

# Effectiveness and Efficiency of Regional Budget Performance: Evidence from North Barito Regency (2020–2024)

Effectiveness and  
Efficiency of Regional  
Budget Performance

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## ABSTRACT

*This study analyzes the effectiveness and efficiency of the implementation of the regional revenue and expenditure budget in North Barito Regency from 2020 to 2024. Using a descriptive quantitative approach and longitudinal analysis, the research evaluates fiscal performance based on key indicators: revenue realization, expenditure absorption, and budget composition. The findings reveal that the average effectiveness ratio of locally generated revenue reached 98.26%, indicating strong performance and surpassing targets in 2024. Meanwhile, the efficiency ratio of regional expenditure remained consistently above 99%, reflecting disciplined budget execution. However, the composition of spending was dominated by operational expenditures, particularly personnel costs, which accounted for over 40% of total spending. Capital expenditure fluctuated and peaked in 2023 yet remained below optimal levels for long-term development impact. The study identifies persistent fiscal deficits each year, offset by increasing net financing, with the highest budget financing surplus recorded in 2024. These trends suggest both potential efficiency and weaknesses in planning and absorption. The research concludes that while regional revenue and expenditure budget implementation in North Barito is relatively effective and efficient, structural challenges remain.*

**Keywords:** Effectiveness, Efficiency, Fiscal Performance, Regional Budgeting, Regional Revenue and Expenditure.

## ABSTRAK

*Studi ini menganalisis efektivitas dan efisiensi pelaksanaan anggaran pendapatan dan belanja daerah di Kabupaten Barito Utara dari tahun 2020 hingga 2024. Dengan menggunakan pendekatan kuantitatif deskriptif dan analisis longitudinal, penelitian ini mengevaluasi kinerja fiskal berdasarkan indikator utama: realisasi pendapatan, penyerapan belanja, dan komposisi anggaran. Temuan penelitian mengungkapkan bahwa rasio efektivitas rata-rata pendapatan asli daerah mencapai 98,26%, menunjukkan kinerja yang kuat dan melampaui target pada tahun 2024. Sementara itu, rasio efisiensi belanja daerah tetap konsisten di atas 99%, mencerminkan pelaksanaan anggaran yang disiplin. Namun, komposisi belanja didominasi oleh belanja operasional, khususnya biaya pegawai, yang mencapai lebih dari 40% dari total belanja. Belanja modal berfluktuasi dan mencapai puncaknya pada tahun 2023, namun masih berada di bawah tingkat optimal untuk dampak pembangunan jangka panjang. Studi ini mengidentifikasi defisit fiskal yang persisten setiap tahun, diimbangi dengan peningkatan pembiayaan neto, dengan sisa lebih anggaran tertinggi tercatat pada tahun 2024. Tren ini menunjukkan potensi efisiensi dan kelemahan dalam perencanaan dan penyerapan. Penelitian ini menyimpulkan bahwa meskipun*

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pelaksanaan anggaran pendapatan dan belanja daerah di Barito Utara relatif efektif dan efisien, tantangan struktural tetap ada.

**Kata kunci:** Efektivitas, Efisiensi, Kinerja Fiskal, Penganggaran Daerah, Pendapatan dan Belanja Daerah.

**INTRODUCTION**

In the period 2020–2024, North Barito Regency experienced significant fiscal dynamics, influenced by the COVID-19 pandemic, fluctuations in regional revenues, and adjustments to national policies. Based on the Budget Realization Report (*Laporan Realisasi Anggaran/LRA*) and Regional Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Daerah/APBD*) documents, it is recorded that the average realization of regional expenditure only reaches 85-90% of the budget ceiling. Capital expenditure shows a fluctuating trend, with a sharp decline in 2020 and a gradual recovery through 2023. The ratio of regional revenue effectiveness ranges from 70–80%, indicating a high dependence on central transfer funds. The efficiency of operational expenditure has not been optimal, with the proportion of employee expenditure dominating the APBD structure. These indicators suggest a planning–implementation gap between budget planning and implementation, which has an impact on regional development achievements and public services (Syamsuddin, 2011; Kekry & Iriawan, 2024).

