

Financial Performance Analysis Using the Value For Money Method at BPKAD Tidore Islands City, Indonesia for 2019-2023 Period

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ABSTRACT

This study aims to determine the level of economy, efficiency, and effectiveness of financial performance at the Regional Financial and Asset Management Agency (BPKAD) of Tidore Islands City, 2019-2023, with a measurement method using the Value for Money method. The type of research used in this research is qualitative research. The results of this study indicate that 1). In terms of economic ratios, the financial performance of BPKAD of Tidore Islands city from 2019 to 2023 meets the Economic indicators 2. In terms of efficient ratios, the performance of BPKAD of the city of Tidore Islands from 2019 to 2023 meets the inefficient indicators. 3). Financial performance at BPKAD of Tidore Islands city in 2019 meets the Effective criteria, and in 2020, 2021, and 2022 meets the criteria for very Effective, while for 2023 it meets the criteria for ineffective. This finding shows significant fluctuations in financial performance, especially a decrease in effectiveness in the last year, which is a serious concern for the Agency. These results are important for evaluating ratio-based financial performance and making practical contributions in strengthening budget planning and control at the agency level.

Keywords: Financial Performance, Value for Money.

I. Introduction

Regional finances are all regional rights and obligations in implementing regional government that can be valued in money and all forms of wealth that can be used as regional property in connection with these regional rights and obligations. This definition is stated in Government Regulation of the Republic of Indonesia Number 12 of 2019 concerning Financial Management. Article 1, paragraph 2 of the same regulation also explains that, "regional financial management is an overall activity that includes planning, budgeting, implementing, administering, reporting, accountability, and supervision of regional finances".

Regional financial management sometimes highlights problems for some people in the current era. Some parties consider that government agencies often misuse public money and squander it for an unimportant interest. From several cases of misuse of the regional budget, it was emphasized by the President of the Republic of Indonesia, Joko Widodo, quoted from the President of the Republic of Indonesia's website (November 29, 2023). The 7th President of the Republic of Indonesia Joko Widodo in the Digital Submission of the Budget Implementation List (DIPA) and the 2024 Regional Transfer Allocation List Book (TKD) which took place at the State Palace, gave instructions to ministries, institutions, and local governments regarding the use of the budget in a disciplined, targeted manner and did not open loopholes in budget abuse.



Public trust in local finances depends on transparency and accountability in public sector budget management to ensure optimal efficiency and benefits. This is in line with what is described by Afonso et al. (2024), that public trust in government depends on the credibility of the government's commitment to ensuring the quality of public policy in proportion to the level of expenditure. This issue needs to concern local governments, especially the Regional Financial and Asset Management Agency (BPKAD) of Tidore Islands City, to carry out tasks according to authority and be accountable for performance and budget management according to planned programs. To be able to account for financial performance systematically and adequately, an appropriate measurement method is needed. One method that can be used to measure the financial performance of regional agencies or the public sector is the Value for Money method. Sam et al. (2024) explain that Value for Money is an approach that focuses on using public resources economically, efficiently, and effectively so that the funds used can provide optimal benefits to the community at large. Gargani and King (2023) explain that in the value for money analysis, the main question studied is the extent to which monetary and non-monetary resource utilization can produce changes valuable to stakeholders, both in terms of economic and non-economic value. By calculating these three indicators, information can be obtained on whether the budget has been optimally managed to support public welfare.

The Regional Financial and Asset Management Agency (BPKAD) of Tidore Islands City is tasked with assisting the Mayor in activities and supporting government affairs in regional finance and assets, which are the region's authority. The following table shows the Regional Financial and Asset Management Agency (BPKAD) of Tidore Islands City's performance.

Table 1. Revenue and expenditure realization data (LRA) of the Regional Financial and Asset Management Agency of Tidore Islands City in 2019-2023.

