
Financial Performance Analysis of Local Government in Managing the Regional Revenue and Expenditure Budget (APBD) in Bogor Regency

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Abstract

This study aims to analyze the financial performance of the local government in managing the Regional Revenue and Expenditure Budget (APBD) of Bogor Regency, as well as to examine the supporting and inhibiting factors affecting such performance. The object of this research is the Bogor Regency Local Government. This study employs both secondary and primary data using a descriptive quantitative approach. The results indicate that the financial performance of the Bogor Regency Government during the period 2017–2022, measured using the decentralization degree ratio, falls into the “moderate” category, as it has not yet been able to fully finance governmental activities independently. The expenditure harmony ratio suggests that government spending has not been fully oriented toward capital or development expenditure. Furthermore, the regional dependency ratio remains very high, indicating strong reliance on central government transfers. However, the regional independence ratio is categorized as “moderate,” reflecting a gradual reduction in dependence on central government assistance. The effectiveness ratio of local own-source revenue (PAD) is optimal, demonstrating the government's ability to mobilize revenue in accordance with planned targets. The efficiency ratio indicates successful cost control in revenue collection, while both revenue and expenditure growth ratios show positive trends. Supporting factors for financial performance include improved employee competence, enhanced public service delivery, and better coordination with the central government, particularly regarding financial information systems and digital public services. Meanwhile, inhibiting factors include limitations in human resources, suboptimal financial administration systems, and the fact that PAD has not yet become the primary source of regional revenue.

Keywords: Regional Financial Performance, Financial Ratios, APBD Management Factors

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1. Introduction

According to the Supreme Audit Agency of Indonesia (BPK RI), as cited in Kompas (2019), the Regional Revenue and Expenditure Budget (APBD) reflects the financial management of a local government and serves as an evaluation tool for assessing governmental performance in regional development implementation. Therefore, effective APBD management is essential to ensure transparency, accountability, and compliance with established regulations.

Based on data from the Ministry of Home Affairs (Kemendagri RI), as reported by the Information and Documentation Management Officer (PPID) of the Bogor Regency Government, Bogor Regency ranked among the top ten regencies in Indonesia with the highest APBD revenue realization in 2022, achieving 81.33%.

Bogor Regency, located in West Java Province, is a buffer zone for Jakarta and actively implements regional autonomy. As a local government, it is responsible not only for governance and infrastructure development but also for effective APBD management. Budget

planning and realization are crucial for assessing annual financial performance, enabling improvements in effectiveness in subsequent periods. Government performance is reflected in budget realization reports, as shown in the following table.

Table 1. Budget Realization Report of Bogor Regency (2017–2022)

Year	Regional Revenue	Local Revenue (PAD)	Own-Source Balancing Funds	Regional Expenditure	Surplus/(Deficit)
2017	6,975,053,078,040	3,041,872,447,905	3,781,900,015,038	6,875,742,319,986	99,310,758,054
2018	7,300,485,379,647	2,794,660,740,152	3,945,601,285,124	7,305,059,632,892	(4,574,253,245)
2019	8,137,989,873,806	3,161,165,915,498	4,381,882,134,630	7,771,218,179,777	366,771,694,029
2020	7,687,179,717,004	2,810,155,352,282	4,126,378,593,406	8,405,493,380,579	(718,313,663,575)
2021	9,124,623,007,868	3,761,911,243,274	4,729,476,665,520	8,708,394,133,531	416,228,874,337
2022	9,029,607,236,616	3,736,339,670,708	5,282,559,672,996	9,310,402,757,366	(280,795,520,750)

Source: Processed by the authors (BPKAD Bogor Regency, September 4, 2023)

Based on Table 1, regional revenue generally increased during 2017–2022. However, a decline occurred in 2020 due to external economic pressures, followed by a significant increase in 2021 and a slight decrease in 2022.

Balancing funds consistently exceeded PAD, indicating that regional revenue remains dominated by external sources, particularly transfers from the central government. This condition highlights the need for the local government to further explore and optimize its internal revenue potential.

Additionally, Bogor Regency experienced budget deficits in 2018, 2020, and 2022, where expenditures exceeded revenues. This condition suggests that the region's financial capacity has not yet fully supported its expenditure needs. Fluctuations in revenue and expenditure realization significantly influence overall financial performance.

