



COMPARATIVE ANALYSIS OF THE EFFECTIVENESS AND EFFICIENCY OF THE REGIONAL REVENUE AND EXPENDITURE BUDGET (APBD): A CASE STUDY OF SOUTH TAPANULI REGENCY AND MANDAILING NATAL REGENCY FOR THE 2024 PERIOD

Syifa Soleha^{*1}, Lisbetria Simamora², Klara Srikandi Laia³, Iskandar Muda⁴, Andy Mulia⁵

^{1,2,3,4,5} Universitas Sumatra Utara, Medan, Indonesia

*Corresponding Author: lisbetriasimamora@students.usu.ac.id

<p>Info Article</p> <p>Received : 06 September 2025</p> <p>Revised : 03 Oktober 2025</p> <p>Accepted : 01 November 2025</p> <p>Publication : 30 November 2025</p> <hr/> <p>Keywords: Effectiveness, Efficiency, APBD, South Tapanuli Regency, Mandailing Natal Regency, Fiscal Year 2024</p> <p>Kata Kunci: Efektivitas, Efisiensi, APBD, Kabupaten Tapanuli Selatan, Kabupaten Mandailing Natal, Tahun Anggaran 2024.</p> <hr/> <p>Licensed Under a Creative Commons Attribution 4.0 International License</p> 	<p>Abstract: <i>The Regional Revenue and Expenditure Budget (Anggaran Pendapatan dan Belanja Daerah/APBD) has the role of the main instrument in reflecting the financial management of a region. The purpose of this study is to identify, compare, and analyze how effective and efficient the use of the Regional Revenue and Expenditure Budget (APBD) 2024 period. The analysis used is a quantitative descriptive method, in the form of describing the two districts based on data showing numbers. Especially in the numerical data on the financial ratio of Regional Original Revenue (PAD) and Regional Expenditure of related districts. This study provides a statement based on evidence of data from related district budget realization reports, especially in the efficiency criteria section in Mandailing Natal Regency in 2024 with less efficient classification. The identification of regional revenues and regional expenditures is carried out to provide an overview of the causes and become an input for the governments of South Tapanuli Regency and Mandailing Natal Regency, especially in their efficiency level.</i></p> <p>Abstrak: Anggaran Pendapatan dan Belanja Daerah (APBD) memiliki peran sebagai instrumen utama yang mencerminkan pengelolaan keuangan suatu daerah. Penelitian ini bertujuan untuk mengidentifikasi, membandingkan, dan menganalisis tingkat efektivitas serta efisiensi penggunaan APBD tahun 2024. Metode analisis yang digunakan adalah metode deskriptif kuantitatif, yaitu dengan menggambarkan kondisi kedua kabupaten berdasarkan data numerik yang menunjukkan rasio keuangan daerah. Fokus utama penelitian terletak pada data rasio keuangan Pendapatan Asli Daerah (PAD) dan Belanja Daerah dari masing-masing kabupaten terkait. Hasil penelitian memberikan gambaran berdasarkan bukti data yang bersumber dari laporan realisasi anggaran pemerintah daerah, khususnya pada aspek efisiensi di Kabupaten Mandailing Natal tahun 2024 yang berada dalam klasifikasi kurang efisien. Identifikasi terhadap pendapatan daerah dan belanja daerah dilakukan untuk memberikan gambaran mengenai faktor-faktor penyebab serta menjadi bahan masukan bagi pemerintah Kabupaten Tapanuli Selatan dan Kabupaten Mandailing Natal, khususnya dalam upaya meningkatkan tingkat efisiensi pengelolaan APBD di masa mendatang.</p>
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INTRODUCTION

The Regional Revenue and Expenditure Budget (APBD) is a very important instrument in regional financial management at every level of local government. The APBD functions not only as a planning tool but also as an instrument for fiscal control and public accountability. Through the APBD, local governments determine development priorities, allocate resources, and ensure that the use of public funds is carried out transparently, effectively, and responsibly. In the context of regional autonomy as mandated by Law Number 23 of 2014 concerning Regional Government, each region has the authority to regulate and manage its own governmental affairs, including fiscal policy and regional financial resources. Therefore, the effectiveness and efficiency of APBD utilization become the main indicators in measuring the success of local government administration.