Year 2019			
Description	Budget	Realization	%
Revenue	2.370.000.000	2.328.796.526	98.26
Expenditure	18.347.072.322	17.117.406.723	93.30
Year 2020			
Description	Budget	Realization	%
Revenue	1.544.383.899	4.633.056.373	299,99
Expenditure	47.129.310.392	45.180.390.892	95,86
Year 2021			
Description	Budget	Realization	%
Revenue	3.770.000.000	4.385.783.628	116.33
Expenditure	10.360.423.466	9.778.203.684	94.38
Year 2022			
Description	Budget	Realization	%
Revenue	3.674.802.374	4.310.560.258	117.30
Expenditure	12.271.043.073	11.839.063.803	96.48
Year 2023			
Description	Budget	Realization	%
Revenue	32.022.293.374	5.200.950.090	16.24
Expenditure	14.356.834.336	14.015.889.690	97.63

Based on the data in Table 1 above, it can be noted that regional revenues and expenditures from 2019 to 2023 experienced fluctuations. In 2019, revenue was realized at 98.26% of the budgeted target, and expenditure was realized at 93.30%. In 2020 there was a considerable increase in realized revenue of 299.99%, greater than the budgeted target and for realized expenditure which experienced an increase not far from the previous year, namely 95.86%. Whereas in 2021, the realized revenue is greater than the budgeted target, namely 116.33%, which has decreased from the previous year, and the expenditure realized at 94.38%, which is smaller than the budgeted target. 2022 there was a slight decrease, namely revenue realized at 117.30% of the budgeted target and expenditure realized at 96.48%. Moreover, in 2023, revenue was realized at 16.24%

of the budgeted target; this figure shows a very significant decline compared to the previous year. There was a slight increase in expenditure, which was realized at 97.63% of the budgeted target. Using the value for money method, the analysis can focus on the financial performance of BPKAD Tidore Islands City based on three indicators: Economy, Efficiency, and Effectiveness. This research makes a real contribution to public financial management, especially in the context of evaluation-based policy making. By examining the Value-for-money ratio, this research can be used as an evaluative tool by agencies to assess the efficiency and effectiveness of budget implementation and provide input for improving the expenditure planning and control system in the future.

Budget performance evaluation is not only important for agencies internally. However, it is also part of strategic issues in public finance, such as the efficiency of expenditure, the effectiveness of public services, and accountability for using public funds. Therefore, this research is not only helpful in evaluating the financial performance of BPKAD Tidore Kepulauan City, but also relevant in a broader context, namely the improvement of results-oriented regional financial governance. In addition, the findings of this study can also be an input for local governments in formulating budget policies to be more efficient, effective, and targeted. Based on this, the results of this study are expected to be a practical reference for local governments in strengthening transparency, accountability, and efficiency of budget management.

II. Literature Review and Hypothesis Development

2.1. Public Sector Budget

The definition of a public sector budget, according to Sarsiti (2020), is a financial plan that conveys: How much money is needed for the planned plans (expenditure/expenditure) and how much and how I get money to finance the plan (revenue). Majid (2019) explains that the public sector budget is a policy tool in realizing organizational goals. This is particularly reflected in the composition and amount of the budget, which directly describes the expected goals and direction of public services.

2.2. Performance Measurement Concept

Performance measurement, according to Sarsiti (2020), is a method or tool used to measure and assess the level of achievement of the implementation of an activity based on targets, goals, and strategies that have previously been set, to provide information related to organizational progress and optimize the quality of accountability and decision making. Triyassari and Sambharakhresna (2024) explain that in performance measurement, it is necessary to evaluate the extent to which the implementation of activities has achieved the predetermined goals or objectives. Putri (as cited in Rambe et al., 2024) explains that in an organization, performance measurement can be carried out by relying on two types of information, namely nonfinancial and financial information. Chaeroni et al. (2024) explained that performance measurement contributes significantly to accounting and supports more optimal decision making.

2.3. Value For Money

Majid (2019) explains that value for money is a management concept in public sector organizations focusing on three main elements: Economy, efficiency, and effectiveness. Said et al. (2024) explain that the concept of value for money is one of the performance measurements that can provide information regarding whether the budget has produced specific value for the community. OECD (as cited in Nemeč and Kubak, 2024) explains that in the procurement of government goods and services, value for money is generally defined as an effort to achieve the optimal combination of quality of goods, services, overall costs during use, and public works contracts. In addition, HM Treasury (cited in Zhao, 2024) defines value for money as achieving the best balance between total costs throughout the life cycle and the quality of results tailored to user needs.

Matondang et al. (2025) explained that with Value for money, the public can obtain information regarding how the budget is allocated and the real results obtained from government policies.

