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Analysis of Budget Realization to Assess the Effectiveness and Efficiency of Expenditure Budget in the Financial Affairs Division (Bidkeu) of the Central Java Regional Police for Fiscal Year 2024

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Article Info

Article history:

Received 2026-01-20

Revised 2026-01-30

Accepted 2026-03-09

Keywords:

Budget Realization

Effectiveness

Efficiency

Good Governance

Value For Money

ABSTRACT

Effective and efficient budget management is a critical requirement for strengthening accountability and good governance in public sector institutions. However, suboptimal budget absorption may indicate inefficiencies in expenditure management. This study aims to evaluate the effectiveness and efficiency of budget realization at the Financial Affairs Unit (Bidkeu) of the Central Java Regional Police during the 2024 fiscal year based on the Value for Money principle. A quantitative descriptive approach was applied, with the unit of analysis comprising the Bidkeu work units, including Subbag Renmin, Subbidal Verif, and Subbidal Bia and Apk, covering personnel, goods, capital expenditures budget items, and the total 2024. Primary data were obtained through direct observation during a four-month internship, supported by short interviews and analysis of financial documents, namely the Budget Realization Report (LRA) and the Budget Implementation Document (DIPA). Data were analyzed by calculating effectiveness and efficiency ratios in accordance with the criteria stipulated in the Ministry of Home Affairs Regulation No. 690.900.327 of 1996. The results indicate that overall budget realization is very effective, as expenditure realization exceeded predetermined targets. However, efficiency remains at a moderately efficient level due to incomplete budget absorption across several expenditure categories. These findings suggest that while budget execution is effective, further improvements in cost control and expenditure planning are necessary to enhance efficiency and reinforce the application of Value for Money principles in public financial management.

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1. INTRODUCTION

Every organization, whether in the private or public sector, continuously strives to achieve its objectives as optimally as possible. These objectives are generally formulated based on **the organization's vision and mission** and are subsequently implemented through various activities and strategic policies. In pursuing these objectives, strong coordination among divisions, including marketing, operations, human resources, and finance, is essential to ensure that all activities are aligned and mutually supportive. Interdivisional collaboration is crucial to ensure that programs are implemented as planned. To maintain focus and measurability of these activities, strategies must be carefully designed. Such strategies not only concern program implementation but also encompass the planning and control of organizational resources to remain aligned with targeted goals. One of the key management tools supporting this process is the budget, which serves as a guideline for resource management, cost control, and overall organizational performance evaluation.

Budgets play a vital role in supporting organizational activities in both the private and public sectors. As indicated in the literature, budgets constitute an essential component of organizational management, functioning as references and benchmarks for assessing the success of work plan implementation [1]. This underscores that budgets are not merely financial plans but also strategic tools for measuring performance in program execution. Although budgeting concepts apply across sectors, there are fundamental differences between public and private sector budgets. Public sector budgets are prepared in accordance with the principles of transparency and accountability because public resources fund them and must therefore be publicly accountable.

In contrast, private sector budgets are more profit-oriented and focused on internal efficiency. Moreover, it is stated that through budgeting, management can assess the effectiveness and efficiency of operations by comparing budget plans with actual results achieved [2]. This indicates that budgets serve not only planning purposes but also provide the basis for preparing Budget Realization Reports (Laporan Realisasi Anggaran/LRA). Consequently, budgets are essential for directing, controlling, and evaluating organizational actions to ensure optimal and accountable use of resources.

The LRA is one of the main financial reporting instruments used to present information on budget implementation over a specific period. It is defined as a document that provides an overview of the extent to which budget plans have been realized in organizational operations [3]. This report enables management and institutions to assess program implementation success by examining the alignment between planned and actual outcomes. Budget realization analysis is necessary to identify factors causing discrepancies between plans and realizations and serves as a foundation for improving future planning effectiveness. Furthermore, the LRA serves as an accountability mechanism for the public and government, as well as a basis for evaluating institutional performance in managing allocated financial resources. Thus, the LRA functions not only as an administrative report but also as a managerial evaluation tool to ensure that expenditure budgets are implemented appropriately, transparently, and in compliance with prevailing regulations.

In measuring government financial management performance, the *Value for Money* approach is one of the most widely applied concepts. According to Ervina et al. [4], *Value for Money* in public sector management is oriented toward three core principles: economy, efficiency, and effectiveness. These principles aim to ensure that resources generate optimal public benefits while minimizing costs. However, this study limits the scope of *Value for Money* measurement to effectiveness and efficiency, as these are considered most relevant for assessing budget management performance in government institutions. Effectiveness refers to the extent to which programs and activities achieve their intended objectives (outputs) relative to inputs, while efficiency reflects an institution's ability to utilize resources to produce optimal outcomes with available outputs. The analytical tools used include expenditure effectiveness ratios and expenditure efficiency ratios. This analysis aims to determine the balance in spending priorities and to demonstrate productivity, effectiveness, and efficiency in regional expenditures. Examining these concepts is also essential for obtaining an objective picture of budget performance and for strengthening accountability and transparency in public financial management, commonly referred to as Good Governance.

