ANALYSIS OF REGIONAL FINANCIAL MANAGEMENT AND THE PERFORMANCE OF THE BOGOR REGENCY LOCAL GOVERNMENT

Innayatu Robania[1]
Universitas Pakuan, Bogor, Indonesia
irobania31@gmail.com

Yohanes Indrayono[2]
Universitas Pakuan, Bogor, Indonesia
nandan.limakrisna@gmail.com

Arief Tri Hardiyanto[3]
Universitas Pakuan, Bogor, Indonesia
ariefteha@yahoo.com

Abstract

This study aims to analyze regional financial management and its correlation with the performance of the Bogor Regency Local Government, particularly in mandatory government affairs related to basic services. The background of the research is based on the phenomenon that an increase in budget realization is not always followed by an improvement in performance achievement. This study uses a descriptive approach by utilizing secondary data sourced from the Accountability Report (LKPJ) for the 2023 and 2024 Fiscal Years. Analysis was conducted on the budget absorption patterns, performance achievements of regional apparatus, and the effectiveness of regional financial management. The research results show that although the budget absorption rate is relatively high, the performance achievements among departments and regional apparatuses still vary. In addition, there was a backlog of budget realization at the end of the year, which has the potential to reduce the effectiveness of program implementation. The relationship between regional financial management and performance is not linear, where an increase in budget realization does not automatically improve performance outcomes. The more influential factors include the quality of planning, the effectiveness of implementation, as well as performance control and evaluation. Therefore, regional financial management needs to be directed toward an outcome-based approach.

Keywords: Budget Absorption, Local Government Performance, Outcome-Based Budgeting, Program Effectiveness, Regional Financial Management

INTRODUCTION

Regional financial management is a fundamental element in supporting the implementation of effective, transparent, and accountable governance within the framework of good governance. In the era of fiscal decentralization, local governments have broad authority in managing financial resources to improve the quality of public services and the welfare of the community. Regional budgets not only function as instruments of planning and control but also as tools of public policy to achieve regional development goals efficiently and effectively (Mardiasmo, 2018).

Along with public finance reforms, the Indonesian government has adopted a performance-based budgeting approach that emphasizes the relationship between input, output, and outcome. This approach aims to enhance accountability and ensure that each budget allocation yields measurable benefits for the community. However, the implementation of this approach at the regional government level still faces various obstacles. Budgeting practices still tend to use a traditional approach that is oriented toward budget absorption rather than achieving results (Bawono, 2015). Moreover, the still administrative-oriented budgeting causes the relationship between the budget and performance to be not fully integrated (Halim & Kusufi, 2017).

The problem that often arises in regional financial management is the low quality of budget absorption. Although the overall budget realization rate is relatively high, the distribution of budget absorption throughout the year is uneven. The phenomenon of budget realization accumulation at the end of the fiscal year remains a recurring pattern in various regions. This condition is generally caused by delays in the planning process, procurement of goods and services, and administrative obstacles in budget implementation (Abdullah et al., 2019). The backlog impacts the implementation of programs, which tend to be rushed, potentially lowering the quality of the output and outcomes of the activities.

In addition, there is a more fundamental issue, namely the mismatch between the level of budget absorption and the performance achievements of the local government. Conceptually, an increase in budget realization should be followed by an improvement in performance. However, in practice, the relationship is not always linear. Several studies show that high budget absorption does not automatically result in improved performance outcomes (Sari & Putra, 2020). This condition indicates inefficiencies in budget utilization as well as a weak connection between planning, implementation, and program evaluation.

Another issue that affects the effectiveness of regional financial management is the weakness of the internal control system and accountability. The results of the audit institution's examination show that there are still many findings related to weaknesses in the internal control system, non-compliance with laws and regulations, as well as potential deviations in budget management (BPK, 2023). This indicates that the issues of regional financial management are not only technical in nature but also related to governance and the integrity of government officials.

