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COMPARATIVE ANALYSIS OF REGIONAL REVENUE AND EXPENDITURE BUDGET (APBD) DATA FOR WEST LOMBOK REGENCY AND MATARAM CITY

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ABSTRACT

This research aims to compare the financial performance between West Lombok Regency and Mataram City through analysis of Regional Original Income (PAD) and Regional Revenue and Expenditure Budget (APBD) from 2018 to 2022. The method used is quantitative descriptive analysis with secondary data obtained from financial reports of each regional government. The research results show that West Lombok Regency has a higher financial effectiveness ratio than Mataram City, which shows a better ability to realize PAD in accordance with APBD targets. However, the level of financial independence of the two regions is still relatively low, with high dependence on transfer funds from the central government. Overall, this research provides an overview of regional financial performance which can be used as a basis for improving regional financial management in the future.

Keywords: *APBD, regional financial management, West Lombok, Mataram, fiscal policy, comparison*

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1. INTRODUCTION

The development and governance of a region is very dependent on regional financial management. Regional governments use the Regional Revenue and Expenditure Budget (APBD) to plan, allocate and monitor the use of financial resources to achieve development goals. West Lombok Regency and Mataram City, which are in West Nusa Tenggara Province, play an important role in economic growth and development in the area. Despite their close geographic locations, the two regions have different fiscal policies and budget priorities.

APBD shows regional development priorities and public policies. Previous studies show that effective regional financial management can encourage the achievement of sustainable development and increase the efficiency and effectiveness of public services (Mardiasmo, 2018). Conversely, socio-economic problems can arise as a result of poor management, which can hinder progress (Halim, 2017).

Due to the large area and widely spread population, equitable development and provision of public services is an obstacle in West Lombok Regency. On the other hand, a different fiscal policy is needed to manage the urban dynamics of Mataram City as the provincial capital. Therefore, a comparative analysis of the APBDs of these two regions can provide an overview of how each regional government handles local problems through fiscal policy.

This study focuses on analyzing APBD data for Mataram City and West Lombok Regency during the 2018–2022 period. The amount of the budget, regional income sources, expenditure allocations, and policy priorities are some of the aspects that will be analyzed in this research. The aim of this research is to identify differences and similarities in regional financial management between the two regions and to evaluate how their fiscal policies impact regional development.

"Good regional financial management will increase public trust and accelerate regional economic development," said Mardiasmo (2018). In addition, Halim (2017) emphasized that regional financial management must be transparent and accountable to ensure that public funds are used properly.

This comparative research aims to provide suggestions that can help local governments plan and manage APBD more efficiently. It is hoped that the results can become a reference for policy makers to improve public services and community welfare as well as improve regional financial

management systems.

Therefore, this research will make a significant contribution to the field of regional financial research, especially with regard to West Lombok Regency and Mataram City. In addition, it is hoped that this research can add to academic literature on public financial management in Indonesia and provide practical insights for local governments to help achieve sustainable and inclusive development.

2. LITERATURE REVIEW

A. *Theoritical review*

a. Regional Financial Management

Regional financial management is a process that involves planning, budgeting, implementation, administration, reporting, accountability and supervision of regional finances. According to Mardiasmo (2018), good regional financial management will increase the efficiency and effectiveness of the use of public funds and support the achievement of regional development goals.

b. Regional Revenue and Expenditure Budget (APBD)

APBD is the regional government's annual financial plan which is approved by the DPRD and stipulated by regional regulations. The APBD consists of regional income, regional expenditure and financing. Regional income includes local original income (PAD), balancing funds, and other legitimate income. Regional spending is used to finance all regional government activities in the context of public services (Mahmudi, 2016).

c. Efficiency and Effectiveness of APBD Management

Efficiency in APBD management is related to the economical use of financial resources to achieve maximum results. Effectiveness refers to the extent to which the results achieved are in accordance with the stated objectives. According to Halim (2017), transparency and accountability are two important aspects in regional financial management to ensure that public funds are used efficiently and effectively.

B. Literature Review

In the article entitled "COMPARATORY ANALYSIS OF APBD UTILIZATION FOR SHOPPING POSTS IN INTENDANT AND NON-INcumbent Electoral Areas" published in the Indonesian Journal of Accounting and Governance , Vol. 4, no. 1, June 2020, Alwan Sri Kustono , Wulan Pangestu, and Rochman Effendi from the Accounting Department of Jember University concluded that all APBD expenditure items were not used as objects of politicization by the incumbent . The trend of increasing expenditure items does not only occur in incumbent incumbent regions , but also in several non-incumbent electoral districts and non-electoral regions. The significant increase in incumbent regions cannot be concluded as the politicization of regional budgets and expenditures to maintain their power. In other words, this research found no evidence of politicization of regional budgets and expenditures by incumbents to strengthen their position of power in regional head elections.