Furthermore, financial performance is affected by both supporting and inhibiting factors, which play a crucial role in improving the effectiveness of APBD management in Bogor Regency.

According to Law of the Republic of Indonesia No. 17 of 2003 on State Finance, Article 1 paragraph (8), the APBD is defined as the annual financial plan of a regional government approved by the Regional House of Representatives (DPRD). Article 16 further states that the APBD represents regional financial management established annually through a Regional Regulation and consists of revenue, expenditure, and financing components.

Government Regulation No. 12 of 2019 defines regional financial management as all activities encompassing planning, budgeting, implementation, administration, reporting, accountability, and supervision. APBD represents a regional work program in numerical terms for one fiscal year (Halim, 2001).

Mardiasmo (2002) emphasizes that regional financial management should adhere to principles of transparency, accountability, and value for money. The management cycle includes three main stages: planning, implementation, and reporting and evaluation. According to Halim and Kusufi (2014), regional financial performance reflects the ability of a local government to implement regional autonomy. Performance measurement aims to assess financial independence, effectiveness, efficiency, expenditure allocation, revenue contribution, and growth trends (Patarai, 2016). Financial ratios derived from APBD data are commonly used as analytical tools (Saputra, 2023).

Financial Performance Ratios

a. Revenue Growth Ratio

The revenue growth ratio is used to determine whether local government revenue performance in a given fiscal year, or across several budget periods, has experienced positive or negative growth. The following formula is applied to calculate regional revenue growth (Mahmudi, 2019):

$$\text{Revenue Growth Ratio} = \frac{X_t - X_{t-1}}{X_{t-1}} \times 100\%$$

Description:

- X_t = Revenue realization in year t
- X_{t-1} = Revenue realization in the previous year

Growth Criteria:

1. If the value increases, growth is classified as **positive**.
2. If the value decreases, growth is classified as **negative**.

b. Expenditure Growth Ratio

The analysis of expenditure growth is useful for identifying the development of government expenditure from year to year. In general, expenditure tends to increase over time. The following formula is used to calculate regional expenditure growth (Mahmudi, 2019):

$$\text{Expenditure Growth Ratio} = \frac{X_t - X_{t-1}}{X_{t-1}} \times 100\%$$

Description:

- X_t = Expenditure realization in year t
- X_{t-1} = Expenditure realization in the previous year

Growth Criteria:

1. If the value increases, growth is **positive**.
2. If the value decreases, growth is **negative**.

Analysis of Regional Financial Performance: Fiscal Decentralization Approach

a. Decentralization Degree Ratio

This ratio indicates the contribution of Local Own-Source Revenue (PAD) to total regional revenue. A higher PAD contribution reflects a greater capacity of local governments to implement fiscal decentralization (Pasaribu et al., 2021). The formula is as follows (Mahmudi, 2016:140):

$$\text{Decentralization Degree Ratio} = \frac{\text{Local Own-Source Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100\%$$

Table 2. Decentralization Degree Ratio Criteria

Percentage	Remarks
< 10%	Very Low
10% – 20%	Low
20% – 30%	Moderate
30% – 40%	Fair
40% – 50%	Good
> 50%	Excellent

Source: Pasaribu et al. (2021)

b. Regional Dependency Ratio

The regional financial dependency ratio measures the extent to which local governments rely on transfer funds (balance funds) to meet their revenue needs. This ratio reflects the region's ability to manage its finances independently in supporting development activities (Patiroi, 2019). The formula is as follows (Mahmudi, 2019):

$$\text{Regional Dependency Ratio} = \frac{\text{Transfer Revenue}}{\text{Total Regional Revenue}} \times 100\%$$

Table 3. Regional Dependency Ratio Criteria

Percentage	Remarks
0.00 – 10.00	Very Low
10.01 – 20.00	Low
20.01 – 40.00	Moderate

Percentage	Remarks
40.01 – 50.00	High
> 50.00	Very High

Source: Ministry of Home Affairs No. 690.900.327 (1996)

Regional Independence Ratio

According to Sartika (2019), a higher regional independence ratio indicates a lower level of dependence on external assistance, and vice versa. The formula is as follows (Mahmudi, 2016:140):

$$\text{Regional Independence Ratio} = \frac{\text{Local Own-Source Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100\%$$