The Financial Affairs Division (Bidkeu) serves as a supporting unit for financial governance within the Central Java Regional Police (Polda Jawa Tengah). Bidkeu includes a supporting unit, Subbagrenmin, responsible for formulating the DIPA and LRA for the Bidkeu work unit. These reports are prepared annually to assess how the established budget aligns with its realization and to compare actual outcomes with previously approved budgets. Budget absorption is considered optimal if realization reaches at least 90% of the upper limit by the fourth quarter, as stipulated by the Ministry of Finance in **Regulation of the Director General of Treasury No. 4/PB/2021** [5]. Subsequent analysis indicates that budget absorption in the Bidkeu Polda Jawa Tengah LRA has not been fully optimal, resulting in budget surpluses in several expenditure items.

Based on the above considerations, this study is entitled “**Analysis of Budget Realization to Assess the Effectiveness and Efficiency of Expenditure Budget in the Financial Affairs Work Unit (Bidkeu) of the Central Java Regional Police for Fiscal Year 2024.**” **The purpose of this research is to examine and analyze the levels of effectiveness and efficiency of the Bidkeu expenditure budget** for fiscal year 2024 using effectiveness and efficiency ratio analyses.

2. LITERATURE REVIEW

Budget

In general, a budget is a financial plan prepared to guide an organization's operational activities over a specific period. According to the National Committee on Governmental Accounting, now known as **the Governmental Accounting Standards Board (GASB)**, **a budget is a financial operational plan that includes estimates of proposed expenditures and projected sources of revenue to finance those expenditures over a given period.** A budget is used not only as an annual financial planning tool but also as a short-term control mechanism within an organization. In line with this view, **a budget may be described as a** systematically prepared **plan that encompasses** all organizational operational activities, expressed in

monetary terms, for a specific future period [6]. Based on these perspectives, it can be concluded that a budget is not merely a financial document but a management tool that aligns with revenue planning, expenditure allocation, and the achievement of organizational objectives [7].

Budget Realization

Conceptually, realization is the process of turning plans into concrete actions with measurable outcomes. In the context of public institutions, realization constitutes a crucial part of the management cycle, as it reflects the extent to which planned objectives are implemented in practice. Resti [8] defines realization as the process of converting plans into tangible forms with observable results. This definition emphasizes that realization is not only about implementation, but also about achieving what has been planned. Accordingly, budget realization serves as an indicator for measuring an organization's level of achievement in meeting its allocated funding targets within a given period [9]. **The Budget Realization Report (LRA) is a key instrument that presents information on budget utilization and the outcomes of its implementation during the reporting period.**

Effectiveness

In general, the term effectiveness derives from the English word effectiveness, which in turn derives from *effect*, meaning impact or result. In the context of public policy management, effectiveness refers to the extent to which an activity produces outputs in accordance with the planned inputs. Effectiveness is a fundamental concept that describes an organization's level of success in completing programs or achieving predetermined objectives [10]. This is consistent with the view that effectiveness reflects the degree of success of public activities in influencing the capacity to deliver public services in line with established goals [11]. This understanding indicates that effectiveness not only measures success quantitatively but also emphasizes alignment between achieved outcomes and underlying needs, making it a crucial indicator for evaluating the success of a policy or program.

Effectiveness is measured by comparing budget realization (output) with budget targets (input). The following formula can be used in the analysis:

$$\text{Effectiveness} = \frac{\text{Budget Realization}}{\text{Budget target}} \times 100\%$$

Source: Prasetyo and Nugraheni [12]

After analyzing the formula above, the criteria can be determined using the effectiveness standards as referenced in Decree of **the Minister of Home Affairs (Kemendagri) Number 690.900.327 of 1996 concerning the assessment and achievement of financial performance, as follows:**

Table 1. Effectiveness Criteria in Kemendragi No. 690.900.327 of 1996

Percentage Level %	Effectiveness Criteria
<100%	Very Effective
90% - 100%	Effective
80% - 90%	Quite Effective
60% - 80%	Less Effective
< 60%	Ineffective

Source: Ministry of Home Affairs No. 690.900.327 of 1996

Efficiency

In general, efficiency is the ability of a system or organization to use resources optimally to achieve specific outcomes. The term originates from the English word *efficiency*, derived from *efficient*, meaning economical. According to Amira [13], efficiency is the ratio of planned input utilization to actual utilization. Based on this definition, efficiency assesses the extent to which output usage aligns with plans and produces optimal outcomes. This perspective emphasizes that efficiency is not merely about cost savings, but also about managing resources productively so that each allocation yields optimal results with minimal waste. Budget efficiency thus reflects an organization’s or institution’s capacity to optimize the use of funds in order to generate high-value outcomes [14].