2.3.1. Economics

Yuesti et al. (2020) explain that economics involves obtaining inputs of goods and services with a certain level of quality at the lowest possible price (spending less). Mwakolo et al. (2023) explain that the economic aspect assesses how cost-effective the costs incurred in the procurement process of an activity are. In addition, Erica et al. (2023) explained that Economics refers to utilizing resources at the lowest possible cost without lowering quality standards. Bahril et al. (2025) explained that savings become worthless if the target is not achieved optimally. The following is the formula for economic indicators described by Silaban et al. (2024) :

$$\text{Economics} = \frac{\text{Input}}{\text{Input Value}} \times 100\%$$

The following are economic analysis techniques when using budget realization report data (Jadid et al., 2023) :

$$\text{Economics} = \frac{\text{Realized budget expenditure}}{\text{Target budget expenditure}} \times 100\%$$

Description of Economic criteria:

Table 2. Economic Ratio Criteria

Percentage	Criteria
Above 100%	Very Economical
90%-100%	Economical
80%-90%	Fairly Economical
60%-80%	Less Economical
Less than 65%	Not Economical

Source: Karina and Ramadhani (as cited in Putra et al., 2024)

2.3.2. Efficiency

Yuesti et al. (2020) explained that an operational activity is considered efficient if a particular product or output can be achieved with the least possible utilization of resources and costs (spending well). Mwakolo et al. (2023) explained that efficiency reflects the extent to which maximum benefits can be obtained from an activity compared to the resources used, taking into account compliance with standards for quality, sustainability, and timeliness of implementation. Moi et al. (2024) explained that the smaller the value of the efficiency ratio achieved, the better the organizational performance of a public sector. The following is a formula for measuring efficiency described by Silaban et al. (2024):

$$\text{Efficiency} = \frac{\text{Output}}{\text{Input}} \times 100\%$$

The following is an efficient analysis technique when using budget realization report data (Jadid et al., 2023) :

$$\text{Efficiency} = \frac{\text{Expenditure budget realization}}{\text{revenue budget realization}} \times 100\%$$

Description of efficiency criteria:

Table 3. Efficiency Ratio Criteria

Percentage	Criteria
Above 100%	Inefficient
90%-100%	Less Efficiency
80%-90%	Fairly Efficiency
60%-80%	Efficiency
Less than 60%	Very Efficiency

Source: Karina and Ramadhani (as cited in Putra et al., 2024)

2.3.3. Effectiveness

According to Edowai et al. (2021), effectiveness is a benchmark to determine an organization's success or failure in achieving its goals. Mwakolo et al. (2023) explain that effectiveness measures the extent to which an entity has achieved the previously set activity targets. Effectiveness is one of the three indicators of measuring Value for money related to the size of the organization's achievement in achieving its planning. The following equation is the Effectiveness Indicator described by Silaban et al. (2024):

$$\text{Effectiveness} = \frac{\text{Outcome}}{\text{Output}} \times 100\%$$

The following is an effectiveness analysis technique when using budget realization report data (Jadid et al., 2023):

$$\text{Effectiveness} = \frac{\text{revenue budget realization}}{\text{revenue budget target}} \times 100\%$$

Description of Effectiveness criteria:

Table 4. Effectiveness Ratio Criteria

Percentage	Criteria
Above 100%	Very Effective
90%-100%	Effective
80%-90%	Fairly Effective
60%-80%	Less Effective
Less than 60%	Not Effective

Source: Karina and Ramadhani (as cited in Putra et al., 2024)

III. Research Method

The type of research in this study is Qualitative research with a specific method, namely document analysis. This qualitative research emphasizes contextual understanding and non-statistical analysis of financial documents by interpreting data based on the value for money principle. The selection of this qualitative method can help readers understand the research results by explaining the numbers through clear narratives, not only in the form of tables or percentages. In addition, the value for money method was chosen because it is the primary focus in answering the formulation of this research problem: achieving agency financial performance based on the principles of accountable public finance. Although a qualitative approach through value-for-money ratio analysis can explain financial performance in general, this method has limitations due to its dependence on quantitative data ratios and lack of in-depth exploration. In addition, the value aspect of Value for money can mean different things to each stakeholder, so the assessment standard