South Tapanuli Regency and Mandailing Natal Regency are two regencies located in North Sumatra Province that have strong historical and geographical ties. Both regions have significant responsibilities in managing regional finances to support development in strategic sectors such as education, health, infrastructure, and social welfare. As autonomous regions, both districts are required to optimize their APBD allocation in order to improve public services and regional development outcomes. However, differences in geographical conditions, development needs, and fiscal capacities may affect the performance of budget implementation in each district.

The legal framework for APBD management is clearly regulated in Government Regulation Number 12 of 2019 concerning Regional Financial Management. This regulation explains that regional finances include all regional rights and obligations that can be valued in money, including regional revenues, expenditures, financing, and regional assets managed independently or by other parties. Furthermore, Article 3 paragraph (1) emphasizes that regional financial management must be carried out in an orderly manner, comply with laws and regulations, and uphold the principles of effectiveness, efficiency, transparency, accountability, justice, propriety, and benefits for the community.

In measuring regional financial performance, two important indicators that are commonly used are effectiveness and efficiency ratios. Effectiveness reflects the ability of local governments to achieve predetermined revenue or expenditure targets, while efficiency measures how economically resources are used to produce optimal outputs. According to the Decree of the Minister of Home Affairs No. 690.900-327 of 1996, the

effectiveness ratio is obtained by comparing realization with the budget target, while efficiency is measured by comparing output achievements with the resources used. These indicators are essential in evaluating whether public funds have been managed prudently and in line with development priorities.

Several previous studies have highlighted the importance of effective and efficient regional budget management. Research by Saknosiwi et al. (2021) found that ideal regional financial management must be implemented effectively, efficiently, transparently, and accountably in order to support sustainable regional economic growth. In addition, Pohan et al. (2020) explained that South Tapanuli Regency, as the parent district, tends to show more stable financial performance compared to its expansion district, Mandailing Natal Regency. Such differences may be influenced by the size of the region, varying infrastructure demands, and distinct socio-economic development priorities.

Based on these conditions, analyzing the effectiveness and efficiency of the APBD in South Tapanuli Regency and Mandailing Natal Regency for the 2024 fiscal year is highly relevant. This analysis is important to assess the extent to which budget realization aligns with planned targets and whether public funds are utilized optimally. The results of this study are expected to provide a clearer picture of the financial performance of both districts and offer recommendations for improving regional budget management in the future.

METHOD

This study adopts a descriptive quantitative approach with a comparative study approach to assess and compare between one district and another that is still in one area of North Sumatra province. This means that this study describes and analyzes in depth the effectiveness and efficiency of the use of the Regional Revenue and Expenditure Budget (APBD) of South Tapanuli Regency and Mandailing Natal Regency for 2024.

A descriptive quantitative approach was chosen so that the results of the study can provide an objective picture of regional financial performance based on existing budget figure and realization data. The research locations are in South Tapanuli Regency and Mandailing Natal Regency, with a focus on the official APBD documents for the 2024 fiscal year, especially regarding revenue budget data, revenue realization, expenditure budget, and expenditure realization. The data used in the study came from official local government documents, such as information and documentation by the Ministry of Home

Affairs' Information and Documentation Management Officer, namely the Summary of the Budget Realization Report of South Tapanuli Regency and Mandailing Natal Regency. As well as several other official documents that will support this research.

The type of data used in this study is secondary data. This means that the research does not involve the collection of primary data through interviews or surveys to the relevant field, but uses existing official documents published as a reference. The data collection method is carried out through documentation, namely by collecting and examining APBD reports, regional revenue realization reports and regional expenditure realization reports, as well as local government performance accountability documents in 2024. The collected data is then analyzed using the ratio method to measure effectiveness and efficiency.

