

Analysis of Sukabumi City Regional Government Revenue and Expenditure Budget Performance 2018-2023

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ABSTRACT

The research was conducted to determine the extent to which the Sukabumi City Regional Government managed the performance of its revenue and expenditure budget before, during, and after transitioning to the COVID-19 endemic period. Performance measurement uses the regional financial independence ratio (RKKD), effectiveness ratio of regional original income (PAD), Compatibility ratio, growth ratio, and regional financial efficiency ratio (REKD). The research method uses a quantitative descriptive approach. The research results show that the RKKD is at a low level of independence and the relationship pattern is consultative. The PAD effectiveness ratio is fluctuating, while the operating expenditure Compatibility ratio decreased in 2019 and increased again in 2023, while capital expenditure decreased in 2022 and 2023, this ratio shows that operating expenditure is still the main priority. For REKD, it was only recorded as efficient in 2018 and 2022, while in 2019, 2021, and 2023 it was recorded as unbalanced. Meanwhile, the growth ratio shows a decrease in PAD of -8.66% in 2019 due to a decrease in regional taxes, which will increase again in 2019-2023. Meanwhile, regional income is fluctuating, falling in 2020 and 2022, but rising 3.64% in 2023, operating spending fell in 2020-2021 due to budget refocusing, while capital spending fell -30.43% in 2020 due to COVID-19 and -23, 51% in 2022 due to reduced central transfer funds.

Keywords: Budget Performance, Financial Ratio, Local Government Revenue, Sukabumi City.

INTRODUCTION

In the regional autonomy policy, regional governments are given the rights, authority, obligations, and freedom to regulate and manage their government affairs [1]. To regulate and manage government affairs, various sources of budget funding are needed, originating from the regional revenue and expenditure budget or APBD as well as the state revenue and expenditure budget or APBN. APBN funds from the center that are transferred to the regions are known as TKD or transfers to the regions and are divided into profit-sharing funds (DBH), special allocation funds (DAK), general allocation funds (DAU), special autonomy funds, village fund privilege funds, while Budget funds for the APBD come from local original income (PAD), TKD and regional debt financing [2].

A classic problem experienced by several regional governments related to the implementation of regional autonomy is limited funding for the implementation of government affairs and development in the regions because they depend on the budget from the center in the form of balancing funds, general allocation funds (DAU) and special allocation funds (DAK) [3]. DAU is intended to help deficient regions so they can be helped and more independent in managing their finances, but in reality, regions are dependent on DAU from the central government [4]. In line with this, DAU contributes to reducing poverty levels, where if DAU increases, poverty levels decrease [5]. In general, regional governments still have quite a high dependence on financial assistance from the center, however, these figures can be reduced by optimizing other sources of income for regional governments.

The presence of Covid-19 also provides new challenges for local governments in managing their finances. The changing rules and regulations in accelerating the handling of COVID-19 have forced local governments to refocus and reallocate the APBD budget, specially allocated to handling COVID-19, especially those that have an impact on the health, economic, and social sectors. Refocusing and reallocation of the APBD regulates three things, the first relates to adjusting regional government income targets through regional financial transfer income and local original income or PAD by calculating potential taxes and levies and estimated conditions for macro assumptions, second relates to adjusting regional spending through rationalization mechanisms for personnel spending, rationalization for spending on goods, services, and capital of at least 50% (covering socialization, meeting packages, official travel, office services, procurement of vehicles, machines and so on) and thirdly, the use of the results of APBD adjustments to meet spending needs in the health sector. related to handling COVID-19, providing a social safety net in the form of social assistance for the poor, and handling the economic impact to maintain the sustainability of the business world.

Sukabumi City is one of the regions that is carrying out budget refocusing and reallocation, however, Sukabumi City's financial performance should be appreciated because it has received the title of fair without exception or WTP for 8 (eight) years continuously, from the period 2014-2022 [6]. This of course cannot be separated from the performance of the Sukabumi City Regional Government which can answer the challenges that arise every year. However, it is necessary to measure regional performance before the onset of COVID-19 until the transition to the endemic period so that the performance of the Sukabumi City Regional Government can be maximized. Based on this, researchers are interested in analyzing the financial performance of Sukabumi City, which was able to achieve the WTP title for 8 (eight)

consecutive years was not affected by the Covid pandemic, and remained consistent during the transition period to the Covid endemic in terms of financial ratios in Sukabumi City.