can be subjective or not uniform. There are 2 data sources in this study, namely primary data, namely data obtained directly from the research location, namely the BPKAD office of Tidore Islands City, in the form of data on the budget realization report (LRA) of revenue and expenditure for the BPKAD office of Tidore Islands City in 2019-2023. The 2019-2023 range was chosen because this research was conducted starting in 2024, so the last five-year range is the most relevant period and reflects the latest financial dynamics that can be analyzed. This type of data contributes directly to answering the problem formulation and directly supports the research objectives, because all indicators in the value for money approach can be calculated and analyzed using the numbers in the budget realization report. Furthermore, secondary data, namely data obtained from printed books, journals, and other print media, are appropriate and relevant to the needs of this research. The data collection technique in this study uses 3 data collection methods, namely observation, interview, and documentation. The data that has been collected will then go through an analysis process, namely by using the Value for Money approach. In order for this data to be presented in a structured and systematic manner, the researchers conducted data analysis techniques as proposed by Miles and Huberman (in Sugiyono, 2018), namely Data Reduction (Data Reduction), Data Presentation (Data Display), Verification / Conclusion Drawing. In maintaining the validity and reliability of the analysis, this research applies an audit trail by systematically recording the entire analysis process. This technique is used so that the analysis process can be traced back and confidence in the research results can be increased.

IV. Results and Discussion

4.1. Result

4.1.1. Economic ratio

Table 4. Economic Ratio BPKAD Tidore Islands City 2019-2023

Year	Target Expenditure Budget (Rp)	Realized Expenditure Budget (Rp)	%	Criteria
2019	18.347.072.322	17.117.406.723	93,30	Economical
2020	47.129.310.392	45.180.390.892	95,86	Economical
2021	10.360.423.466	9.778.203.684	94,38	Economical
2022	12.271.043.073	11.839.063.803	96,48	Economical
2023	14.356.834.336	14.015.889.690	97,63	Economical

Based on Table 4, the economic ratio calculation results at the Regional Financial and Asset Management Agency (BPKAD) of Tidore Islands for the last 5 years meet the economic criteria. From 2019 to 2023, the economic ratio was obtained, and all met the economic criteria. In Figure 1, it is stated that although there were fluctuations in the financial performance of the target and realization of the expenditure budget, the BPKAD of Tidore Islands City was able to show that the allocation of resources was used with economic costs and optimal financial management, and was able to maintain the achievement of Economic criteria in the last 5 years. The existence of a little remaining unrealized expenditure budget and the realization of expenditure budgets that do not significantly exceed the budget target in almost all allocated budgets can indicate the existence of careful budget planning and optimal budget use, so there is no waste.

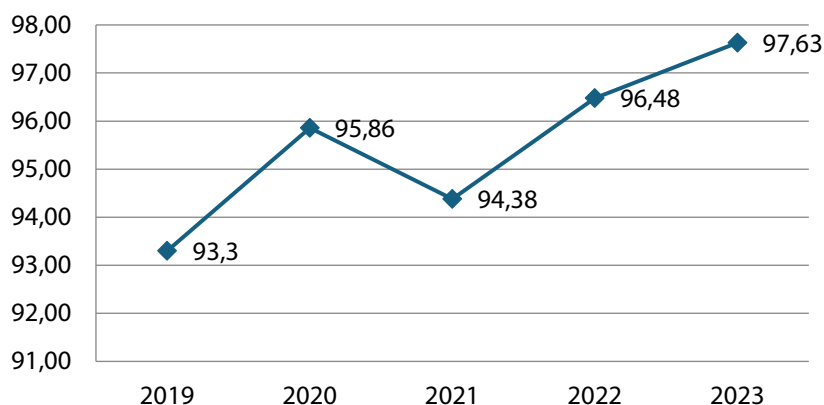


Figure 1. Economic Ratio BPKAD Tidore Islands City 2019-2023

4.1.2. Efficient ratio

Table 5. Efficient Ratio BPKAD Tidore Islands City 2019-2023

Year	Expenditure Budget Realization (Rp)	Revenue Budget Realization (Rp)	%	Criteria
2019	17.117.406.723	2.328.796.526	735,03	Inefficient
2020	45.180.390.892	4.633.056.373	975,17	Inefficient
2021	9.778.203.684	4.385.783.628	222,95	Inefficient
2022	11.839.063.803	4.310.560.258	274,65	Inefficient
2023	14.015.889.690	5.200.950.090	269,48	Inefficient

Based on the presentation in Table 5, the efficiency ratio calculation results at the Financial and Asset Management Agency of the Tidore Islands for 2019, 2020, 2021, 2022, and up to 2023 meet the criteria for inefficiency.