The effectiveness ratio is calculated by comparing revenue realization and revenue budget. Meanwhile, the efficiency ratio is calculated by comparing the realization of expenditure with the expenditure budget.

a. Effectiveness Ratio

$$Efektivitas = \frac{Realisasi\ Pendapatan}{Anggaran\ Pendapatan} \times 100\%$$

The criteria for effectiveness and efficiency applied refer to the Decree of the Minister of Home Affairs Number 690,900-327 of 1996 concerning Guidelines for Regional Financial Performance Assessment. The following is the level of effectiveness achieved based on the criteria stated in percentage:

Yes	Criteria	Attainment Rate
1	Highly Effective	>100%
2	Effective	90% – 100%
3	Quite Effective	80% – 90%
4	Less Effective	60% – 80%
5	Ineffective	<60%

b. Efficiency Ratio

$$Efisiensi = Capaian\ Kinerja\ (Efektivitas) - Penyerapan\ Anggaran$$

As for determining the percentage of budget absorption, the following calculation formula is used:

$$Penyerapan\ Anggaran = \frac{Realisasi\ Belanja}{Anggaran\ Belanja} \times 100\%$$

Yes	Criteria	Attainment Rate
1	Ineffective	>100%
2	Less Effective	90% – 100%
3	Quite Effective	80% – 90%
4	Effective	70% - 80%
5	Highly Effective	60% - 70%

The analysis process was carried out by collecting budget data and the realization of revenue and expenditure of the South Tapanuli Regency and Mandailing Natal APBD for the 2024 fiscal year. Then, calculate the ratio of effectiveness and efficiency based on the formula that has been set. The results of the calculation are compared in accordance with the provisions of the Ministry of Home Affairs, so that it can be known to what extent the APBD of South Tapanuli Regency and Mandailing Natal Regency in 2024 can be compared and measure the financial performance, effectiveness, and efficiency of the allocated budget. With this comparative approach, it is hoped that the research can provide a clear picture of the quality of regional financial management and become the basis for recommendations for improving budget governance in the future or the following year.

RESULTS AND DISCUSSION

Description of APBD Data for 2024

a. South Tapanuli Regency Fiscal Year 2024

Description			
Description	Budget	Realization	%
Regional Revenue			
Regional Original Revenue (Pad)	147.220.302.199,00	143.998.558.566,50	97,81
Regional Taxes	29.933.720.000,00	30.922.395.164,00	103,30
Regional Levy	19.216.553.851,00	12.977.793.807,00	67,53
Results of Segregated Regional Wealth Management	92.423.105.741,00	92.418.105.741,50	99,99
Other Legal PADs	5.646.922.607,00	7.680.263.854,00	136,01
Transfer Income	1.411.102.604.475,00	1.293.894.178.959,00	91,69
Central Government Transfer Revenue	1.345.518.618.087,00	1.246.715.844.996,00	92,66
Inter-Regional Transfer Income	56.083.986.388,00	37.840.293.357,00	67,47
Other Legitimate Regional Revenue	33.765.559.000,00	26.970.730.558,00	79,88
Grant Income	19.139.840.000,00	19.614.903.782,00	102,48
Other Income in accordance with the provisions of laws and regulations	14.625.719.000,00	7.355.826.776,00	50,29
Total Revenue	1.592.088.465.674,00	1.464.863.468.083,50	92,01
Regional Spending			
Operating Expenses	1.159.950.232.405,00	1.007.805.302.273,00	86,88

Employee Spending	582.323.837.022,00	536.780.222.834,00	92,18
Shopping for goods and services	490.443.529.426,00	392.877.471.461,00	80,11
Grant Spending	83.438.787.082,00	74.822.707.978,00	89,67
Social Assistance Spending	3.744.078.875,00	3.324.900.000,00	88,80
Capital Expenditure	279.134.108.546,00	237.984.704.812,00	85,26
Capital expenditure of equipment and machinery	67.207.476.091,00	56.530.491.239,00	84,11
Capital Expenditure of Buildings and Buildings	52.907.991.150,00	45.921.571.625,00	86,80
Road, Network, and Irrigation Capital Expenditure	147.616.508.205,00	135.532.641.948,00	91,81
Other Fixed Asset Capital Expenditures	11.367.133.100,00	0,00	0,00
Other Asset Capital Expenditures	35.000.000,00	0,00	0,00
Unexpected Shopping	3.000.000.000,00	551.000.000,00	18,37
Shopping Transfer	265.371.540.840,00	253.419.086.326,00	95,50
Revenue Sharing Spending	5.620.945.840,00	55.000.000,00	0,98
Financial Aid Shopping	259.750.595.000,00	253.364.086.326,00	97,54
Shopping Amount	1.707.455.881.791,00	1.499.760.093.411,00	87,84

