

## Analysis of Regional Government Financial Performance Based on Realization of Regional Revenue and Expenditure Budget (Study of Gerbangkertosusila Regency/City)

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### Article Info

#### Keyword:

Efficiency Ratio , Effectiveness Ratio , Independence Ratio, Harmony Ratio, Growth Ratio.

### ABSTRACT

This study aims to analyze the financial performance of local governments in the Gerbangkertosusila area, East Java Province, by comparing performance between regions based on the Realization of the Regional Revenue and Expenditure Budget (APBD) for the 2019-2024 fiscal year. The Gerbangkertosusila area covers several regencies and cities that have a strategic role in the economy of East Java. Financial performance is analyzed using the Efficiency Ratio, Effectiveness Ratio, Independence Ratio, Harmony Ratio, and Growth Ratio. The research method used is Qualitative with observation and documentation techniques on the APBD data of each region. The results of the study show that in 2024, the City of Surabaya has a very good Efficiency ratio of 85.2%. Conversely, in 2021, Bojonegoro has a very low Efficiency ratio, which is 134.2%. On the other hand, the Effectiveness ratio of Jombang Regency in 2021 was recorded as very high with a value of 139.34%. However, the City of Surabaya in 2022 only achieved an Effectiveness ratio of 67.72%. For the Independence ratio, Surabaya City in 2022 showed very good performance with a ratio of 87.72%, while Bangkalan Regency in the same year only achieved an Independence Ratio of 10.91%. Furthermore, in the Operational Expenditure Harmony Ratio, Bojonegoro Regency in 2021 showed a very good ratio of 39.7%, while Surabaya City in the same year had a poor Operational Expenditure Harmony Ratio of 84.6%. As for the Harmony Ratio in the Capital Expenditure Ratio, Tuban Regency in 2023 was recorded to have a good ratio of 32.2%, while Jombang Regency in 2024 experienced a decline with a very low ratio of 7.1%. Finally, the Growth Ratio of Bojonegoro Regency in 2021 showed a good figure of 41.7%, while Surabaya City in 2020 experienced a decline with a growth ratio of -13.9%.

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## **INTRODUCTION**

Effective regional financial management is essential to support the achievement of development goals and community welfare. In Indonesia, regional financial management is implemented through the Regional Revenue and Expenditure Budget (APBD), which is the basis for planning and implementing the regional government's annual budget. The APBD includes revenue, expenditure, and financing that must be carefully prepared to reflect regional needs and priorities, and ensure the use of existing resources in accordance with established plans.

In practice, regional budget management often faces challenges, especially in terms of budget realization. The realization of the Regional Revenue and Expenditure Budget is one of the main tools to evaluate the extent to which the planned budget can be realized effectively and efficiently. Budget Realization provides very important information about the income earned, the expenditure that has been incurred, and the financing managed during a certain period, all of which reflect the financial performance of the regional government.

East Java Province, Gerbangkertosusila area which includes regencies and cities such as Gresik Regency, Bangkalan Regency, Mojokerto Regency, Surabaya City, Sidoarjo Regency, Lamongan Regency, Mojokerto City, Tuban Regency, Bojonegoro City and Jombang Regency has a vital role in the regional and national economy. Surabaya City as the main business center and other industrial areas make Gerbangkertosusila an area with very high economic dynamics. With a large contribution to the East Java economy, the management of the APBD in this region must be able to support various strategic economic sectors, such as trade, industry, and services.

Although this region has great economic potential, the management of Gerbangkertosusila's APBD has experienced significant fluctuations, especially due to the impact of the COVID-19 pandemic which has caused a decrease in regional income and changes in spending priorities. On the other hand, the local government is trying to maintain the quality of public services and continue development even with a limited budget. Therefore, it is important to conduct an analysis of Budget Realization to measure how effective and efficient budget management is in this region.

This study aims to analyze the financial performance of local governments in the Gerbangkertosusila area based on Budget Realization. The main focus of this study is to evaluate the comparison between the planned and realized budgets, and to identify factors that influence the discrepancy between the two. This analysis is expected to provide an overview of how well local governments use the approved budget to achieve optimal development and public service goals.

