

ANALYSIS OF THE EFFECTIVENESS OF GENERAL ALLOCATION FUND (DAU) MANAGEMENT IN IMPROVING THE QUALITY OF PUBLIC SERVICES IN SEMARANG CITY

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Abstract

General Allocation Fund (DAU) is one of the crucial fiscal transfer instruments used by the central government to support regional financial independence and ensure minimum service standards in public services. However, in practice, the use of DAU in various regions, including Semarang City, still raises questions about its effectiveness in improving the quality of public services. This study aims to analyze the effectiveness of DAU management in Semarang City through an evaluation of its allocation, implementation, and impact on service outcomes. This study uses a qualitative approach with a case study method, data collection through interviews, documentation, and analysis of regional financial reports. The results of the study indicate that although DAU has contributed to the financing of mandatory public services such as education and health, there are still problems regarding the consistency of budget planning, the accuracy of program targets, and performance-based budgeting. The implications of this study indicate the need for better fiscal governance and monitoring mechanisms. This study provides theoretical contributions to fiscal decentralization and practical recommendations to improve the provision of regional public services.

Keywords: Government Accounting Standards, regional financial reports, SAP implementation

Introduction

General allocation fund (DAU) management is one of the important elements in the regional financial system that plays a major role in the implementation of regional government and development. DAU is a fund allocated by the central government to regional governments to help finance various programs and activities that can improve the quality of public services, including the education, health, and infrastructure sectors. DAU aims to reduce disparities between regions by contributing to regions that lack resources, so that they can be more independent in providing better quality public services. As one of the big cities in Indonesia, Semarang City as the capital of Central Java Province, faces quite a big challenge in managing DAU as well as possible, so that the funds can be used effectively in improving the quality of public services to the community.

In recent years, although local governments have made efforts to manage DAU more optimally, there are still many obstacles that hinder its effectiveness. These obstacles include limited human resources (HR) who are skilled in public financial management, the inability to utilize information technology for budget transparency, and the lack of coordination between related agencies in the use of these funds. For example, in a study conducted by Amalia (2020), it was found that although administratively DAU has been allocated according to its designation, the effectiveness of the use of these funds is greatly influenced by the capacity of human resources in the region. The study also stated that less strict supervision of the use of DAU can lead to misuse of the budget which ultimately has an impact on the low quality of public services.

In this context, it is important to evaluate how the management of DAU in Semarang City can affect the quality of public services, be it in education, health, or other sectors. As one of the development indicators that greatly affects the welfare of the community, public services must be able to be adjusted to the needs of the community that continue to grow. A study by Sutrisno (2019) emphasized that one of the main factors that affects the quality of public services is the management of funds that not only prioritize accountability, but also transparency and efficiency in their allocation. The study also found that the low quality of services in several regions was caused by suboptimal management of DAU, where most of the funds were not used for priority programs that had a direct impact on the community.

Therefore, this study aims to analyze the effectiveness of general allocation fund (DAU) management in Semarang City in improving the quality of public services. The focus of this study will be viewed from two main

perspectives: first, how the management of DAU by the Semarang City local government is implemented, and second, to what extent the use of DAU can have a positive impact on the quality of public services, especially in the fields of education and health. In an effort to achieve these goals, this study will also dig deeper into the various factors that influence the effectiveness of DAU management, both in terms of administration, human resources, monitoring systems, and the use of technology in budget transparency.

The benefits of this study are expected to provide insight for local governments in Semarang City to evaluate and improve the effectiveness of DAU management, so that it can be more targeted and provide maximum impact on improving the quality of public services. The results of this study can also be used as a consideration for policy makers at the national and regional levels to design better policies in managing general allocation funds, which are not only efficient but also effective in improving public welfare. In addition, this study can contribute to improving the accountability and transparency system of the budget in the public sector, with the hope that the quality of services provided to the community will increase.

