

Decentralization in Regional Public Service Agencies: A Behavioral Accounting Study of the Case of Nunukan Regional Hospital

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ABSTRACT

This study analyze deviation behavior in management finances at Nunukan Regional Hospital as a Regional Public Service Agency (BLUD), with focus on influence decentralization to practice corruption. Findings show that freedom budget without supervision adequate open opportunity abuse, such as duplication transactions and use of public funds For interest personal. This case reflect weakness internal control and implementation system control risk. The impact No only harm state finances, but also disrupts service health and reduce trust public towards governance area.

INTRODUCTION

Decentralization has become one of the major reforms in government for increase effectiveness service public, especially in management finance area. With give more authority big to government region, decentralization aiming For increase efficiency allocation source power and speed taking decision. However, the implementation decentralization also brings various challenges, especially in aspect transparency, accountability and oversight finance area (Din et al., 2022).

A number of study show that decentralization can increase effectiveness management finance area, but without adequate supervision, yes happen improvement level abuse finance (Fatoni, 2020). As For example, research by Leli et al. (2019) found that that although decentralization allow autonomy financial for House Sick public in high- income countries intermediate to below, thing this No always produce improvement efficiency management finance and in fact can to worsen imbalance in distribution source power (Leli et al., 2019).

In the Indonesian context, decentralization has open opportunity for government area For manage the budget myself, including in sector health. However, some case show that decentralization without strict control can leading to abuse budget. One of the example real is case Allegation corruption BLUD budget for COVID-19 at Nunukan Regional Hospital involving former treasurer House Sick as suspect (BPK Kaltara, 2024).

Accountancy behavior play a role important in ensure decentralization walk effective with analyze How individual in organization respond information finance and how system the affect the decision-making process decision. With understand dynamics behavior in management finance area, accounting behavior can help in increase transparency as well as strengthen system supervision and control in decentralization (Nurmuthmainnah et al., 2020). Therefore that, research This aiming For evaluate impact decentralization to performance managerial in management finance sector public as well as to study how far is accounting behavior can strengthen supervision finance area to be more effective and accountable.

LITERATURE REVIEW

Accountancy Behavior in Context Decentralization

Accountancy behavior focus on how individual in organization interact with system accounting and how system the influence taking decision. In the context of decentralization, accounting behavior used For analyze How delegation authority can influence motivation, satisfaction work, and performance managerial (Trisnaningsih & Fadhillah, 2024). Research show that when information accountancy managed with Good in system decentralization, then can increase effectiveness and efficiency managerial (Hadianto & Djuminah, 2023).

Change Decentralization After Apply BLUD Mechanism

Since implementation the mechanism of the Public Service Agency (BLU) and Regional Public Service Agency (BLUD) in system decentralization finance public, there is change significant in aspect financial, managerial, audit and taxation compared to with system previously.

1. *Change in Aspect Financial*

Before the existence of BLU, the system finance area is rigid because all over income and expenses must follow mechanism Budget Regional Revenue and Expenditure (APBD) in general tight. However, with BLU/BLUD, flexibility in management finance increase Because institution can manage income and expenses Alone without must always subject to agreement direct government area (Tuati et al., 2019).

In addition, BLU allows House sick and institutions service public other For own source income addition from service services provided, so can increase quality service without must wait allocation budget from center (Leli et al., 2019). However, flexibility this is also risky increase opportunity abuse finance If No There is mechanism good supervision, as is the case in case Allegation corruption Nunukan Regional Public Hospital BLUD budget.

2. *Change in Aspect Managerial*

Decentralization with The BLU scheme also changes structure managerial in management institution service public. Manager the previous institution only operate policy government area, now given more Lots authority in taking decision strategic, management source Power humans, and planning finance (Cavalieri & Ferrante, 2019).

decentralization managerial can increase efficiency in organization, without system good control, there is risk weakness coordination and possibilities existence decision that is not transparent (Nurmuthmainnah et al., 2020). Therefore that, is needed system accountancy behavior that can help ensure that every manager understand principle transparency and accountability in decentralization finance.

3. *Change in Internal and External Audit Aspects*

BLU system changes mechanism supervision finance, especially in aspects of internal and external audit. Before the existence of BLU, audits are carried out directly by the Audit Board Finance (BPK) and Regional Inspectorate as part from mechanism control government center. However, after implementation of BLU, internal audit in institution become more important For ensure that system finance still walk in accordance with principle accountability (Rasmini & Masdiantini, 2018).