LITERATURE REVIEW

The state of the art in this research was adapted from several previous studies to then become reference or comparison material in conducting research. The following is some previous research, namely:

1. Research conducted previously in Sukabumi City showed that during 2014-2018, before COVID-19, the government's financial capacity was sufficient to be financed by its financing [7].
2. This research was carried out before Covid-19 occurred. Research conducted in Subang Regency shows that the performance of the Subang Regency APBD based on the 2019-2020 RKKD shows a low level of independence due to the decrease in the budget and realization of PAD in addition to the decrease in transfer income from the central government due to the Covid pandemic. Meanwhile, the PAD effectiveness ratio shows quite effective results, the financial efficiency ratio became efficient in 2020 after previously being inefficient in 2019. The Compatibility ratio between the capital ratio and operating expenditure was within the criteria of reasonable limits and the growth ratio in 2020 experienced conditions of negative growth due to the Covid-19 pandemic in Indonesia [8].
3. Research conducted in the City of Bandung in the period 2018 to 2021 shows that the level of the independence ratio of the City of Bandung decreased from being in the delegation to participatory criteria before the pandemic occurred and when the pandemic occurred, then the level of the effectiveness ratio of PAD revenues was also not effective enough, while the efficiency ratio level is above 90%, which shows that the city of Bandung has relatively less efficient financial performance [9].
4. Research conducted in DKI Jakarta shows that financial ratios are quite good although many aspects can be improved. To change inefficient criteria into efficient criteria, the efficiency ratio must be optimized. This research generally shows that DKI Jakarta can maintain its main financial ratios (independence ratio, DSCR, and effectiveness) even though the growth ratio performance tends to decline during the COVID-19 period [10].
5. Research in Batu City shows that there was a decrease in 2020 compared to 2019. However, spending savings were made in 2020. However, the level of effectiveness in

Batu City increased and the efficient level was still in the efficient category. The spending was dominated by operational spending, although unexpected spending rose quite significantly. In general, during the 2019-2020 period, operating expenditure, expected expenditure, and capital expenditure can be said to be quite economical [11].

METHODS

The research method used to assess the financial performance of Sukabumi City uses quantitative descriptive method approach, namely a method to provide a detailed and in-depth description of a phenomenon or symptom. The population used in this research is the Budget Realization Report (LRA) with the sample choice used being the LRA for 6 (six) years, namely 2018-2023. The data used in this research are secondary data obtained from the Director General of Financial Balance, Ministry of Finance. The data analyzed in this study belong to the category of time series data, which is data that is collected or recorded more than one time [12]. The analysis uses financial ratios which include:

1. Regional Financial Independence Ratio or RKKD

This ratio reflects the ability of regional governments to finance their administration, development, and services to parties who contribute to paying taxes and levies as sources of income needed by regional governments [3]. RKKD is calculated using the formula:

$$RKKD = \frac{\text{Original Regional Income (PAD)}}{\text{Transfer Income}} \times 100 \%$$

Based on the formula above, the level of independence and regional financial relationship patterns are described as follows:

Table 1. Relationship Patterns and Level of Regional Independence

Regional Independence	Independence (In %)	Relationship Patterns
High	75-100	Delegative
Medium	50-75	Participative
Low	25-50	Consultative
Very Low	0-25	Instructive

Source: [3]

Information:

1. The instructive pattern shows that the central government has a greater role than regional governments in financial matters;

2. The consultative pattern shows that the role of the central government has decreased because regional governments have developed to become slightly more capable of implementing regional autonomy;
3. The participatory pattern shows that the role of the central government is decreasing because the level of regional independence is considered almost achieved;
4. The delegation pattern shows that there is no role for the central government because regional governments are considered capable of implementing regional autonomy.

