



**ANALYSIS OF THE EFFICIENCY AND EFFECTIVENESS OF REGIONAL
BUDGET IMPLEMENTATION IN SUBULUSSALAM CITY
DEVELOPMENT PLANNING
(Case Study at the Badan Perencanaan dan Pembangunan (BAPPEDA) in
Subulussalam)**

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Abstract

The purpose of this study is to analyze the effectiveness and efficiency of the implementation of the Bappeda budget in Subulussalam City, to increase knowledge and insight for the author, economical in the procurement and allocation of resources, efficiency in the use of resources in the sense that their use is expected and the results are maximized, and effective in the sense of achieving the desired goals and objectives. The data analysis used is descriptive analysis. The level and criteria for implementing the subulussalam city bappeda budget for 2017 - 2021 vary greatly. The highest level of effectiveness occurred in 2019 and the lowest occurred in 2020. The implementation of the 2017, 2018, 2019, and 2021 budgets is said to be effective, but in 2010 the level of effectiveness is still lacking because the realization of the budget has a significant difference with the budget target. This activity occurred because there were several activities that were budgeted but not implemented, and there was also a connection with the Covid-19 pandemic which made the budget cut. But for other activities that have been budgeted already effective. The implementation of the subulussalam city bappeda budget in 2017 - 2021, as a whole has been managed efficiently, the implementation of the budget from 2017 to 2020, is categorized as very efficient. The implementation of the budget for 2017 - 2020, is categorized as very efficient only in 2021 it is categorized as efficient.

Keywords: *Effectiveness, Efficiency, Budget*

A. Introduction

With the revision of Law No. 22 of 2004 concerning Regional Government and Law No. 25 of 1999 to Law No. 33 of 2004 concerning Financial Balance between the Central and Regional Governments, it is a law related to decentralization policies and regional autonomy. Regional autonomy of local governments is given flexibility in regulating revenues and expenditures in accordance with the interests of their respective regions. Because each region is given the obligation and authority to budget the Regional Budget (APBD). The aim is to improve public services and advance the regional economy, as well as increase efficiency and effectiveness in the implementation of regional autonomy.

The government budget is related to the process of determining the amount of fund allocation for each program and activity in monetary units that use public funds. The public budget is a planning tool as well as a control tool. The budget as a planning tool indicates the targets to be achieved by the government, while the budget as a control tool indicates the allocation of public sources of funds approved by the legislature to spend. Through the spending account data contained in the budget of government institutions/organizations, it will be seen whether the budget that has been made can play a role as a controller for the implementation of government activities.

The implementation of local government cannot be separated from the use and utilization of budgets and regional revenues. And every year also always the local government prepares budget planning or what is often called the regional revenue and expenditure budget. Because the local government budget is related to determining the amount of fund allocation for each program and activity that uses community-owned funds. The budget is a tool for planning targets that must be achieved by the government, as well as a tool for controlling the allocation of public sources of funds approved by the legislature for later spending.

New guidance emerges so that public sector organizations pay attention to value for money in carrying out activities. The desired objectives of the community include accountability regarding the implementation of value for money, namely economical in the procurement and allocation of resources, efficient, (effective) the implementation of value for money, namely economical in the procurement and allocation of resources in the sense that their use is minimized and the results are maximized (maximizing benefits and minimizing costs), and effective (successfully used) in the sense of achieving goals and objectives. Government spending is a stimulus to continue the socioeconomic

recovery and support health reforms, education, and social protection, therefore it needs to be accelerated with good and quality implementation performance.

B. Methods

The type of research used in this study is descriptive research. Descriptive research is research conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting one variable with another variable. The data used in this study are quantitative data. (Kuncoro, 2009, p. 145). Quantitative data is data measured on a numerical scale or numbers. The place where the research was conducted was the Regional Development Planning Agency (BAPPEDA) of Subulussalam City which is located on Jalan Teuku Umar, Simpang Kiri District. The collection of research data at the Subulussalam City Development Planning Agency (BAPPEDA) starts from March 1, 2022 – July 1, 2022. The first step carried out in this study is to define and formulate the problem, next to conduct a library study (preliminary study), determine the model or design of the research, collect data, process and present information, analyze and interpret, and the latter make conclusions.