The level of efficiency is measured by comparing the realized expenditure (outcome) with the budget ceiling (output). The following formula can be used in the analysis:

$$\text{Efficiency} = \frac{\text{Realized expenditure}}{\text{Budget ceiling}} \times 100\%$$

Source: Yuliyanto et al. [15]

Based on the criteria listed in the Ministry of Home Affairs Number 690.900.327 of 1996, the level of efficiency in the use of the government budget can be classified into several levels, as follows:

Table 2. Efficiency Criteria in Ministry of Home Affairs Decree Number 690,900,327 of 1996

Percentage Measurement %	Efficiency Criteria
>100%	Not Efficient
90% - 100%	Less Efficient
80% - 90%	Quite Efficient
60% - 80%	Efficient
< 60%	Very Efficient

Source: Minister of Home Affairs Decree Number 690,900,327 of 1996

3. METHOD

This study employs a descriptive quantitative approach to assess the effectiveness and efficiency of budget realization at the Finance Division (Bidkeu) of the Central Java Regional Police, with reference to the *Value for Money* principle. The unit of analysis is the Bidkeu work unit of the Central Java Regional Police, comprising Renmin, Subbidal Verif, and Subbidal Bia and Apk, with a focus on the management of personnel, goods and services, and capital expenditures, budget items, and the total 2024. The data used are primary data obtained through direct observation during a four-month internship period and brief

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<https://doi.org/10.58421/misro.v5i1.1049>

interviews with relevant staff, supported by financial documents such as the Budget Realization Report (LRA) and the Budget Implementation List (DIPA). Initial findings indicate that several budget items recorded absorption rates below 90% in the fourth quarter of the 2024 fiscal year, which subsequently became the main focus of the analysis. The collected data were analyzed using quantitative descriptive analysis, calculating effectiveness and efficiency ratios in accordance with the criteria stipulated in the Ministry of Home Affairs Regulation No. 690.900.327 of 1996 to evaluate performance and the quality of public financial management.

4. RESULTS AND DISCUSSION

Data Analysis

Effectiveness Analysis by Type of Expenditure and Overall at the Bidkeu Work Unit of the Central Java Regional Police

In general, the 2024 budget allocation at the Bidkeu of the Central Java Regional Police was used for three main types of expenditure: personnel, goods, and capital.

Table 3. Summary of Budget Targets and Realization

	Budget Target	Budget Realization	Difference
2024	10.950.206.000	42.821.317.000	31.871.111.000
Employee Expenditure	3.453.969.000	3.040.214.396	413.576.000
Operational Expenditure	7.496.237.000	11.175.505.566	3.869.708.000
Capital Expenditure	0	28.414.979.000	28.414.979.000

Source: Central Java Regional Police Finance Agency (Processed)

Effectiveness represents the relationship between outputs and the objectives or targets to be achieved (inputs). An activity is considered effective if, upon completion, it achieves the predetermined goals or targets. The effectiveness ratio of the expenditure budget is calculated by comparing actual receipts with targeted (budgeted) receipts, thereby indicating the government's ability to achieve budgeted revenue targets.

Table 4. Results of the Calculation of Effectiveness per Type of Expenditure and the Overall Total for FY 2024

	Budget Target	Budget Realization	Level of Effectiveness	Criteria
2024	10.950.206.000	42.821.317.000	391%	Very Effective
Employee Shopping	3.453.969.000	3.040.214.396	88%	Quite Effective
Shopping for Goods	7.496.237.000	11.175.505.566	152%	Very Effective
Capital Expenditures	0	28.414.979.000	Not Define	Not Define

Source: Central Java Regional Police Finance Agency (Processed)

Based on the results of the expenditure effectiveness ratio calculation presented in Table 4: Results of the Effectiveness Calculation by Type of Expenditure and Overall Total, it can be observed that the level of budget realization effectiveness at the Financial Affairs Unit (Bidkeu) of the Central Java Regional Police reached 391%. This figure shows a difference between the realized and targeted budgets of Rp31.871.111.000. According to the

effectiveness measurement criteria, a ratio exceeding 100% indicates that budget planning for the 2024 fiscal year is highly effective.