The results of research conducted by Hafilah Hamimi, Yeka Hendriyani, and Dony Novaliendry with the title "Analysis of Regional Revenue and Expenditure Budget Data Using K- Means Clustering and Forecasting (Case Study on DPKA Padang City)" show that the use of data mining techniques , namely the K clustering method - Means and forecasting with multiple linear regression can help local governments such as the Padang City DPKA in identifying and grouping the large amount of regional income and expenditure budget (APBD) data. This research was published in the Department of Electronics Engineering, Faculty of Engineering, Padang State University in 2014. Through K- Means clustering, APBD data can be classified based on certain similar characteristics, making it easier for local governments to understand APBD data patterns. Meanwhile, forecasting using multiple linear regression allows local governments to predict the value of the APBD in the future, which can be used as a reference in preparing budgets and financial planning in the future. Thus, the use of data mining techniques has proven effective in helping local governments manage and analyze APBD data more efficiently and structured.

The research entitled "Comparative Analysis of Regional Expenditure Budgeting in Handling the Covid-19 Pandemic in the Mempawah Regency Government and the Kubu Raya Regency Government" was conducted by Dwi Purwani from the Master of Accounting, Gadjah Mada University, Indonesia. This research was published in Volume 7, Number 2 of the Government Accounting Journal in 2023. The results of the research show that the level of suitability of regional budgeting (APBD) based on statutory provisions in Mempawah Regency and Kubu Raya Regency is the same, namely

86.36%. However, there are differences in the APBD budgeting process for handling Covid-19, including determining program rationalization, rationalization calculations, spending allocation, ability to fulfill rationalization, legislative involvement, reporting, and problems faced. Apart from that, in preparing the budget for handling Covid-19, there was pressure from institutional isomorphism , the dominant one being coercive isomorphism in the two district governments. Overall, this research compares APBD budgeting practices for handling the Covid-19 pandemic in two district governments, with findings of similarities and differences as well as isomorphism pressures that influence the budgeting process.

The research journal entitled "Performance Analysis of the Realization of the Regional Revenue and Expenditure Budget (APBD) of the West Lombok Regency Government" was written by Muhammad Syukri, Saepul Pahmi, and Suandi, and published in GEMILANG: Journal of Management and Accounting Volume 2 Number 1 in January 2022. Research This aims to determine the financial performance of the West Lombok Regency Government using financial ratio analysis of the 2018-2020 APBD. The research method used is a quantitative method, with data in the form of a summary of the 2018-2020 West Lombok Regency APBD obtained from the Regional Financial and Asset Management Agency. Based on the results of calculating financial ratios, it can be concluded that the financial performance of West Lombok Regency is quite effective and very efficient. The recommendation from this research is that West Lombok Regency government management can increase and maximize Regional Original Income (PAD) for the following years. Overall, this research analyzes the financial performance of the West Lombok Regency regional government based on calculations of various APBD financial ratios, and concludes that in general the performance is quite good but efforts are needed to increase PAD.

This research is entitled "Analysis of the Regional Revenue and Expenditure Budget (APBD) in the Regional Government of Berau Regency" written by Rahmawati from the Muhammadiyah University of Berau. This research was published in the Journal of Economics & Sharia Economics Vol 6 No 1, January 2023. This research aims to analyze the growth rate of Budget Over Remaining (SiLPA) and identify and describe the factors that have caused the occurrence of SiLPA over the last five years in financial reports Berau Regency government. This research is a quantitative descriptive study with a population in the form of a report on the realization of the Berau Regency APBD for the 2017- 2021 Fiscal Year. The research results show that there is dependence on external funds, as well as the lack

of quality of regional budget absorption, which causes dependence in budget management. Apart from that, the growth rate of SiLPA in the Berau Regency APBD in the last five years has tended to fluctuate. The factors that cause SiLPA are low budget absorption, unbudgeted revenues, and budget savings. Therefore, it is necessary to improve the quality of regional budget absorption as well as more realistic and accountable budget planning .

Based on the results of the analysis carried out by Putri Dini Shofaturrahmah , Selamet Daroini, and Kumba Digdowiseiso in their research entitled "Analysis of the Financial Capacity of the Semarang City Regional Government for the 2018-2022 Period" published in the Journal of Economics and Business Volume 15 Number 3 of 2023, it can be concluded that Semarang City's regional financial capabilities generally show good conditions. Despite experiencing fluctuations, the level of financial effectiveness of the City of Semarang remains in the effective and balanced category. The decline that occurred in 2019 and 2021 did not exceed 15% and is still included in the effective category. Even an increase above 5% is also included in the effective category. In terms of financial efficiency, Semarang City experienced a change from the inefficient category in 2018-2019 to the efficient category with an efficiency level below 100% in 2020-2022. Semarang City's regional financial independence, although experiencing fluctuations, remains in the delegation category. In addition, the analysis of the Degree of Fiscal Decentralization carried out by Putri Dini Shofaturrahmah , Selamet Daroini, and Kumba Digdowiseiso shows an increase in the regional financial capacity of Semarang City by more than 1% every year during the 2018-2022 period. Overall, it can be concluded that the regional financial capacity of Semarang City during the 2018-2022 period is in good condition and effective, with increasing efficiency and growing financial independence.