Although external audits still carried out by the BPK, many House sick and BLU institutions experience weakness in implementation of internal audits. Research by Din et al. (2022) revealed that weakness internal audit system at BLU level causes inefficiency in reporting finance, as well as increase risk the occurrence practice corruption and manipulation budget (Din et al., 2022). Therefore Therefore, strict internal audits are necessary in ensure transparency BLU management.

4. *Change in Aspect Taxation*

In the aspect taxation, BLU provides change significant Because institutions that enter in category This No Again fully depends on state income, but also earns income from services provided. As a result, the system

taxation applied towards BLU a little different from institution government normal.

BLU is imposed tax in a number of aspect its operations, especially in services certain nature commercial (Holyk, 2022). However, the implementation of tax towards BLU often experience imbalance Because lack of clear regulations, which can result in mismatch in calculation tax and potential create gap in practice avoidance tax.

System taxation in BLU is also related with management of employee honorarium and income addition others that are often not recorded with Good in system finance. This is can be one of enabling factors the occurrence misuse of funds, as occurred in a number of case BLU corruption in various area.

Fraud Triangle Theory

Fraud Triangle is theory developed by Donald R. Cressey (1953) in studies sociologically about perpetrator fraud finance. This theory explain that action fraud occurs Because existence three element main factors, namely: pressure, opportunity, and rationalization. The three of them each other complete and create ideal conditions for individual For do deviation.

1. *Pressure*

Pressure is internal drive or external motivating somebody For do action cheating . In the context of organization public such as BLUD, pressure This Can appear from performance targets, demands maintain image, and pressure financial personal. Research by Kusumawati et al. (2022) shows that pressure institutional to reporting finance can push individual look for method For manipulate data to make it look profitable, even If must violate ethics.

2. *Opportunity*

Chance refers to conditions that allow somebody do fraud without detected. Weakness internal supervision , no existence separation function, and leniency system control is factor the main one who created opportunity the occurrence of fraud. A study by Muhtar et al. (2023) confirmed that weakness system internal control vs. straight with height level corruption in government Indonesian region.

3. *Rationalization*

Rationalization is a cognitive process in which the actor justify his actions to be in accordance with his personal moral values. Individuals who commit fraud often believe that his actions can justified, for example with reason need urge organization or rights that have not been fulfilled. Rationalization become element important Because allow perpetrator act without feel guilty. Research by Suhendro & Sembiring (2023) stated that perpetrator fraud often have strong internal justification, especially in situation institutions that are not ethical.

4. *Implementation of Fraud Triangle in Context Public Organization*

Fraud Triangle is very relevant applied in context organization sector public such as BLUD (Regional Public Service Agency), where supervision is weak often become source main chance For corruption. In a study by Efendi et al. (2024), it was found that effectiveness internal supervision and implementation of good governance are able to press potential the occurrence cheating. Therefore that, understanding the Fraud Triangle is not only important in fraud detection, but also as base design system prevention.

METHODOLOGY

Study This use approach analysis cases. Various type source information done For data mining. Source data collection namely through journal scientific google scholar, news sites, and other reliable websites (Ananda, 2017). Case study main in study is Allegation corruption BLUD budget at Nunukan Regional Hospital which provides description real about challenge implementation decentralization.

RESEARCH RESULT AND DISCUSSION

Nunukan District Regional General Hospital (RSUD) was founded in 2003 and began operating in 2008. On October 21, 2010, based on the Decree of the Regent of Nunukan Number 884 of 2010, the Nunukan Regional Hospital was designated as Unit Work Regional Apparatus (SKPD) that implements the Management Pattern Finance of the Regional Public Service Agency (BLUD). As a BLUD, Nunukan Regional Hospital is given flexibility in management finance For increase quality service health to community, especially in the Indonesia-Malaysia border region. Hospitals This located on Jalan Ujang Fatimah RT.04, Nunukan Regency, North Kalimantan, and has the status as House Sick type C. With structure institutional This, Nunukan Regional Hospital has authority in procurement goods and services, management income from service health, as well as allocation of funds for need operational and development facility.

corruption case at Nunukan Regional Hospital has its roots in the year 2021 budget when Regional Public Service Agency (BLUD) funds are allocated For Handling the Covid-19 pandemic and operational House sick. Former Director of RSUD, dr . Dulman Lekong , and former Treasurer, Nurhasanah, are suspected strong do duplication transactions and transfer funds to interest personal. Inconsistency This new revealed in 2024 through audits by the Inspectorate and Audit Agency Finance (BPK), which found mismatch financial surplus report with the reality of piling debt amounting to Rp42 billion. Condition This cause the cash flow of the regional hospital was empty in May 2024 and resulted in disturbance service base House Sick.