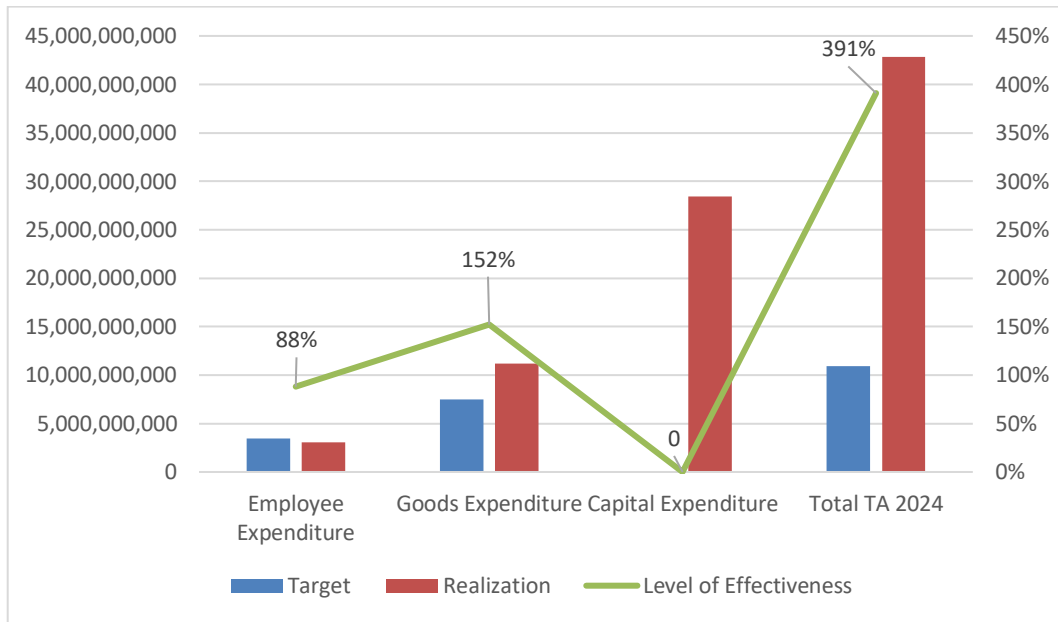


Figure 1. Effectiveness Chart by Type of Expenditure
Source: Bidkeu of the Central Java Regional Police (Processed)

Based on the chart above, the three main types of expenditure, personnel expenditure, goods expenditure, and capital expenditure, show effectiveness levels of 88% (moderately effective), 152% (highly effective), and not defined, respectively.

Analysis of Effectiveness by Expenditure Item at Bidkeu of the Central Java Regional Police in Fiscal Year 2024

The Ministry of Finance has established a requirement that budget absorption in each quarter 4 must reach a minimum threshold of 90%. Based on the Budget Realization Report (LRA), several expenditure items had absorption rates below 90%, as shown in Table 5, Summary of Expenditure Items with Absorption Below 90%. Therefore, these expenditure items will be further analyzed to assess their effectiveness.

Table 5. Summary of Expenditure Items with Absorption Below 90%

Active	Account Code	Budget Target	Budget Realization	Difference
5059	BB 523121	15.000.000	15.000.000	0
3068	BU 521211	4.500.000	7.000.000	2.500.000
3068	FS 524114	74.315.000	72.890.000	1.425.000
3068	R 524111	99.990.000	56.330.000	43.660.000
3073	JZ 521115	3.600.000	3.600.000	0
3073	A 511169	11.000	9.000	2.000
3073	A 511219	15.000	21.000	6.000

Source: Central Java Regional Police Finance Agency (Processed)

Table 6. Results of the Calculation of Effectiveness per Shopping Item

Active	Account Code	Budget Target	Budget Realization	Level of Effectiveness	Criteria
5059	BB 523121	15.000.000	15.000.000	100%	Effective
3068	BU 521211	4.500.000	7.000.000	156%	Very Effective
3068	FS 524114	74.315.000	72.890.000	98%	Effective
3068	R 524111	99.990.000	56.330.000	56%	Ineffective
3073	JZ 521115	3.600.000	3.600.000	100%	Effective
3073	A 511169	11.000	9.000	82%	Somewhat Effective
3073	A 511219	15.000	21.000	140%	Very Effective
Average				105%	Very Effective

Source: Bidkeu of the Central Java Regional Police (processed)