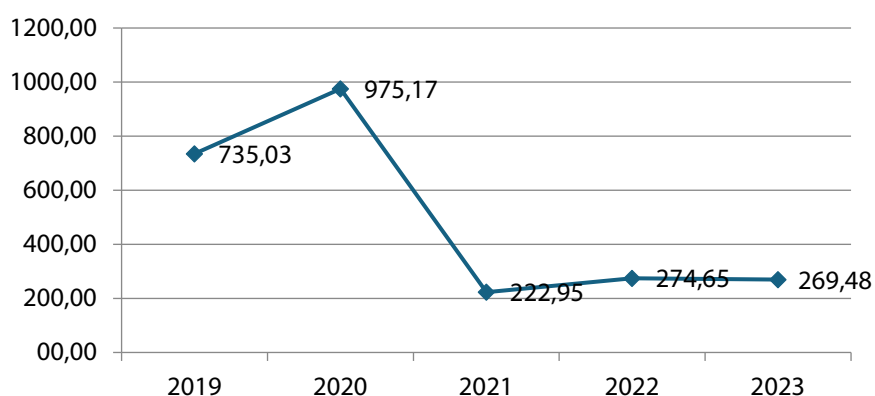


Figure 2. Efficient Ratio BPKAD Tidore Islands City 2019-2023

The analysis of the efficiency ratio of the BPKAD office of Tidore Islands City in 2019-2023 shows that the BPKAD of Tidore Islands City has not been able to manage its resources as efficiently or optimally as possible. The realization of the expenditure budget used has not been able to produce a balanced or more revenue budget realization, resulting in a deficit. However, on the other hand, the BPKAD office of Tidore

Islands City has reduced the inefficiency rate from 2020 to 2023, as illustrated in Figure 2 of the efficiency ratio graph.

4.1.3. Effectiveness ratio

Table 6. Effectiveness Ratio BPKAD Tidore Islands City 2019-2023

Year	Revenue Budget Target (Rp)	Revenue Budget Realization (Rp)	%	Criteria
2019	2.370.000.000	2.328.796.526	98,26	Effective
2020	1.544.383.899	4.633.056.373	299,99	Very Effective
2021	3.770.000.000	4.385.783.628	116,33	Very Effective
2022	3.674.802.374	4.310.560.258	117,30	Very Effective
2023	32.022.293.374	5.200.950.090	16,24	Ineffective

Based on the presentation of Table 6, the results of the calculation of the Effectiveness ratio at the Financial and Asset Management Agency of the Tidore archipelago city for 2019, obtained effective criteria, in 2020, 2021, and 2022, obtained the achievement of highly effective criteria, and in 2023, obtained ineffective criteria.

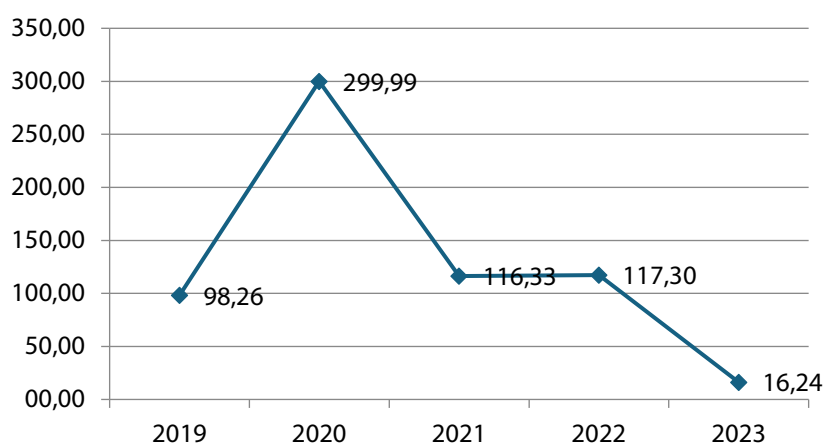


Figure 3 . Effectiveness Ratio BPKAD Tidore Islands City 2019-2023

Based on the results of this effectiveness ratio research, it can be seen that the BPKAD office of the city of Tidore Islands can carry out its financial performance well, which is indicated by the dominant good criteria, namely Effective / Very Effective, from 2019 to 2022. Revenue realization exceeding the target shows that the organization can exceed expectations, which can be interpreted as highly effective and indicates good performance. In addition, for 2023, improvements and evaluations can be expected related to improving resource management, budget control, and optimizing financial processes.