In this research, Dr. Ali Saleh Ahmed Alarussi from Xiamen University - Malaysia and Sana'a University , Yemen, studied the relationship between various financial ratios and efficiency in listed public companies in Malaysia. The research results were published in the Journal of Asian Finance, Economics and Business

Volume 7, Number 3, shows that tangibility and liquidity have a negative relationship with efficiency ratios. This means that the higher the tangible assets and liquidity, the lower the company's efficiency. On the other hand, profitability, working capital, and productivity have a positive relationship with the efficiency ratio, where an increase in these three variables is associated with higher efficiency. Meanwhile, leverage shows mixed results. The debt ratio has a positive but not

significant relationship with efficiency, while the debt-equity ratio shows a significant negative relationship. This research was conducted by Alarussi in the 2012-2014 period, where the Malaysian currency experienced a depreciation of more than 45% during that period. This context makes the research results interesting to study. In addition, this study also examines new variables such as company visibility, tangibility , and productivity in the Malaysian context, which differentiates it from previous research. These findings can help managers, shareholders, investors, regulators and other stakeholders in Malaysia make better decisions to improve corporate efficiency, which in turn can improve investment and the economy as a whole.

James Mutuota Study Wakiru and Liliane Pintelon from KU Leuven , Peter Muchiri from School of Engineering, Dedan Kimathi University of Technology, and Peter Chemweno from the University of Twente aims to empirically compare data maintenance and application practices in asset performance management (APM) between companies in developed and developing countries, using Belgium and Kenya as representatives. This paper describes empirical observations and theoretical interpretations regarding maintenance practices under APM. The study was published in the International Journal of Quality & Reliability Management , Volume 38, No. 5, found that in Belgium and Kenya, reductions in maintenance and operational budgets, return on assets, aging of assets, and compliance aspects were important factors influencing the implementation of asset maintenance and performance management (AMPM). However, significant differences were found in staff competency in managing advanced maintenance techniques such as vibration analysis and algorithms predictive , where Belgian companies show higher capabilities. In both countries, most companies use a combination of manual and computer-based tools to integrate and analyze various maintenance data sets. Standardization of maintenance data management and loss of maintenance knowledge are common challenges that adversely impact effective data utilization. This paper provides insights for researchers and practitioners regarding the articulation of effective maintenance strategies, benchmarks, and challenges in their implementation, taking into account the different operational contexts between developed and developing countries. It contributes to theory and practice in the field of AMPM, where there is no previous empirical research comparing developed and developing countries. These findings demonstrate the need for developing countries to invest in improving staff competency, implementing predictive and condition-based maintenance strategies, and improving maintenance

data management practices to improve overall asset performance. This study highlights the importance of contextual factors in shaping data maintenance and implementation strategies for effective APM.

The study, entitled "The Influence of Financial Performance of The APBD on The Human Development Index (IPM) of Toraja Utara District (Perspective Post Expansion)" was carried out by Bartholomeus Tandiayu and Wihalminus Sombolayuk from the Department of Management, Atma Jaya University Makassar. This research was published in the journal Regional Financial Management, Volume 17, Number 3. They analyzed the influence of the financial performance of the North Toraja Regency Regional Revenue and Expenditure Budget (APBD) on the Human Development Index (HDI) after it was expanded from Tana Toraja Regency. APBD financial performance is measured using the growth ratio, regional financial independence ratio, revenue effectiveness ratio, and expenditure efficiency ratio. The aim of this research is to determine the partial and simultaneous influence of APBD performance indicators on HDI as the dependent variable. The data used covers the 2009-2019 period, where APBD data shows an increasing trend in both income and expenditure from year to year. Previous research shows mixed results regarding the influence of APBD spending, especially in the education and health sectors, on HDI. Some studies find positive effects, while others do not. The key question of this research is whether the composition and performance of the APBD in North Toraja Regency has been able to improve community welfare as reflected in the HDI indicators. Statistical analysis using the t-test and F-test was carried out to determine the significance of the relationship between APBD performance indicators and HDI.

