



## PERFORMANCE BETWEEN THE MEDAN CITY GOVERNMENT AND THE DELI SERDANG REGENCY GOVERNMENT

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<p><b>Info Article</b></p> <p>Received : 01 September 2025</p> <p>Revised : 04 Oktober 2025</p> <p>Accepted : 02 November 2025</p> <p>Publication : 30 November 2025</p>	<p><b>Abstract:</b> <i>This study aims to determine and compare the performance of Regional Revenue and Expenditure Budget (APBD) management in 2025. The method used is quantitative with a comparative descriptive approach. The analysis was conducted using regional financial ratios, including independence, effectiveness, efficiency, harmony, and growth ratios. The data source is secondary data in the form of APBD realization reports. The results show that Medan City has a higher level of financial independence compared to Deli Serdang Regency. However, its financial management is not yet optimal due to low effectiveness and the dominance of operational expenditures in the budget. Deli Serdang Regency has a lower level of financial independence but demonstrates better performance in terms of effectiveness and efficiency. Its expenditure structure is more balanced, and revenue growth tends to increase. It can be concluded that regions with high revenue do not necessarily have good financial management. Therefore, Medan City needs to improve its budget management, while Deli Serdang Regency needs to increase its level of financial independence.</i></p>
<p><b>Keywords:</b> APBD, Regional Financial Performance, Independence, Effectiveness, Efficiency</p> <p><b>Kata Kunci:</b> APBD, Kinerja Keuangan Daerah, Kemandirian, Efektivitas, Efisiensi</p>	<p><b>Abstrak:</b> Penelitian ini bertujuan untuk mengetahui dan membandingkan kinerja pengelolaan Anggaran Pendapatan dan Belanja Daerah (APBD) 2025. Metode yang digunakan adalah kuantitatif dengan pendekatan deskriptif komparatif. Analisis dilakukan menggunakan rasio keuangan daerah, meliputi rasio kemandirian, efektivitas, efisiensi, keserasian, dan pertumbuhan. Sumber Datanya adalah data sekunder yaitu laporan realisasi APBD. Hasil penelitian menunjukkan bahwa Kota Medan memiliki tingkat kemandirian keuangan yang lebih tinggi dibandingkan Kabupaten Deli Serdang. Pengelolaan keuangannya belum optimal karena tingkat efektivitas yang rendah serta dominasi anggaran pada belanja operasional. Kabupaten Deli Serdang memiliki tingkat kemandirian yang lebih rendah, tetapi kinerja yang lebih baik dari sisi efektivitas dan efisiensi. Struktur belanjanya lebih seimbang dan pertumbuhan pendapatan cenderung meningkat. Kesimpulan bahwa daerah dengan pendapatan tinggi tidak selalu memiliki pengelolaan keuangan yang baik. Oleh karena itu, Kota Medan perlu meningkatkan pengelolannya, sedangkan Kabupaten Deli Serdang perlu meningkatkan tingkat kemandirian keuangannya.</p>
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## INTRODUCTION

Regional financial management is a crucial aspect of local governance, particularly in the era of regional autonomy, which grants broad authority to local governments to regulate and manage their own finances through the Regional Revenue and Expenditure Budget (APBD). The APBD functions not only as an instrument for financial planning and control but also as a tool to promote public welfare through the provision of effective and efficient public services.

In practice, however, not all local governments are able to manage the APBD optimally. Differences in performance between regions still exist, as reflected in the level of financial independence, effectiveness in revenue realization, and efficiency in budget utilization. Therefore, measuring the performance of APBD management is essential to assess the success of local governments and to serve as a basis for policy evaluation. Medan City, as a metropolitan area, has a high level of economic activity and relatively large sources of Regional Original Revenue (PAD). On the other hand, Deli Serdang Regency, as a buffer region, has different economic characteristics, with considerable resource potential but possibly a higher level of dependence on transfer funds from the central government. These differences in characteristics may lead to variations in the performance of regional financial management in the two regions.

Based on this context, a comparative analysis of APBD management performance between the Medan City Government and the Deli Serdang Regency Government is important to conduct. This analysis aims not only to identify performance differences but also to determine the factors influencing such performance. Therefore, the results of this study are expected to provide a more comprehensive understanding and serve as evaluation material for improving regional financial management.

Furthermore, regional financial performance can be analyzed using financial ratio analysis derived from APBD realization reports. These ratios include the regional financial independence ratio, effectiveness ratio, efficiency ratio, harmony ratio, and growth ratio. Through these indicators, it is possible to evaluate the ability of local governments to manage finances independently, effectively, efficiently, and sustainably over time.