2. Regional Original Income Effectiveness Ratio

Reflects regional ability and capacity in realizing PAD that has been previously created and planned compared to the PAD revenue target that was previously determined and formulated as follows :

$$\text{Regional Original Income Effectiveness Ratio} = \frac{\text{PAD Realization}}{\text{PAD Budget}} \times 100 \%$$

The criteria for PAD effectiveness can be seen in the table below:

Table 2. Risk Criteria for the Effectiveness of Original Regional Revenue

Regional Independence	Independence (%)
Highly Effective	> 100
Effective	100
Quite Effective	90 – 99
Less Effective	75 – 89
Ineffective	< 75

Source: [2]

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Very Low	0-25	Instructive

Source: [3]

3. Compatibility Ratio

According to Mahmudi [3], to realize the budget function, it is necessary to harmonize expenditure which is measured using the ratio of operating expenditure and capital expenditure so that it reflects the balance that occurs between expenditures and is interconnected with the function of the budget. The ratio for operating expenditure is calculated based on a comparison between total operating expenditure and total regional expenditure using the formula below:

$$\text{Operating Expenditure Ratio} = \frac{\text{Total Operating Expenditure}}{\text{Total Regional Expenditure}} \times 100 \%$$

Meanwhile, the ratio for capital expenditure is calculated based on a comparison between total capital expenditure and total regional expenditure using the following formula:

$$\text{Capital Expenditure Ratio} = \frac{\text{Total Capital Expenditure}}{\text{Total Regional Expenditure}} \times 100 \%$$

The reasonable limit for operating expenditure ranges from 60% - 90% and for capital expenditure it ranges from 5% - 20%.

4. Regional Financial Efficiency Ratio (REKD)

REKD is a comparison of the realization of the total amount of expenditure and the realization of regional income, where the smaller and/or lower ratio obtained indicates a better level of efficiency. The following is the REKD calculation formula:

$$\text{REKD} = \frac{\text{Regional Expenditure Realization}}{\text{Regional Income Realization}} \times 100 \%$$

The criteria for measuring these are as follows:

Table 4. Criteria for Regional Financial Efficiency

Criteria	Efficiency (%)
Unbalanced	More than 100
Balanced Efficient	Equals 100
Efficient	Less than 100

Source: [3]

5. Growth Ratio

This ratio is used to calculate the capacity and ability of local governments to maintain and improve achievements compared to the previous period where the calculation according to Halim [3] is formulated as follows:

$$r = \frac{P_n - P_0}{P_0} \times 100 \%$$

Information :

r = Percentage (%) of growth ratio

P_n = Total APBD in the nth year

P₀ = Total APBD in the previous year

The following is the framework of thought presented in this research:

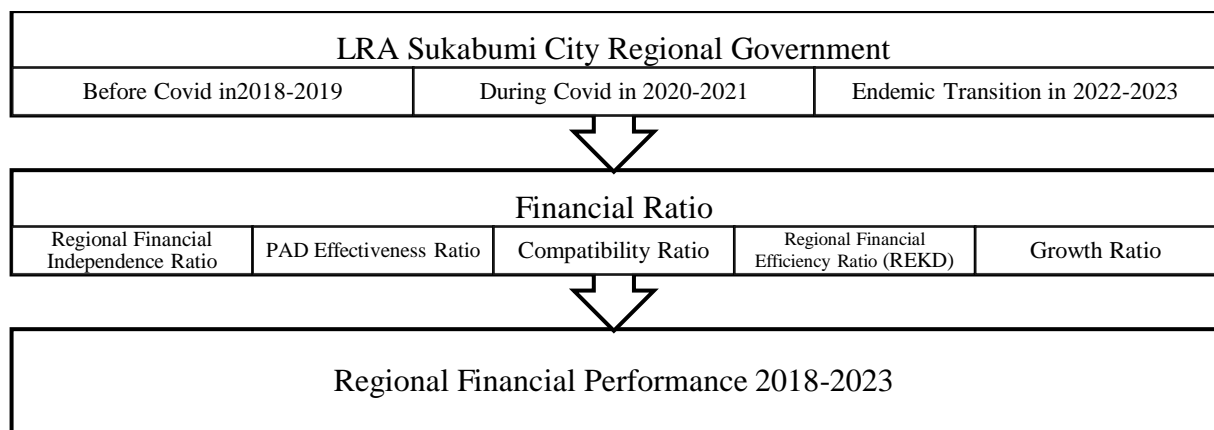


Figure 1. Framework Research

RESULT AND DISCUSSION

Geographically, the Sukabumi City area is one of the smallest cities in West Java Province, precisely after Cirebon City and Cimahi City with an area of 48.33 km² or 0.13% of the total area of West Java Province as a whole of 37,164.6 km². Administratively, Sukabumi City consists of 33 subdistricts covering 7 subdistricts with an area of each subdistrict, namely Baros subdistrict covering an area of 5.58 km², Cibereum subdistrict covering an area of 9.12 km², Cikole subdistrict covering an area of 6.22 km², Citamiang subdistrict covering an area of 4.01 km². km², Gunung Puyuh District covers an area of 5.15 km², Lembursitu District covers an area of 10.69 km² and Warudoyong District covers an area of 7.56 km².

The research was conducted to determine the extent of the financial performance of the Sukabumi City Regional Government before the occurrence of COVID-19 until the transition to an endemic period using financial ratio analysis from 2018 to 2023 which consists of:

1. Growth Ratio

The following is the calculation of the Regional Financial Independence Ratio (RKKD) for Sukabumi City for 2018-2023:

Table 5. Level of Independence and Relationship Patterns

Condition	Fiscal Year	Realization of PAD (Billion Rp)	Transfer Income (Billion Rp)	Ratio Results	Relationship Patterns
Before Pandemic	2018	362,34	795,34	45,56%	Consultative
Before Pandemic	2019	330,95	869,23	38,07%	Consultative
During Pandemic	2020	343,76	849,76	40,45%	Consultative
During Pandemic	2021	344,40	860,30	40,03 %	Consultative
Endemic Transition	2022	362,77	837,02	43,34 %	Consultative
Endemic Transition	2023	406,55	833,53	48,77%	Consultative

Source: Processed Data

Based on the table above, the level of independence before the pandemic decreased, namely from 45.56% in 2018 to 38.07% in 2019, likewise when the pandemic occurred, there was a decrease in 2021 compared to the year when the pandemic began. namely in 2020 from 40.45% to 40.03%. However, after the pandemic began to change into an endemic transition period, the independence ratio increased to 43.34% in 2022 and increased to 48.77% in 2023, the year it was stated that Indonesia was starting to enter the endemic period. From the results of the calculations above, Sukabumi City for six years (2018-2023) falls into the consultative relationship pattern category, namely the level of independence in the low category where the regional government has not been able to implement regional autonomy policies well and is still dependent on assistance from the regional government and central government to finance the implementation of government and development activities in the regions. However, looking at the trend of the last 2 (two) years, namely 2022-2023, Sukabumi City has the potential to change the pattern of relations to participatory if the regional government can maximize the potential for paying regional levies and taxes as a source of income needed in order to carry out good government and regional development.

2. Regional Original Income Effectiveness Ratio

The following is the calculation of the effectiveness ratio of local revenue (PAD) for Sukabumi City for 2018-2023:

Table 6. Sukabumi City Regional Original Income (PAD) Effectiveness Ratio 2018-2023

Condition	Fiscal Year	PAD Budget (Billion Rp)	Realization of PAD (Billion Rp)	Ratio Results	Relationship Patterns
Before Pandemic	2018	351,29	362,34	103,15%	Very effective
Before Pandemic	2019	376,15	330,95	87,98%	Less effective
During Pandemic	2020	389,27	343,76	88,31%	Less effective
During Pandemic	2021	367,49	344,40	93,72%	Quite Effective
Endemic Transition	2022	362,14	362,77	100,17%	Very effective
Endemic Transition	2023	348,33	406,55	116,71%	Very effective

Source: Processed Data

Based on Table 5 above, the level of PAD effectiveness ratio in 2018 was recorded at 103.15%, where this value reflects the effectiveness of PAD in Sukabumi City which is very effective, however, in 2019 there was a decrease to less effective or 87.98% due to from the decline in PAD realization compared to the previous year. The decrease in the PAD effectiveness ratio also occurred in 2020 when Covid-19 first occurred in Sukabumi City, becoming less effective or 88.31%, although PAD realization increased compared to the previous year, it was not yet able to balance the PAD budget that had been determined. In 2021, the PAD budget will be reduced, which is known as the budget refocusing year. However, the realization of PAD in 2021 increased compared to the previous year so the PAD effectiveness ratio became 93.72% or quite effective. In 2022 - 2023, which is starting to enter the transition period from pandemic to endemic, the PAD effectiveness ratio exceeds 100% or is included in the very effective criteria. From the results above, it is illustrated that under normal conditions and there is no pandemic, the PAD effectiveness ratio can reach the criteria of being very effective.