4.2. Discussion

4.2.1. Economic Ratio

In 2019, the financial performance of BPKAD Tidore Islands City was classified as Economic criteria, with the calculation results getting a percentage value of 93.30%. It is economical because the percentage value is 90-100% by the standard economic ratio criteria. In addition, personnel expenditure and goods expenditure are the two posts that contribute most to or influence the economic category because they have the most significant portion in the total expenditure of BPKAD of Tidore Islands city in 2019..

In 2020, it was classified as an Economic criterion, with the calculation results getting a percentage value of 95.86%. It is economical because the percentage value is in the 90-100% range by the standard economic ratio criteria. This year, there is an increase in the economic level, which is indicated by adding a grant expenditure post, which is the most dominating post related to BPKAD expenditure in 2020, followed by the Employee Expenditure post. In 2021, it was classified as Economic, with the calculation results getting a percentage value of 94.38%. It is economical because the percentage value is 90-100% by the standard economic ratio criteria. As for this year, there was a decrease in the level of economy of BPKAD's financial performance in the city of Tidore Islands due to lower targets and the realization of expenditure budgets compared to the previous year. Furthermore, in 2022, the financial performance of BPKAD of Tidore Islands City in terms of economic ratios is classified as Economic criteria, with the calculation results getting a percentage value of 96.48%. It is economical because the percentage value is 90-100% by the standard economic ratio criteria. This year shows an increase in the level of economy in the financial performance of BPKAD of Tidore Islands City, where the number of targets and realization of expenditure budgets, especially in the goods expenditure post and the target expenditure budget in the capital equipment and machinery expenditure post, has increased so that it contributes to an increase in the economic level.

In 2023, it is classified as an economic criterion, with the calculation results getting a percentage value of 97.63%. It is economical because the percentage value is 90-100% by the standard economic ratio criteria. This year, the BPKAD of Tidore Islands City improved its economy in terms of financial performance, as indicated by the increasing number of targets and realizations in the Goods Expenditure post, followed by the Capital Equipment and Machinery Expenditure post. Based on the explanation of the discussion related to the economic ratio, it is supported by the theoretical concept explained by Mahsun (as cited in Huda et al., 2020), which explains that the higher the economic ratio, which reflects the government's ability to spend the budget, the better the quality of local government financial performance. In addition, this study's results align with research conducted by Halawa and Putri (2023), with the results showing that the PUPR Office of West Aceh Regency in 2020-2021 obtained Economic criteria with a percentage of 90%. Program implementation with a consistent budget discipline system until the end of the implementation of activities is an alternative to reducing expenditure figures and helping to achieve economic goals.

The results of this study contradict the theory put forward by Mardiasmo (as cited in Syahirah et al. 2023), namely, if the percentage result of the economic ratio is more than 100%, this indicates that it is not economical. The results of these findings also contradict the statement by Nasution (2024) in his research entitled Value For Money Analysis in Assessing Financial Performance at the Regional Finance and Asset Agency (Bkad) of North Sumatra Province, namely Government performance is considered economical, if the ratio obtained is less than 100% in another sense the smaller the economic ratio number indicates the better the performance ratio. The results of this study show the performance of BPKAD Tidore Islands City, which has maintained the consistency of the economic ratio in the last 5 years, as indicated by the agency's ability to manage the budget optimally by planning without significant waste. Policy implications based on the results of this study are the importance of maintaining the principle of savings in procuring goods and services and encouraging more realistic budget planning.