### Problem Formulation

1. How is the performance of APBD management in the Medan City Government?
2. How is the performance of APBD management in the Deli Serdang Regency Government?

3. How does the performance of APBD management compare between the Medan City Government and the Deli Serdang Regency Government?

#### Research Objectives

1. To analyze the performance of APBD management in the Medan City Government.
2. To analyze the performance of APBD management in the Deli Serdang Regency Government.
3. To compare the performance of APBD management between the Medan City Government and the Deli Serdang Regency Government.

## **METHOD**

### **Type of Research**

This research is quantitative and uses a comparative descriptive approach. A qualitative approach was chosen to focus more on the calculations of figures in financial reports. The use of comparative descriptive methods was chosen to illustrate the differences in the performance of the Medan City and Deli Serdang Regency governments in managing the Regional Budget (APBD) during the same time period, allowing for fair comparisons.

### **Data Type and Source**

This research uses secondary data, obtained from previous data collection. These data are the 2025 Medan City Regional Budget realization data and the 2025 Deli Serdang Regency Regional Budget realization data obtained from the official website of the Directorate General of Fiscal Balance (DJPK), Ministry of Finance of the Republic of Indonesia.

### **Data Analysis Technique**

The data analysis technique used in this research is regional financial ratio analysis using a comparative descriptive approach. The data obtained are then calculated using several regional financial ratios, namely the independence ratio, effectiveness ratio, efficiency ratio, harmony ratio, and growth ratio. The results of these ratio calculations are then compared between regions or between research periods to determine the level of APBD management performance. The analysis results are then interpreted to draw conclusions regarding the comparative performance of APBD management across the research subjects.

## RESULTS AND DISCUSSION

### Results

#### Regional Overview

##### Medan City

Medan City is one of the largest metropolitan cities in Indonesia, playing a strategic role as a center of trade, services, and economic activity in the North Sumatra region. Medan's economic structure is dominated by the tertiary sector, contributing significantly to Regional Original Income (PAD). This condition gives Medan City a relatively strong fiscal capacity compared to other surrounding regions. However, the complexity of urban areas also impacts the high demand for regional spending, particularly in the provision of public services and infrastructure.

##### Deli Serdang Regency

Deli Serdang Regency has more diverse regional characteristics, encompassing urban, industrial, and rural areas. Its economic structure relies not only on the service sector but also on the agricultural and industrial sectors. This results in regional financial management patterns in Deli Serdang Regency being more oriented towards equitable regional development. However, its fiscal capacity remains relatively limited, as reflected in its high dependence on transfer funds from the central government.

#### Performance Analysis of the Medan City Regional Budget for 2025

Table of Medan City Regional Budget Posture in 2025

Akun	Anggaran/pagu	Realisasi	%
<b>Pendapatan Daerah</b>	<b>7.636,39 M</b>	<b>6.075,77 M</b>	<b>79.56</b>
<b>PAD</b>	<b>4.151,76 M</b>	<b>3.057,60 M</b>	<b>73.65</b>
Pajak Daerah	3.645,79 M	2.765,36 M	75.85
Retribusi Daerah	310,14 M	106,46 M	34.33
Hasil Pengelolaan Kekayaan Daerah yang dipisahkan	19,60 M	16,90 M	86.21
Lain-Lain PAD yang sah	176,23 M	168,88 M	95.83
<b>TKDD</b>	<b>2.966,45 M</b>	<b>2.750,21 M</b>	<b>92.71</b>
Pendapatan Transfer Pemerintah Pusat	2.966,45 M	2.750,21 M	92.71
<b>Pendapatan Lainnya</b>	<b>518,19 M</b>	<b>267,96 M</b>	<b>51.71</b>
Lain-lain Pendapatan Sesuai dengan Ketentuan Peraturan Perundang-Undangan	103,19 M	91,69 M	88.85
Pendapatan Transfer Antar Daerah	415,00 M	176,27 M	42.48
<b>Belanja Daerah</b>	<b>7.606,39 M</b>	<b>5.624,79 M</b>	<b>73.95</b>
<b>Belanja Pegawai</b>	<b>2.436,65 M</b>	<b>1.974,83 M</b>	<b>81.05</b>
Belanja Pegawai	2.436,65 M	1.974,83 M	81.05
<b>Belanja Barang dan Jasa</b>	<b>3.328,16 M</b>	<b>2.432,59 M</b>	<b>73.09</b>
Belanja Barang dan Jasa	3.328,16 M	2.432,59 M	73.09
<b>Belanja Modal</b>	<b>1.314,56 M</b>	<b>995,04 M</b>	<b>75.69</b>
Belanja Modal	1.314,56 M	995,04 M	75.69
<b>Belanja Lainnya</b>	<b>527,02 M</b>	<b>222,33 M</b>	<b>42.19</b>
Belanja Hibah	242,99 M	127,52 M	52.48
Belanja Bantuan Sosial	109,47 M	92,20 M	84.23
Belanja Tidak Terduga	174,56 M	2,61 M	1.50
<b>Pembiayaan Daerah</b>	<b>(30,00 M)</b>	<b>105,25 M</b>	<b>(350.85)</b>
<b>Penerimaan Pembiayaan Daerah</b>	<b>70,00 M</b>	<b>105,25 M</b>	<b>150.36</b>
Sisa Lebih Perhitungan Anggaran Tahun Sebelumnya	70,00 M	105,25 M	150.36
<b>Pengeluaran Pembiayaan Daerah</b>	<b>100,00 M</b>	<b>0,00 M</b>	<b>0.00</b>
Penyertaan Modal Daerah	100,00 M	0,00 M	0.00