Description			
Description	Budget	Realization	%
Total Surplus (Deficit)	-115.367.416.117,00	-34.896.625.327,50	30,25
Regional Financing	115.367.416.117,00	117.783.908.455,35	
Financing Acceptance	115.367.416.117,00	117.783.908.455,35	102,09
The Rest of the Budget Calculation of the Previous Year	73.320.000.000,00		
Financing Withdrawal	0,00	0,00	0,00
Regional Capital Participation			
Total Financing Receipts	1.707.455.881.791,00	1.582.647.376.538,85	92,69
Total Financing Expenditure	1.707.455.881.791,00	1.499.760.093.411,00	87,84
Net Financing			
Surplus Budget Waste for the Year (Silpa)	0,00	82.887.283.127,85	

b. Mandailing Regency Christmas Fiscal Year 2024

Description			
Description	Budget	Realization	%
Regional Revenue			
Regional Original Revenue (Pad)	169.046.592.152,00	132.452.222.142,95	78,35
Regional Taxes	49.883.450.000,00	38.879.712.167,00	77,94
Regional Levy	13.948.370.000,00	5.727.602.200,00	41,06
Results of Segregated Regional Wealth Management	15.000.000.000,00	14.878.265.576,70	99,19
Other Legal PADs	90.214.772.152,00	72.966.642.199,25	80,88
Transfer Income	1.785.824.313.882,00	1.692.360.228.352,00	94,77
Central Government Transfer Revenue	1.713.679.877.775,00	1.630.651.316.526,00	95,15

Inter-Regional Transfer Income	72.144.436.107,00	61.708.911.826,00	85,54
Other Legitimate Regional Revenue	5.000.000.000,00	0,00	0,00
Grant Income	5.000.000.000,00	0,00	0,00
Other Income in accordance with the provisions of laws and regulations	0,00	0,00	0,00
Total Revenue	1.959.870.906.034,00	1.824.812.450.494,95	93,11
Regional Spending			
Operating Expenses	1.420.824.998.967,35	1.267.236.805.824,37	89,19
Employee Spending	880.128.868.460,00	794.418.459.151,62	90,26
Shopping for goods and services	474.576.810.507,35	408.291.287.672,75	86,03
Grant Spending	62.219.320.000,00	60.752.899.000,00	97,64
Social Assistance Spending	3.900.000.000,00	3.774.160.000,00	96,77
Capital Expenditure	229.427.730.110,00	191.018.978.430,00	83,26
Capital expenditure of equipment and machinery	55.653.157.103,00	41.267.518.198,00	74,15
Capital Expenditure of Buildings and Buildings	81.939.747.477,00	70.317.180.699,00	85,82
Road, Network, and Irrigation Capital Expenditure	74.216.555.030,00	72.303.085.083,00	97,42
Other Fixed Asset Capital Expenditures	17.618.270.500,00	7.131.194.450,00	40,48
Other Asset Capital Expenditures	0,00	0,00	0,00
ected Shopping	5.124.873.381,65	521.500.000,00	10,18
Unexpected Shopping	3.000.000.000,00	551.000.000,00	18,37
Shopping Transfer	402.404.714.900,00	401.036.558.923,00	99,66
Revenue Sharing Spending	2.500.000.000,00	2.486.739.795,00	99,47
Financial Aid Shopping	399.904.714.900,00	398.549.819.128,00	99,66
Shopping Amount	2.057.782.317.359,00	1.859.813.843.177,37	90,38

Description			
Description	Budget	Realization	%
Total Surplus (Deficit)	-97.911.411.325,00	-35.001.392.682,42	35,75
Regional Financing	97.911.411.325,00	99.780.731.792,96	101,91
Financing Acceptance	97.911.411.325,00	97.911.411.325,00	101,91
The Rest of the Budget Calculation of the Previous Year			
Financing Withdrawal	0,00	0,00	0,00
Regional Capital Participation			
Total Financing Receipts	2.057.782.317.359,00	1.924.593.182.287,91	93,53
Total Financing Expenditure	2.057.782.317.359,00	1.859.813.843.177,37	90,38
Net Financing			
Surplus Budget Waste for the Year (Silpa)	0,00	64.779.339.110,54	