Table 4. Financial Independence Ratio Criteria

Percentage	Remarks
0.00 – 10.00	Very Low
10.01 – 20.00	Low
20.01 – 40.00	Moderate
40.01 – 50.00	High
> 50.00	Very High

Source: Halim & Kusufi (2007)

PAD Effectiveness Ratio

A higher effectiveness ratio indicates better financial performance of the local government. Conversely, a lower effectiveness ratio reflects weaker financial performance (Genasih, 2022). The formula is as follows (Mahmudi, 2016:141):

$$\text{Effectiveness Ratio} = \frac{\text{Realized PAD Revenue}}{\text{Budgeted PAD Revenue}} \times 100\%$$

Table 5. Effectiveness Ratio Criteria

Percentage	Remarks
> 100%	Highly Effective
100%	Effective
90% – 99%	Quite Effective
75% – 89%	Less Effective
< 75%	Ineffective

Source: Mahmudi (2019)

Efficiency Ratio

Efficiency in public service refers to achieving optimal outputs with minimal inputs or costs. An activity is considered efficient if the desired results are achieved at the lowest possible cost (Krisniawati, 2021). The formula is as follows (Mahmudi, 2016:141):

$$\text{Efficiency Ratio} = \frac{\text{Cost of Revenue Collection}}{\text{Realized Revenue}} \times 100\%$$

Table 6. Efficiency Ratio Criteria

Percentage	Remarks
> 100%	Inefficient
90% – 100%	Quite Efficient
80% – 90%	Less Efficient
60% – 80%	Efficient
< 60%	Highly Efficient

Source: Mahmudi (2019)

Expenditure Compatibility Ratio

According to Mahmudi (2019), the analysis of expenditure compatibility is used to assess the balance of government spending. This relates to the function of the budget as an instrument for distribution, allocation, and stabilization. To ensure these functions operate effectively, local governments must harmonize their expenditure composition.

Operating Expenditure Ratio

This ratio indicates the proportion of regional expenditure allocated to operating expenditures. Operating expenditures are short-term in nature, typically consumed within a single fiscal year and often recurring (Mahmudi, 2019).

$$\text{Operating Expenditure Ratio} = \frac{\text{Realized Operating Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

Capital Expenditure Ratio

This ratio reflects the proportion of expenditure allocated to capital investment. Unlike operating expenditures, capital expenditures provide medium- to long-term benefits and are non-recurring. They also contribute to an increase in regional assets (Mahmudi, 2019).

$$\text{Capital Expenditure Ratio} = \frac{\text{Realized Capital Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

Supporting and Inhibiting Factors of Financial Performance in APBD Management

According to Saputra (2023), financial performance in regional budget (APBD) management is influenced by the following factors:

Supporting Factors

- a. Improvement of employee competence.
- b. Enhancement of public services through digitalization and the development of non-cash payment systems.
- c. Strengthened coordination with the central government, particularly in regional financial management information systems.

Inhibiting Factors

- a. Limitations in human resources.
- b. The impact of the COVID-19 pandemic.
- c. Suboptimal implementation of regional financial administration systems.

3. Research Results

Financial Performance of the Regional Government of Bogor Regency

a. Revenue Growth Ratio

The revenue growth ratio of the Bogor Regency Government can be observed in the following table:

Table 7. Revenue Growth Ratio of Bogor Regency (2017–2022)

Year	Revenue Realization (t)	Revenue Realization (t-1)	Growth Ratio	Criteria
2017	Rp6,975,053,078,040	Rp5,973,280,685,746	16.77%	Positive
2018	Rp7,300,485,379,647	Rp6,975,053,078,040	4.67%	Positive
2019	Rp8,137,989,873,806	Rp7,300,485,379,647	11.47%	Positive
2020	Rp7,687,179,717,004	Rp8,137,989,873,806	-5.54%	Negative
2021	Rp9,124,623,007,868	Rp7,687,179,717,004	18.70%	Positive
2022	Rp9,029,607,236,616	Rp9,124,623,007,868	-1.04%	Negative
Average			7.50%	Positive