### Regional Financial Independence Ratio of Medan City in 2025

Formula:

$$\frac{\text{Regional Original Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100\%$$

Calculation:

$$\frac{3,057.60}{6,075.77} \times 100\% = 50.3\%$$

Medan City's self-sufficiency ratio is approximately 50.3%, indicating that the region's ability to finance its government needs from Regional Original Revenue (PAD) is moderate. This reflects Medan City's relatively strong fiscal capacity, despite its continued dependence on transfer funds from the central government.

### Regional Financial Effectiveness Ratio of Medan City in 2025

Formula:

$$\frac{\text{Realize Regional Original Revenue}}{\text{Realize Regional Original Revenue Target}} \times 100\%$$

Calculation:

$$\frac{3,057.60}{4,151.76} \times 100\% = 73.65\%$$

Medan City's PAD effectiveness ratio is 73.65%, indicating that revenue realization has not reached the established target. This indicates inaccuracy in target setting or suboptimal regional revenue collection efforts.

### Regional Financial Efficiency Ratio of Medan City in 2025

Formula:

$$\frac{\text{Actual Expenditure}}{\text{Actual Revenue}} \times 100\%$$

Calculation:

$$\frac{5,624.79}{6,075.77} \times 100\% = 92.6\%$$

Medan City's efficiency ratio is ±92.6%, which generally indicates that spending realization is still below regional revenue. However, this condition does not fully reflect optimal efficiency, as it is influenced by the low level of budget absorption.

### Regional Financial Harmony Ratio of Medan City in 2025

#### Operational Spending

Formula:

$$\frac{\text{Employee Spending} + \text{Goods \& Services}}{\text{Total Spending}} \times 100\%$$

Calculatin:

$$\frac{1,974.83}{2,432.59} \times 100\% = 78,3\%$$

Medan City's expenditure structure is dominated by operating expenditures, accounting for approximately 78.3%, while capital expenditures account for only approximately 17.7%.

### Capital Expenditure

Formula:

$$\frac{\text{Capital Expenditure}}{\text{Total Expenditure}} \times 100\%$$

Calculatin:

$$\frac{995,04}{5,624.79} \times 100\% = 17,7 \%$$

This indicates that budget allocation is more focused on routine government needs than on development.

### Regional Financial Growth Ratio of Medan City in 2025

#### 1. Revenue: (-3.5%).

Medan City's revenue growth of -3.5% indicates a decline compared to the previous year. This condition indicates weakening regional revenue performance, which could be caused by a decrease in local revenue (PAD) receipts or the failure to achieve optimal revenue targets.

#### 2. Expenditure (-10.1%).

Expenditure growth of -10.1% indicates a decline in regional spending. This can be interpreted as a reduction in government spending activity or a low level of program realization. This decline is in line with the low budget absorption previously identified.

#### 3. Financing (-)

The financing growth ratio cannot be calculated because the regional financing value was zero in the previous year. Methodologically, this condition makes growth calculations impossible due to the lack of a comparative basis.