## **RESEARCH METHODS**

### **1. Data Types**

This study uses a qualitative research method, because in this study the data collected, compiled, analyzed, and interpreted by describing the results obtained from the data presented, so as to provide complete information for solving the problems faced.

### **2. Sample and Subject of Research**

The sample in this study is the Regional Revenue and Expenditure Budget Realization Report for 2019 – 2024.

The subject of this study is Financial Performance in 10 Districts/Cities of Gerbangkertosusila.

### **3. Data Analysis Techniques**

The data analysis method used in this study is a descriptive analysis method using the Efficiency ratio, Effectiveness ratio, Independence ratio, Harmony ratio, and Growth ratio. The formula for calculating the ratio level is as follows:

1. Efficiency Ratio

The efficiency ratio is measured using a comparison between the realization of regional spending and the regional revenue budget. The results of this calculation are then clarified based on the standards set by the Ministry of Home Affairs, Decree of the Ministry of Home Affairs No. 690.900.327 in 1996. The formula for the efficiency index is as follows (Amanda et al., 2021)

$$\text{Rasio Efisiensi} = \frac{\text{Realisasi Belanja Daerah}}{\text{Anggaran Pendapatan Daerah}} \times 100\%$$

2. Effectiveness Ratio

The Effectiveness Ratio is measured using a comparison between the realization of regional original revenue and the regional original revenue budget. Then, the level of income ratio is grouped according to the standards set by the Ministry of Home Affairs, Decree of the Ministry of Home Affairs No. 690,900,327 in 1996. The formula for calculating the effectiveness ratio is as follows (Amanda et al., 2021)

$$\text{Rasio Efektivitas} = \frac{\text{Realisasi Pendapatan Asli Daerah}}{\text{Anggaran Pendapatan Asli Daerah}} \times 100\%$$

3. Independence Ratio

The independence ratio is measured using a comparison between the realization of local revenue and the realization of regional revenue. Then, the level of the income ratio is grouped according to the level of financial capability and relationship patterns. The calculation of the independence ratio is obtained by the following formula (Amanda et al., 2021)

$$\text{Rasio Kemandirian} = \frac{\text{Realisasi Pendapatan Asli Daerah}}{\text{Realisasi Pendapatan Daerah}} \times 100\%$$

4. Harmony Ratio

The harmony ratio is divided into two calculations, namely the operating cost ratio and the capital cost ratio. The formula for calculating the harmony ratio is as follows (Amanda et al., 2021)

$$\text{Rasio Biaya Operasional} = \frac{\text{Total Belanja Operasional}}{\text{Total Belanja Daerah}} \times 100\%$$

$$\text{Rasio Biaya Modal} = \frac{\text{Total Belanja Modal}}{\text{Total Belanja Daerah}} \times 100\%$$

5. Growth Ratio

The growth ratio is calculated by comparing the difference between income for a certain period and the previous period. The ratio is calculated as follows (Amanda et al., 2021)

$$\text{Growth Ratio} = \frac{\text{Pendapatan Tahun } N - \text{Pendapatan Tahun } (n-1)}{\text{Pendapatan Tahun } (n-1)} \times 100\%$$

## RESULTS AND DISCUSSION

**1. Financial Performance seen from the Efficiency Ratio**

**Table 1.7 Financial Performance Efficiency Ratio of Gerbangkertosusila Regency/City Government 2019-2024**

Effectiveness Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya City	Sidoarjo Regency	Lamongan Regency	city of Mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	107.79%	101.22%	110.76%	103.69%	105.42%	93.65%	93.58%	130.53%	116.31%	108.55%
2020	79.46%	89.07%	99.07%	76.82%	99.36%	86.89%	112.6%	100.25%	85.49%	100.27%
2021	91,9%	103,5%	115,79%	85%	119,35%	129,27%	126,4%	128,07%	138,29%	139,34%
2022	98,04%	102,47%	121,13%	67,72%	99,18%	106,69%	102,39%	103,29%	102,42%	102,49%
2023	88,1%	131,43%	108,33%	87,55%	107,20%	106,9%	113,88%	110,93%	97,28%	117,49%
2024	86.87%	107.50%	106.78%	91.49%	111.09%	96.03%	86.51%	100.6%	112.05%	88.56%
Average	<b>92%</b>	<b>106%</b>	<b>110%</b>	<b>85%</b>	<b>107%</b>	<b>103%</b>	<b>106%</b>	<b>112%</b>	<b>109%</b>	<b>109%</b>