The data collection method used in this study is the documentation method. In Sarjanaku.com (2022) provides the definition of the documentation method as a way of collecting data obtained from the Strategic Plan (RENSTRA), Medium-Term Development Plan (RPJM), Long-Term Development Plan, and also stored records. In addition, the interview method is also used in data collection. (Sugiyono, 2018, p. 224). Data collection can be done in sharing settings, naturally, in the laboratory with experimental methods, at home with various respondents, at one seminar, discussion, on the road and others. According to Sugiyono (Sugiyono, 2010, p. 335), what is meant by data analysis techniques is the process of searching for data, systematically compiling data produced from interviews, field notes, and documentation, by organizing data into categories, describing into units, performing sintersis, compiling into patterns of choosing which ones are important and which will be studied, and make conclusions so that they are easily understood by yourself and others.

C. Results and Discussion

$$\text{Efficiency} = \frac{\text{Total Realization of Direct Spending Budget}}{\text{Total Budget Realization}} \times 100\%$$

Source: Mahsun (2009)

Decree of the Minister of Home Affairs Number 690,900 – 327 of 1996, the criteria for the level of efficiency of the budget are as follows:

1. If the comparison result is more than 100%, then the budget is said to be very effective.
2. If the result of achievement is between 90%, - 100%, then the spending budget is said to be effective.
3. If the result of achievement is between 80% - 90% then the budget is said to be quite effective.
4. If the result of achievement is between 60% - 80% then the budget is said to be less effective.
5. If the result of achievement is below 60% then the budget is said to be ineffective.

The level of efficiency is measured by comparing the realization of the direct budget with the total realization of the budget.

Overview

Subulussalam City Bappeda has the main task of assisting the Mayor in the field of Regional Development Planning for the implementation of the government, and the implementation of the development of government services to the community.

To carry out these main duties, the Subulussalam City Development Planning Agency has the following functions:

1. Preparation of planning documents for RKP, PRJM and RPJP of Subulussalam City
2. General Policy Makers of regional revenue and expenditure budgets
3. Implementation of planning coordination among other Organizational Units within the scope of the City Government;
4. Preparation of the Subulussalam City Regional Revenue and Expenditure Budget Plan together with the Financial Management, Revenue and Asset Management Office in coordination with the Regional Secretariat;
5. Coordinating research institutional activities and or conducting research for the benefit of regional development planning and development;
6. Preparation of materials for the formulation of policy activities that synergize and strategies towards regional development;
7. Implementation and coordination of research activities related to the fields of science and technology;

8. Implementation of research and development cooperation with research institutions and on a regional and national scale, both government and private / community institutions;
9. Monitoring the implementation of development in the regions;
10. Periodic and periodic reporting of the implementation of development from each source of funds such as the current year's state budget;
11. Implementation of activities related to development planning in accordance with the instructions of the Mayor.

1. Results Research

a. Analysis of the Level of Effectiveness of the Budget

YEAR	Target (Rp)	Realization(Rp)	Effectiveness Level (%)	Criterion
2017	2.455.739.900	2.174.273.790	88,53	Quite Effective
2018	3.483.652.501	3.019.388.229	86,67	Quite Effective
2019	22.898.946.000	2.784.612.575	94,81	Effective
2020	4.152.872.998	2.879.099.644	69,32	Less Effective
2021	7.679.182.941	6.958.550.173	90,61	Effective

Source: *Subulussalm RPKP City Government Work Plan (Processed Data)*

During the budget period of the 2017 -2021 budget, the effectiveness level of the budget is calculated from year to year, sometimes it decreases, sometimes it increases. In 2017 the effectiveness rate of 88.53% decreased in 2018 by 1.86% to 86.67%. After that, it experienced a significant increase in 2019 from 8.14% to 94.81%. In 2021 it experienced a very drastic decline of 25.40% to 69.32% and in 2021 again experienced a high increase of 21.29 to 90.61%. Overall from 2017 to 2021, the level of effectiveness of subulussalam city bappeda shopping has a changing trend, sometimes an increase sometimes decreases. In 2017 and 2018 the effectiveness level was still in the category of quite effective and only in 2020 did it show the less effective category. Meanwhile, 2019 and 2021 have shown an effective category with a percentage range between 90% - 100%.