3. Compatibility Ratio

The following is the calculation of the compatibility ratio for Sukabumi City for 2018-2023:

Table 7. Compatibility Ratio (Operational Expenditure) Sukabumi City 2018-2023

Condition	Fiscal Year	Total Expenditures (Billion Rp)	Realization of Operational Expenditures (Billion Rp)	Ratio Results
Before Pandemic	2018	1.185,87	1.045,77	88,19%
Before Pandemic	2019	1.308,07	1.115,69	85,29%
During Pandemic	2020	1.202,03	1.068,20	88,87%
During Pandemic	2021	1.201,05	1.065,37	88,70%
Endemic Transition	2022	1.251,74	1.147,96	91,71%
Endemic Transition	2023	1.283,06	1.179,55	91,93%

Source: Processed Data

Based on the table above, the level of Compatibility ratio (operational expenditure) before the pandemic decreased from 88.19% in 2018 to 85.29%, although the realization of operating expenditure increased, when compared with the increase in total expenditure, this was due to increase in other expenditure items, namely capital expenditure. In the post-pandemic period, both actual operating expenditure and total expenditure experienced a decline, although the percentage of operating expenditure was still at 88.87%. Meanwhile, after the pandemic transitioned to a transition period, the realization of operational expenditure increased both in 2022 and 2023, which was in line with the increase in total expenditure, and the compatibility ratio even reached above 91.71% in 2022 and 91.93% in 2023. In the pre-pandemic period and during the pandemic, the compatibility ratio was still reasonable, but during the endemic transition, the level of reasonableness rose to above the 90% reasonable limit.

Table 8. Compatibility Ratio (Capital Expenditure) Sukabumi City 2018-2023

Condition	Fiscal Year	Total Expenditures (Billion Rp)	Realization of Capital Expenditures (Billion Rp)	Ratio Results
Before Pandemic	2018	1.185,87	140,10	11,81%
Before Pandemic	2019	1.308,07	192,38	14,71%
During Pandemic	2020	1.202,03	133,84	11,13%
During Pandemic	2021	1.201,05	135,68	11,30%
Endemic Transition	2022	1.251,74	103,78	8,29%
Endemic Transition	2023	1.283,06	103,51	8,07%

Source: Processed Data

Based on table 7 above, the level of Compatibility ratio (capital expenditure) before the pandemic increased from 11.81% in 2018 to 14.71%, although the realization of capital expenditure increased, but when compared with the increase in total expenditure this was due to There was not only an increase in the capital expenditure post but also in the operating expenditure post. In the post-pandemic period, both the realization of capital expenditure and total expenditure decreased due to the Covid-19 pandemic virus which started in 2020 with the percentage of capital expenditure still at 11.13% and rising again in 2021 to 11.30%. Meanwhile, after the pandemic transitioned to a transition period, the realization of capital expenditure actually decreased in both 2022 and 2023 to 8.29% in 2022 and 8.07% in 2023. Both in the period before and after the pandemic as well as the transition to the endemic period, the results of the compatibility ratio show a reasonable level because it is still within the range of 5% - 20% or the reasonable limit.

From the two tables above, it shows that the Regional Government of Sukabumi City still prioritizes the need for operational spending compared to the need for capital expenditure which is dominated by personnel spending followed by spending on goods and services, which shows that the Regional Government of Sukabumi City pays more attention to government activities than carrying out regional development, although the results of the capital expenditure ratio still show within reasonable limits, it is hoped that the Regional Government of Sukabumi City can pay attention to development in the form of capital expenditure, the results of which can be enjoyed more by the public.