4.2.2. Efficient ratio

In 2019, the financial performance of BPKAD of Tidore Islands City, based on the measurement results in terms of efficiency ratios, obtained the Inefficient category with a percentage value of 735.03%. It is said to be Inefficient because the results of the percentage value that is at 100% and above are below the standard criteria for the efficiency ratio. The efficiency ratio of BPKAD of Tidore Islands city for 2019 shows a budget deficit where expenditure exceeds or is much greater than the realization of the revenue budget. In 2020, it obtained the Inefficient category with a percentage value of 975.17%. It is considered inefficient because the percentage value results are 100% or above by the standard criteria for the efficiency ratio. This year, researchers saw an increase in inefficiency due to the high amount of expenditure budget realization compared to the previous year, accompanied by the amount of revenue budget realization that could not

balance the very high amount of expenditure budget realization, which also caused a deficit. In 2021, the Inefficient category was obtained with a percentage value of 222.95%. It is said to be Inefficient because the results of the percentage value are at 100% and above by the standard criteria for the efficiency ratio. This year, BPKAD Tidore Islands City has reduced the inefficiency in its Financial Performance, which is indicated by a significant decrease in the amount of expenditure budget realization compared to the previous year.

In 2022, the Inefficient category was obtained with a percentage value of 274.65%. It is said to be Inefficient because the results of the percentage value are at 100% and above by the standard criteria for the efficiency ratio. This year, there was another increase in inefficiency in the financial performance of BPKAD Tidore Islands City due to an increase in the expenditure budget realization and a lower revenue budget realization than the previous year. In 2023, BPKAD Tidore Island City obtained the Inefficient category with a percentage value of 269.48% based on the measurement results regarding efficiency ratios. It is considered inefficient because the percentage value results are 100% or above by the standard criteria for the efficiency ratio. Although there was an increase in the realization of the expenditure budget, on the other hand, the realization of the revenue budget also increased compared to the previous year, helping to reduce the level of Inefficiency in the financial performance of BPKAD Tidore Islands City in 2023. However, it still experiences a deficit because the realization of the revenue budget is not comparable to the realization of the expenditure budget.

The explanation of the discussion related to this efficient ratio is based on the theoretical concept described by Yuesti et al. (2020), which states that an operational activity is considered efficient if a particular product or output can be achieved with the least possible utilization of resources and costs (spending well). The results of this study are also in line with previous research conducted by Wiraguna et al. (2024), with research results showing that the total efficiency ratio of the Katingan district government in 2018-2022 on financial performance is classified as inefficient, with a percentage of 100.97%. This can be seen from the significant expenditure budget that causes specific sectors to waste. However, contrary to the research of Putra and Nursida (2023), the results of the findings show that the financial performance of the Rokan Hulu Regency Environmental Service in 2020 and 2021 in terms of efficiency obtained a percentage of 131% and 101.77% respectively, and is said to be efficient. This shows that if the percentage value obtained is more than 100%, it is said to be efficient based on the calculation of the efficiency ratio. In the results of this study, the financial performance of BPKAD Tidore Islands City for 2019-2023 shows that the budget funds used have not been minimized in producing performance outputs, so efficiency has not been achieved. This inefficiency can impact budget waste, low performance achievement, and decreased public trust. Related to this, it is necessary to take action in preventing the negative impact of budget inefficiency by BPKAD of Tidore Islands City which can be implemented periodic evaluation and monitoring in assessing the effectiveness and efficiency of activities, increasing the capacity of financial human resources, and implementing Value For Money which is not only a measuring tool but can also be a strategic solution in overcoming the impact of inefficient financial performance on BPKAD of Tidore Islands City in 2019-2023.

4.2.3. Effectiveness ratio

In 2019, the financial performance of BPKAD Tidore Islands City, based on the calculation of the effective ratio, met the Effective criteria with an acquisition percentage of 98.26%. It is effective because the percentage value results are 90-100% according to the standard effectiveness ratio criteria. The acquisition of this effective ratio percentage figure shows that the achievement of BPKAD Tidore Islands City has not been maximized according to the target. This is because there is still a difference between the revenue budget target and the realization of the revenue budget of 1.74%. In 2020, it obtained very effective criteria by acquiring a percentage ratio of 299.99%. It is effective because the percentage value results are 100% above the standard effectiveness ratio criteria. This year, the legitimate regional management revenue post does not have a nominal figure for the target. However, even though the realization of legitimate management revenue does not have a target but shows an achievement that can increase financial capacity, budget implementation still needs to be improved to achieve a more structured target setting. In 2021, it obtained a very Effective criterion by acquiring a percentage ratio of 116.33%. It is effective because the percentage value results are 100% above the standard effectiveness ratio criteria. The addition of the revenue budget target and the low

realization of the revenue budget compared to the previous year had an impact on reducing the level of effectiveness of the financial performance of BPKAD Tidore Islands City in 2021.