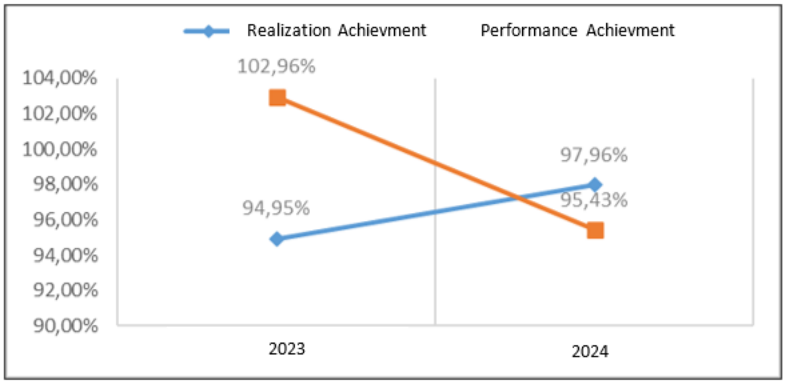

Figure 1.
Achievement of Expenditure Realization and Performance of Local Government Based on Mandatory Affairs Related to Basic Services
Source: Report on Accountability (LKPJ) of the Bogor Regent Budget for the period 2023 and 2024

In the Bogor Regency Government, this phenomenon is also empirically observed. Although the realization of the regional budget shows an increasing trend, the performance achievements in mandatory government affairs related to basic services actually fluctuate. Even in several sectors, the increase in budget realization was not followed by an improvement in performance achievements. Moreover, the pattern of budget absorption concentrated at the end of the fiscal year indicates weaknesses in the planning and implementation of activities. This condition indicates that the effectiveness of regional financial management is not yet optimal in supporting the achievement of regional government performance.

This phenomenon indicates a gap between the ideal concept of performance-based regional financial management and its implementation practices in the field. Most previous studies still focus on the budget absorption rate as the main performance indicator, without comprehensively examining its correlation with the outcomes produced. Several previous studies have shown that high budget realization does not necessarily reflect the effectiveness of local government performance, because absorption indicators are more administrative than substantive (Abdullah et al., 2019). Other research also emphasizes that regional financial management that has not yet been integrated with performance measurement systems leads to low quality of public spending (Bawono, 2015). Additionally, the weak linkage between planning, budgeting, and performance evaluation also contributes to the suboptimal achievement of development outcomes (Sari & Putra, 2020).

In a broader perspective, international studies show that the implementation of performance-based budgeting often faces challenges in ensuring a clear relationship between budget allocation and the outcomes achieved (Robinson & Last, 2009). In fact, several studies emphasize that the success of public financial management is not only determined by the amount of budget absorbed but also by the quality of governance, institutional capacity, and the effectiveness of control and evaluation systems (Andrews et al., 2014). In fact, in the result-based management approach, the success of financial management should be measured by the extent to which the budget can have a real impact on the welfare of the community (Robinson, 2009). Therefore, a more in-depth analysis is needed regarding how the quality of regional financial management affects the performance achievements of local governments. This research aims to fill that gap by analyzing not only the aspect of budget absorption but also the quality of planning, the effectiveness of implementation, as well as performance control and evaluation. Thus, this research aims to analyze regional financial management and its correlation with the performance of the Bogor Regency Local Government, particularly in mandatory government affairs related to basic services.

REVIEW OF LITERATURE

Good Governance

The concept of good governance is a fundamental paradigm in the administration of modern government that emphasizes the importance of transparent, accountable, participatory, and effectiveness-oriented governance. United Nations Development Program (UNDP, 1997) defines good governance as the exercise of political, economic, and administrative authority in managing the affairs of the state at all levels responsibly.

Good governance encompasses several key principles, including participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision. These principles become important indicators in assessing the quality of governance, particularly in the context of public service and national resource management. The implementation of good governance is closely related to the management of regional finances. Transparency and accountability in public budget management are concrete manifestations of good governance. Therefore, good governance not only functions as a normative concept but also as an operational framework in improving the performance of local governments.

Regional Financial Management

Regional financial management is a systematic process that includes the stages of planning, implementation, administration, reporting, accountability, and oversight of regional finances. Halim (2019) states that regional financial management must be carried out in an orderly, transparent, accountable manner, and oriented toward achieving performance.

Normatively, regional financial management adheres to the principles of efficiency, effectiveness, transparency, and accountability as regulated by legislation. This approach demands the integration of budget planning and performance achievements, so that every use of public resources can provide optimal benefits for the community. In the perspective of agency theory, local governments are positioned as agents with the obligation to manage public resources on behalf of the community as the principal. Therefore, adequate oversight mechanisms and accountability systems are necessary to minimize potential conflicts of interest and ensure that financial management is conducted responsibly.