The effectiveness ratio shows very effective results with an average of 101.12% according to the research results of Anisa Juliarti, Dedi Hariyanto, and Farah Juniati Meutianingrum from the Journal of Economics and Business Volume 12, No. 3 of 2021. This indicates that the realization of Kubu Raya Regency's Original Regional Income (PAD) is able to reach or even exceed the set budget target. Meanwhile, the efficiency ratio is also classified as efficient with an average of 86.08%, indicating that the costs incurred to obtain regional income are quite efficient. However, the fiscal decentralization ratio only reached 33.34%, which means it is in the medium category. This indicates that the contribution of PAD to total regional income is still not optimal and needs to be increased. Furthermore, the regional financial dependency ratio shows a very high figure, an average of 79.13%,

indicating that the Kubu Raya Regency Government is still very dependent on fund transfers from the central and provincial governments. The implication of the results of this analysis is that the Kubu Raya Regency Government needs to further explore existing regional potential in order to increase PAD, so as to reduce regional financial dependence in implementing fiscal decentralization in the coming years.

Research conducted by Kunta Dwi Pangestu1) and Nina Andriana2) with the title "FINANCIAL RATIO ANALYSIS IN ASSESSING THE FINANCIAL PERFORMANCE OF THE REGIONAL GOVERNMENT OF PEMALANG

REGENCY" which was published in the International Journal of Economics , Business and Accounting Research (IJEBAR), Vol-6, Issue-3, 2022 aims to evaluate the financial performance of the Pemalang Regency Government during 2018-2020 using regional financial ratio analysis. The financial ratios used include regional financial independence ratios, effectiveness ratios, efficiency ratios, harmony ratios and growth ratios. The research results show that the financial independence of Pemalang Regency is still very low. However, the Pemalang Regency Government is quite effective and efficient in managing its revenue. Meanwhile, the Pemalang Regency Government prioritizes the use of its funds for operational expenditure rather than capital expenditure. Furthermore, the results of the growth ratio calculation show that the income and expenditure growth of Pemalang Regency from 2018-2020 tends to fluctuate. Overall, it is concluded that the financial performance of the Pemalang Regency Government needs to be improved, especially in increasing its financial independence from central government transfers.

Based on research entitled "The Effect of Fiscal Stress , Original Local Government Revenue and Capital Expenditures on efficiency Ratio of Government Independence Performance" conducted by Ermatry Hariani and Retno Febriyastuti Widyawati in the Indonesian Journal of Accounting and Finance Volume 18 No. 1, several important results were found. First, this research used panel data analysis from 2016 to 2018 in all provinces in Indonesia. The main results shows that Regional Original Income (PAD) has a significant positive influence on the efficiency ratio of government independence performance stress) and capital expenditure do not have a significant influence on the efficiency ratio of government independence performance. This means that the higher the PAD, the higher the efficiency ratio of government independence performance. However, the level of fiscal pressure and capital expenditure does not significantly affect this efficiency ratio. Thus, it

can be concluded that the ability of local governments to generate their own income (PAD) is a key factor in increasing the independence and efficiency of their financial performance, while fiscal pressure and the level of capital expenditure are not the main factors influencing it. This study emphasizes the importance of local governments to focus on increasing their own local revenue (PAD) in order to increase financial independence and efficiency, rather than relying too heavily on fiscal transfers from the central government.

Analysis of "Effectiveness and Efficiency of Regional Budgets in Improving the Welfare of Persons with Disabilities in Magelang City", written by Yulida Army Nurcahya, Risma Wira Bharata , Siti Afidatul Khotijah, Heni Hirawati , and Utpala Rani from Tidar University, Magelang, Indonesia, published in the Accounting Journal and Management, Volume 12, Number 3, 2022. This research aims to analyze the effectiveness and efficiency of the Magelang City Regional Revenue and Expenditure Budget (APBD) in improving the welfare of people with disabilities , using mixed methods methods by collecting data through questionnaires and interviews, as well as determining samples using purposive sampling techniques. The research results show that the Magelang City APBD has proven to be effective and efficient in improving the welfare of people with disabilities , with supporting factors in the form of support from the local government, such as providing opportunities for people with disabilities to participate in Musrenbang and be involved in expo activities .