4. Regional Financial Efficiency Ratio (REKD)

The following is the calculation of the Sukabumi City REKD for 2018-2023 :

Table 9. Sukabumi City Regional Financial Efficiency Ratio (REKD) 2018-2023

Condition	Fiscal Year	Regional Expenditure (Billion Rp)	Regional Income (Billion Rp)	Ratio Results	Relationship Patterns
Before Pandemic	2018	1.185,87	1.223,77	96,90%	Efficient
Before Pandemic	2019	1.308,07	1.236,91	105,75%	Unbalanced
During Pandemic	2020	1.202,03	1.193,52	100,71%	Unbalanced
During Pandemic	2021	1.201,05	1.244,10	96,54%	Efficient
Endemic Transition	2022	1.251,74	1.212,39	103,25%	Unbalanced
Endemic Transition	2023	1.283,06	1.256,51	102,11%	Unbalanced

Source: Processed Data

Based on Table 8 above, 2018 (before the pandemic) and 2021 (after the pandemic) fall into the efficient criteria, while 2019-2020 and 2022-2023 fall into the imbalance criteria because the regional income is much less. compared to regional shopping posts. Regional income from regional original income items, especially taxes, decreased in 2019-2020, which was one of the causes of the high regional financial efficiency ratio, causing the criteria to be unbalanced, in addition to the increase in operational expenditure in that year. In 2022-2023, the high need for personnel spending and the need for spending on goods and services will not be balanced by the increase in transfer income, thus becoming one of the causes of regional financial efficiency ratios becoming unbalanced.

5. Growth Ratio

The following is the calculation of the growth ratio for Sukabumi City for 2018-2023:

Table 10. Sukabumi City Regional Financial Efficiency Ratio (REKD) 2018-2023

Condition	Fiscal Year	PAD (Billion Rp)	Growth PAD	Regional Income (Billion Rp.)	Growth Regional Income
Before Pandemic	2018	362,34	-	1.223,77	-
Before Pandemic	2019	330,95	-8,66%	1.236,91	1,07%
During Pandemic	2020	343,76	3,87%	1.193,52	-
During Pandemic	2021	344,40	0,19%	1.244,10	4,24%
Endemic Transition	2022	362,77	5,33%	1.212,39	-
Endemic Transition	2023	406,55	12,07%	1.256,51	3,64%

Source: Processed Data

Based on the table above, PAD growth in 2019 decreased by -8.66% due to a decrease in local taxes and other legitimate PAD income compared to 2018. Meanwhile, the following years experienced an increase and were not affected by conditions after the pandemic Covid, although in 2021 the increase is not large, in nominal terms it is still increasing. Meanwhile, regional income experiences fluctuating growth every year. For 2020 and 2022, the decrease in growth was caused by a decrease in inter-regional transfer income, while in 2023 there was an increase in regional income growth of 3.64%, which was caused precisely by an increase in inter-regional transfer income and other income.

Table 11. Growth Ratio of Operating Expenditures and Capital Expenditures
Sukabumi City 2018-2023

Condition	Fiscal Year	Operational Expenditures (Billion Rp)	Growth in Operating Expenditures (Billion Rp)	Capital Expenditure (Rp billion)	Capital Expenditure Growth (Rp billion)
Before Pandemic	2018	1.045,77	-	140,10	-
Before Pandemic	2019	1.115,69	6,69%	192,38	37,32%
During Pandemic	2020	1.068,20	-4,26%	133,84	-30,43%
During Pandemic	2021	1.065,37	-0,26%	135,68	1,37%
Endemic Transition	2022	1.147,96	7,75%	103,78	-23,51%
Endemic Transition	2023	1.179,55	2,75%	103,51	-0,26%

Source: Processed Data

Based on the table above, the largest decline in operating spending occurred in 2020, namely -4.26%, but it fell again in 2021 by -0.26%, which was due to budget refocusing, causing employee spending needs and goods and services spending needs to decline. decline. Meanwhile, in 2020, the same thing happened in the capital expenditure post, which experienced a very large decline, namely -30.43%. Meanwhile, during the transition period in 2022 there was also a decrease of 23.51% due to a decrease in transfer funds from the center for Sukabumi City, which had an impact on several planned programs.