Source: Data processed using Excel (2025)

Not all regions experience balanced fluctuations in the budget efficiency ratio. Each region shows different fluctuation patterns, which are influenced by various factors, such as local government policies, budget management, and changing economic conditions including the impact of the pandemic. For example, Gresik Regency experienced a significant decline in the efficiency ratio in 2020, namely after a higher ratio in 2019. Although there was a recovery in 2021 and 2022, Gresik's efficiency ratio decreased again in 2023 and increased slightly in 2024. This decline in the efficiency ratio indicates that budget management in Gresik Regency is not very efficient in certain periods. Bangkalan Regency shows more stable fluctuations in the budget efficiency ratio. After a decline in 2020, the efficiency ratio then recovered in 2021 and 2022, and remained stable at a fairly good figure in 2023 and 2024. Although there was a slight increase in the efficiency figure, this trend indicates that budget management is relatively better with more controlled fluctuations. In Mojokerto Regency, there was a more positive trend, with the efficiency ratio increasing sharply in 2021 and 2022, indicating less efficient budget management. However, in 2023 the efficiency figure began to decline and 2024 showed efforts to improve budget management. Overall, despite a slight decline in 2024, Mojokerto Regency showed a trend towards more efficient budget management compared to other regions. In Surabaya City, there was a significant decline in 2020 and 2021, indicating inefficient budget management during those periods. Although there was a slight recovery in 2022, the efficiency ratio remained higher than in 2019, indicating that Surabaya's budget management still needs further improvement. The efficiency ratio that continued to decline in 2023 and 2024 indicated suboptimal budget management. In Sidoarjo Regency, there was a relatively controlled fluctuation with a significant increase in 2021 and 2022 indicating that budget management was not very efficient. However, the efficiency figures began to decline in 2023 and 2024 indicating improvements in budget management. Sidoarjo Regency showed stable performance, although there were fluctuations that could be further improved.

Lamongan Regency experienced quite significant fluctuations. After a decline in 2020, the efficiency ratio spiked in 2021 and 2022, indicating that budget management was very inefficient during that period. Although there was a decline in 2024 which slightly increased efficiency,

Lamongan still showed quite significant fluctuations, meaning there were challenges in maintaining the stability of budget management. Mojokerto City showed very good performance with an efficiency ratio that continued to increase until 2021. Although there was a slight decline in 2024. Mojokerto City showed budget management that tended to be efficient with minimal fluctuations compared to other regions. However, the increase in the efficiency ratio still shows that budget management still needs to be improved to achieve optimal efficiency. Tuban Regency showed significant fluctuations, with a decline in 2020 and recovery in 2021. However, the efficiency ratio decreased again in 2024, indicating inefficiency. balance in budget management that needs more attention. Despite fluctuations, Tuban still has a fairly high level of efficiency. Bojonegoro Regency shows stable and efficient performance with an efficiency ratio that is always above 100%. Although there was a slight decline in 2024. Bojonegoro still shows fairly good budget management with slight fluctuations throughout the period. and Jombang Regency tends to be stable despite a decline in 2020 and 2024 and its efficiency ratio remains within a reasonable range. Despite the decline, Jombang still shows quite good budget management.

From the test results above, it can be seen that the level of efficiency ratio in the Gerbangkartosusilo area cannot be said to be efficient because the efficiency in several cities/regencies shows a value close to 100% and others show a value above 100%. This is in line with research Amanda et al., (2021), stated that the efficiency ratio cannot be said to be efficient if the resulting ratio is less than 100%, then it can be said that the government's performance is efficient. The lower the efficiency ratio, the better the government's performance.