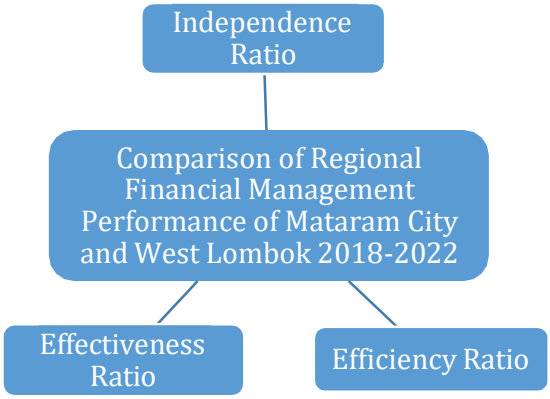
Examining The Relationship Among Liquidity , Efficiency , And Profitability Using Accounting Ratios In Indian Cement Industry is an article with number E2510092938 published in the journal Volume 26, number 3. This research was conducted by Dr. Faran Ahmad Qadri, Associate Professor from the Department of Accounting , College of Business, King Abdulaziz University , KSA, and aims to investigate how liquidity and efficiency affect the profitability of Indian cement industry companies by using 10 years of accounting data to calculate relevant ratios. This study uses a sample of 5 cement companies listed on the Indian stock exchange and applies multiple regression techniques to evaluate the impact of liquidity and management efficiency on profitability. Liquidity is measured using the current ratio and quick ratio, while management efficiency is measured using the inventory turnover ratio (ITR) and asset turnover ratio (ATR). Profitability is measured using net profit margin (NPM), return on assets (ROA), return on capital employed (ROCE), and return on equity (ROE). The main findings show that there is a significant impact of ITR and ATR on profitability, but the current ratio and quick ratio do not have a significant impact on

profitability in all companies studied.

Based on the results of research entitled " Effectiveness and efficiency Analysis : Budget Revenue and Regional Spending in Bengkulu Province , Period 2017-2021" is an Accounting Journal Vol. 12, No. 3 conducted by Mutiara Rizki Utami and Yefriza Yefriza from Bengkulu University. This research aims to analyze the effectiveness and efficiency of managing the regional revenue and expenditure budget (APBD) of Bengkulu Province during the 2017-2021 period. This research uses quantitative descriptive methods with secondary data originating from Bengkulu Province APBD realization reports. The analytical tool used is the ratio of effectiveness and efficiency, starting from data reduction, data presentation, to drawing conclusions. The research results show that the level of effectiveness of Bengkulu Province APBD management during the 2017-2021 period reached an average of 91%. This indicates that the management of the Bengkulu Province APBD has been effective in achieving regional income and expenditure targets.

Furthermore, the level of efficiency in Bengkulu Province APBD management during the same period reached an average of 69%, indicating that Bengkulu Province APBD management has been carried out efficiently in optimizing existing resources. Thus, overall, the management of the Bengkulu Province APBD in the 2017-2021 period can be said to have been effective and efficient.

C. Conceptual Framework



D. Hypothesis

Based on theoretical studies and previous research, the hypothesis proposed in this research is:

- Hypothesis 1: There is a significant difference in regional income structure between West Lombok Regency and Mataram City during the 2018-2022 period.
- Hypothesis 2: There is a significant difference in regional expenditure allocation between West Lombok Regency and Mataram City during the 2018-2022 period.
- Hypothesis 3: The efficiency and effectiveness of APBD management in West Lombok Regency and Mataram City are significantly different during the 2018-2022 period.

This research will test this hypothesis using APBD data from the two regions during the specified period. Analysis will be carried out to evaluate whether there are significant differences in regional financial management between West Lombok Regency and Mataram City, as well as the factors that influence these differences.

3. RESEARCH METHOD

This research uses a quantitative descriptive method with a comparative approach. Descriptive research aims to describe the characteristics and phenomena that occur in APBD management in West Lombok Regency and Mataram City during the 2018-2022 period. A comparative approach is used to compare the financial performance of the two regions based on the regional financial independence ratio, regional financial effectiveness ratio, and regional financial efficiency ratio.

This research uses secondary data obtained from the APBD realization report for West Lombok Regency and Mataram City during the 2018–2022 period. This report includes information about regional income, expenditure and financing. The main data sources are the Regional Financial and Asset Management Agency (BPKAD), as well as official publications from the respective regional governments.

Data is collected through documentation, which is secondary data collection from APBD realization reports published by the regional government. After being processed and

analyzed, the data is used to produce information that is relevant to the research objectives.

In this research, data will be analyzed in two parts. First, descriptive analysis will describe financial performance. Descriptive analysis will be carried out using the following calculation formula:

1. Regional Financial Independence Ratio

The regional financial independence ratio shows the region's ability to finance its own government activities by relying on local original income (PAD) without relying on assistance from the central or provincial government. Data from this ratio will show the extent to which the two regions depend on local revenue compared to other sources of income. This ratio is calculated by the formula:

$$\textbf{Independence Ratio} = \frac{\textbf{Regional Original Income}}{\textbf{Balancing Fund}} \times 100\%$$

Table 1.1 Relationship Patterns and Level of Regional Independence

Self-Sufficiency Ratio (%)	Financial capabilities	Relationships Patterns
0-25	Very low	Instructive
>25-50	Low	Consultative
>50-75	Medium	Participative
>75-100	High	Delegative