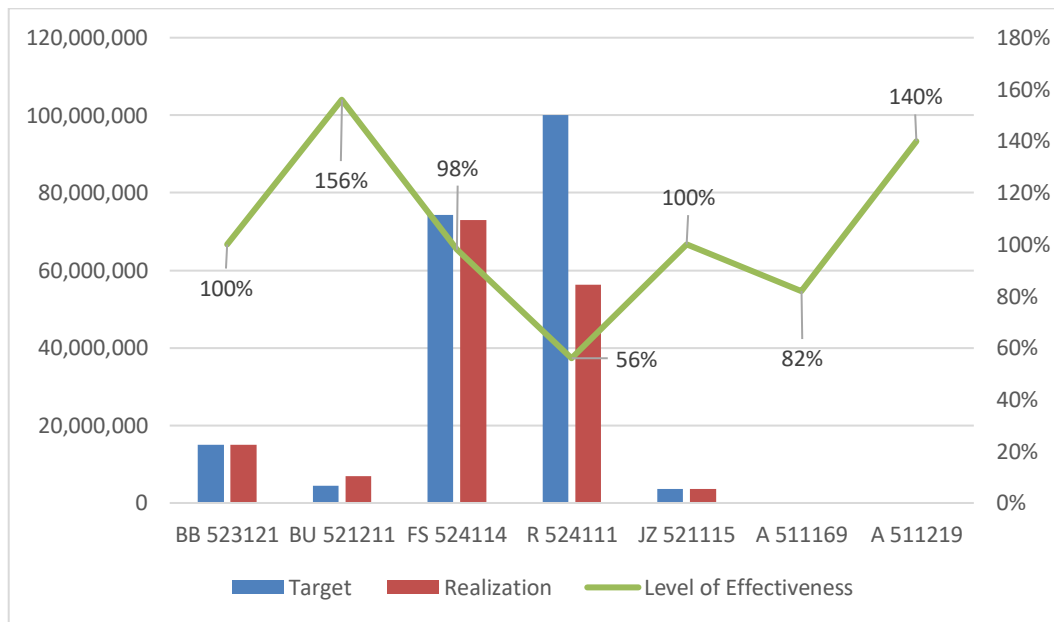


Figure 2. Effectiveness Chart by Expenditure Item

Source: Bidkeu of the Central Java Regional Police (processed)

Based on the chart, it can be concluded that the level of budget management effectiveness at the Bidkeu of the Central Java Regional Police, by expenditure item, is classified into four categories: very effective, effective, moderately effective, and ineffective. The measurement results show that two expenditure items recorded realizations exceeding their targets and were therefore categorized as very effective, namely item BU 521211 with an effectiveness level of 156% and item A 511219 with 140%. Meanwhile, the effective category includes items BB 523121, FS 524114, and JZ 521115. Item A 511169 is categorized as moderately effective, whereas item R 524111 is categorized as ineffective because its realization did not meet the predetermined target. Overall, the effectiveness ratio measurement indicates that most budget items at the Bidkeu of the Central Java Regional Police fall into the effective and very effective categories in terms of budget realization. The overall average effectiveness level reached 105%, indicating that budget management in that year was classified as very effective.

Efficiency Analysis by Type of Expenditure and Overall at the Bidkeu Work Unit

Efficiency is a measurement used to assess the level of cost savings within government institutions or the public sector. A budget is considered to meet the efficiency criteria when a government institution achieves an efficiency ratio below 100%; conversely, a ratio exceeding this threshold indicates potential inefficiency or waste. The expenditure efficiency ratio is calculated by comparing realized expenditure (outcome) with the budget ceiling (output), both derived from the Budget Realization Report (LRA), as presented in Table 7, Summary of Budget Ceilings and Expenditure Realization.

Table 7. Summary of Budget Ceilings and Expenditure Realization

	Budget Ceiling	Spending Realization	Difference
2024	42.821.317.000	42.557.640.426	264.046.574
Employee Shopping	3.040.393.000	3.040.214.396	178.604
Shopping for Goods	11.365.945.000	11.175.505.566	190.439.434
Capital Expenditures	28.414.979.000	28.414.979.000	0

Bidkeu of the Central Java Regional Police (processed)

Table 8. Results of Efficiency Calculations per Type of Expenditure and the Overall Total for FY 2024

	Budget	Budget Realization	Level of Efficiency	Criteria
2024	42.821.317.000	42.557.640.426	99%	Less Efficient
Employee Shopping	3.040.393.000	3.040.214.396	100%	Less Efficient
Shopping for Goods	11.365.945.000	11.175.505.566	98%	Less Efficient
Capital Expenditures	28.414.979.000	28.414.979.000	100%	Less Efficient

Source: Bidkeu of the Central Java Regional Police (processed)

Based on the results of the expenditure efficiency ratio calculations presented in Table 6, Results of Efficiency Calculations by Type of Expenditure and Overall Total, it is known that the efficiency level of budget realization at the Bidkeu of the Central Java Regional Police reached 99%, with a variance between budget realization and the budget target amounting to Rp264.046.574. According to the efficiency measurement criteria, a ratio of 90–100% is considered less efficient; therefore, these results indicate that the implementation of the 2024 budget has not yet been optimal.