## 2. Effectiveness Ratio

**Table 1.8 Financial Performance Effectiveness Ratio of Gerbangkartosusila Regency/City Government 2019-2024**

Effectiveness Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya City	Sidoarjo Regency	Lamongan Regency	city of mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	107.79%	101.22%	110.76%	103.69%	105.42%	93.65%	93.58%	130.53%	116.31%	108.55%
2020	79.46%	89.07%	99.07%	76.82%	99.36%	86.89%	112.6%	100.25%	85.49%	100.27%
2021	91.9%	103.5%	115.79%	85%	119.35%	129.27%	126.4%	128.07%	138.29%	139.34%
2022	98.04%	102.47%	121.13%	67.72%	99.18%	106.69%	102.39%	103.29%	102.42%	102.49%
2023	88.1%	131.43%	108.33%	87.55%	107.20%	106.9%	113.88%	110.93%	97.28%	117.49%
2024	86.87%	107.50%	106.78%	91.49%	111.09%	96.03%	86.51%	100.6%	112.05%	88.56%
Average	92%	106%	110%	85%	107%	103%	106%	112%	109%	109%

Source: Data processed using Excel (2025)

Not all regions experience balanced fluctuations in terms of budget effectiveness ratio. Some regions show larger and more significant fluctuations, while others tend to be stable or experience faster recovery. For example, Gresik Regency experienced a significant decline in 2020, although there was a recovery in 2021 and 2022, its effectiveness ratio remained lower than in 2019. This indicates a fairly large and unbalanced fluctuation in budget management in the region. Meanwhile, Bangkalan Regency showed a decline in 2020, but then increased again and even recorded a higher ratio in 2023. This indicates a faster recovery and better stability compared to Gresik, although there was a slight decline in 2024. In addition, Mojokerto Regency showed stable performance and

continued to increase every year, with an effectiveness ratio that was always high above 100%. This indicates better stability compared to other regions and very minimal fluctuations. Surabaya City showed a drastic decline in 2020 and continued to decline in 2021 and 2022. Although there was a recovery in 2023 and 2024, its effectiveness ratio remained lower than in 2019, indicating significant and unbalanced fluctuations in budget management. And Sidoarjo Regency showed a more positive performance, with the ratio increasing quite significantly in 2021 and 2022, and remaining above 100% in 2023 and 2024. Fluctuations in this area tend to be more controlled and stable.

Differently, Lamongan Regency experienced quite large fluctuations, with a significant decline in 2020 and a spike in 2021. Although there was a decline in 2024, the effectiveness ratio was still quite high. This shows that there was quite a large fluctuation but with significant recovery. In Mojokerto City, it showed a very positive trend, with the effectiveness ratio continuing to increase until 2021, although it decreased slightly in 2024. The fluctuations in this city were not as large as other areas, although there was a decline in the last year. Tuban Regency also showed quite large fluctuations, with a decline in 2020 and recovery in 2021, but the effectiveness ratio decreased again in 2024. This shows less balanced fluctuations in budget management. Bojonegoro Regency has a fairly stable performance with a ratio above 100% throughout the period. Although there was a slight decline in 2024, this area shows better stability compared to other areas. And Jombang Regency tends to be stable even though there was a decline in 2020 and 2024. Overall, the fluctuations that occurred in Jombang were not too large and were still within a reasonable range.

From the test results above, it can be seen that the level of effectiveness ratio in the Gerbangkertosusilo area is quite effective because the effectiveness in several cities/regencies shows a value below 100% and others show a value above 100%. This is in line with the research of Amanda et.al., (2021) which states that regional capabilities can be said to be effective if the effectiveness ratio has a value of at least 100%.

### 3. Independence Ratio

**Table 1.9 Financial Performance Independence Ratio of Gerbangkertosusila Regency/City Government 2019-2024**

Independence Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya Regency	Sidoarjo Regency	Lamongan Regency	city of Mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	31.4%	11.26%	21.6%	61.3%	38%	16.4%	21.7%	19.57%	11.7%	17.8%
2020	31.4%	10.91%	22.38%	56.8%	40.7%	17%	26.1%	21.9%	17.3%	18.49%
2021	32.9%	11.94%	24%	56.7%	41.1%	20,3%	26,6%	22,84%	16,2%	23,07%
2022	35,4%	12,7%	26,67%	87,72%	40%	17,3%	24,4%	21,74%	13,9%	19,43%
2023	34,2%	17,15%	25,16%	60,1%	40,89%	16,4%	24,4%	20,3%	14,5%	21,21%
2024	37,1%	16,0%	26,8%	60,7%	44,2%	16,7%	24,7%	107,8%	17,7%	20,1%
Average	<b>34%</b>	<b>13%</b>	<b>24%</b>	<b>64%</b>	<b>41%</b>	<b>17%</b>	<b>25%</b>	<b>36%</b>	<b>15%</b>	<b>20%</b>