Value for Money

The concept of value for money is a fundamental principle in public sector financial management that emphasizes the optimization of resource use. According to Mardiasmo (2018), value for money consists of three main elements: economy, efficiency, and effectiveness.

1. Economy relates to the procurement of inputs at the lowest possible cost.
2. Efficiency relates to the comparison between inputs and outputs.
3. Effectiveness relates to the achievement of goals or outcomes.

The principle of economy refers to the effort to obtain inputs at the lowest cost without compromising quality. The principle of efficiency relates to the ability to produce maximum output with a given input. Meanwhile, the principle of effectiveness emphasizes the level of achievement of predetermined goals or outcomes.

Fiscal Decentralization

Fiscal decentralization is a policy that grants local governments the authority to manage finances and resources independently. This policy aims to improve the efficiency of resource allocation and bring public services closer to the community.

Fiscal decentralization is realized thru the mechanism of balancing funds, which includes Revenue Sharing Funds (DBH), General Allocation Funds (DAU), and Special Allocation Funds (DAK). This policy is based on the principle of money follows function, meaning that funding follows the governmental functions that are the authority of the regions.

Theoretically, fiscal decentralization provides an opportunity for local governments to be more responsive to the needs of the local community. However, the success of its implementation highly depends on institutional capacity and the quality of regional financial management.

Performance-Based Budgeting

Performance-based budgeting is an approach to budgeting that links budget allocation with performance achievement. According to Robinson and Last (2009), performance-based budgeting is a budgeting system that is oriented toward output and outcome, not just input. This approach emphasizes:

1. Establishing clear performance indicators
2. Measuring measurable outcomes
3. Continuous performance evaluation

Within the framework of new public management, performance-based budgeting is viewed as a strategic instrument to enhance the efficiency and effectiveness of the public sector. The implementation of this system allows the government to measure performance more objectively and increase transparency in budget usage.

Internal supervision

Internal supervision is a process designed to provide reasonable assurance that the organization's objectives can be achieved effectively and efficiently. According to COSO (2013), the internal control system consists of five main components, namely:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring

In practice, internal supervision in the local government environment is carried out by the government internal supervisory apparatus (APIP), such as the inspectorate. The role of internal supervision becomes increasingly important in the context of regional autonomy, considering the growing authority and responsibility of local governments in managing public finances.

RESEARCH METHOD

This research uses a qualitative approach with a descriptive design to deeply analyze the implementation of regional financial management and its implications for the performance of the local government in Bogor Regency. The qualitative approach was chosen because it can provide a comprehensive understanding of social phenomena in their natural context, particularly related to the processes, behaviors, and practices of public financial management carried out by government agencies. According to John W. Creswell (2014), the qualitative approach is used to explore and understand meanings arising from social or humanitarian issues, making it highly relevant in public sector research. Meanwhile, the descriptive design aims to provide a systematic overview of the actual conditions of regional financial management, particularly in the aspects of planning, implementation, and supervision (Sugiyono, 2018).

The data used in this study consists of primary and secondary data. Primary data were obtained directly thru interactions with informants involved in the regional financial management process, such as officials and staff at the Regional Financial and Asset Management Agency (BPKAD), the Regional Development Planning Agency (Bappedalitbang), and the Bogor Regency Inspectorate. The collection of primary data was conducted thru in-depth interviews, direct observation, and documentation. The interviews were semi-structured to provide flexibility in exploring broader and deeper information according to the research needs (Sugiyono, 2018). Observation is conducted to obtain empirical data related to actual practices in the budgeting process, while documentation is used to collect written evidence relevant to the research object.

Secondary data were obtained from various official documents and relevant literature sources, such as the Regional Revenue and Expenditure Budget (APBD), the Budget Realization Report (LRA), the Government Agency Performance Report (LAKIP), as well as various regulations related to regional financial management. In addition, a literature review was also conducted by examining books, scientific journals, and previous research findings to strengthen the theoretical foundation and support the analysis process. The use of secondary data is important to enhance the validity of the research thru comparison with primary data obtained in the field (Yin, 2018).