In line with these objectives, this study will refer to various theories and concepts relevant to the research topic, such as the theory of accountability in public financial management put forward by Mardiasmo (2019) in his book *Public Sector Accounting*. The book explains that in public budget management, the principles of transparency, accountability, and efficiency must be maintained so that the funds used can provide maximum benefits to the community. In addition, research by Bastian (2020) on regional financial management also provides valuable guidance in understanding how DAU should be managed effectively and efficiently, and how supervision can be carried out better to prevent budget misuse. Therefore, this study will not only discuss the management of DAU administratively, but will also critically look at the factors that influence the implementation of the policy in the context of improving public services.

Research Methods

This study uses a descriptive qualitative approach, which aims to gain an in-depth understanding of how the effectiveness of General Allocation Fund (DAU) management contributes to improving the quality of public services in Semarang City. This approach was chosen because it provides flexibility in exploring the dynamics of public policy, budget implementation, and stakeholder perceptions regarding the use of DAU in supporting the provision of services to the community. According to Creswell & Poth (2018), a qualitative approach allows researchers to study phenomena holistically and contextually through the experiences and views of research subjects.

Research Location

This research was conducted in Semarang City, which is the capital city of Central Java Province. This city was chosen because it is included in the category of large cities with a significant level of DAU receipts from the central government. Based on data from the Ministry of Finance of the Republic of Indonesia (2023), Semarang City received a DAU allocation of more than IDR 1 trillion per year for the past five years. In addition, the Semarang City government is known to be quite active in implementing bureaucratic reform programs and digital-based public services. Therefore, this location is very relevant to study the effectiveness of DAU management on public services.

Source Data

In this study, two types of data sources were used, namely:

Primary Data	Secondary Data
Obtained through in-depth interviews with informants who are considered to directly understand the process of managing and utilizing DAU. These informants include: <ol style="list-style-type: none"> 1) Head of the Regional Financial and Asset Management Agency (BPKAD) of Semarang City; 2) Head of Health Service and Head of Education Service; 3) Budget planner at Bappeda Semarang City; 4) Several members of the DPRD Commission C (Financial and Government Affairs); 5) Community leaders and users of public services. 	Obtained through documentation studies of official documents such as: <ol style="list-style-type: none"> 1) Semarang City Regional Budget 2020–2024; 2) Budget Realization Report (LRA); 3) Regional Government Performance Report (LKPD); 4) Report on the results of the audit by the Republic of Indonesia's BPK; 5) Journal articles, scientific books, and previous research reports related to DAU management and public services.

Technique Collection Data

Data collection was carried out using several techniques, namely:

1. Semi-structured interviews: To dig deeper into budget management practices, determining priority programs, and evaluating the effectiveness of DAU use.
2. Field observation: Researchers directly observed the public service process in several service units such as community health centers, public schools, and licensing service offices.
3. Documentation: Researchers collected data from official documents issued by the Semarang City government, including the Mayor's Regulation and the results of the DPRD budget meeting.

Procedure Study

Research steps include:

1. Preliminary study: Collecting initial information and determining the location and informants.
2. Submitting permits and approaching relevant agencies.
3. Field data collection through interviews, observations, and documentation.
4. Data reduction: Filtering data that is relevant to the research focus.
5. Data presentation: Arranging data in narrative, matrix, and thematic forms.
6. Drawing conclusions: Based on patterns, trends, and relationships between data categories.
7. Data validation: Using source and method triangulation techniques to ensure the validity of the information obtained.

Technique Processing And Analysis Data

The data analysis technique in this study uses the Miles, Huberman, and Saldaña (2019) model which includes three main stages:

1. Data Reduction: Grouping information based on themes such as DAU allocation, service program implementation, and budget effectiveness.
2. Data Presentation: Reduced data is presented in the form of tables, diagrams, or narratives to make it easy to analyze and compare.
3. Drawing Conclusions and Verification: Conclusions are drawn from patterns and findings that have been analyzed in depth.
4. For example, from the interview results it was found that although DAU has been allocated proportionally, not all public service sectors have experienced significant quality improvements. This is due to weak program planning and coordination between agencies

Framework Think

This study is based on the theory of regional financial management according to Mardiasmo (2019), which emphasizes the importance of effectiveness, efficiency, and accountability in public financial management. In the context of DAU management, effectiveness means the extent to which the funds can be used optimally to support the achievement of public service targets.