2. Analysis of Budget Effectiveness and Efficiency and Revenue Realization

a. Effectiveness of Regional Revenue

Districts	Estimated Revenue (Rp)	Revenue Realization (Rp)	Effectiveness (%)	Criteria
South Tapanuli	1.592.088.465.674,00	1.464.863.468.083,50	92,01	Effective
Christmas Decorations	1.959.870.906.034,00	1.824.812.450.494,95	93,11	Effective

b. Regional Spending Efficiency

Districts	Budget (Rp)	Expenditure Realization (Rp)	Efficiency (%)	Criteria
South Tapanuli	1.707.455.881.791,00	1.499.760.093.411,00	87,84	Quite Efficient
Christmas Decorations	2.057.782.317.359,00	1.859.813.843.177,37	90,38	Less Efficient

Based on the results of the calculation of regional revenue effectiveness, South Tapanuli Regency reached 92.01%, and Mandailing Natal Regency reached 93.11%. According to the Ministry of Home Affairs Number 690,900-327 of 1996, the two regions are included in the category that is considered effective. This shows that overall, the two districts have managed to achieve the predetermined revenue targets. However, if you look deeper, South Tapanuli is better at achieving Regional Original Revenue (PAD) with a percentage of 97.81%, while Mandailing Natal only reaches 78.03%. This condition shows that South Tapanuli is better at collecting regional revenue, while Mandailing Natal still relies more on funds provided by the central government.

3. Analysis of Budget Absorption

In terms of efficient use of the budget, South Tapanuli Regency has achieved the realization of expenditure of 87.84% of the total allocated budget, so it is categorized as an area that is quite efficient in managing its expenditures. Meanwhile, Mandailing Natal Regency recorded a spending realization of 90.38%, which according to criteria is considered less efficient.

This data shows that South Tapanuli Regency and Mandailing Natal Regency allocate capital expenditure budgets with a nominal figure much larger than other expenditures. This means that most of the budget is used for routine government operations rather than infrastructure development or used for other implementations that have a beneficial effect on the people of the district. This is due to the dominance of operating expenditure in the classification of employee expenditure, meaning that this expenditure is mandatory and cannot be postponed, thus providing a statement that each district does not have sufficient funds to allocate it for innovation and new infrastructure development for the community.

In terms of unexpected expenditure, quantitative data analysis shows that South Tapanuli Regency allocates a budget of Rp3,000,000,000.00 and Mandailing Natal Regency of Rp5,124,873,381.65. This statement illustrates that Mandailing Natal Regency allocates more unexpected spending than South Tapanuli Regency. This is because Mandailing Natal Regency has a large area that is crossed by a long coastline so it is prone to floods and even landslides. The steps taken are right, Mandailing Natal Regency can anticipate natural disasters like those that occurred in previous years.

4. Comparative Analysis of South Tapanuli Regency (Main) and Mandailing Natal Regency (Expansion)

After going through several series of data analysis in the two districts, there is the most obvious comparison, namely the difference in the spending structure. Although Mandailing Natal Regency (Madina) achieved a higher Regional Original Revenue (PAD) than South Tapanuli Regency (Tapsel), the expenditure budget of the expansion district (Madina Regency) was more vulnerable than the parent region (Tapsel Regency) which formed the efficiency criteria of Madina Regency to be less efficient.

CONCLUSION

The results of the study show that South Tapanuli Regency and Mandailing Natal Regency have good ability to achieve regional revenue targets, with effectiveness rates reaching 92.01% and 93.11%, respectively, so it can be said to be effective in collecting regional revenue. However, in terms of spending efficiency, there is a difference that is quite noticeable. South Tapanuli Regency with an efficiency rate of 87.84% is included in the "moderately efficient" category, while Mandailing Natal Regency with 90.38% is included in the "less efficient" category. The fiscal success of a region depends not only on the ability to increase revenues, but also on the accuracy of managing and using the budget. Local governments must create a balance between revenue and expenditure to prevent waste. Balanced financial management will be an important foundation for sustainable development, improving the quality of public services, and achieving more effective development goals. If a balance between effectiveness and efficiency can be achieved, both districts have the opportunity to maintain fiscal stability and at the same time increase regional competitiveness. These efforts will also be useful to improve

people's well-being and ensure that any budget allocation actually provides tangible benefits for long-term development.

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