Analysis of Budget Efficiency Levels

Year	Realization of Direct shopping (Rp)	Shopping Realization (Rp)	Efficient Rate (%)	Criterion
2017	1.140.275.075	2.174.273.790	52,44	Highly Efficient
2018	1.756.504.175	3.019.388.229	58,17	Highly Efficient
2019	1.267.584.888	2.748.621.575	46,11	Highly Efficient
2020	1.543.926.750	2.879.099.644	53,62	Highly Efficient
2021	5.227.807.086	6.958.550.173	75,12	Efficient

Source: Subulussalm RPKK City Government Work Plan (Processed Data)

The tabel above shows the efficiency of the subulussalam city bappeda budget which is propogated from year to year. In 2017 the efficiency rate was 52.44% to 58.17% in 2018. From the point of view of efficiency this change is viewed as a decrease in the level of efficiency, but it is still within the criteria of being very efficient. In 2019, there was a considerable increase in the efficiency rate by 12.06% to 46.11% and had very efficient criteria. Overall, the budget of Subulussalam City Bappeda from 2017 to 2021 has been efficient with an efficiency level below 60% in 2017 - 2020 which is included in the category of very efficient, and only in 2021 the efficiency level is in the range of 60% - 80% which has efficiency criteria.

2. Discussion

a. Effectiveness of the budget of Subulussalam City Bappeda

The budget management of Subulussalam City Bappeda has varying effectiveness criteria from 2017 to 2021. In 2017 and 2018, the effectiveness level of the Subulussalam City Bappeda budget was still within the criteria of being quite effective. This is because the realization achieved is still quite far different to meet the budget targets set. The lowest effectiveness rate occurred in 2010 where the effectiveness rate was only 69.32% and was considered less effective. This happens because the realization of the budget is still too far apart from the budget target. And in 2019 and 2021, the effectiveness level of the Subulussalam City bappeda has met the effective criteria because the budget realization is close to the budget target which is quite far the difference with the expected target due to the activities that were budgeted, but not implemented. Tpi for other activities that are budgeted they have implemented it effectively. They promise that when the activities they program have been realized and are as expected, they will be said to be effective.

b. Budget Efficiency of Subulussalam City Bappeda

The level of efficiency of the subulussalam city bappeda budget is already very good, where in 2017 to 2020 the budget of the Subulussalam City Bappeda has very efficient criteria and only in 2021 has efficient criteria.

In calculating the level of efficiency, it is based on the cost. Where efficiency will only be determined by accuracy in empowering the use of the spending budget by giving priority to input factors that can refer to the achievement of goals included in the direct spending budget. Where there are several activities that are budgeted and included in the direct spending budget. These activities are:

- 1) Office Administration Service Program
- 2) Apparatus Facilities and Infrastructure Improvement Program
- 3) Apparatus Disciplinary Improvement Program
- 4) Apparatus Resource Capacity Building Program
- 5) Improvement Program for Development of Performance and Financial Achievement Reporting System
- 6) Data/information development program
- 7) Spatial Planning Program
- 8) Development Cooperation Program
- 9) Regional Spatial Planning Program
- 10) Space Utilization Program
- 11) Information Cooperation Program with Mas Media
- 12) Economic Planning Program
- 13) Regional Development Planning Program
- 14) Social and Cultural Planning Program
- 15) Poverty Reduction Coordination Program

In accordance with the understanding of efficiency, namely the use of funds that are minimally possible to achieve maximum results, the Subulussalam City Bappeda has succeeded in meeting the level of budget efficiency through 15 programs that have been carried out. Subulussalam City Bappeda has successfully used small funds to run the 15 programs above and can achieve maximum results.

D. Conclusion

Based on the results of the research conducted, it can be shown:

1. The level and criteria for the effectiveness of the subulussalam city bappeda budget in 2017 - 2021 vary. The highest effectiveness rate occurred in 2019 and the lowest occurred in 2020. The budget for 2017, 2018, 2019, and 2021 can already be said to be effective, but in 2020 the level of effectiveness is still lacking because the realization of the budget has a far difference from the budget target that must be achieved. This difference occurs because there are some activities that are budgeted, not implemented. But for other activities that have been budgeted, they have been implemented effectively. It is hoped that the activity will be said to be effective.
2. The budget of the Bappeda in Subulussalam City for 2017 - 2021, as a whole, has been processed efficiently. Where the 2017 to 2020 tea shopping budget, is categorized as very efficient and only 2021 is categorized as efficient. The processing of the budget has met the efficiency requirement, namely the use of minimum funds to achieve maximum results.

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