The data analysis technique in this study refers to the interactive model proposed by Miles & Huberman (1994), which includes three main stages: data reduction, data presentation, and conclusion drawing. Data reduction is carried out by selecting, simplifying, and focusing on data that is relevant to the research objectives. The next stage is the presentation of data in the form of a systematic descriptive narrative, making it easier to understand the patterns of relationships between the phenomena being studied. The final stage is drawing conclusions that are carried out continuously throughout the research process, while maintaining the consistency and validity of the obtained data.

To ensure the validity of the data, this research uses triangulation techniques, which involve comparing data obtained from various sources, techniques, and times of data collection. Triangulation is one of the commonly used strategies in qualitative research to enhance the credibility and reliability of research results (Denzin, 1978). With the application of triangulation, it is hoped that the research results can reflect the actual conditions in the field.

RESULTS AND DISCUSSION

Overview of the Research Object

Table 1.
Macro Indicators of Bogor Regency 2023-2024

No	Indicator	2023	2024
1	Open Unemployment Rate (%)	8,47	7,34
2	Percentage of Poor Population (%)	7,27	7,05
3	Gini Ratio	0,369	0,398
4	IPM	73,02	73,63
5	Life Expectancy (years)	74,67	74,9
6	Average Length of Schooling (years)	8,37	8,39
7	Old School Hope (years)	12,64	12,75
8	Per capita expenditure (thousand Rp/person/year)	11.153	11.563
9	Health Index	84,11	84,46
10	Education Index	63,01	63,38
11	RLS Index	55,80	55,93
12	HLS Index	70,22	70,83
13	Purchasing Power Index	73,47	74,57
14	PDRB ADHB (million rupiah)	289.106.154,66	311.710.000,00
15	PDRB ADHK (million rupiah)	176.683.583,63	185.882.000,00
16	Economic Growth Rate (%)	5,19	5,21

Source : Report on Accountability (LKPJ) of the Bogor Regent Budget for period 2023 and 2024

Bogor Regency is an area with the largest population in Indonesia and a complex regional character, both administratively and geographically. With a vast government structure and diverse regions, the main challenge lies in the equitable distribution of development and public services, especially in rural and border areas.

From a fiscal aspect, the regional spending capacity shows a significant increase in 2024, reflecting the local government's commitment to strengthening public services and infrastructure development. Development priorities are focused on basic sectors such as education, health, and social welfare, and are supported by efforts in bureaucratic reform and government digitalization.

On a macro level, the regional development performance for the 2023–2024 period shows a positive trend. The open unemployment rate and poverty rate have decreased, indicating an increasingly stable economic recovery post-pandemic. The Human Development Index (HDI) has also increased, driven by improvements in health, education, and the purchasing power of the community. Regional economic growth also strengthened, as reflected in the increase in GDP both at current and constant prices.

However, the increase in the Gini Ratio in 2024 indicates that income distribution inequality remains a challenge that requires serious attention. This indicates that although economic growth and public welfare have increased, the equitable distribution of development outcomes has not yet been fully optimal.

Budget Planning of the Bogor Regency Government

The planning and budgeting of the Bogor Regency Government for the year 2024 show a strong integration between the planning document (RKPD) and the regional budget policy (APBD). The RKPD, as the main instrument of annual planning, is prepared based on participatory, technocratic, political, as well as top-down and bottom-up approaches, thus capable of accommodating the development needs of various stakeholders while maintaining alignment with the national and West Java provincial development priorities.

Substantively, the direction of development for Bogor Regency in 2024 is focused on three main priorities: regional economic stabilization, improvement of public service governance, and fulfillment of regional government facilities and infrastructure. These priorities have been aligned with the national and regional development agendas, reflecting synergy across different levels of government. However, from a fiscal perspective, the structure of the Bogor Regency Regional Budget (APBD) still faces challenges in the form of a budget deficit and a relatively high dominance of operational expenditures. This condition indicates the limited fiscal space for productive capital expenditure, thus requiring the optimization of regional revenue and spending efficiency to maintain sustainable development. At the sectoral level, all regional apparatuses demonstrate a planning and budgeting pattern that is relatively consistent with the principle of performance-based budgeting, which is the linkage between budget allocation and the performance targets to be achieved. This is evident in the sectors of education, health, public works, housing, public order and security, as well as social affairs, which generally manage to maintain the alignment between budget inputs and development outcomes.