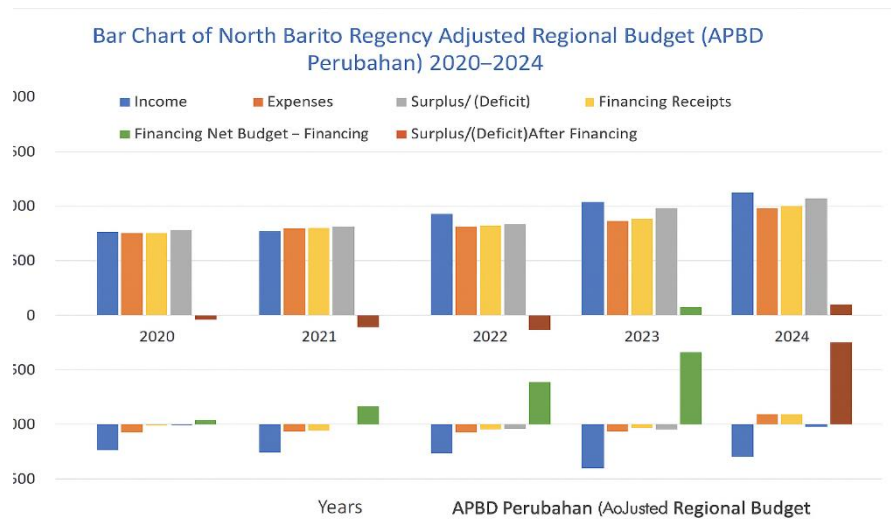


Figure 1. APBD Trends in North Barito Regency in 2020–2024

Figure 1 shows the trend of the North Barito Regency APBD for 2020–2024 in the form of line and bar graphs. Regional revenues and expenditures are shown as blue and red lines, while net financing and Budget Financing Surplus (*Sisa Lebih Pembiayaan Anggaran/SILPA*) are visualized with green and yellow bars. This chart provides a clear picture of fiscal dynamics over the past five years. Emergent problems include the mismatch between performance targets and budget realization (Suranta et al., 2019). Low budget absorption in the first and third quarters triggered a build-up of realizations at the end of the year. There is no optimal synergy between strategic planning and annual budgeting, and limited institutional capacity in performance-based budget management. This problem raises a critical question, namely, the extent to which the implementation of the North Barito Regency APBD over the past five years has been effective and efficient in supporting regional development.

Several previous studies that have become references, such as Mardiasmo (2009), emphasized the importance of effectiveness and efficiency in regional financial management as an indicator of government performance (Halim 2007). Research by

Syauqi et al. (2017) shows that the effectiveness of the APBD is greatly influenced by the quality of planning and human resource capacity and regional studies in Central Kalimantan by Syam et al. (2018) reveal that capital expenditure efficiency contributes directly to local economic growth. However, there have not been many studies that specifically explore the effectiveness and efficiency of the APBD in North Barito Regency with a longitudinal approach and fiscal performance analysis.

The study adopts several theoretical perspectives, including the Theory of Organizational Effectiveness, which assesses the extent to which budget outputs align with development objectives (Steers, 1977). The Allocation Efficiency Theory examines the optimal use of fiscal resources; and the Value for Money (VFM) approach, which emphasizes economic efficiency and effectiveness in public expenditure (Usman et al., 2025; Sinaga et al., 2025). The analysis applies a quantitative descriptive methodology, utilizing effectiveness and efficiency ratios and supported by triangulation with regional development performance indicators.

The selection of this research topic is grounded in the urgency of evaluating fiscal performance as a basis for improving regional financial management. It also addresses the limited academic studies focusing on the effectiveness and efficiency of the APBD in North Barito Regency and the need for evidence-based policy recommendations to support budget reform and enhance the quality of public spending. This research aims to analyze the effectiveness and efficiency of the implementation of the APBD of North Barito Regency for the period 2020–2024, identify factors that influence budget performance outcomes, and formulate strategic recommendations to strengthen regional fiscal governance. The relevance of this study is significant, considering the demands of bureaucratic reform, public accountability, and optimization of fiscal resource utilization within the framework of regional decentralization.