## Analysis of the Performance of the Deli Serdang Regency Regional Budget in 2025

Table of Deli Serdang Regency Regional Budget Posture in 2025

Alun	Anggaran/pagu	Realisasi	%
<b>Pendapatan Daerah</b>	<b>4.781,22 M</b>	<b>4.772,04 M</b>	<b>99.81</b>
<b>PAD</b>	<b>1.599,79 M</b>	<b>1.374,14 M</b>	<b>85.89</b>
Pajak Daerah	1.264,27 M	1.073,22 M	84.89
Retribusi Daerah	97,76 M	46,64 M	47.71
Hasil Pengelolaan Kekayaan Daerah yang dipisahkan	20,44 M	21,42 M	104.80
Lain-Lain PAD yang sah	217,32 M	232,86 M	107.15
<b>TKDD</b>	<b>2.992,00 M</b>	<b>2.888,44 M</b>	<b>96.54</b>
Pendapatan Transfer Pemerintah Pusat	2.992,00 M	2.888,44 M	96.54
<b>Pendapatan Lainnya</b>	<b>189,43 M</b>	<b>509,46 M</b>	<b>268.94</b>
Dana Darurat	0,00M	4,00 M	0
Pendapatan Transfer Antar Daerah	189,43 M	505,46 M	266.83
<b>Belanja Daerah</b>	<b>4.986,39 M</b>	<b>3.830,69 M</b>	<b>76.82</b>
<b>Belanja Pegawai</b>	<b>1.724,56 M</b>	<b>1.350,26 M</b>	<b>78.30</b>
Belanja Pegawai	1.724,56 M	1.350,26 M	78.30
<b>Belanja Barang dan Jasa</b>	<b>1.519,57 M</b>	<b>1.111,31 M</b>	<b>73.13</b>
Belanja Barang dan Jasa	1.519,57 M	1.111,31 M	73.13
<b>Belanja Modal</b>	<b>858,25 M</b>	<b>593,41 M</b>	<b>69.14</b>
Belanja Modal	858,25 M	593,41 M	69.14
<b>Belanja Lainnya</b>	<b>884,02 M</b>	<b>775,71 M</b>	<b>87.75</b>
Belanja Bagi Hasil	93,09 M	92,97 M	99.87
Belanja Bantuan Keuangan	572,37 M	495,16 M	86.51
Belanja Hibah	207,86 M	185,45 M	89.22
Belanja Bantuan Sosial	0,70 M	0,11 M	15.04
Belanja Tidak Terduga	10,00 M	2,03 M	20.27
<b>Pembiayaan Daerah</b>	<b>205,17 M</b>	<b>218,117 M</b>	<b>106.34</b>
<b>Penerimaan Pembiayaan Daerah</b>	<b>223,17 M</b>	<b>223,17 M</b>	<b>100.00</b>
Sisa Lebih Perhitungan Anggaran Tahun Sebelumnya	223,17 M	223,17 M	100.00
<b>Pengeluaran Pembiayaan Daerah</b>	<b>18,00 M</b>	<b>5,00 M</b>	<b>27.78</b>
Penyertaan Modal Daerah	18,00 M	5,00 M	27.78

### Regional Financial Independence Ratio of Deli Serdang Regency in 2025

Formula:

$$\frac{\text{Regional Original Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100\%$$

Calculation:

$$\frac{1,373.14}{4,772.04} \times 100\% = 28,8\%$$

The Deli Serdang Regency's self-sufficiency ratio is approximately 28.8%, indicating a low level of fiscal independence. This indicates that the majority of regional revenue still relies on transfer funds from the central government, thus limiting the region's ability to finance its needs independently.

### Regional Financial Effectiveness Ratio of Deli Serdang Regency in 2025

Formula:

$$\frac{\text{Realize Regional Original Revenue}}{\text{Realize Regional Original Revenue Target}} \times 100\%$$

Calculation:

$$\frac{1,374.14}{1,599.79} \times 100\% = 85.89\%$$

The effectiveness ratio of Deli Serdang Regency's PAD (Regional Original Revenue) is 85.89%, indicating that revenue realization is relatively close to the set target. This reflects the successful planning and implementation of regional revenue collection.

### **Regional Financial Efficiency Ratio of Deli Serdang Regency in 2025**

Formula:

$$\frac{\text{Actual Expenditure}}{\text{Actual Revenue}} \times 100\%$$

Calculatin:

$$\frac{3,830.69}{4,772.04} \times 100\% = 80.3\%$$

Deli Serdang Regency's efficiency ratio is approximately 80.3%, indicating improved efficiency in regional expenditure management. This reflects more optimal budget control in the implementation of government activities.