Denhardt & Denhardt's (2020) public service theory is also used to assess service quality from the public's perspective. The quality of public service is assessed not only from the output side, but also from public satisfaction and service accessibility.

In addition, William Dunn's (2018) policy evaluation framework is used as a reference to assess the extent to which the initial objectives of DAU allocation have been achieved, and whether the budget policy has provided real benefits to the community.

Conceptually, the framework of thought in this research can be described as follows:

1. Input: General Allocation Fund (DAU)
2. Process: Budgeting, planning, and program implementation by OPD
3. Output: Availability of public services (education, health, infrastructure)
4. Outcome: Community satisfaction, increased access, and service efficiency

Thus, this study not only assesses the administrative aspects of budget management, but also the real impact felt by the community, as a reflection of the effectiveness of DAU use.

Results and Discussion

This study aims to evaluate the extent to which the effectiveness of the management of the General Allocation Fund (DAU) is able to contribute significantly to improving the quality of public services in the city of Semarang. To answer this objective, data were obtained from interviews with relevant stakeholders, budget report documentation, direct observation of several public service units, and secondary data from reports from the Audit Board of Indonesia (BPK), the Ministry of Finance, and the Regional Government Performance Report (LKPD).

1. Effectiveness of Planning and Absorption of General Allocation Funds (DAU)

Based on the results of the review of the Semarang City Budget documents and interviews with employees at BPKAD, the planning and absorption of DAU experience dynamics every year. Budget planning sourced from DAU tends to be oriented towards routine government needs, especially employee spending which reaches a portion of more than 60% of the total DAU. However, in the last five years, there has been a real effort from the Semarang City Government to streamline employee spending and direct some of the DAU to public service programs. This can be seen from the increasing allocation of DAU for activities in the Education Office, Health Office, and DPMPTSP (Investment and One-Stop Integrated Service Office).

Table 1 Trends in Allocation and Absorption of DAU for Semarang City 2020–2024

Year	DAU Allocation (Rp Billion)	Realization (Rp Billion)	Percentage of Absorption (%)
2020	1,230.00	1,110.50	90.3%
2021	1,345.60	1,210.70	89.9%
2022	1,402.80	1,298.30	92.5%
2023	1,460.40	1,387.10	95.0%
2024*	1,520.00	1,104.50**	72.7%**

Source: Semarang City Regional Government Financial Report (LKPD), 2020–2024

*Note: 2024 data is still provisional until Quarter III.

Although budget absorption is high, effectiveness is not only determined by budget absorption, but also by the achievement of program output and outcome. In some cases, activities are fully implemented, but do not have a significant impact on the community. For example, the rehabilitation of school buildings is not accompanied by an increase in the quality of the teaching and learning process due to delays in teacher training.

2. The Impact of DAU Use on the Quality of Public Services

To assess the contribution of DAU to the quality of public services, researchers analyzed three main sectors, namely education, health, and licensing. Each was analyzed from the aspects of input (budget and resources), process (implementation of activities), and outcome (impact on society).

a. Education

DAU is used to finance programs to improve facilities and infrastructure and teacher training. According to data from the Education Office, throughout 2020–2023, 212 public elementary schools have been rehabilitated using DAU funds. In addition, more than 1,200 teachers have participated in pedagogical competency training. However, interviews with school principals showed that there were still complaints about late distribution of funds and uneven training.

Table 2 Impact of DAU Use on the Education Sector

Indicator	2020	2023	Change (%)
School rehabilitated	45	82	+82.2%
Teachers attend training	380	1,270	+234.2%
Community Satisfaction Index (CSI)	74.5	82.3	+10.4%

b. Health

In the health sector, DAU is used to increase the capacity of Puskesmas and regional hospitals, especially in the procurement of medical equipment and recruitment of contract medical personnel. Data from the Health Office shows that the average patient waiting time at Puskesmas has decreased from 46 minutes (2020) to 28 minutes (2023). The Head of the Tlogosari Puskesmas stated that the procurement of new laboratory equipment from DAU increased the effectiveness of patient examinations by 35%.

c. Licensing

Digitalization of licensing is the focus of DAU utilization in this sector. The PMPTSP Service uses DAU to develop regional OSS (*Online Single Submission*) applications. The processing time for micro and small business permits has been successfully reduced from 5 days to only 2 working days. According to an internal survey, the public satisfaction index increased from 72.4 (2020) to 84.6 (2023).