Legal process started with determination Nurhasanah as suspect in July 2024 and followed by Dr. Dulman in September 2024. The verdict Court Corruption Samarinda in March 2025 stated both of them guilty with state losses amounting to Rp. 2.526 billion, and each was sentenced six year prison.

Decentralization fiscal through BLUD mechanism should be give autonomy budget For increase efficiency service. However, in Nunukan Regional Hospital case , weaknesses internal supervision becomes root problem. Based on Minister

of Home Affairs Regulation No. 61/2007, BLUD is required own Unit Internal Supervisor (SPI), but this unit fail detected 73 transactions fictitious and 20 transactions No paid during three year. Failure This happen Because three factor main: (1) no there is an in-depth audit to BLUD expenditure, (2) collusion between directors and treasurers who control the entire budgeting process, and (3) reports manipulated finances For create surplus illusion. Weakness internal control has connection positive to height level corruption in the environment government areas of Indonesia (Muhtar et al., 2023). Failure internal supervision is also triggered by the lack of SPI capabilities in detecting fraud, weakness implementation COSO ERM based internal control , and low implementation of good governance (Efendi et al., 2024). 65% of BLUDs in underdeveloped areas No have competent SPI, open gap big For abuse authority (Suhendro & Sembiring, 2023).

Decentralization without supervision create the perfect opportunity for perpetrator For to deceive system, according to element First in the Fraud Triangle. Opportunities arise from decentralization of BLUD which is not balanced strong SPI, allowing duplication transactions. Pressure comes from from demands guard image report surplus finances despite mounting debt, encouraging manipulation budget. Rationalization is built with justification such as "needs" urge operational House sick", even though in fact the funds were diverted For interest personal. Combination third factor This create fertile environment for corruption systematic. Opportunity arises from weakness structure internal control and autonomy tall in management BLUD finance. Pressure or pressure originate from must maintain image report positive financial, while operational debt increase. Rationalization or rationalization built with pretext urgency need House sick. Combination all three create conducive environment for action corrupt systemic (Kusumawati et al., 2022).

Corruption This impact serious about service public. Crisis operational happen consequence arrears payment electricity (Rp. 520 million) and oxygen medical (Rp. 630 million), which hinders service emergency. RSUD also lost trust partner work, resulting in scarcity medicines and equipment health. Debt amounting to Rp42.2 billion participate burdensome budget area, aggravating inequality access health in remote areas. Studies show that internal audit weaknesses and low internal control contributes direct to decline quality service public (Marnani et al., 2023).

CONCLUSIONS AND RECOMMENDATIONS

corruption case at Nunukan Regional Hospital shows that decentralization through BLUD scheme that is not accompanied by with adequate supervision can open opportunity the occurrence abuse budget. Weakness internal control and not functioning Unit Internal Supervisor (SPI) causes fraud to continue for a long time without detected. For prevent incident similar, necessary strengthening SPI function, enhancement internal audit capacity, and implementation system control risk. Decentralization should give flexibility for House Sick For increase service, but without good governance, in fact become

gap the occurrence corruption. Supervisory reform is essential so that the autonomy granted through BLUD really used For interest public.

ADVANCED RESEARCH

Future research should focus on developing integrated governance frameworks that strengthen internal control systems within decentralized institutions such as BLUD-based hospitals. This includes exploring the implementation of risk-based internal audits, digital monitoring tools, and real-time financial reporting systems to increase transparency and accountability. Studies should also examine the effectiveness of capacity-building programs for SPI units, particularly in regions with limited oversight infrastructure. In addition, cross-institutional comparisons can provide insights into best practices for aligning decentralization with anti-corruption mechanisms. By combining insights from public administration, auditing, and anti-corruption studies, advanced research can offer comprehensive strategies to ensure that fiscal autonomy supports public service delivery without opening avenues for misuse of funds.

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