### **Deli Serdang Regency Regional Financial Harmony Ratio in 2025**

#### **Operational Expenditure**

Formula:

$$\frac{\text{Actual Expenditure}}{\text{Actual Revenue}} \times 100\%$$

Calculatin:

$$\frac{2,461.57}{3,830.69} \times 100\% = 64.3\%$$

#### **Capital Expenditure**

Formula:

$$\frac{\text{Capital Expenditure}}{\text{Total Expenditure}} \times 100\%$$

Calculatin:

$$\frac{593.41}{3,830.69} \times 100\% = 15.5 \%$$

Based on the results of the Deli Serdang Regency Regional Budget (APBD) harmony ratio calculation, the operating expenditure ratio was 64.3% and the capital expenditure ratio was 15.5%. This indicates that regional spending allocations are used more for operating expenditures than for capital expenditures. Therefore, budget priorities remain focused on routine activities, while allocations for development through capital expenditures remain relatively low.

### **Deli Serdang Regency Regional Financial Growth Ratio in 2025**

1. Revenue: 10.2%.

Deli Serdang Regency's revenue growth of 10.2% indicates an increase in fiscal capacity compared to the previous year. This increase indicates that the local government is able to increase revenues, both from local revenue (PAD) and transfer funds. This condition reflects a positive trend in regional revenue management.

2. Expenditure: (-10.2%).

The -10.2% decline in expenditure growth indicates a contraction in regional spending. This can be interpreted as an effort to control spending or a program that is not being optimally realized. A decrease in spending amidst rising revenues has the potential to create greater fiscal space, but it could also indicate suboptimal implementation of development programs.

3. Financing: 38%

The 38% growth in financing indicates a significant increase in the regional financing component. This could be due to increased financing receipts, such as the previous year's SILPA (Regional Budget Surplus) or other financing sources. This situation requires further scrutiny, as the significant increase in financing could reflect a reliance on non-operational sources.

### **Comparison of Medan City & Deli Serdang Regional Budget Performance in 2025**

Based on the analysis of regional financial performance ratios, including independence, effectiveness, efficiency, harmony, and growth, it can be concluded that there are significant differences between Medan City and Deli Serdang Regency in terms of fiscal capacity and budget management quality. In terms of fiscal independence, Medan City demonstrates superior performance, with a higher independence ratio than Deli Serdang Regency. This reflects Medan City's ability to tap into greater potential for Regional Original Revenue (PAD). However, this superiority is not accompanied by a high level of effectiveness, with Medan City's PAD realization remaining below the established target.

Conversely, Deli Serdang Regency demonstrates better performance in terms of effectiveness and efficiency. A high effectiveness ratio indicates that the local government is able to realize revenues in accordance with planned targets. Furthermore, a lower efficiency ratio compared to Medan City indicates more optimal and controlled expenditure management. In terms of spending balance, Deli Serdang Regency also demonstrated a more balanced budget structure between operating and capital expenditures. Meanwhile, Medan City's operating expenditures continued to dominate,

indicating that the budget allocation was primarily for routine needs rather than development.

In terms of growth, Deli Serdang Regency demonstrated a more positive trend, with increasing revenue growth, albeit accompanied by a decrease in spending. Conversely, Medan City experienced a contraction in both regional revenue and spending, indicating a decline in financial performance compared to the previous year. Therefore, it can be concluded that Medan City has a strong fiscal capacity, but has not been able to manage its budget optimally. On the other hand, Deli Serdang Regency, despite its limited fiscal independence, demonstrated more effective, efficient, and adaptive financial management performance.

## **CONCLUSION**

Based on the analysis of the performance of the 2025 Regional Budget (APBD), it can be concluded that there are quite clear differences between the Medan City Government and the Deli Serdang Regency Government, both in terms of fiscal capacity and the quality of regional financial management. Medan City has a higher level of financial independence than Deli Serdang Regency, indicating that Medan City is more capable of relying on Regional Original Revenue (PAD). However, its effectiveness remains low because revenue realization has not reached its target. Furthermore, budget utilization is still largely focused on operational expenditures and financial growth, which tends to decline, resulting in suboptimal budget management. On the other side, Deli Serdang Regency has a lower level of independence because it still relies on funds from the central government. Despite this, its financial management performance is better in terms of effectiveness and efficiency. This is evident in revenue realization that is closer to its target and more controlled expenditures. Its spending structure is also more balanced, and its revenue growth shows a positive trend. From this comparison, it can be concluded that regions with high revenues do not necessarily have good financial management. Medan City has a strong revenue potential but is not yet optimally managed, while Deli Serdang Regency, despite its limitations, is actually better at managing its budget. Therefore, the Medan City Government needs to improve budget planning and management to be more effective, while the Deli Serdang Regency Government needs to increase regional financial independence to reduce over-reliance on the central government.

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