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The revenue growth ratio of the Bogor Regency Government falls within the positive criterion, indicating an overall upward trend in regional revenue. However, fluctuations in

certain years suggest the need for continuous optimization of revenue sources. Therefore, the local government is required to enhance revenue performance to ensure consistently positive growth.

b. Expenditure Growth Ratio

The expenditure growth ratio is presented in the following table:

Table 8. Expenditure Growth Ratio of Bogor Regency (2017–2022)

Year	Expenditure Realization (t)	Expenditure Realization (t-1)	Growth Ratio	Criteria
2017	Rp6,875,742,319,986	Rp6,465,300,553,876	6.35%	Positive
2018	Rp7,305,059,632,892	Rp6,875,742,319,986	6.24%	Positive
2019	Rp7,771,218,179,777	Rp7,305,059,632,892	6.38%	Positive
2020	Rp8,405,493,380,579	Rp7,771,218,179,777	8.16%	Positive
2021	Rp8,708,394,133,531	Rp8,405,493,380,579	3.60%	Positive
2022	Rp9,310,402,757,366	Rp8,708,394,133,531	6.91%	Positive
Average			6.28%	Positive

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The expenditure growth ratio consistently falls within the positive category, indicating stable growth in regional spending. Nevertheless, the government must ensure optimal allocation and efficiency in expenditure to maintain sustainable fiscal performance.

c. Degree of Decentralization Ratio

Table 9. Degree of Decentralization Ratio of Bogor Regency (2017–2022)

Year	Local Own-Source Revenue (PAD)	Total Revenue	Ratio	Criteria
2017	3,041,872,447,905	6,975,053,078,040	43.61%	Good
2018	2,794,660,740,152	7,300,485,379,647	38.28%	Moderate
2019	3,161,165,915,498	8,137,989,873,806	38.84%	Moderate
2020	2,810,155,682,282	7,687,180,047,004	36.56%	Moderate
2021	3,761,911,243,274	9,124,623,007,868	41.23%	Good
2022	3,736,339,670,708	9,029,607,236,616	41.38%	Good
Average			39.98%	Moderate

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The degree of decentralization is categorized as moderate, indicating that Bogor Regency has not yet fully achieved financial independence in financing governance, development, and public services. Strengthening local revenue sources is necessary to reduce reliance on central government transfers.

d. Regional Dependency Ratio

Table 10. Regional Dependency Ratio of Bogor Regency (2017–2022)

Year	Transfer Revenue	Total Revenue	Ratio	Criteria
2017	Rp3,781,900,015,038	Rp6,975,053,078,040	54.22%	Very High
2018	Rp3,945,601,285,124	Rp7,300,485,379,647	54.05%	Very High
2019	Rp4,381,882,134,630	Rp8,137,989,873,806	53.84%	Very High
2020	Rp4,126,378,593,406	Rp7,687,179,717,004	53.68%	Very High
2021	Rp4,729,476,665,520	Rp9,124,623,007,868	51.83%	Very High
2022	Rp5,282,559,672,996	Rp9,029,607,236,616	58.50%	Very High
Average			54.35%	Very High

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The dependency ratio is categorized as very high, indicating substantial reliance on central government transfers. This suggests the need for enhanced fiscal autonomy through the optimization of local revenue sources.

e. Regional Financial Independence Ratio

Table 11. Regional Financial Independence Ratio of Bogor Regency (2017–2022)

Year	PAD	Transfer Revenue	Ratio	Criteria	Relationship Pattern
2017	Rp3,041,872,447,905	Rp3,781,900,015,038	80.43%	High	Delegative
2018	Rp2,794,660,740,152	Rp3,945,601,285,124	70.83%	Moderate	Participative
2019	Rp3,161,165,915,498	Rp4,381,882,134,630	72.14%	Moderate	Participative
2020	Rp2,810,155,352,282	Rp4,126,378,593,406	68.10%	Moderate	Participative
2021	Rp3,761,911,243,274	Rp4,729,476,665,520	79.54%	High	Delegative
2022	Rp3,736,339,670,708	Rp5,282,559,672,996	70.73%	Moderate	Participative
Average			73.63%	Moderate	Participative

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The financial independence ratio is classified as moderate with a participative relationship pattern, indicating partial reliance on central government support. Increasing PAD is essential to achieve a higher level of independence.

