

Analysis Of The Effectiveness Of Regional Revenue And Expenditure Budget Management (APBD) In Improving Regional Financial Performance In Bengkulu Province

Desita Rahayu, Kurnia Cahya Saputri, Dion Berry
Sekolah Tinggi Ilmu Administrasi, Bengkulu
desita@stiabengkulu.ac.id

Abstract -This study aims to analyze the effectiveness of Regional Revenue and Expenditure Budget (APBD) management in improving regional financial performance in Bengkulu Province. The approach used is qualitative with descriptive methods through literature study and document analysis, utilizing secondary data from scientific journals, regional financial reports, and literature related to public financial management. The results of the study indicate that the effectiveness of APBD management in Bengkulu Province is still not optimal, especially in terms of policy accuracy, implementation accuracy, and program target accuracy. In addition, the regional expenditure structure, which is still dominated by operational expenditures rather than capital expenditures, is one of the causes of the low quality of development output produced. The high budget realization does not fully reflect substantive success in improving community welfare, thus indicating a gap between administrative achievements and the actual impact of policies. This condition indicates the need for improvements in the regional financial management system. Therefore, increasing the effectiveness of the APBD needs to be done through strengthening performance-based planning, increasing transparency and accountability, and optimizing local revenue sources to support more sustainable and targeted development.

Keyword: Budget Effectiveness, Regional Budget, Regional Financial Performance

I. INTRODUCTION

Regional financial management is a crucial aspect of governance focused on improving public welfare (Elviana et al., 2024). Within the framework of regional autonomy, local governments are granted broad authority to manage financial resources through the Regional Budget (APBD) (Sahrudin & Syahid, 2025). The APBD serves not only as a planning instrument but also as a tool for monitoring and evaluating local government performance (Ningrum & Soemitra, 2023). Therefore, the effectiveness of APBD management is a key indicator in assessing a region's success in achieving its development goals. In practice, budget effectiveness is measured not only by the level of budget absorption, but also by the extent to which the budget has a tangible impact on the community. High budget realization is often not accompanied by improvements in the quality of public services or regional development. This situation indicates a gap between administrative and substantive achievements in regional financial management (Ningrat, 2025).

This problem is also evident in various regions across Indonesia, including Bengkulu Province. One phenomenon reflecting this is the implementation of budget refocusing and reallocation policies during the COVID-19 pandemic, which have not been fully effective in achieving policy objectives. This indicates that the policies implemented are not fully on target and have not been able to optimally address community needs (Situmorang et al., 2022).

Furthermore, challenges in managing the Regional Budget (APBD) are closely related to the institutional capacity of local governments to plan and manage budgets professionally (Sawir et al., 2025). Limited human resource competency, weak integration of planning data, and the inadequate use of information technology in budgeting systems contribute to the quality of regional fiscal policy. As a result, the budget preparation process is often not based on a comprehensive needs analysis, but rather tends to follow routine

patterns from the previous year. This situation has the potential to create inefficiencies and hinder the creation of a budget that is responsive to the social and economic dynamics of the community.

On the other hand, public participation in the budgeting process is also a crucial factor in determining the effectiveness of the APBD. Public involvement in development planning, such as through development planning meetings, should be a means of capturing more accurate and relevant aspirations (Rijal, 2023). However, in practice, such participation is often formal and not fully incorporated into budget policies. Therefore, efforts are needed to strengthen participatory mechanisms and increase transparency in regional financial management, so that the APBD can truly become an inclusive, accountable, and welfare-oriented development instrument.

Furthermore, the regional spending structure, which tends to be dominated by operational expenditures rather than capital expenditures, is one of the causes of low development quality. High operational expenditures tend to be routine and have little long-term impact on regional economic growth (Simanjuntak et al., 2025). This situation reinforces the indication that the effectiveness of the regional budget (APBD) still faces various structural challenges.