Nevertheless, the dynamics of the budget, in the form of both increases and decreases in allocations across various sectors, indicate that regional fiscal policies are adaptive to changes in needs and resource limitations. Rationalization of spending is carried out to increase efficiency, while budget increases are directed toward strategic priority programs. In some cases, programs that experience budget cuts still have the potential to be accommodated again thru the APBD Perubahan mechanism.

Overall, the planning and budgeting of Bogor Regency for the year 2024 have shown consistency and a clear direction in supporting the achievement of regional development targets. However, improving the quality of fiscal management, particularly in reducing deficits and increasing the proportion of capital expenditure, remains an important aspect that needs to be strengthened in order to achieve sustainable and effective regional development.

Budget Absorption Rate and Performance Achievement of the Bogor Regency Government

The budget absorption rate of the Bogor Regency Government in 2023 and 2024 shows very high performance, especially in mandatory basic service matters. The realization of regional spending increased from 94.95% in 2023 to 97.96% in 2024, indicating improvements in planning, budgeting, and program implementation. This improvement also reflects increasingly effective coordination among regional apparatuses and administrative and technical readiness in budget execution.

In general, the performance achievements of regional devices fall into the "High" to "Very High" categories, in accordance with the performance evaluation classification. This indicates that the majority of development programs have achieved the set targets, with some even surpassing the planned targets. In the education sector, there was an increase in budget realization from 95.50% to 98.44%, with stable and very high performance achievements. The direction of policy shifted from improving service quality in 2023 to fulfilling educational infrastructure in 2024. However, the challenges have shifted from substantive aspects to administrative and systemic constraints. In the health sector, budget realization also increased from 97.83% to 98.90%, with very high performance achievements. Significant success is evident in the reduction of stunting prevalence, which demonstrates the effectiveness of both specific and sensitive health program interventions. The direction of policy has also evolved from focusing on the provision of facilities to improving service quality and standardization. The public works and spatial planning sector showed an increase in budget absorption from 85.61% to 92.50%. The shift in policy from physical development to strengthening governance and infrastructure resilience reflects the increasing complexity of development planning. In the housing and settlement sector, the budget realization rate remained relatively stable (96.37%), although there was a decrease in outcome achievement from the "Very High" category to the "High" category. This was influenced by the non-implementation of certain programs, indicating challenges in the implementation of specific policies. In matters of public order, public safety, and community protection, budget performance generally remains high, although there are variations among regional agencies. Satpol PP shows an improvement in performance, BPBD is adjusting its budget achievements, while the Fire Department is facing a decrease in output achievements despite maintaining high outcomes. This reflects the dynamics in the efficiency and implementation of the program. In the social sector, budget realization experienced a slight decline, but remained in the very high category. Outcome achievements remained stable at 100%, demonstrating consistent performance despite an increase in program burden. The shift in policy from strengthening service systems in 2023 to implementing direct assistance in 2024 demonstrates adaptation to community needs.

Overall, the budget absorption rate and performance achievements of the Bogor Regency Government show a positive and consistent trend. Although there are dynamics in budget allocation and realization, most regional apparatuses are able to maintain high performance. However, there are still challenges in administrative aspects, the equitable absorption of budgets across programs, and the effectiveness of implementing certain policies, which need to be addressed in improving the quality of regional financial management in the future.

Budget Absorption Period and Its Impact on the Effectiveness of Regional Program Implementation

Analysis of the budget absorption period of the Bogor Regency Government for the years 2023–2024 shows that the budget realization pattern in most regional devices is still concentrated in the second half of the fiscal year, particularly in the fourth quarter. This condition indicates an imbalance in the distribution of activity implementation, which affects program effectiveness, especially in terms of control, monitoring, and the quality of development output.