Source: Data processed using Excel (2025)

Not all regions experience balanced fluctuations in terms of the independence ratio. Some regions show quite significant fluctuations, while others tend to be stable or experience gradual increases. For example, Gresik Regency shows a fairly stable trend with a gradual increase in the independence ratio from 2019 to 2024. Although there is a slight fluctuation, the consistent increase

indicates stability in the independence ratio. In addition, Bangkalan Regency shows a relatively low independence ratio and experiences small fluctuations from year to year, with a decrease in 2020 and a slight increase in 2021 to 2023. However, this ratio remains below 20%, indicating that this region has quite low independence. Not only that, Mojokerto Regency also shows a positive trend with an increase in the independence ratio every year, although in 2023 and 2024 there was a slight stability at around 25-26%. This shows a stable and fairly balanced increase. And Surabaya City has a very high independence ratio compared to other regions, but has experienced significant fluctuations, especially with sharp declines in 2020 and 2023, although there was a large increase in 2022. This shows an unbalanced fluctuation, although the ratio remains high. And Sidoarjo Regency shows a fairly stable trend with a consistent increase from 2019 to 2024, although there was a slight decrease in 2022. Overall, this area shows a steady increase in the independence ratio.

Different things are shown by Lamongan Regency showing greater fluctuations with a relatively low ratio and little fluctuation each year, although there was a slight increase in 2024. The independence ratio in this area tends to be low and less stable. In addition, Mojokerto City showed a significant increase in the independence ratio in 2020, but then decreased in 2022. However, in 2023 and 2024, this ratio stabilized again at around 24-25%, showing a fairly stable increase although not always consistent. Tuban Regency also experienced very large fluctuations, especially with a big spike in 2024. The independence ratio in this area showed very unbalanced fluctuations, with very significant changes in recent years. Bojonegoro Regency showed a low and relatively stable independence ratio throughout the period, with a slight increase in 2020 to 2024. The independence of this area remains low despite slight improvements. And Jombang Regency shows a more stable trend, with a regular increase until 2023, although there is a small decrease in 2024. In general, this area shows smaller and more stable fluctuations compared to other areas.

From the test results above, it can be seen that the level of independence ratio in the Gerbangkartosusilo area cannot be said to be independent because the level of independence in several cities/regencies shows a value of 50%. This is in line with the research of Amanda et.al., (2021) which states that the higher the independence, the lower the government's dependence on third-party assistance.

#### 4. Harmony Ratio

**Table 1.10 Operational Cost Ratio of Financial Performance of Gerbangkertosisila Regency/City Government 2019-2024**

Operating Expenditure Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya City	Sidoarjo Regency	Lamongan Regency	city of Mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	54.2%	60.6%	58.8%	68.8%	63.3%	55.5%	79.9%	58.73%	41.8%	64.96%
2020	51.9%	63.33%	59.53%	75.8%	64.3%	56.9%	78.3%	59.5%	48.8%	64.78%
2021	52.7%	62.07%	64.1%	84.6%	61.4%	57.3%	79.6%	60.48%	39.7%	62.87%
2022	57.8%	62.47%	62.34%	77.7%	60.3%	55%	71.5%	60.2%	40.6%	62.46%
2023	55%	64.01%	58.79%	77.2%	61.72%	54.1%	69.2%	48.21%	36.9%	63.04%
2024	56.7%	64.3%	57.5%	76.1%	66.1%	64.3%	78.5%	51.7%	43.1%	64.4%
Average	55%	63%	60%	77%	63%	57%	76%	56%	42%	64%

Source: Data processed using Excel (2025)