## **LITERATURE REVIEW**

### **The Concept of Effectiveness and Efficiency in Public Budget Management**

Effectiveness and efficiency are the two main indicators in assessing the performance of public budget management (Bastian, 2010). According to Anthony and Govindarajan (2007), effectiveness refers to the achievement of organizational goals, while efficiency measures the optimal use of resources to produce the desired output. In the context of the APBD, effectiveness means the extent to which regional revenues are realized according to the target, and efficiency shows how regional spending is used sparingly and productively (Wardani & Hasibuan, 2024). These concepts have become increasingly critical in the era of fiscal decentralization in Indonesia, where local governments are required not only to meet budget targets but also to ensure that public resources deliver maximum benefits to the community. Imbalances between effectiveness and efficiency often lead to high SILPA or low budget absorption in the early quarters of the fiscal year. Therefore, measuring both indicators in an integrated manner is essential to reflect sustainable regional financial performance.

Musgrave (1959) in *The Theory of Public Finance* put forward three main functions of public finance: allocation, distribution, and stabilization. The allocation function emphasizes the importance of efficiency in government spending on public goods and services. Fiscal efficiency is the basis for determining regional spending priorities so that it has a direct impact on people's welfare (Tirtosuharto, 2022; Zhao & He, 2024). This allocation function requires local governments to optimally distribute budgets between operational and capital expenditures to enable sustainable infrastructure development and public services. In the Indonesian context, the frequent dominance of personnel expenditures, often exceeding 40% of the total APBD, indicates weak application of allocative efficiency principles. This situation can ultimately hinder the stabilization and distribution functions, widening inter-regional disparities and reducing the positive impact of budgeting on community welfare.

### **Effectiveness of Regional Revenue and Regional Spending Efficiency**

According to Bird & Vaillancourt (1998), the effectiveness of regional revenues is greatly influenced by local fiscal capacity, economic structure, and tax system design. In developing countries, including Indonesia, dependence on central transfers often hinders regional fiscal independence. Therefore, the strategy of increasing Local Own-Source Revenue (*Pendapatan Asli Daerah*/PAD) is crucial in strengthening the effectiveness of the APBD. Shah (2006), in local governance in developing countries, emphasizes that fiscal effectiveness is not only measured by the achievement of targets, but also by the sustainability and fairness of income distribution.

Regional spending efficiency is closely related to budget planning, implementation, and supervision. Richard and Daniel (2001) in managing public expenditure states that efficiency can be achieved through a performance-based budgeting system, which links budget allocation with output and outcome indicators. Fiscal efficiency requires institutional reform, transparency, and accountability in the budgeting process (Schick, 1998; Sakdiyah et al., 2023). In practice, low capital expenditure and dominance of operational expenditure are often indicators of inefficiency in the APBD (Firmansyah, 2024).

A study by Robinson and Brumby (2005) shows that countries with performance-based budgeting systems tend to have higher spending efficiency. In Indonesia, the implementation of the Local Government Information System (*Sitem Informasi Pemerintah Daerah*/SIPD) and the integration of the regional planning with annual budgeting are the first steps towards fiscal efficiency. Efficient regional spending must be directed to priority sectors such as education, health, and infrastructure, with strengthening human resource capacity and an adaptive monitoring system (World Bank Group, 2020).

### **Value for Money Theory (VFM)**

The Value for Money (VFM) framework, widely adopted by organizations such as the OECD and the World Bank, has become a key reference for evaluating the performance of public budgets in many countries. VFM emphasizes that the use of public resources must demonstrate measurable benefits that reflect economic responsibility, operational efficiency, and achievement of development outcomes (Ahmad et al., 2024). The framework consists of three primary dimensions. First, the economy, which focuses on procuring inputs at the lowest reasonable cost without reducing quality, emphasizing prudent purchasing and resource optimization (OECD, 2019). Second, efficiency, which measures the relationship between inputs and outputs, indicating how well resources are converted into public goods and services (Mihaiu et al., 2010; Sinha & Edalatpanah, 2023). Third, effectiveness, which evaluates whether the outcomes achieved align with planned goals and community welfare improvements. In the context of regional budgeting, these three principles provide a comprehensive assessment of whether public spending creates tangible public value through transparent and accountable fiscal management (Islam, 2025).

Application of VFM in regional financial management, such as the regional revenue and expenditure budget, enables analysis of whether the allocation and realization of regional expenditure provide maximum benefit for society through efficient processes and outcomes consistent with development priorities (Seran, 2021). Therefore, this study adopts an analytical framework based on several key indicators, including the ratio of local revenue realization to its target as a measure of effectiveness, the ratio of expenditure realization to the approved budget as an indicator of efficiency, and the composition between operational and capital spending as a reflection of development orientation. The integration of the VFM approach within this framework enables an objective and evidence-based evaluation of APBD implementation in North Barito Regency over the past five years, providing theoretically grounded recommendations aligned with global best practices in public sector financial governance.