2. Regional Financial Effectiveness Ratio

The regional financial effectiveness ratio measures the extent to which the realization of regional income is in accordance with the targets that have been set. Data from this ratio will show how effective the two regions are in realizing the income targets that have been set. This ratio is calculated by the formula:

$$\textbf{Effectiveness Ratio} = \frac{\textbf{Realized Revenue}}{\textbf{Income Target}} \times 100\%$$

Table 2.1 Financial Performance Effectiveness Criteria

Percentage of Financial (%)	Criteria
>100	Very effective
>90-100	Effective
>80-90	Moderately effective
>60-80	Less effective
≤ 60	Note effective

3. Regional Financial Efficiency Ratio

The regional financial efficiency ratio measures how effectively the regional budget is used in achieving the desired output or results. Data from this ratio will show how efficient the two regions are in managing the expenditure budget to achieve the desired output. This ratio is calculated by the formula:

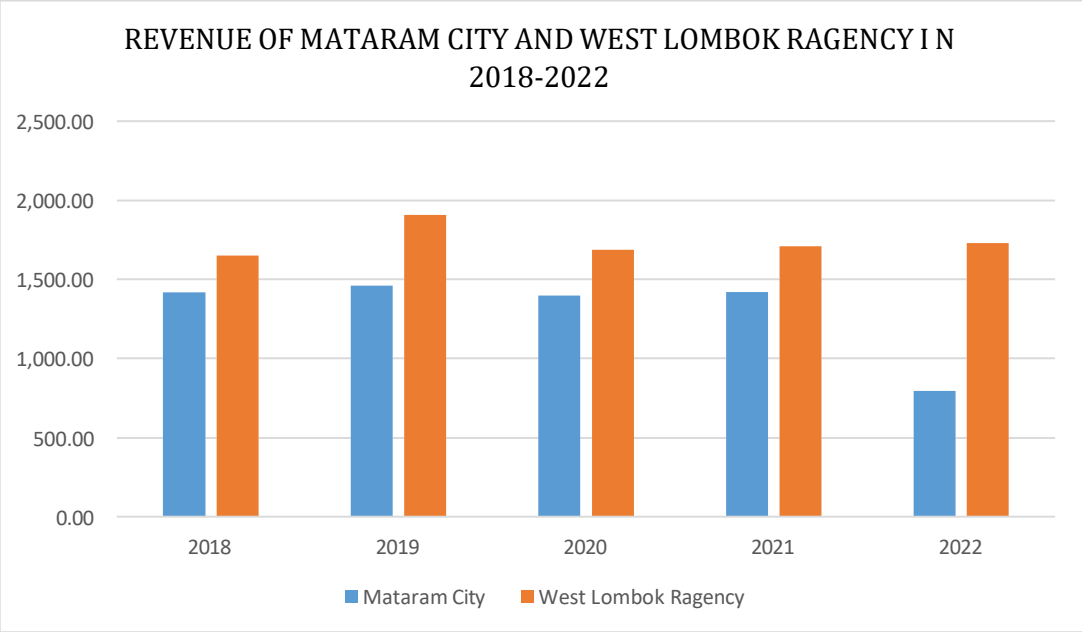
$$\textbf{Efficiency Ratio} = \frac{\textbf{Realized Regional Expenditures}}{\textbf{Realization of Regional Income}} \times 100\%$$

Table 3.1 Financial Performance Efficiency

Percentage of financial performance (%)	Financial capabilities
>100	Inefficient
90-100	Less efficient
80-90	Moderately efficient
60-80	Efficient
< 60	Highly efficient

4. RESULT AND DISCUSSION

To understand the condition of mataram city and west Lombok can be showed in the graph below:



The graph presented depicts the income trend (revenue) of Mataram City and West Lombok Regency during the period 2018 to 2022. A more comprehensive analysis can be carried out based on the data displayed. Starting from Mataram City, it can be seen that this area's income experienced quite significant fluctuations during that period. In 2018, Mataram City recorded revenues of around IDR 1.36 trillion. This figure then increased in 2019 to around IDR 1.46 trillion, which was the peak income during the period observed. But unfortunately, this positive trend did not continue in the following years. In 2020, Mataram City's income was recorded to have decreased drastically to only around IDR 1.24 trillion. This decline was likely caused by the impact of the COVID-19 pandemic which hit economic sectors in this region. Even though it improved slightly in 2021 with revenues of around IDR 1.31 trillion, the downward trend occurred again in 2022 with revenues of only around IDR 797 billion. This is the lowest point for the last 5 years.