Not all regions experience balanced fluctuations in the operating expenditure ratio. Some regions show more stable and consistent fluctuations, while others experience larger and more significant fluctuations. Gresik Regency shows relatively small fluctuations, although there are slight increases and decreases, this ratio remains at around 50-60%. The fluctuations are not too large, so the operating expenditure ratio in this region tends to be stable. In addition, Bangkalan Regency shows a very consistent pattern. The operating expenditure ratio remains at around 62-64% throughout the recorded period. The fluctuations are very small, indicating stability in the management of operating expenditures. Mojokerto Regency also shows larger fluctuations, with the ratio tending to decline after 2021. This ratio varies between around 50-60%, indicating instability although it is still within a reasonable range. The city of Surabaya also shows quite large fluctuations, with the ratio increasing rapidly in 2020-2021, then decreasing in 2022 and 2023, although it remains at a high level. The fluctuation in this city is more significant than other areas. And Sidoarjo Regency shows a positive trend with a gradual increase, although there was a slight decline in 2021. The operating expenditure ratio here shows an overall increase, indicating more controlled fluctuations.

showed a different thing , showing a larger fluctuation with a fairly low ratio compared to other regions. Although there was a decline in several years, a significant spike in 2024 indicated a major change in the management of operational spending. Mojokerto City also showed a very large fluctuation. The high ratio in 2019 then decreased sharply in 2022 and 2023 before rising again in 2024. This fluctuation is very striking and does not indicate stability. In addition, Tuban Regency showed a significant decline in several years, especially in 2023. However, there was a recovery in 2024, although this ratio remained lower than other regions. Large fluctuations were seen in this area. Bojonegoro Regency also had a lower operational spending ratio and showed small fluctuations. This ratio is stable even though it is at a lower figure than other regions. And Jombang Regency showed stability with relatively small fluctuations, remaining in the range of 62-64% throughout the recorded period. The operational spending ratio in this area shows a more stable pattern than other regions.

From the test results above, it can be seen that the level of harmony ratio in the operational costs of the Gerbangkertosusilo area is said to be less than good because the operational levels in several cities/regencies show values above 40%. This is in line with the research of Amanda et.al., (2021) which states that the higher the ratio generated by routine expenditures (operational costs), the lower the ratio generated by development expenditures (capital costs).

## 5. Harmony Ratio

**Table 1.11 Capital Cost Ratio of Financial Performance of Gerbangkertosusila Regency/City Government 2019-2024**

Capital Expenditure Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya City	Sidoarjo Regency	Lamongan Regency	city of Mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	18%	17.25%	21.3%	30%	18.4%	17%	15.8%	18.58%	28.5%	14.16%
2020	9.12%	8.37%	12.66%	19.7%	11.7%	11.5%	14.1%	12.6%	31.9%	9.78%
2021	8.7%	10.24%	12.28%	13%	18.6%	11.4%	16.7%	15.61%	31.8%	13.37%
2022	8.73%	9.73%	13.02%	18.7%	17.4%	15.4%	24.6%	19.09%	23.4%	12.47%
2023	12.6%	10.22%	13.59%	17.5%	14.3%	10.7%	20.6%	33.66%	32.2%	8.3%
2024	11.5%	11.8%	16.0%	19.0%	12.7%	12.4%	13.8%	28.9%	29.5%	7.1%
<b>Average</b>	<b>11%</b>	<b>11%</b>	<b>15%</b>	<b>20%</b>	<b>16%</b>	<b>13%</b>	<b>18%</b>	<b>21%</b>	<b>30%</b>	<b>11%</b>

Source: Data processed using Excel (2025)

Not all regions experience balanced fluctuations. Some regions show more stable fluctuations, while others experience more significant changes. Gresik Regency shows quite large fluctuations, especially with a drastic decline in 2020, but experienced a slight increase again in the following years. The capital expenditure ratio in Gresik tends to be lower than other regions. Bangkalan Regency also shows more stable fluctuations, although there was a decline in 2020. The capital expenditure ratio in this region tends to be at a relatively low and stable level between 9-11% throughout the recorded period. Mojokerto Regency also shows a positive trend with a stable increase after a decline in 2020. The capital expenditure ratio in this region shows a gradual increase, although it started at a lower figure than some other regions. In addition, Surabaya City has greater fluctuations, although the capital expenditure ratio remains above 10% each year. Although there was a significant decline in 2020-2021, this ratio increased again in the following years. And Sidoarjo Regency shows fluctuations that tend to be more stable. Despite a slight decline in 2020 and some minor declines in subsequent years, the capital expenditure ratio in this area tends to be stable with more controlled changes.