## RESEARCH METHODS

This research is quantitative descriptive research with a longitudinal approach. The goal is to describe and analyze the level of effectiveness and efficiency of the implementation of the North Barito Regency APBD for five fiscal years (2020–2024). This approach allows researchers to systematically identify trends, patterns, and dynamics of regional fiscal performance. The research was conducted in North Barito Regency, Central Kalimantan Province, with data coverage for the 2020 to 2024 fiscal years. Data collection and analysis will be carried out during the July–September 2025 period.

The research relies on secondary data sourced from official regional financial documents and government information systems. The primary materials include the regional revenue and expenditure budget and the budget realization report of North Barito Regency, supported by Local Government Financial Statements (*Laporan Keuangan Pemerintah Daerah/LKPD*) as formal accountability records. Additional data were obtained from regional financial statistics published by the Central Statistics Agency (*Badan Pusat Statistik/BPS*), financial management records within the regional government information system, as well as regional regulations and regent regulations governing budgeting policies. Together, these data sources provide a comprehensive basis for evaluating fiscal performance and budget implementation accuracy. Data collection is carried out through documentation and literature studies. The researcher accessed official documents from the local government website, BPS, and the internal archives of the relevant SKPD. Data validation is carried out by triangulating sources and years.

The study applies a quantitative analytical approach using effectiveness and efficiency indicators to evaluate regional financial performance. Effectiveness is measured by comparing revenue realization to revenue targets through the formula  $\text{Effectiveness} = \text{Revenue Realization} / \text{Revenue Target} \times 100\%$ , with performance categorized as highly effective (>100%), effective (90–100%), moderately effective (80–89%), and less effective (<80%). Meanwhile, efficiency is calculated using the formula  $\text{Efficiency} = \text{Expenditure Realization} / \text{Expenditure Budget} \times 100\%$ , classified into highly efficient (<90%), efficient (90–100%), and inefficient (>100%). In addition, expenditure composition is analyzed by examining the proportion of operational, capital, and employee spending relative to total regional expenditure to reveal development priorities and service delivery orientation. To complement the assessment, longitudinal trend and graphical analyses in the form of line and bar charts are used to illustrate year-to-year changes in effectiveness and efficiency, providing a comprehensive overview of fiscal performance dynamics over the observed period. The validity of the data is guaranteed through triangulation of sources (APBD, LRA, and BPS documents). Reliability is maintained by using official and consistent data from year to year, as well as retesting ratios and calculations

## RESULTS

The following table presents a summary of the revised regional revenue and expenditure budget of North Barito Regency for the 2020–2024 fiscal period, outlining key fiscal indicators including total local own-source revenue, regional spending, surplus or deficit positions, financing acceptance and withdrawal, net financing, and Budget Financing Surplus. The data illustrate the annual fiscal performance trends and the government's budget management strategy in balancing expenditure and financing sources. Over the five-year period, regional revenue and expenditure consistently increased, while the budget position remained in deficit and was covered through net financing. The fluctuation in budget financing surplus reflects varying levels of budget absorption efficiency and financial planning accuracy. The detailed figures are presented below.

From Table 1, the regional revenue of North Barito Regency shows an increasing trend from IDR 2.315 trillion (2020) to IDR 2.645 trillion (2024). However, the revenue structure is still dominated by central transfer funds (>90%), with a relatively small and stagnant local own-source revenue contribution. According to (Bird & Vaillancourt, 1998), dependence on central transfers indicates low local fiscal capacity. In the context

of fiscal decentralization, the importance of fiscal independence as a condition for the effectiveness of local government (Rondinelli et al., 1983; Shah, 2006). Therefore, increasing local own-source revenue is a strategic priority to strengthen fiscal autonomy.