In addition to internal factors within local governments, external dynamics such as national and global economic conditions also influence the effectiveness of regional budget management. Economic instability, inflation, and changes in central government fiscal policy can directly impact regional fiscal capacity (Siska, 2025). These conditions require regional governments to be more adaptive in responding to changes in the external environment, including developing flexible and sustainable budget management strategies. Conversely, the application of good governance principles in regional financial management is increasingly crucial to ensure budget effectiveness (Lestari & Santoso, 2022). The principles of transparency, accountability, and public participation must be consistently implemented to increase public trust in regional governments (Novatiani et al., 2019). Strengthening internal and external oversight systems is also necessary to minimize potential irregularities and ensure budget utilization aligns with established plans.

Innovation in regional financial management is key to increasing the effectiveness of the regional budget. The use of information technology, such as e-budgeting and regional financial information systems, can help improve planning accuracy, implementation efficiency, and budget management transparency. With these innovations, regional governments are expected to be able to optimize the use of financial resources more effectively and have a greater impact on regional development. Based on these conditions, this study is crucial to analyze the effectiveness of APBD management in Bengkulu Province and identify factors influencing this effectiveness. The research findings are expected to contribute to the formulation of more appropriate policies in regional financial management.

II. LITERATURE REVIEW

The budget in the public sector is an instrument that plays a strategic role in governance. It serves not only as a financial planning tool but also as a tool for controlling, coordinating, and evaluating organizational performance. In the context of local government, the budget is used to allocate limited resources to achieve established development goals (Ijong et al., 2023). Budget effectiveness is a concept related to the level of success in achieving planned goals (Khuluq & Rahmawati, 2025). Effectiveness is not only measured by the extent to which a budget is spent, but also by the extent to which it benefits the community (Islam, 2025). Thus, budget effectiveness encompasses a broader dimension than simply achieving financial targets.

Regional financial management involves a series of processes including planning, implementation, monitoring, and accountability (Putri & Yuliafitri, 2024). This process must be carried out transparently, accountably, efficiently, and effectively to support the achievement of regional development goals. In practice, regional financial management often faces various obstacles, such as limited resources, weak coordination, and a lack of innovation in fiscal management (Ridhawati et al., 2025). Nugroho's theory of policy effectiveness states that the effectiveness of a policy can be measured through several indicators: policy accuracy, implementation accuracy, target accuracy, environmental accuracy, and process accuracy (Nugroho, 2023). These five indicators can be used as an analytical framework to assess the extent to which a policy can be implemented effectively in achieving its stated goals.

III. RESEARCH METHODS

This research uses a qualitative approach with a descriptive approach. This approach was chosen because it provides an in-depth overview of the phenomena studied, particularly regarding the effectiveness of regional budget (APBD) management (Nurhayati et al., 2024). The research location focused on the Bengkulu Provincial Government, with the object of study being regional budget management. The data used in this study are secondary data obtained from various sources, such as scientific journals, regional financial reports, and policy documents related to regional financial management. Data collection techniques were conducted through documentation and literature review. Data analysis was conducted using qualitative analysis techniques, including data reduction, data presentation, and conclusion drawing.

IV. RESULTS AND DISCUSSION

1. *Policy Appropriateness*

Research results show that, in terms of policy appropriateness, the management of the Regional Budget (APBD) in Bengkulu Province still faces various challenges. Formulated budget policies have not fully addressed the real needs of the community, especially in crisis situations such as the COVID-19 pandemic. Budget refocusing and reallocation policies implemented by the regional government have not been comprehensively designed to address the specific problems faced (Situmorang et al., 2022). This is evident in the continued increase in social and economic problems despite the implementation of these policies. Therefore, it can be concluded that the resulting policies are still administrative in nature and not fully based on the empirical needs of the community.

2. *Accuracy of Implementation*

From an implementation perspective, budget policy implementation in Bengkulu Province has not been optimal. Program implementation often experiences delays due to weak coordination between agencies and the involvement of various parties that have not been effectively integrated (Sager & Gofen, 2022). Furthermore, limited human resource capacity and an ineffective bureaucratic system also impact the quality of policy implementation. This situation results in planned programs not being realized according to the expected timelines and outputs.