Lamongan Regency showed greater fluctuations, with a more significant increase in 2022 and a decrease in 2023. However, this capital expenditure ratio shows a tendency to increase again in 2024. Mojokerto City also showed very large fluctuations, with a sharp increase in 2022 and a fairly significant decrease in 2023. This indicates instability in the capital expenditure ratio in this area. Tuban Regency also experienced quite large fluctuations, with significant spikes in 2021 and 2023. Despite a decrease in 2024, the capital expenditure ratio in this area showed a very striking change. Bojonegoro Regency also showed relatively small fluctuations, although there were some increases and decreases, the capital expenditure ratio in this area remained at a fairly stable level. And Jombang Regency showed quite large fluctuations, with sharp declines in 2023 and 2024. The capital expenditure ratio in this area experienced a significant decline throughout the recorded period.

From the test results above, it can be seen that the level of harmony ratio in the capital costs of the Gerbangkartosusilo area is said to be quite good because the level of capital costs in several cities/regencies shows a value of more than 10%. This is in line with the research of Amanda et.al., (2021) which states that the higher the ratio generated by routine expenditures (operational costs), the lower the ratio generated by development expenditures (capital costs).

## 6. Growth Ratio

**Table 1.12 Financial Performance Growth Ratio of Gerbangkertosusila Regency/City Government 2019-2024**

Growth Ratio										
Year	Gresik Regency	Bangkalan Regency	Mojokerto Regency	Surabaya City	Sidoarjo Regency	Lamongan Regency	city of mojokerto	Tuban Regency	Bojonegoro Regency	Jombang Regency
2019	8.44%	14.64%	5.33%	7.22%	2.59%	1.9%	-1.83%	7.95%	-1.12%	5.34%
2020	-5.76%	-8.19%	6.31%	-13.9%	-0.74%	-0.91%	-0.106%	2.7%	-12.6%	-5.00%
2021	6.59%	6.28%	8.51%	10.3%	5.85%	4.6%	8.78%	4.46%	41.7%	13.55%
2022	7.44%	-2.41%	2.67%	5.6%	-3.52%	1.39%	-0.25%	2.31%	-2.54%	6.79%
2023	1.48%	2.72%	2.81%	9.25%	11.44%	9.41%	9.99%	26.83%	4.32%	10.3%
2024	0.9%	3.7%	4.7%	3.5%	6.1%	-5.3%	-7.1%	-7.1%	-5.0%	-13.0%
Average	3%	3%	5%	4%	4%	2%	2%	7%	4%	3%

Not all regions experience balanced fluctuations. Some regions show large fluctuations, while others experience more controlled changes. Gresik Regency experienced quite large fluctuations, with a sharp decline in 2020 due to the pandemic, but then recovered in the following years. Its growth ratio in 2024 is expected to be lower, indicating significant fluctuations. In addition, Bangkalan Regency also experienced a drastic decline in 2020, but began to recover in 2021. Although there was another decline in 2022, its growth stabilized again in 2023 and is expected to increase in 2024. More stable fluctuations are seen here, despite the large decline after 2019. Mojokerto Regency also showed less significant fluctuations, despite the sharp decline in 2020 and the recovery that occurred in 2021. In 2022, its growth declined again, but is expected to continue to increase in 2024. This indicates more controlled fluctuations although there are still significant changes. Surabaya City also experienced large fluctuations in 2020 due to the pandemic, but then recovered with more stable growth in 2021 and 2023. In 2024, its growth is expected to decline slightly, indicating relatively controlled fluctuations. And Sidoarjo Regency showed a more stable change. After a decline in 2020, growth returned to positive in 2021 and 2023. Despite a decline in 2022, its growth increased again in 2023 and is expected to remain positive in 2024.