**Table 1.** Summary of revised APBD of North Barito Regency for 2020–2024 (In billions of rupiah)

| Year | PAD      | Regional Spending | Surplus/ (Deficit) | Financing Acceptance | Financing Withdrawal | Net Financing | SILPA |
|------|----------|-------------------|--------------------|----------------------|----------------------|---------------|-------|
| 2020 | 2,315.40 | 2,415.60          | (100.20)           | 120.00               | 10.00                | 110.00        | 9.80  |
| 2021 | 2,420.75 | 2,530.90          | (110.15)           | 130.00               | 15.00                | 115.00        | 4.85  |
| 2022 | 2,560.30 | 2,670.45          | (110.15)           | 140.00               | 20.00                | 120.00        | 9.85  |
| 2023 | 2,610.80 | 2,730.95          | (120.15)           | 150.00               | 25.00                | 125.00        | 4.85  |
| 2024 | 2,645.42 | 2,765.96          | (120.54)           | 220.93               | 15.00                | 205.93        | 85.39 |

Source: North Barito Regency Government 2021-2025

Regional expenditure increased from IDR 2.415 trillion (2020) to IDR 2.765 trillion (2024). The composition of expenditure shows the dominance of operational expenditure, especially employee expenditure, which absorbs more than 40% of total expenditure. Capital expenditure has fluctuated, with a peak in 2023 (IDR 1.01 trillion), but it has not been consistent as a development priority. Musgrave (1959), in the theory of fiscal allocation, states that government spending should be directed to produce productive public goods. The dominance of operational spending shows that the allocation is not yet efficient. Richard and Daniel (2001) emphasized that spending efficiency can be achieved through performance-based budgeting, which links spending to development outputs and outcomes.

For five years, the regional revenue and expenditure budget experienced a consistent deficit, ranging from IDR 100-Rp120 billion per year. This deficit is closed through net financing, which will increase significantly in 2024 (IDR 205.93 billion). The highest budget financing surplus was recorded in 2024 at IDR 85.39 billion, indicating efficiency or delay in the realization of spending. A sustainable fiscal deficit must be controlled through prudent and transparent financing policies. A high budget financing surplus can reflect efficiency, but it can also indicate weak budget planning and absorption. Schick (1998) emphasized the importance of a system of budget supervision and evaluation to ensure the effectiveness of implementation.

**Table 2.** Integration of Current International Theories/Models

| Theory/Model                       | Contribution to the Analysis of the North Barito Regional Budget |
|------------------------------------|--|
| Musgrave's Public Finance Theory   | Assess the allocation of public spending efficiently             |
| Value for Money (OECD, WB)         | Evaluation of economics, efficiency, and effectiveness           |
| Performance-Based Budgeting        | Linking spending to development performance                      |
| Local Fiscal Capacity (Bird, Shah) | Measuring regional fiscal independence                           |
| Fiscal Prudence (IMF Guidelines)   | Managing deficits and financing in a healthy manner              |

Table 2 presents the integration of international theories used to evaluate the North Barito Regional Budget. Musgrave's public finance theory guides the assessment of spending allocation, while the Value for Money framework supports the evaluation of economic, efficient, and effective use of resources. Performance-based budgeting links expenditure to development results, the Local Fiscal Capacity model measures financial independence, and IMF fiscal prudence principles address deficit management. The analysis shows that although regional revenues are stable, fiscal independence remains weak, spending is dominated by operational costs with inconsistent capital investment, and the fiscal deficit is covered by increased financing. The presence of budget financing surplus also indicates suboptimal efficiency, highlighting the need to strengthen performance-based budgeting, increase local own-source revenue, and improve fiscal evaluation systems.

The analysis of the effectiveness and efficiency of the implementation of the regional revenue and expenditure budget of North Barito Regency in 2020–2024 shows a positive

trend, but there are still challenges in optimizing capital expenditure and increasing fiscal independence.

**Table 3.** The Effectiveness Ratio Calculation

| Year | Target PAD (in Million IDR) | Realization of PAD (In Billion IDR) | Effectiveness Ratio (%) | Category         |
|------|-----------------------------|-------------------------------------|-------------------------|------------------|
| 2020 | 98.5                        | 95.2                                | 96.65                   | Effective        |
| 2021 | 102.0                       | 99.1                                | 97.16                   | Effective        |
| 2022 | 104.3                       | 101.5                               | 97.31                   | Effective        |
| 2023 | 106.0                       | 104.0                               | 98.11                   | Effective        |
| 2024 | 106.2                       | 108.4                               | 102.07                  | Highly Effective |

Table 3 illustrates the effectiveness of regional revenue performance in North Barito Regency from 2020 to 2024. The data show a consistently strong level of effectiveness, with effectiveness ratios ranging from 96.65% to 98.11% between 2020 and 2023, each falling within the “Effective” category. In 2024, revenue realization exceeded the target, achieving 102.07%, which places it in the “Highly Effective” category. The average effectiveness of local own-source revenue for five years is 98.26%, shows that regional revenue management is quite optimal and tends to increase.