CONCLUSIONS AND RECCOMENDATIONS

Conclusions

The research carried out aims to provide an overview of the financial performance of the Sukabumi City Regional Government during the pre-pandemic period to the transition period from pandemic to endemic. Based on the data above, it can be concluded that:

1. Sukabumi City's financial performance as measured by the level of regional financial independence ratio (RKKD) during the 2018-2023 budget year is within the criteria of low regional independence with a consultative relationship pattern, that is, it is still dependent on the government even though it has little ability to implement regional autonomy. Respectively, the percentage of independence of Sukabumi City is 45.56% in 2018, 38.07% in 2019, 40.45% in 2020, 40.03% in 2021, 43.34% in 2022 and 48.77% in 2023.

2. Sukabumi City's financial performance based on the effectiveness ratio of original income during 2018-2023 is fluctuating. In 2018, the PAD effectiveness ratio was recorded at 103.15% or very effective, but in 2019 it fell to 87.98% due to the decrease in PAD realization the previous year and in 2020 it became 88.31% due to Covid-19 so the PAD effectiveness ratio was recorded become less effective. In 2021 there was an increase to 93.72% or quite effective and in 2022-2023 it rose to above 100% and entered the very effective criteria. From the results above, it is illustrated that if under normal conditions and there is no pandemic, the PAD effectiveness ratio can reach the criteria of being very effective.
3. Sukabumi City's financial performance based on the Compatibility ratio (operational expenditure) before the pandemic, decreased from 88.19% in 2018 and to 85.29% in 2019 due to an increase in other expenditure items, especially capital expenditure. During the pandemic, the realization of operating expenditure and total expenditure decreased due to the impact of the COVID-19 pandemic, but the percentage of operating expenditure remained at 88.87%. During the endemic transition period, the realization of operating expenditure increased, in line with the increase in total expenditure, with a Compatibility ratio reaching 91.71% in 2022 and 91.93% in 2023 or above the reasonable limit. This illustrates that if under normal conditions and there is no pandemic, the PAD effectiveness ratio can reach the criteria of being very effective. Meanwhile, the Compatibility ratio (realization of capital expenditure) will decrease to 8.29% in 2022 and 8.07% in 2023. This shows that the Regional Government of Sukabumi City still prioritizes the need for operating expenditure compared to capital expenditure and shows that the Regional Government of the City Sukabumi pays more attention to government activities than regional development, even though the results of the capital expenditure ratio still show within reasonable limits, it is hoped that the Regional Government of Sukabumi City can pay attention to development in the form of capital expenditure, the results of which can be enjoyed more by the public.
4. Sukabumi City's financial performance based on the regional financial efficient ratio (REKD) was recorded as efficient in 2018 and 2022, while in 2019-2020 and 2022-2023 it was included in the imbalance criteria due to regional income experiencing a decline, especially in the tax and In 2022-2023, the reason the ratio becomes unbalanced is due to high expenditure on personnel and goods and services which is not balanced by an increase in transfer income from the center.

5. Sukabumi City's financial performance based on the growth ratio recorded that PAD growth in 2019 decreased by -8.66% due to a decrease in local taxes and other legitimate PAD income compared to 2018, while in 2019-2023 it experienced an increase and was not disturbed by the Covid-19 pandemic. Regional income experiences fluctuating growth every year, where in 2020 and 2022 the decrease in growth was caused by a decrease in inter-regional transfer income, while in 2023 there was an increase in regional income growth of 3.64%, which was caused precisely by an increase in inter-regional transfer income and other income. For operating expenditure, there was a decrease in 2020-2021 due to budget refocusing, while for capital expenditure there was also a decrease in 2020 by -30.43% due to Covid-19 and in 2022 it decreased by -23.51% due to reduced transfer funds. from the center to the Sukabumi City Regional Government.

Reccomendation

1. The Sukabumi City Regional Government can identify and look for new sources of income other than transfers from the central government, such as optimizing regional levies and taxes.
2. The Regional Government of Sukabumi City can increase regional income from sectors other than taxes, such as collaborating with the private sector or utilizing and creating strategies from regional asset income to reduce dependence on transfers from the center.
3. Make crisis management and risk management plans to anticipate crises that occur, such as the Covid-19 pandemic which has an impact on local revenue or PAD.

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