include :

1. A statement of ability is the ability for SKPD or work units to improve service performance, finance, and benefits for the community.
2. Good governance pattern, is an internal regulation of SKPD or work unit that establishes organization and governance, accountability, and transparency.
3. Business Strategic Plan (RSB), is a results-oriented plan to be achieved by SKPD or work units, which contains the vision, mission, strategic program, performance achievement measurement, achievement plan and financial projections
4. Minimum service standards, are measures of service that must be met by SKPD or work units, which are determined by ministers/heads of



institutions in the context of carrying out service activities to the community.

5. The main financial statements or prognosis / projections of financial statements consisting of budget realization reports, balance sheets and notes to financial statements.
6. Recent audit report or statement of willingness to be independently audited audit terakhir atau pernyataan bersedia untuk diaudit secara independen.

### 3. RESULT AND DISCUSSION

#### 3.1. Analysis of Market Supporting Facilities and Infrastructure

Supporting facilities and infrastructure are the most important facilities that are useful as supporting trading activities in the market. These facilities can also be used for traders and market visitors to meet needs such as the need for access to clean water, toilets, security, parking, and other needs. Analysis of the facilities and infrastructure supporting the Pasar Besar in Ngawi Regency can be seen in Table 1.

**Table 1.** Market Supporting Facilities and Infrastructure

No.	Ministerial Regulation No. 21 Tahun 2021 About Guidelines for the Construction and Management of Trade Facilities	Pasar Besar Ngawi
1	Management office	√
2	Toilet	√
3	Remeasure post	-
4	Security post	-
5	Breastfeeding room	√
6	Health rooms	-
7	Worship space	√
8	Facilities and access to firefighting	-
9	Parking	√
10	Temporary garbage shelters	√
11	Wastewater treatment facilities	-
12	Clean water facilities	√
13	Electrical installation	√

Source: Analysis Result, 2022

Pasar Besar Ngawi which is the largest market in Ngawi Regency with class A still does not have supporting facilities including re-measuring posts, security posts, health rooms, and wastewater treatment facilities.

#### 3.2. Identify Substantive Requirements

Substantive requirements are assessments in terms of the organization's core business. This requirement is intended to assess whether a government agency performs public services by selling goods / sets tariffs in providing quasi-public goods as operating income. This substantive requirement is one of 3 (three) requirements that must be met if a work unit or Technical Service Unit (UPT) wants to change to BLUD.

Substantive requirements can be said to be met, if the market provides general services that produce semi-goods and services related to the following criteria, including:

- a. Provision of general goods and/or services;
- b. Management of certain areas/areas with the aim of improving the economy of the community or public services, and/or;
- c. Management of special funds in order to improve the economy and/or services to the community.

**Table 2.** Identify Substantive Requirements of Pasar Besar Ngawi

No	Pasar	Pasar Besar	Keterangan
1	Provision of general goods and/or services	Exist	Items currently provided in addition to daily necessities
2	Management of special funds to improve the economy and/or services to the community	None	
3	Management of certain areas/areas for the purpose of improving the economy of the community or public services	None	

Source: Analysis Result, 2022

#### 3.3. Identify Technical Requirements

Identification of technical requirements for BLUD establishment to the Pasar Besar Ngawi in Ngawi District includes:

1. characteristics of the duties and functions of the Technical Implementation Unit of Regional Agencies/Agencies in providing more appropriate services if managed by implementing BLUD, so as to increase the achievement of success targets; and
2. has the potential to improve services to the community and financial performance if managed by implementing BLUD.

These technical requirements focus more on the technical services of business entities to the community. If services to the community are better and in accordance with the achievement of targets and financial performance are also managed by implementing BLUD financial management, the four markets in Ngawi Regency can pass and can be developed into BLUD. More details on the suitability of the technical requirements of the Pasar Besar Ngawi can be seen in the table as follows:

**Table 3.** Identification of Technical Requirements of Pasar Besar Ngawi

No	Criteria	Pasar Besar Ngawi	Keterangan
1	The characteristics of the duties and functions of the Technical Implementation Unit of the Regional Agency / Agency in providing services are more feasible if managed by implementing BLUD, so as to increase the achievement of success targets Eligibility criteria: a. has the potential to improve service delivery effectively, efficiently, and productively; and b. have technical specifications that are directly related to general services to the public.	Exist	<ul style="list-style-type: none"> <li>The revitalization of Ngawi Big Market in 2020 is expected to make Ngawi Big Market a center of trading activities in Ngawi Regency that can revive the community's economy. The existence of a BLUD management system is expected to further increase the achievement of success targets.</li> <li>In addition, there is market innovation with online trade transactions with buyers through Pasar.id channels. It is also expected to support the improvement of service to consumers.</li> </ul>
2	Potential to improve services to the community and financial performance if managed by implementing BLUD Eligibility criteria: a. estimated development plans seen, for example from the increase/diversification of service units, the number of consumers and the level of customer satisfaction; and b. Calculation/ plan to increase revenue in the next few years with the establishment of BLUD.	Exist	<ul style="list-style-type: none"> <li>If managed by implementing BLUD, it is estimated that there will be an increase in the number of consumers coming.</li> </ul>

Source: Analysis Result, 2022

### 3.4. Identification of Administrative Requirements

Identification of administrative requirements can be fulfilled if you have attached administrative documents, including :

- Statement of Ability to Improve Performance;
- Governance patterns;
- Strategic plan;
- Minimum service standards;
- Financial statements or financial prognosis/projections; and
- The last audit report or statement of willingness to be audited by an external government examiner.
- The statement letter is signed by the head of the Technical Implementation Unit of the Regional Agency / Agency that will implement BLUD and known to the head of SKPD
- Application Letter for Application of BLUD Financial Management Pattern.

Various administrative documents must be present if a UPT is to be developed into a BLUD. If one has not been fulfilled, it can be said that UPT has not met or is not ready to be developed into BLUD.

**Table 4.** Identification of Administrative Requirements of the Pasar Besar Ngawi

No	Criteria	Pasar Besar Ngawi	Keterangan
1	A statement letter of willingness to improve performance is signed by the Head of the Technical Implementation Unit of the Regional Service/Agency and known to the head of SKPD.	None	<ul style="list-style-type: none"> <li>The Head of Market is willing to make a statement of willingness to improve performance</li> </ul>
2	The Governance Pattern is the governance of the Technical Implementation Unit of Regional Agencies / Agencies that will implement BLUD, including having content		<ul style="list-style-type: none"> <li>There has been no special training or guidance from the Department</li> </ul>
	a. Institutional	Exist	
	b. Work procedure	Exist	
	c. Grouping of functions	Exist	
	d. Human resource management	None	
3	The strategic plan has a content:		<ul style="list-style-type: none"> <li>The Head of Market is willing to make a Strategy Plan as intended if the Market will be applied BLUD pattern</li> </ul>
	a. Service development plan	None	
	b. Strategic and policy direction	None	
	c. Plan programs and activities	None	

No	Criteria	Pasar Besar Ngawi	Keterangan
	d. Financial plan	None	(with the guidance of the Departement)
4	Minimum Service Standards (SPM) SPM contains minimum limits regarding the type and quality of basic services that must be met by the Technical Implementation Unit of the Regional Agency / Agency that will implement BLUD	None	<ul style="list-style-type: none"> <li>The Head of Market is willing to make SPM as intended if the Market will apply the BLUD pattern (with the guidance of the Departement)</li> </ul>
5	Financial statements or financial prognosis/projections. Financial statements consist of: <ul style="list-style-type: none"> <li>a. budget realization report;</li> <li>b. balance;</li> <li>c. operational reports;</li> <li>d. reports on changes in equity; and</li> <li>e. Notes to Financial Statements</li> </ul>	None	<ul style="list-style-type: none"> <li>Financial Statements made by the Market Manager report monthly income from levies deposited to KASDA. For operational expenditures and market improvements managed by the Department.</li> </ul>
6	The last audit report or statement of willingness to be audited by an external government examiner. Audit reports by government external auditors in accordance with the provisions of laws and regulations on the last year's financial statements before the Technical Implementation Unit of the Regional Agency/Agency that will implement BLUD are recommended to implement BLUD	None	<ul style="list-style-type: none"> <li>Willing to be audited by external Government inspectors</li> </ul>
7	The statement letter is signed by the head of the Technical Implementation Unit of the Regional Agency / Agency that will implement BLUD and known to the head of SKPD	None	<ul style="list-style-type: none"> <li>The Head of Market is willing to make a statement letter as intended if the Market will apply the BLUD pattern (with the guidance of the Departement)</li> </ul>
8	Application Letter for Application for BLUD Financial Management Pattern	None	<ul style="list-style-type: none"> <li>The Head of Market is willing to make a statement letter as intended if the Market will apply the BLUD pattern (with the</li> </ul>