f. PAD Effectiveness Ratio

Table 12. PAD Effectiveness Ratio of Bogor Regency (2017–2022)

Year	Actual PAD	Budgeted PAD	Ratio	Criteria
2017	Rp3,041,872,447,905	Rp2,282,578,507,000	133.26%	Highly Effective
2018	Rp2,794,660,740,152	Rp2,475,535,726,000	112.89%	Highly Effective
2019	Rp3,161,165,915,498	Rp2,676,364,947,000	118.11%	Highly Effective
2020	Rp2,810,155,352,282	Rp2,462,621,761,551	114.11%	Highly Effective
2021	Rp3,761,911,243,274	Rp3,291,322,687,957	114.30%	Highly Effective
2022	Rp3,736,339,670,708	Rp3,739,093,754,030	99.93%	Moderately Effective
Average			115.43%	Highly Effective

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The effectiveness ratio indicates that PAD management is highly effective, demonstrating strong performance in achieving revenue targets.

g. Efficiency Ratio

Table 13. Efficiency Ratio of Bogor Regency (2017–2022)

Year	Cost of Revenue Collection	Actual Revenue	Ratio	Criteria
2017	Rp4,110,492,984,441	Rp6,975,053,078,040	58.93%	Highly Efficient
2018	Rp4,537,728,256,344	Rp7,300,485,379,647	62.16%	Efficient
2019	Rp4,916,226,554,930	Rp8,137,989,873,806	60.41%	Efficient
2020	Rp5,164,264,056,807	Rp7,687,179,717,004	67.18%	Efficient
2021	Rp5,169,057,328,042	Rp9,124,623,007,868	56.65%	Highly Efficient
2022	Rp5,732,568,385,355	Rp9,029,607,236,616	63.49%	Efficient
Average			61.47%	Efficient

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The efficiency ratio is categorized as **efficient**, indicating effective cost control in revenue collection.

h. Expenditure Harmony Ratio

Table 14. Expenditure Harmony Ratio of Bogor Regency (2017–2022)

Year	Operating Expenditure	Capital Expenditure	Total Expenditure	Operating Ratio	Capital Ratio
2017	Rp4,366,671,026,517	Rp1,525,152,052,623	Rp6,875,742,319,986	64%	22%
2018	Rp5,078,172,628,333	Rp1,313,835,412,090	Rp7,305,059,632,892	70%	18%
2019	Rp5,175,171,018,466	Rp1,567,693,720,671	Rp7,771,218,179,777	67%	20%
2020	Rp5,473,764,412,506	Rp1,488,950,269,913	Rp8,405,493,380,579	65%	18%

Year	Operating Expenditure	Capital Expenditure	Total Expenditure	Operating Ratio	Capital Ratio
2021	Rp5,521,703,558,330	Rp1,701,254,453,271	Rp8,708,394,133,531	63%	20%
2022	Rp6,341,846,179,088	Rp1,414,652,065,780	Rp9,310,402,757,366	68%	15%
Average				66%	19%

Source: Processed by the researcher (BPKAD Bogor Regency, September 4, 2023)

The expenditure harmony ratio indicates that operating expenditure (66%) dominates capital expenditure (19%). This suggests that the regional government has not fully prioritized capital investment. Increasing the allocation for capital expenditure is essential to support infrastructure development and enhance long-term regional revenue generation.

Supporting and Inhibiting Factors of Financial Performance in the Government of Bogor Regency

1. Supporting Factors

a. Improvement of Employee Competence

The enhancement of employee competence is evident from the personnel composition within the Regional Financial and Asset Management Agency (BPKAD) of Bogor Regency. The majority of employees hold undergraduate and master's degrees, followed by diploma and high school graduates. In terms of rank and classification, most employees are categorized as *Penata Tingkat I (Grade III/d)*.

This composition indicates that, proportionally, BPKAD personnel possess adequate academic qualifications and increasing professional capabilities. The improvement in employee competence serves as a crucial indicator in strengthening the management of the Regional Budget (APBD) of Bogor Regency.

b. Improvement of Public Services

Public service delivery in Bogor Regency has improved through the implementation of the RUKOBERKUDA system (*Ruang Konsultasi Koordinasi Pengelolaan Keuangan*). This system enables Regional Work Units (SKPD) to conduct financial management consultations and coordination at any time and from any location.