In 2022, it obtained very effective criteria by acquiring a percentage ratio of 117.30%. It is effective because the percentage value results are 100% above the standard effectiveness ratio criteria. Although the total revenue meets the criteria of being very effective this year, in the legitimate regional management revenue post, there are still shortcomings related to achieving revenue budget realization, which is only realized at 55.39% of the budgeted target. In 2023, the financial performance of BPKAD Tidore Islands City, based on the calculation of the effective ratio, obtained ineffective criteria with the acquisition of a percentage ratio of 16.24%. It is said to be ineffective because the results of the percentage value are less than 60% by the standard effectiveness ratio criteria. The ineffectiveness in 2023 was due to the Revenue Budget Target in the Other Revenue post not being realized, causing the revenue budget to be lower than the revenue budget target and showing a significant shortfall in planned revenue generation.

Research results related to this effectiveness ratio align with the theoretical concepts described by Edowai et al. (2021), which explains that an organization is said to be running effectively if it has succeeded in achieving its targets. In line with research conducted by Dewi and Werastuti (2024), the results of the study show that the financial performance of Lokasari village government agencies has been effective, based on the percentage results obtained, and the village government continues to achieve the ultimate goals and objectives in running the program. As for the results of this study, the financial performance of BPKAD Tidore Islands City managed to meet the criteria of practical and very practical in 2019-2022, which was reflected in the agency's success in achieving the revenue budget target, while in 2023, the target was not achieved, so this indicates that effectiveness has not been realized. Based on the results of this study, the policy implication is the importance of setting realistic and real potential-based revenue targets, in addition to evaluating revenue achievements, which should be carried out regularly.

4.2.4. Relationship between economic ratios, efficiency, and effectiveness

When viewed as a whole, the results showed that although the performance of BPKAD Tidore Islands City was classified as good, this was not followed by consistent efficiency and effectiveness. In 2020, the efficiency ratio showed a very high percentage of 975.17%, which reflects an inefficient condition because the realization of expenditure remains large even though the figure for revenue has also increased. Meanwhile, effectiveness experienced fluctuations and reached its lowest point in 2023 (16.24%). This synthesis shows that financial performance cannot be assessed by one ratio in isolation, as economic success does not necessarily reflect efficiency or effectiveness. All three ratios must be achieved simultaneously to realize financial management's Value for Money principle fully. This is in line with the statement presented in the research of Gobel et al. (2023), where Value for money has a meaning, namely, appreciation of the value of money. Each budget dollar must reflect a value balance and be utilized optimally.

V. Conclusion

Based on the results of the analysis of financial performance measurement at the Regional Financial and Asset Management Agency (BPKAD) of the city of Tidore Islands from 2019 to 2023 with the Value For Money method approach, it can be concluded that the financial performance at the BPKAD of the city of Tidore Islands from 2019 to 2023 meets the Economical indicator. Regarding the ratio of Efficient indicators, the 2019 to 2023 period meets inefficient indicators. Meanwhile, in terms of the Effective indicator ratio, 2019 met the effective criteria, 2020 to 2022 met the highly effective criteria, and 2023 met the ineffective criteria. The findings that show an imbalance between efficiency and effectiveness emphasize the importance of looking at the three indicators of Value for money in an integrated manner, not separately. Practically, the results of this study can be a reference for BPKAD Tidore Islands City to improve target revenue planning and expenditure efficiency to achieve public accountability principles optimally. This research can be expanded for future development by developing a mixed methods approach that combines financial analysis with in-depth interviews or policy studies. In addition to enriching the understanding and comparison of the

implementation of value for money, it can be applied to expand the research object to several other agencies or regions.

Based on the findings of this study, BPKAD Tidore Islands City is advised to conduct periodic internal evaluations of the agency's financial management, especially in terms of the efficient use of the budget. This can be done by compiling a comparative analysis report of revenue and expenditure realization and forming an internal budget control team that monitors the agency's financial performance quarterly. To improve the effectiveness of achieving revenue targets, BPKAD Tidore Islands City needs to conduct audits of revenue items that are not achieved and develop strategies to improve performance based on realistic data and projections. In particular, the performance evaluation in 2023 can be a reference for adjusting targets and programs in the future so that financial performance can be optimized again.

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