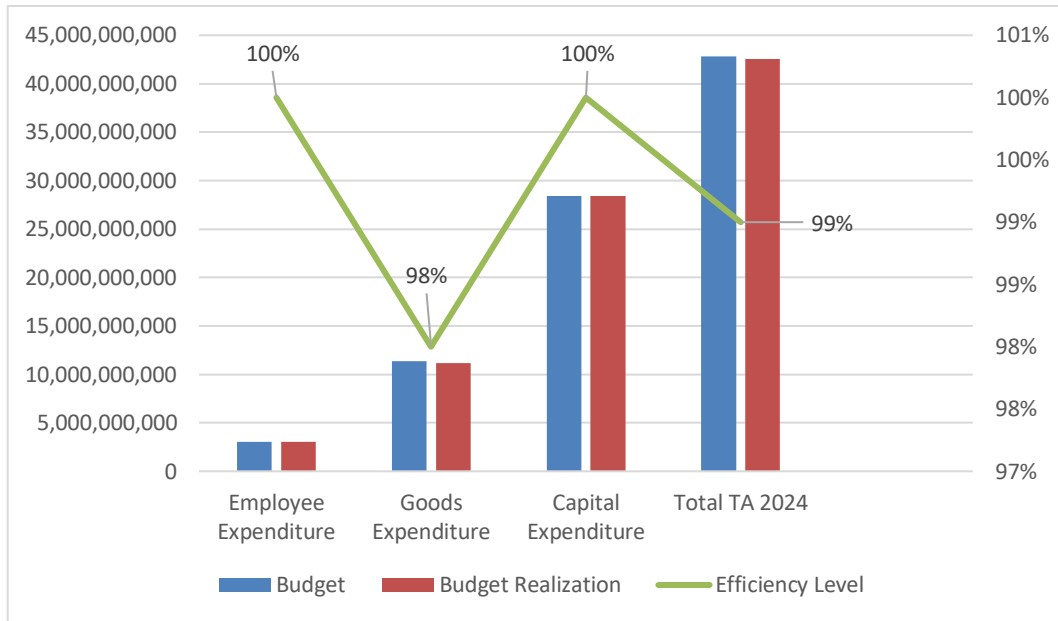


Figure 3. Efficiency Chart by Type of Expenditure
Source: Bidkeu of Central Java Regional Police (processed)

Based on the figure above, the expenditure budget for the relevant year is allocated across three main categories: personnel expenditure, goods expenditure, and capital expenditure, with efficiency levels of 100%, 98%, and 100%, respectively. All three ratios fall into the less efficient category, indicating that there is still room for improvement in budget management and utilization. Based on these results, it can be concluded that although budget implementation has generally proceeded as planned, in terms of efficiency, financial management at the Bidkeu Unit of the Central Java Regional Police in fiscal year 2024 has not yet fully minimized expenditure relative to the outcomes achieved.

Efficiency Analysis by Expenditure Item at Bidkeu of the Central Java Regional Police in Fiscal Year 2024

A more detailed analysis is subsequently conducted of expenditure items with realization rates below 90%, in accordance with the Ministry of Finance’s criteria. The data used in this analysis are derived from the Budget Realization Report (LRA), as presented in Table 9, “Summary of Expenditure Items with Realization Below 90%.”

Table 9. Summary of Expenditure Items with Realization Below 90%

Active	Account Code	Budget	Spending Realization	Remaining Budget
5059	BB 523121	15.000.000	8.077.500	6.922.500
3068	BU 521211	7.000.000	5.500.000	1.500.000
3068	FS 524114	72.890.000	40.390.000	32.500.000
3068	R 524111	56.330.000	49.137.000	7.193.000
3073	JZ 521115	3.600.000	2.900.000	700.000
3073	A 511169	9.000	8.024	976
3073	A 511219	21.000	18.597	2.403

Data processed by the author in 2025

Table 10. Efficiency Graph per Shopping Item

Active	Account Code	Budget	Spending Realization	Efficiency Level	Criteria
5059	BB 523121	15.000.000	8.077.500	54%	Very Efficient
3068	BU 521211	7.000.000	5.500.000	79%	Efficient
3068	FS 524114	72.890.000	40.390.000	55%	Very Efficient
3068	R 524111	56.330.000	49.137.000	87%	Quite Efficient
3073	JZ 521115	3.600.000	2.900.000	81%	Quite Efficient
3073	A 511169	9.000	8.024	89%	Quite Efficient
3073	A 511219	21.000	18.597	89%	Quite Efficient
Average				76%	Efficient

Source: Central Java Regional Police Finance Agency (Processed)