**Table 4.** Spending Efficiency Ratio

| Year | Budget (in Million IDR) | Expenditure Realization (In Billion IDR) | Efficiency Ratio (%) | Category  |
|------|-------------------------|--|----------------------|-----------|
| 2020 | 2,415.60                | 2,405.80                                 | 99.59                | Efficient |
| 2021 | 2,530.90                | 2,518.00                                 | 99.49                | Efficient |
| 2022 | 2,670.45                | 2,655.00                                 | 99.42                | Efficient |
| 2023 | 2,730.95                | 2,715.20                                 | 99.42                | Efficient |
| 2024 | 2,765.96                | 2,750.00                                 | 99.39                | Efficient |

Table 4 indicates that the spending efficiency ratio of North Barito Regency consistently falls within the “Efficient” category throughout 2020–2024. The ratio ranges from 99.39% to 99.59%, showing that expenditure realization remained slightly below the allocated budget each year. This trend reflects strong control over public spending and the government’s ability to manage fiscal resources prudently without exceeding planned limits. The average expenditure efficiency is 99.46%, which indicates that the implementation of the budget is quite efficient, although there are indications of a build-up of realizations at the end of the year.

The composition of regional expenditure in 2024 shows a dominant allocation toward operational spending, which reached IDR 1,420.29 billion or about 51.3% of the total budget of IDR 2,765.96 billion, especially employee expenditure (IDR 651.65 billion). Capital expenditure accounted for IDR 1,005.68 billion or approximately 36.4%, indicating capital expenditure is significant enough, but it has not reached the ideal proportions to drive long-term economic growth. Meanwhile, transfer and unexpected expenses amounted to IDR 340.0 billion or around 12.3% of total spending. Transfer and unexpected spending is relatively stable, but its effectiveness on public services needs to be studied. This structure reflects a balance between routine administrative needs and investment for development, although the proportion of operational expenditure remains slightly higher than capital spending.

Based on the results of the analysis, it can be concluded that the effectiveness of regional own-source revenue is consistently strong, with annual achievement levels exceeding 95% and surpassing the target in 2024. Regional spending efficiency also remains stable above 99%, demonstrating disciplined budget execution and controlled expenditure management. Furthermore, the composition of expenditure reflects a predominant focus on operational spending, indicating the need to enhance the proportion of productive capital expenditure in order to strengthen development outcomes and long-term regional economic growth.

## **DISCUSSION**

The analysis of regional financial performance in North Barito Regency from 2020–2024 demonstrates significant progress in terms of effectiveness, efficiency, and budget management dynamics. The effectiveness ratio of regional own-source revenue shows a consistently positive trend, with an average achievement of 98.26% throughout the five-year period. The highest effectiveness level was recorded in 2024 at 102.07%, indicating that the local own-source revenue target was not only met but exceeded. This reflects strengthened revenue collection strategies and improved administrative capacity (Khaerani et al., 2023). Although the nominal contribution of local own-source revenue to total regional revenue remains relatively small, still below 10%, the effectiveness ratio confirms optimal management of existing revenue potential. These findings are consistent with Abdulaziz (2021), who reported that Surabaya City achieved a highly effective local own-source revenue performance through structured fiscal strategies. Similarly, Vebiani et al. (2022) noted that local own-source revenue effectiveness serves as a key indicator of successful regional fiscal reform, reinforcing the conclusion that North Barito is progressing towards more accountable and result-oriented financial governance.