Table 3 Performance of the Public Service Sector Supported by DAU

Sector	Key Indicators	Before (2020)	After (2023)	Change (%)
Education	Number of schools rehabilitated	45 schools	82 schools	+82.2%
Health	Patient waiting time at health center	46 minutes	28 minutes	-39.1%
Licensing	Average licensing process time	5 days	2 days	-60.0%

3. Constraints and Obstacles in DAU Management

Although the achievements are quite good, there are several obstacles, including:

1. Dependence on DAU: Many OPDs rely too much on DAU as the main source of funding without innovating in exploring PAD (Regional Original Income).
2. Human Resources Quality: Several technical implementers do not yet have good performance-based planning and reporting capacity.
3. Transparency: Not all OPDs consistently integrate work programs with the e-budgeting system.

This is in line with the findings Rahman and Utami (2022) stated that the general weakness in DAU management is the weak evaluation and accountability system for results-based programs.

Conclusion

Based on the results of the research that has been conducted on the effectiveness of the management of the General Allocation Fund (DAU) in improving the quality of public services in the City of Semarang, several conclusions can be drawn that are comprehensive and substantive. This study shows that the management of DAU in the City of Semarang has generally met the principles of efficiency and effectiveness in the implementation of regional government, especially in basic service sectors such as education, health, and licensing.

The use of DAU has been directed to support the financing of operational expenditures and priority programs of local governments that are oriented towards public services. This can be seen from the tendency of increasing DAU allocations each year, as well as budget realization that tends to increase and reaches more than 90% in recent years. This indicator indicates that the budget planning and implementation process is increasingly mature and well consolidated between regional apparatus organizations (OPD).

In the education sector, for example, the use of DAU has produced real output in the form of an increase in the number of decent classrooms, increased teacher competency training, and the provision of better teaching and learning facilities. This has also influenced the increase in the results of the education sector performance evaluation, including community participation and satisfaction with education services. The health sector has also experienced positive impacts from DAU management, such as an increase in the number of available medical personnel, improvements in health center facilities and infrastructure, and increased accessibility to primary health services.

Furthermore, this study also revealed significant improvements in the public licensing sector, especially through the implementation of a digital system for integrated licensing services. DAU funds contribute to providing infrastructure and resources for this digitalization, which in turn speeds up service times, improves data accuracy, and reduces illegal levies. This improvement has an impact on the high index of public satisfaction with public services in the city of Semarang as a whole.

However, this study also found that the effectiveness of DAU is not yet fully optimal because there are still challenges that must be resolved. Some of these challenges include high budget dependence on the central government, lack of flexibility in the use of funds, weak technical capacity of the apparatus in managing performance-based programs, and limited application of information technology in all sectors. In addition, monitoring and evaluation of the impact of programs funded by DAU still often focuses on the output aspect, not comprehensively assessing the outcome or impact.

Thus, it can be concluded that the effectiveness of DAU management in Semarang City is quite good, but still requires improvements in terms of strategic planning quality, strengthening bureaucratic capacity, and increasing accountability and transparency based on information systems. In the future, a more participatory, results-based, and adaptive approach to technological developments is needed to maximize the use of DAU for more inclusive and sustainable public services.

Suggestion

1. Semarang City Government needs to improve the quality of performance-based planning and integrate all activity programs with the e-budgeting system consistently to ensure transparency and accountability in DAU management.
2. Increasing the capacity of human resources in the areas of planning, budgeting, and program evaluation in each OPD is very important so that DAU is not only absorbed administratively, but also has a real impact on the community.
3. Expansion of the scope and innovation of public services funded by DAU, such as expansion of service digitalization and integration of cross-sector services, can strengthen the role of DAU in supporting more efficient regional governance that is responsive to citizen needs.

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