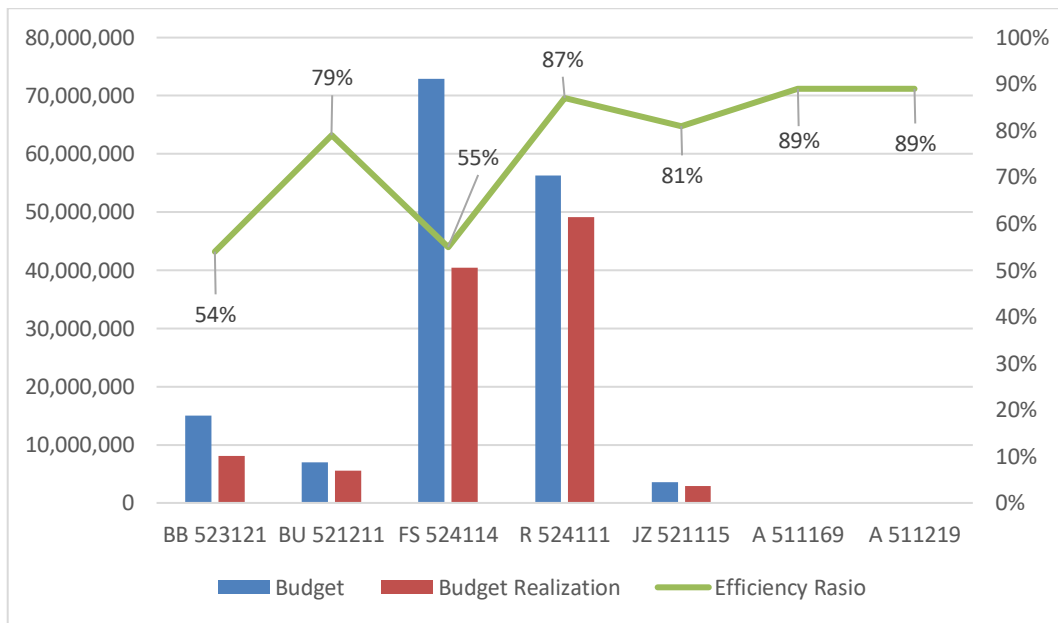


Figure 4. Efficiency Chart by Expenditure Item

Source: Bidkeu of Central Java Regional Police (processed)

Based on the figure above, the level of budget efficiency at the Bidkeu of the Central Java Regional Police across expenditure items can be classified into three categories: very efficient, efficient, and moderately efficient. The data indicate that two expenditure items recorded realization rates below 60%, namely BB 523121 at 54% and FS 524114 at 55%, both of which are categorized as very efficient. Meanwhile, item BU 521211 demonstrates a good level of efficiency and is therefore classified as efficient. Several other items, R 524111, JZ 521115, A 511169, and A 511219, are categorized as moderately efficient, as their realization values fall within the 80–90% range. The efficiency ratio analysis further reveals that most expenditure items remain at suboptimal levels, falling between the inefficient and moderately efficient categories. However, after calculating the average across the seven expenditure items, an overall efficiency of 76% is obtained, placing the overall budget performance in the efficient category.

Discussion

Results of Effectiveness Analysis

The results of the effectiveness analysis, measured in accordance with the Regulation of the Ministry of Home Affairs (Kemendagri) No. 690.900.327 of 1996, indicate that budget management at the Financial Affairs Division (Bidkeu) of the Central Java Regional Police for the 2024 fiscal year was highly effective. The average effectiveness score reached 391%, meaning that budget realization substantially exceeded the initial target. This condition reflects the work unit's capability to optimize the use of financial resources, resulting in performance that surpassed expectations. The exceptionally high effectiveness ratio was largely driven by a significant gap between the planned target and actual realization, partly influenced by quarterly adjustments to the budget ceiling [16]. Nevertheless, this analysis consistently used the initial target stated in the DIPA document as the basis for comparison to ensure the evaluation remained consistent and measurable.

Furthermore, the high level of effectiveness was also influenced by additional budget allocations during the fiscal year. According to informants, these supplementary funds originated from grants, contingency funds, and other additional funding sources, which were utilized to support unforeseen activities such as security arrangements for VIP visits, disaster response, and other urgent operations [17]. This led to increased budget allocations over time. Such changes are clearly reflected in the quarterly targets, which rose from IDR 10.95 billion in the first quarter to IDR 14.80 billion in the second and third quarters, and ultimately reached IDR 41.83 billion in the fourth quarter. Even when the fourth-quarter target was used as the basis for analysis, the results still met the criteria for being classified as "effective." This indicates that Bidkeu Polda Jateng set realistic budget targets and achieved them effectively, with actual revenues exceeding initial projections.

In contrast, when effectiveness was analyzed by expenditure type, certain components could not be assessed, particularly capital expenditure, because the DIPA report lacked specified budget targets. However, for the other two types of expenditure, personnel expenditure showed a "quite effective" rating of 88%, indicating that Bidkeu had performed well in realizing the budget ceiling close to the planned target, with a difference of Rp. 413,576,000, while goods expenditure showed a "highly effective" rating of 152%. In addition, in budget items with an absorption rate below 90%, several accounts were found to have varying levels of effectiveness, dominated by the criteria "effective" followed by "very effective", and there were items that showed the criteria "ineffective" in item R 524111, namely Ordinary Business Travel Expenses (Belanja Perjalanan Dinas Biasa). This was due to activities not being carried out according to the initial plan, changes in priorities, or adjustments to the activity schedule. These items are generally related to situational operational needs, so that not all of the allocated budget can be realized. Policy changes do not automatically mean failure if adjustments are made to support more urgent organizational priorities.

The attainment of effective performance levels indicates that Bidkeu Polda Jateng has optimally carried out its functions and accountability responsibilities. This success is reflected in the budget realization that not only met but also exceeded previously established targets. Such conditions indicate that the work unit is capable of managing financial

resources in a focused and directed manner, in line with the principle of effectiveness in public financial management. These findings are consistent with [18], who argue that effectiveness is achieved when an organization realizes the objectives, goals, and targets outlined in its work plan. Their study found that the effectiveness of regional financial management from 2019 to 2022 exhibited a relatively stable pattern, with annual ratios ranging from 84% to 91%. Therefore, the results of this study indicate that financial management effectiveness exceeds the >80% threshold, signifying consistent and measurable organizational performance.