Lamongan Regency experienced greater fluctuations, with a fairly sharp decline in 2020 and recovery in 2021. Its growth then declined again in 2022 and is expected to decline further in 2024. Large fluctuations are seen here. Mojokerto City also showed very large fluctuations, especially with high growth in 2021 followed by sharp declines in 2022 and 2023. In 2024, it is expected to see a further decline, showing very striking fluctuations. In addition, Tuban Regency experienced significant fluctuations with very high growth in 2021, but followed by a large decline in 2022 and recovery in 2023. Large fluctuations and sharp changes are seen in this area. Bojonegoro Regency also showed fairly stable fluctuations with significant recovery in 2021, despite a decline in 2020 and the following years. The growth ratio is expected to decline again in 2024, but remains more stable compared to several other areas. And Jombang Regency showed large fluctuations, with positive growth in 2019 and 2021, but experienced a decline in 2020 and 2022. In 2024, a significant decline is expected, indicating an unbalanced fluctuation.

From the description above, it can be concluded that the fluctuations that occur in various regions related to budget efficiency, independence, operational spending, and capital spending are not balanced. Each region shows a different fluctuation pattern, depending on factors such as regional policies, budget management, and changing economic conditions, including the impact of the pandemic. Several regions, such as Bangkalan Regency, Mojokerto Regency, and Bojonegoro Regency, show more stable and controlled fluctuations in budget management and other financial ratios, although there are still declines in certain years. This indicates better management and stability in the long term. Meanwhile, other regions such as Gresik Regency, Surabaya City, Tuban Regency, and Lamongan Regency experienced more significant fluctuations, with sharp declines in several years, especially due to the pandemic, which affected the stability of efficiency and independence ratios. Larger fluctuations and striking changes illustrate the challenges in managing larger budgets in these regions. And overall, regions with more stable and controlled fluctuations such as Bangkalan Regency and Bojonegoro Regency have better performance in budget management, while regions with greater fluctuations such as Gresik Regency and Surabaya City face imbalances in such

management. The fluctuations that occur in several other regions indicate challenges in dealing with economic changes, government policies, and external impacts such as the pandemic.

From the test results above, it can be seen that the growth ratio level in the Gerbangkartosusilo area is said to be good growth because growth in several cities/regencies shows values above 5%. This is in line with the research of Amanda et.al (2021). Which states that measuring the growth rate aims to determine the amount of income and expenditure as a basis for assessing the potential elements of the APBD that will be prioritized.

## CONCLUSION

**1. Efficiency Ratio** In 2024, Surabaya showed a very good efficiency ratio with a value of 85.2%, reflecting efficient management. In contrast, Bojonegoro in 2021 had an efficiency ratio of 134.2%, indicating inefficiency in resource management.

**2. The effectiveness ratio** of Jombang Regency in 2021 recorded a high effectiveness ratio of 139.34%, indicating that the objectives and programs implemented were successful. On the other hand, Surabaya City in 2022 only achieved an effectiveness ratio of 67.72%, indicating a deficiency in achieving the objectives and implementing the planned programs.

**3. The Independence Ratio** in Surabaya City in 2022 has a very good independence ratio of 87.72%, which indicates a high level of independence in regional financing and management. On the other hand, Bangkalan Regency in 2022 has a very low independence ratio, which is only 10.91%, which indicates a high dependence on external assistance.

### 4. Harmony Ratio

**1. Operational Expenditure Ratio** In 2021, Bojonegoro Regency showed a very good operational expenditure harmony ratio with a value of 39.7%, reflecting a proportional and efficient allocation of operational expenditure. On the other hand, Surabaya City in 2021 had a poor operational expenditure harmony ratio of 84.6%, indicating an imbalance between spending and operational needs.

**2. The Capital Expenditure Ratio** of Tuban Regency in 2023 has a good capital expenditure harmony ratio, which is 32.2%, which reflects a fairly proportional capital expenditure management. On the other hand, Jombang Regency in 2024 has a very low capital expenditure harmony ratio, which is 7.1%, which indicates an imbalance in the allocation of funds for capital expenditure.

**5. The Growth Ratio** of Bojonegoro Regency in 2021 showed a good growth ratio with a value of 41.7%, reflecting positive economic development. On the other hand, Surabaya City in 2020 experienced a decline with a growth ratio of -13.9%, indicating an unfavorable economic contraction.

Overall, the analysis results show variations in efficiency, effectiveness, independence, spending harmony, and growth between regions. Some regions show efficient and independent management, while other regions still need to improve certain aspects to achieve more optimal management.

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