No	Criteria	Pasar Besar Ngawi	Keterangan
			guidance of the Departement)

Source: Analysis Result, 2022

#### 4. CONCLUSION

Based on the study of the Identification of the establishment of Regional Public Service Agencies in the Large Market of Ngawi Regency that has been carried out, conclusions were obtained, including:

- a. Has not met 2 substantive requirement criteria, namely the management of special funds to improve the economy and / or services to the community and the management of certain areas / areas for the purpose of improving the economy of the community or public services.
- b. Has not met the 8 criteria of administrative requirements among them:
  - 1) A statement letter of willingness to improve performance signed by the Head of the Technical Implementation Unit of the Regional Agency / Agency and known to the head of SKPD;
  - 2) Governance patterns include human resource management
  - 3) Strategic plan, including: service development plan, strategic and policy direction, program and activity plan, financial plan;
  - 4) Minimum Service Standard (SPM);
  - 5) Financial statements or financial prognosis / projections, including budget realization reports, balance sheets, operational reports, reports of changes, equity, and notes to financial statements;
  - 6) The last audit report or statement of willingness to be audited by an external government examiner;
  - 7) The statement letter is signed by the head of the Technical Implementation Unit of the Regional Agency / Agency that will implement BLUD and known to the head of SKPD;
  - 8) Application letter for the application of BLUD financial management pattern.

The establishment of UPTD patterned PPK-BLUD must meet 3 requirements both Substantive Requirements; Technical Requirements; and Administrative Requirements. BLUD was formed with the hope of providing more services to the community in the form of providing goods and / or services more effectively, efficiently and productively. When the market is expected to provide better service performance in the field of main tasks and functions, and can produce better productivity in the acquisition of

PAD and operations. Thus, the BLUD pattern can be considered to be applied. To fulfill this, it is necessary to follow up with a roadmap of changes towards rigid BLUD with supporting tools.

## ACKNOWLEDGMENTS

The author would like to thank the Regional Secretary Of Ngawi Regency for their support and assistance with this research and the leadership of the Faculty Social Sciences and Law, for their contribution and attention.

## REFERENCES

- [1] Waluyo, "Badan layanan umum sebuah pola baru dalam pengelolaan keuangan di satuan kerja pemerintah.," *J. Pendidik. Akunt. Indones.*, vol. 9, no. 2, pp. 1–15, 2011, doi: <https://doi.org/10.21831/jpai.v9i2.962>.
- [2] P. M. D. N. Nomor, *Peraturan Menteri Republik Indonesia Nomor 79*. 2007.
- [3] S. Rambe, "Badan Layanan Umum (BLU) Pada Bidang Pendidikan," *J. Pendidik. dan Konseling*, vol. 5, no. 1, pp. 5555–5564, 2023, doi: <https://doi.org/10.31004/jpdk.v5i1.11958>.
- [4] Farwitawati, "Analisis Kinerja Keuangan Rumah Sakit Umum Daerah (RSUD) Bengkalis Sebelum Dan Sesudah Pola Pengelolaan Keuangan Badan Layanan Umum Daerah (PPK-BLUD)," *J. Akunt. Kompetif*, vol. 3, no. 3, pp. 98–109, 2020, doi: <https://doi.org/10.35446/akuntansikompetif.v3i3.523>.
- [5] Kristianto, "ANALISIS PELAKSANAAN AUDIT TERHADAP BADAN LAYANAN UMUM DAERAH PUSKESMAS SESUAI PERMENDAGRI 79 TAHUN 2018 DI KABUPATEN BANYUMAS," *J-LEE-Journal Law, English, Econ.*, vol. 3, no. 1, pp. 102–122, 2021.
- [6] Herawati, "KESIAPAN PUSKESMAS MENUJU BADAN LAYANAN UMUM DAERAH (BLUD) DI WILAYAH KABUPATEN JEMBER," *J. Ilmu Kesehat. Masy.*, vol. 18, no. 2, pp. 127–134, 2022, doi: <https://doi.org/10.19184/ikesma.v18i1.31491>.
- [7] Sugiyono, *Metode kuantitatif, Kualitatif, dan R&D*. Jakarta: Alfabeta, 2014.
- [8] S. & Hendryadi, *Metode riset kuantitatif teori dan aplikasi pada penelitian bidang Manajemen dan Ekonomi Islam*. Jakarta: Kencana Prenadamedia Group, 2015.