Results of Efficiency Analysis

The results of the efficiency analysis, based on Kemendagri Regulation No. 690.900.327 of 1996, show that among several budget items with absorption rates below 90%, four items were classified as moderately efficient, with an average realization of 76%. However, when assessed comprehensively and by expenditure classification for the 2024 fiscal year, the overall average efficiency level was categorized as less efficient, as the realization percentage approached 99%. This suggests a mismatch between budget allocation and actual realization [19].

This phenomenon indicates that not all budget allocations can be optimally absorbed due to unforeseen external factors, such as changes in personnel structure and fluctuating operational needs. One informant explained that budget realization is highly dependent on actual conditions, as personnel, goods, and capital expenditures cannot always be fully aligned with initial plans. Staff transfers, retirements, and promotions were identified as the main causes of discrepancies between approved budgets and realized expenditures [20]. In addition, an informant from the human resources (Renmin) unit noted that changes in activity schedules due to superiors' policy decisions also affected budget absorption, as some planned activities had to be postponed or adjusted. This condition explains that low efficiency is not caused by wastefulness; rather, it is caused by factors that cannot be fully predicted at the planning stage. One factor contributing to inefficiency is the significant difference between expenditure and income, which indicates that these institutions have not managed their finances optimally. In the context of this study, high realization indicates actual operational needs rather than waste.

Furthermore, unabsorbed funds under item code R524111 were attributed to low utilization of transportation budgets, with realization reaching only 10% of the allocated amount. For accounts classified as moderately efficient, the primary issue was changes in personnel composition, which affected optimal salary budget absorption. Informants confirmed that annual staffing changes due to transfers and promotions occur regularly, while budget planning is conducted in the previous year [21]. Despite these challenges, Bidkeu Polda Jateng has continued to improve the efficiency of its financial management, as evidenced by the fact that most analyzed budget items already fall within the very efficient and efficient categories. For example, under item BB 523121, efficiency was very high because actual maintenance spending for two-wheeled motor vehicles was lower than budgeted. According to informants, this was due to the relatively new condition of

operational vehicles, which required minimal maintenance, thereby enabling more efficient use of funds without disrupting operations [22].

The level of budget realization classified as inefficient indicates that financial management has not yet fully implemented the principle of efficiency optimally. In this context, expenditure budgets have not been entirely directed toward achieving optimal outcomes at minimal cost, thus failing to demonstrate the required level of efficiency [23]. This finding aligns with [24], who emphasize that budget efficiency is reflected when costs incurred are relatively low while outcomes or benefits are maximized. In other words, the greater the gap between expenditure levels and the outcomes achieved, the lower the level of budget efficiency. This study shows that the average efficiency level in regional government remains relatively low, indicating inefficiencies and insufficient control over fund utilization in certain sectors [25]. These findings underscore the need to strengthen budget planning and implementation systems to ensure that financial resources are used appropriately, efficiently, and to deliver optimal benefits in line with public policy objectives.

5. CONCLUSION

The findings of this study support the *Value for Money* theory, particularly regarding effectiveness and efficiency, which constitute the fundamental basis for realizing Good Governance in the public sector. From a total budget perspective, budget management at the Financial Affairs Division of the Central Java Regional Police (Bidkeu Polda Jateng) demonstrates high effectiveness, as budget realization exceeded the predetermined target. However, the level of efficiency remains relatively low and is therefore categorized as less efficient, due to the fact that allocated funds were not fully absorbed.

Based on expenditure types, effectiveness levels vary: personnel expenditure is moderately effective, goods expenditure is highly effective, and capital expenditure is *not defined* because it did not have an allocation target in the current fiscal year's DIPA. In terms of efficiency, all expenditure types are classified as moderately efficient, indicating that there is still room for improvement in cost control. Meanwhile, analysis by expenditure items shows that most budget items exhibit effective and moderately efficient performance, reflecting consistency between budget planning and implementation.

Overall, these results confirm that the implementation of the *Value for Money* principle has been carried out effectively through results-oriented management (effectiveness), although improvements in cost control (efficiency) are still required. This condition clearly supports the establishment of Good Governance by strengthening public-sector management practices, particularly in accountability, transparency, and results-oriented governance.

ACKNOWLEDGEMENTS

We would like to express our deepest gratitude to all parties who have contributed to this research. Thank you to our colleagues who have provided advice, support, and inspiration throughout the research process. We also wish to extend our appreciation to everyone who took the time to participate in this study. Additionally, we are grateful to the

institutions that have provided support and facilities for the conduct of this research. All contributions and assistance have been invaluable to the smooth progress and success of this study. Thank you for all the hard work and collaboration that has been established.

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