Quite different conditions can be seen in West Lombok Regency. In general, this area's income tends to be more stable and consistently higher than Mataram City. In 2018, West Lombok Regency recorded income of around IDR 1.47 trillion, then increased significantly in 2019 to around IDR 1.91 trillion, which was the peak income during the

observed period. Even though it experienced a decline in 2020 to around IDR 1.69 trillion due to the pandemic, West Lombok Regency was able to maintain relatively better performance compared to Mataram City in the following years. In 2021, this regional income was recorded at around IDR 1.47 trillion and will increase again in 2022 to around IDR 1.73 trillion.

This significant difference in income trends between Mataram City and West Lombok Regency indicates that there are differences in the economic structure and income source base of the two regions. West Lombok Regency appears to have better economic resilience in facing challenges, including the impact of the COVID-19 pandemic, compared to Mataram City.

In accordance with the research method described above, the following is an analysis of the independence, effectiveness and efficiency ratios used to assess the regional financial performance of Mataram City and West Lombok.

1. Regional Financial Independence Ratio

Table 1.1 Mataram City Regional Financial Independence Ratio

Year	Realized PAD	TKDD	Ratio Independent	Criteria
2018	358.83	919	39%	Low
2019	373.95	928.59	40%	Low
2020	363.17	886.68	41%	Low
2021	392.56	881.77	45%	Low
2022	223.56	573.65	39%	Low

Mataram City's regional financial independence ratio during the 2018-2022 period is in the "Low" criteria, with a ratio value of between 39%-45%. This shows that the level of dependence of the Mataram City Government on fund transfers from the central government (TKDD) is still quite high, where Original Regional Revenue (PAD) is only able to finance around 39% -45% of total regional expenditure. In general, Mataram City's regional financial independence ratio did not experience a significant increase during this period, it was still at the "Low" criteria.

Table 1.2 West Lombok Regional Financial Independence Ratio

Year	Realized PAD	TKDD	Ratio Independent	Criteria
2018	216.92	1,272.33	17%	Very low
2019	247.12	1,464.76	17%	Very low
2020	219.04	1,301.97	17%	Very low
2021	294.9	1,271.50	23%	Very low
2022	268.8	1,370.52	20%	Very low

Meanwhile, the regional financial independence ratio of West Lombok Regency during the 2018-2022 period is in the "Very Low" criteria, with a ratio value of between 17%-23%. This shows that the level of dependence of the West Lombok Regency Government on fund transfers from the central government (TKDD) is very high, where PAD is only able to finance around 17%

-23% of total regional expenditure. In general, the regional financial independence ratio of West Lombok Regency also did not experience a significant increase during this period, still remaining at the "Very Low" criteria.

Overall, these data illustrate that both Mataram City and West Lombok Regency still have a high level of dependence on fund transfers from the central government (TKDD) to finance their regional expenditure. This indicates that the two regions have not been able to optimally explore and utilize their PAD resources to finance regional expenditure.

2. Regional Financial Effectiveness Ratio

Table 2.1 Regional Financial Effectiveness of Mataram City

Years	Revenue Realization Results (Rp)	Regional Revenue Budget (Rp)	Effectiveness Ratio	Criteria
2018	1,418.43	1,412.05	100%	Effective
2019	1,462.80	1,415.51	103%	Very Effective
2020	1,396.01	1,504.22	93%	Effective
2021	1,419.89	1,421.08	100%	Effective

2022	797.21	1,411.20	56%	Ineffective

The regional financial effectiveness ratio of Mataram City during the 2018-2022 period is in the "Effective" and "Very Effective" criteria, with a ratio value of between 93%-103%. This shows that the Mataram City Government is able to realize Regional Original Income (PAD) in accordance with the targets set in the Regional Revenue and Expenditure Budget (APBD). In 2019, the Mataram City regional financial effectiveness ratio was at the "Very Effective" criteria with a value of 103%, indicating the Mataram City Government's ability to realize PAD exceeding the set targets. However, in 2022 the Mataram City regional financial effectiveness ratio will fall to 56% or in the "Ineffective" criteria, indicating a decline in the Mataram City Government's ability to realize PAD according to the target.

Table 2.2 West Lombok Regional Financial Effectiveness Ratio

Years	Revenue Realization Results (Rp)	Regional Revenue Budget (Rp)	Effectiveness Ratio	Criteria
2018	1,651.94	1,747.30	95%	Effective
2019	1,908.04	1,964.65	97%	Effective
2020	1,687.93	1,840.98	92%	Effective
2021	1,709.67	1,747.00	98%	Effective
2022	1,732.19	1,767.31	98%	Effective

The regional financial effectiveness ratio of West Lombok Regency during the 2018-2022 period is in the "Effective" criteria, with a ratio value of between 92%-98%. This shows that the West Lombok Regency Government is able to realize PAD in accordance with the targets set in the APBD, although it does not exceed the target as happened in Mataram City in 2019. In general, the regional financial effectiveness ratio of West Lombok Regency is quite stable and consistently at "Effective" criteria during the period.