In the education sector, the planning and budget realization patterns show a strong concentration at the end of the year. Although the cumulative deviation is relatively small and shows consistency between planning and execution, the concentration of absorption in the fourth quarter implies a limitation on the program's implementation time, potentially reducing the effectiveness of the activities. Improvements in 2024 are evident from the decrease in deviations, although the absorption pattern has not changed significantly. In the health sector, there was a shift in the cash budget design in 2024 with an increase in allocation in the first semester. However, the budget realization still lagged at the beginning of the year and only accelerated in the third and fourth quarters. This indicates that the changes in planning were not fully matched by implementation readiness, resulting in a compression of the program execution timeline. The public works and spatial planning sector shows the most significant inconsistency between planning and realization. Although in 2024 there was an acceleration in cash budget planning at the beginning of the year, realization remained concentrated in the fourth quarter. The high cumulative deviation indicates delays in the implementation of physical activities, suggesting that the issues lie not only in planning but also in execution capacity and technical readiness. In the housing and settlement sector, the change in the planning pattern in 2024, which emphasized the second half of the year, was not fully matched by optimal realization. The cumulative deviation remaining negative indicates that the implementation of activities is still lagging behind the plan, although some delays can be compensated at the end of the year. In matters of public order, public peace, and community protection, particularly in the Satpol PP, the planning and realization patterns are relatively balanced throughout the year, reflecting the routine and operational nature of the activities. Meanwhile, in the Fire Department and BPBD, although planning has been shifted to the beginning or middle of the year, realization still requires adjustments, with significant deviations at the beginning of the year but compensable in the following period. In the social sector, the budget absorption pattern still shows a tendency for delays at the beginning of the year and concentration at the end of the year. The shift in cash budget planning for 2024 has not fully succeeded in improving the alignment between plans and actual implementation, resulting in cumulative deviations persisting until the end of the fiscal year.

Overall, the analysis results show that the effectiveness of regional program implementation is greatly influenced by the uneven budget absorption pattern throughout the year. The concentration of budget absorption at the end of the year has the potential to reduce the quality of program implementation due to time constraints, high administrative pressure, and limited space for evaluation and control. Therefore, improvements are needed not only in the design of cash budget planning but also in the readiness for implementation, including procurement aspects, institutional capacity, and coordination among regional devices, so that the distribution of budget absorption can be more proportional and support the effectiveness of regional development.

Internal Supervision and Control over the Effectiveness of Budget Realization and Performance Accountability

Internal supervision and control play a strategic role in determining the effectiveness of budget realization and performance accountability in the basic service regional apparatus in Bogor Regency. Although the budget realization for the years 2023–2024 generally shows high achievements and has been reported in accordance with regulations, the reporting approach is still oriented toward output and budget absorption, thus not fully reflecting the linkage with outcomes and the impact of public services.

The evaluation results of the Government Internal Control System (SPIP) indicate that the maturity level of Bogor Regency is still at Level 2 (Developing), which suggests that internal control has been implemented but has not yet been optimally integrated into the entire performance management cycle. Compared to other districts/cities in West Java Province, most of which have reached Level 3 (Defined), the position of Bogor Regency is still relatively lagging, particularly in the aspects of risk management integration, implementation consistency, and the effectiveness of monitoring and evaluation. Substantively, the five elements of SPIP are formally available, but their implementation is not yet optimal. The main weakness lies in the aspect of internal control monitoring, which is not yet supported by an adequate monitoring system, a comprehensive evaluation of control effectiveness, and the limited role of the Internal Audit Unit (APIP). Additionally, risk assessments have not yet been fully utilized as a basis for budget decision-making, resulting in controls that are not effectively risk-based.

The findings of the Audit Board of Indonesia (BPK) indicate that although the opinion on the financial statements has improved, there are still issues with budget implementation in the basic service sector, such as discrepancies between expenditures and actual conditions, inaccuracies in infrastructure project execution, and the potential decline in the quality of public services. This indicates that the improvement in the quality of financial reporting has not been fully accompanied by an increase in the effectiveness of internal control. On the other hand, the evaluation results of the Government Agency Performance Accountability (AKIP) show that Bogor Regency is rated "B" with relatively limited improvement. This condition reflects that the performance accountability system has been implemented, but it has not yet been able to strongly link budget realization with the performance results achieved. Performance measurement still tends to be administrative and has not yet been optimally outcome-based.

Overall, internal supervision and control in Bogor Regency still face challenges in terms of system integration, risk management implementation, and the effectiveness of monitoring and evaluation. This condition impacts the suboptimal effectiveness of budget realization and the accountability of the performance of basic service OPDs. Therefore, a comprehensive strengthening of SPIP, an enhancement of the role of APIP, and the development of an outcome-based performance measurement system are necessary so that regional financial management is not only administratively accountable but also effective in generating real benefits for the community.