This initiative aims to facilitate administrative processes for local government institutions as well as improve service accessibility for the public.

c. Enhanced Coordination with the Central Government through Financial Information Systems

Coordination with the central government has improved through the implementation of financial information systems in regional financial management. In preparing the Regional Budget, Bogor Regency has adopted the SIPD (*Sistem Informasi Pembangunan Daerah*), a nationally integrated system used by all regencies and municipalities in Indonesia.

SIPD is currently being developed by the central government to establish a more effective and standardized regional financial management information system. Its implementation is expected to strengthen coordination and improve transparency and accountability.

d. Digitalization of Public Services

Another supporting factor is the digitalization of public services. Based on interviews with informants, an example can be observed in the administration of Land and Building Tax (PBB). Previously, tax administration relied on manual documentation; however, it has now transitioned to an online system using electronic tax notification (SPPT).

Taxpayers can directly make payments without intermediaries such as couriers or tax collectors. This transformation reduces the risk of revenue leakage and minimizes potential misappropriation in tax collection processes.

2. Inhibiting Factors

a. Human Resources

Human resources remain a significant constraint in the financial performance of BPKAD Bogor Regency. The agency must continuously adapt to frequently changing regulations issued annually.

Consequently, employees are required to participate in technical training (bimbingan teknis), socialization programs, and benchmarking studies with other regions that have already implemented policy changes. This dynamic regulatory environment presents ongoing challenges in maintaining consistent performance.

b. COVID-19 Pandemic

Following the Presidential Decree of the Republic of Indonesia declaring the end of the COVID-19 pandemic status, the pandemic is no longer considered a major inhibiting factor in managing the Regional Budget of Bogor Regency.

Currently, a portion of the Regional Budget has been reallocated to support the implementation of simultaneous general elections.

c. Suboptimal Financial Administration through Information Systems

One of the factors contributing to reduced revenue realization is the suboptimal implementation of regional financial administration through information systems. Although SIPD is utilized, its application is primarily limited to the budgeting module.

The administrative and accountability modules have not yet been fully integrated into SIPD. As a result, the financial management information system remains partially implemented and lacks full integration, thereby reducing its effectiveness.

d. Local Own-Source Revenue (PAD) Has Not Become the Primary Revenue Source

Based on interviews with informants, Bogor Regency has not yet achieved sufficient fiscal independence to rely solely on Local Own-Source Revenue (PAD) as its primary source of income.

The region still depends significantly on transfer funds from the central government to finance its expenditures and development programs.

4. Conclusion

Based on the findings of this study, several conclusions can be drawn:

- a. The financial performance of the Bogor Regency Government in managing its Regional Budget over a six-year period (2017–2022), as analyzed through regional financial ratios, indicates that:
 - a) Revenue and expenditure growth have shown positive trends;
 - b) The region has not yet been fully optimal in financing governmental operations, development, and public services;
 - c) There remains a high level of dependence on the central government;
 - d) Central government transfers have begun to decline;
 - e) The government has demonstrated the ability to mobilize Local Own-Source Revenue (PAD) in accordance with targets;
 - f) Cost efficiency has improved, indicating success in controlling expenditures;
 - g) Budget allocation has not been fully oriented toward capital expenditure and development.
- b. The supporting and inhibiting factors affecting financial performance in managing the Regional Budget are as follows:
 - a) **Supporting factors** include improved employee competence, enhanced public services, strengthened coordination with the central government through financial information systems, and the digitalization of public services.

- b) **Inhibiting factors** include limitations in human resources, suboptimal financial administration through information systems, and the limited role of PAD as the primary revenue source.

Research Implications

This study provides several implications:

- a) **Theoretical implications:** Contributing to the development of knowledge in the field of public financial management and regional governance.
- b) **Practical implications:** Offering insights for policymakers and stakeholders involved in regional financial management.

Limitations and Recommendations

This study has several limitations and offers recommendations for future research:

- a) Data collection methods were limited to documentation and interviews; future studies are encouraged to include direct observation.
- b) The number of informants was limited to one individual; future research should involve more participants to obtain richer data.
- c) The study focused on a single regency; future research is recommended to expand the scope to multiple regions to enable comparative analysis.

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