3. *Targeting Accuracy*

The targeting accuracy aspect also indicates that the programs implemented are not fully on target. This is indicated by the persistent gap between the community groups targeted by the policies and the beneficiaries on the ground. In some cases, implemented programs have not been able to reach the most needy groups, resulting in less than optimal policy impact. This inaccuracy in targeting indicates that the planning process is not supported by accurate data and in-depth needs analysis.

4. *Regional Expenditure Structure*

The structure of regional expenditure is one of the main factors influencing the effectiveness of the Regional Budget (APBD) in Bengkulu Province. Analysis shows that regional expenditure is still dominated by operational expenses, such as personnel expenditures and goods and services expenditures, while allocations for capital expenditures are relatively limited. This situation has further limited fiscal space for infrastructure development and productive programs (Zafnil, 2026). Yet, capital expenditure plays a crucial role in driving regional economic growth and improving the quality of public services.

5. *Budget Realization and Effectiveness*

Although the budget realization rate in Bengkulu Province is relatively high, this does not necessarily reflect effective budget management. High budget realization is more indicative of administrative success, namely the government's ability to absorb the allocated budget (Ningrat, 2025). However, from a substantive perspective, this realization has not yet significantly impacted public welfare. This demonstrates that budget effectiveness is determined not only by the absorption rate, but also by the quality of budget utilization.

6. *Factors Influencing Effectiveness*

The effectiveness of regional budget management in Bengkulu Province is influenced by several key factors, including suboptimal planning quality, limited regional revenue sources, and low innovation in fiscal management. Furthermore, transparency and accountability are also important aspects influencing budget effectiveness. Lack of public information disclosure and weak oversight can lead to inefficiencies and irregularities in budget management.

7. *Comparative Analysis*

Compared to other regions, budget management effectiveness in Bengkulu Province remains fairly effective, but has not yet reached optimal levels. Several other regions have been able to manage their budgets better through the implementation of performance-based budgeting and increased innovation in regional revenue management. This indicates that Bengkulu Province still has opportunities to improve the effectiveness of its regional budget management through various improvement efforts.

The research results indicate that the effectiveness of regional budget management in Bengkulu Province still faces various structural and implementation challenges. From a policy perspective, budget planning is not fully based on the real needs of the community, resulting in policies that tend to be administrative in nature and less responsive to socio-economic dynamics. This is exacerbated by weaknesses in policy implementation, such as a lack of coordination between agencies, limited human resource capacity, and a bureaucratic system that is not yet fully adaptive. Furthermore, inaccurate program targeting indicates weaknesses in the planning process, which is not supported by accurate data and a comprehensive needs analysis. This condition results in programs being unable to provide optimal impact for the community.

Furthermore, the regional spending structure, which is still dominated by operational expenditures, is a major factor hampering the budget's effectiveness in driving development. High budget realization does not necessarily reflect substantive success, as it has not been accompanied by significant improvements in community welfare. This demonstrates that budget effectiveness depends not only on the level of absorption, but also on the quality of budget allocation and use. Compared with other regions that have implemented performance-based budgeting and fiscal innovation, Bengkulu Province still has significant room to increase the effectiveness of APBD management through improved planning, strengthened transparency and accountability, and optimized regional revenue sources.

V. CONCLUSION

Based on the research results, it can be concluded that the effectiveness of Regional Revenue and Expenditure Budget (APBD) management in Bengkulu Province is still suboptimal. This is evident in various aspects, such as the inaccuracy of policies that do not fully align with community needs, program implementation that still faces coordination and resource capacity constraints, and targeting that fails to reach target groups effectively. Furthermore, the regional spending structure, which is still dominated by operational expenditures rather than capital expenditures, also hinders improvements in the quality of development and public services.

The high level of budget realization does not reflect substantive effectiveness, as it has not had a significant impact on improving community welfare. This situation indicates a gap between administrative achievements and the actual results of policies on the ground. Therefore, improvements are needed through strengthening performance-based planning, increasing transparency and accountability, optimizing local revenues, and enhancing the institutional capacity of local governments. With these steps, it is hoped that APBD management in Bengkulu Province will be more effective and efficient, and able to encourage sustainable development that is oriented towards community welfare.

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