Performance Achievements of the Bogor Regency Local Government

The performance achievement of the Bogor Regency Local Government in mandatory basic service affairs during the 2023–2024 Fiscal Year shows variation among regional apparatuses with a tendency that the performance is not fully in line with the level of budget realization. In the education sector, the performance achievement of activities (output) decreased from 103.96 percent in 2023 to 82.37 percent in 2024, although the program achievement (outcome) remained above target. This indicates that the program's objectives are still being achieved, but the effectiveness of activity implementation has declined due to structural constraints such as limited infrastructure, a shortage of educators, and issues with budget management and information systems.

On the other hand, health affairs show relatively stable and consistent achievements, with the average program and activity achievements around 100 percent in both years. This success is supported by the improvement in service quality, strengthening of cross-sector coordination, and integrated health program interventions, including a significant reduction in stunting prevalence. Nevertheless, there are still obstacles related to data availability, human resource capacity, and delays in budget disbursement that affect service optimization.

In the field of public works, spatial planning, housing, and settlement areas, performance achievements show an increasing trend, but are greatly influenced by technical complexities, resource limitations, and administrative constraints such as procurement delays, equipment shortages, and the unavailability of strategic planning documents. This issue indicates that the effectiveness of performance in the infrastructure sector is not only determined by the size of the budget but also by technical readiness, planning quality, and implementation capacity.

The affairs of public order, public safety, and community protection show relatively high performance achievements, particularly in the Civil Service Police Unit, which reached 100 percent in 2024. However, in the Fire Department and the Regional Disaster Management Agency, performance achievements are still influenced by limited infrastructure, the vastness of service areas, and the need to enhance human resource capacity. Meanwhile, social affairs show relatively consistent performance, although they still face administrative constraints, budget limitations, and the need for increased efficiency and technology utilization.

Overall, the analysis results indicate that the performance achievements of the Bogor Regency Local Government do not fully reflect the effectiveness of program implementation, as there are still gaps between planning, budget realization, and outcome achievement. High budget realization is not always followed by improved performance, which indicates the need for strengthening in performance-based planning, enhancing resource capacity, and integrating budgeting with outcome achievement. Thus, future regional financial management needs to be more directed toward improving the effectiveness and quality of development outcomes, rather than solely focusing on the level of budget absorption..

CONCLUSION

Based on the research objectives and the analysis results of the regional financial management and performance achievements of the Bogor Regency Government in mandatory government affairs related to basic services, referring to the data from the Accountability Report (LKPJ) for the 2023 and 2024 Fiscal Years, it can be concluded that the formal implementation of performance-based budgeting has been carried out thru the integration of programs, activities, performance indicators, and budget allocations. However, its implementation has not been fully effective, as indicated by the suboptimal linkage between performance planning and budget realization and performance achievement. This is reflected in the discrepancies between the performance achievements of programs and activities, indicating that there are still operational-level constraints.

On the other hand, the budget absorption rate in basic service sectors was relatively high during the research period, but the high budget realization did not always align with the performance outcomes achieved. Variations in performance achievements among sectors and regional apparatus organizations indicate that program effectiveness is not only determined by the size of the budget but also by the quality of activity implementation. This condition is reinforced by the phenomenon of budget realization accumulation at the end of the fiscal year, which causes the implementation of activities to take place within a limited timeframe and potentially reduces the quality of output as well as the effectiveness of performance evaluation.

Furthermore, internal supervision and control in regional financial management have not been optimal in supporting the effectiveness of budget realization and performance achievement. Although the supervision mechanism thru the Government Internal Supervisory Apparatus (APIP) is available, its implementation still faces various obstacles, especially in the aspects of execution control and compliance with regulations. This has resulted in the continued discovery of weaknesses in the internal control system and discrepancies in financial accountability.

In addition, the accountability of budget management has not yet fully demonstrated optimal performance, particularly in the integration between planning, implementation, and performance reporting. The performance information generated has not been maximally utilized as a basis for evaluation and policy improvement, resulting in budget management being more oriented toward fulfilling administrative aspects rather than achieving outcomes.

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