Overall, these data illustrate that both Mataram City and West Lombok Regency have quite good capabilities in realizing PAD in accordance with the targets set in the APBD, except for Mataram City in 2022 which will experience a decline in effectiveness. This indicates that the two regions are able to manage regional finances effectively.

3. Regional Financial Efficiency Ratio

Table 3.1 Mataram City Regional Financial Efficiency Ratio

Years	Realization of Regional Expenditure (Rp)	Regional Revenue Realization (Rp)	Efficiency Ratio (Rp)	Criteria
2018	1,435.55	1,418.43	101%	Inefficient
2019	1,449.11	1,462.80	99%	Less Efficient
2020	1,457.70	1,396.01	104%	Inefficient
2021	1,382.35	1,419.89	97%	Less Efficient
2022	1,185.06	797.21	149%	Inefficient

Mataram City's regional financial efficiency ratio during the 2018-2022 period is in the "Less Efficient" and "Inefficient" criteria, with a ratio value of between 97%-149%. This shows that the Mataram City Government has not been fully able to reduce regional costs or expenditures in accordance with the realized Regional Original Income (PAD) targets. In 2018, 2020 and 2022, the Mataram City regional financial efficiency ratio is in the "Inefficient" criteria with a ratio value exceeding 100%, indicating that the realization of regional spending is greater than the realization of PAD. This condition shows that the Mataram City Government needs to make efforts to increase the efficiency of regional financial management.

Table 3.2 West Lombok Regional Financial Efficiency Ratio

Years	Realization of Regional Expenditure (Rp)	Regional Revenue Realization (Rp)	Efficiency Ratio	Criteria
2018	1,641.96	1,651.94	99%	Less Efficient
2019	1,862.39	1,908.04	98%	Less Efficient
2020	1,784.07	1,687.93	106%	Inefficient
2021	1,661.84	1,709.67	97%	Less Efficient
2022	1,741.27	1,732.19	101%	Inefficient

The regional financial efficiency ratio of West Lombok Regency during the 2018-

2022 period is in the "Less Efficient" criteria, with a ratio value of between 97%-106%. Even though it is in the "Less Efficient" criteria, the regional financial efficiency ratio value of West Lombok Regency tends to be better than Mataram City. This shows that the West Lombok Regency Government is relatively more efficient in managing regional finances, but still needs to make improvements to achieve the "Efficient" criteria.

Overall, these data illustrate that both Mataram City and West Lombok Regency are not fully efficient in managing regional finances. Regional governments need to make efforts to increase efficiency, such as reducing unproductive regional spending, increasing regional income, and evaluating budget allocations.

5. CONCLUSION AND SUGGESTION

A. Conclusion

From the results that have been carried out and presented, there are several conclusions that can be concluded that:

1. Regional Financial Effectiveness: West Lombok Regency shows a consistently higher financial effectiveness ratio compared to Mataram City during the 2018-2022 period. West Lombok is able to realize PAD between 92%-98%, while Mataram City shows fluctuations with a significant decline in 2022.
2. Regional Financial Independence: The level of financial independence of the two regions is still relatively low, with the ratio of PAD to total regional expenditure indicating high dependence on fund transfers from the central government. West Lombok is in the "Very Low" criteria with a ratio of between 17%-23%, while Mataram is in the "Low" criteria with a ratio of between 39%-45%.
3. Regional Financial Efficiency: Both regions show varying efficiency performance. West Lombok shows better efficiency with a ratio of between 92%-98%, while Mataram shows several years of significant inefficiency, especially in 2022.

B. Suggestion

From the results and conclusions that have been presented, there are also several suggestions that can be given, namely:

1. Increase in PAD: From this perspective, both regions need to identify and optimize new sources of PAD and increase efforts in collecting regional taxes and levies to reduce dependence on transfer funds from the central government.
2. Financial Management Efficiency: In this case, the Mataram City government in particular needs to increase efficiency in regional financial management to ensure that regional spending does not exceed the realized PAD. Steps such as more realistic budget planning and close monitoring of spending can help achieve this.
3. Financial Manager Capacity Development: Training and capacity building is needed for regional financial managers to understand and apply best practices in public financial management. This can include the use of information technology to increase transparency and accountability in financial management.
4. Inter-Regional Cooperation: West Lombok Regency and Mataram City can increase cooperation in sharing best practices and successful strategies in regional financial management. This collaboration can include implementing joint projects that can increase the efficiency and effectiveness of resource management.

By implementing the suggestions above, it is hoped that the two regions can improve their financial performance and achieve a higher level of independence in regional financial management.

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