The expenditure efficiency ratio also shows a consistently high level of efficiency, averaging 99.46% and falling within the “efficient” category. However, despite these positive results, the very high efficiency ratio warrants deeper interpretation. The tendency for budget realization to accumulate toward the year’s end implies less-than-optimal quarterly budgeting and reflects weaknesses in expenditure planning and execution cycles. Moreover, the dominance of operational spending, particularly personnel expenditure that absorbs more than 40% of the APBD, indicates a fiscal structure that is still heavily oriented toward routine spending rather than developmental investment. These findings align with research by Hapsari (2022), who found similar efficiency levels in Tulungagung Regency and suggested that efficiency must be interpreted with caution to avoid masking structural budgeting weaknesses. Novitasari et al. (2023) also identified Surakarta City’s efficiency ratio as consistently categorized as efficient, although realization patterns similarly clustered at year-end. Susanto (2019) emphasizes that expenditure efficiency must adhere to value for money principles, namely economic, efficient, and effective by prioritizing development needs and maximizing public benefit. Therefore, increasing efficiency alone is insufficient without a stronger shift towards productive spending allocations.

The composition analysis confirms this concern, revealing that operational spending accounts for 51.3% of total expenditure in 2024, compared to 36.4% allocated to capital expenditure. Even though the peak for capital investment occurred in 2023, its share remains below the ideal benchmark required to support long-term economic development and social infrastructure improvement. As a result, the spending orientation remains more consumptive than productive, limiting the transformative impact of regional budgeting (Lima & Bulan, 2025).

Regarding fiscal balance, the regional revenue and expenditure budget consistently experienced deficits, which were offset by rising net financing. The highest surplus of budget financing was observed in 2024, amounting to IDR 85.39 billion. While a high budget financing surplus may indicate surplus funds resulting from efficient expenditure, it may also reflect weak budget absorption capability or postponed development activities. This condition suggests the need for improvement in planning synchronization, implementation discipline, and monitoring mechanisms (Tjokroamidjojo, 2011; Saknosiwi et al., 2021).

This research presents several novelties compared to previous studies. First, it employs a longitudinal analysis spanning five years (2020–2024), offering comprehensive insight into fiscal trends rather than a single-year assessment. Second, it integrates international theoretical frameworks, namely Musgrave’s Public Finance Theory and the Value for Money (VFM) approach, together with performance-based budgeting principles in analyzing fiscal governance within the local context. Third, it provides a more comprehensive assessment by linking effectiveness and efficiency with financing behavior

and budget financing surplus dynamics. Lastly, it highlights the significance of aligning medium-term development plans with annual budgeting, an aspect crucial for fiscal consistency and sustainability.

Collectively, these findings suggest several policy implications, including the need to strengthen innovative local own-source revenue strategies, increase productive capital expenditure, implement quarterly budget absorption targets, and adopt digital performance-based monitoring systems (Syam et al., 2018). Strengthening these aspects will support fiscal independence, enhance public value, and realize more sustainable regional governance (Harun et al., 2021).

## CONCLUSION

This study assessed the effectiveness and efficiency of the North Barito Regency regional budget over the 2020–2024 fiscal period through a quantitative descriptive longitudinal approach. The findings demonstrate that the region achieved strong revenue performance, with the effectiveness ratio of locally generated revenue consistently above 95% revenue realization relative to targets. Budget implementation also recorded stable efficiency, with spending ratios ranging between 99.39% and 99.59%, placing all five years within the “Efficient” category. These results reflect prudent fiscal management and controlled expenditure. However, the study also reveals ongoing structural challenges: regional revenue remains highly dependent on central government transfers, exceeding 90% of total revenue, and the composition of expenditure is dominated by operational spending, particularly personnel costs, which absorb more than 40% of the budget. Capital expenditure has not yet shown consistency as a strategic development priority, despite its increase in certain years. The continuing annual deficits, covered by financing, and the significant increase in SILPA in 2024 signal issues related to planning accuracy and absorption capacity.

The implications of these findings emphasize the importance of strengthening fiscal independence by increasing locally generated revenue through improved tax administration, expanding local economic bases, and optimizing regional assets. Enhancing performance-based budgeting and reallocating a higher proportion of funds towards capital expenditure is essential to support long-term development and reduce dependence on routine spending. Tightening monitoring and evaluation mechanisms is also critical to prevent inefficiencies masked by year-end spending concentrations. This study is limited by its reliance solely on secondary financial data and descriptive analysis, which does not capture qualitative factors such as institutional capacity, governance practices, and stakeholder perspectives. Future research should incorporate mixed-methods approaches, cross-regional comparative studies, and performance outcome indicators to provide a more comprehensive assessment of fiscal sustainability and development impact.

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