

Value for Money Analysis in Financial Performance Measurement in the Tana Tidung Regency Local Government for 2018-2022

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ABSTRACT

This research aimed to analyze the financial performance of the local government of Tana Tidung Regency from 2018 to 2022 using the concept of Value For Money based on Economic Ratio, Efficiency Ratio, and Effectiveness Ratio. Utilizing a quantitative descriptive method, this research was conducted within the Department of Industry, Trade, Cooperatives, and SMEs of Tana Tidung Regency. Data collection was accomplished through a purposive sampling technique, focusing on the Budget Realization Report and the Performance Accountability Report from government agencies. The calculations were based on formulas of (1) Economic Ratio, (2) Efficiency Ratio, and (3) Effectiveness Ratio. The findings revealed that the financial performance of the Department of Industry, Trade, Cooperatives, and SMEs of Tana Tidung Regency during 2018-2022 demonstrated the following: (1) Economic Ratio exhibited fairly economic criteria, notwithstanding fluctuations, (2) Efficiency Ratio consistently demonstrated fairly efficient criteria throughout each year, and (3) Effectiveness Ratio consistently met fairly effective criteria annually.

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1. Introduction

The progress of a region is highly dependent on the role and performance of government agencies. To realize effective governance, each agency must operate effectively in the interests of the government and the general public. In accordance with the provisions of Presidential Regulation of the Republic of Indonesia Number 29 of 2014 concerning the Performance Accountability System for Government Agencies, Article 3 mandates that the leaders of each agency are responsible for operational efficiency in ministries/state institutions, while Regional Work Units (SKPD) are responsible for implementing and achieving operational efficiency in accordance with the agreed operational efficiency and budget allocation documents established in each state ministry/organization. Agencies that have the authority to implement SKPD are responsible for carrying out these tasks. The management of the State Revenue and Expenditure Budget (APBN) must comply with the principles of state financial management as stipulated in Law Number 17 of 2003, Section 3, Paragraph (1). These principles include the requirement that state financial management must be carried out in an orderly manner, in accordance with the provisions of laws and regulations, effectively, economically, efficiently, and transparently, and must be accountable, while taking into account aspects of fairness and convenience. The Law was passed and promulgated on April 28, 2003 (State Gazette of the Republic of Indonesia of 2003 No. 47).

The concept of value for money as a control tool and a measuring tool to determine the performance of government budget implementation realized through government spending can use a measuring tool scheme, namely the Budget Implementation Performance Indicator (IKPA). The KPA is stipulated through Minister of Finance Regulation Number 195/PMK.05/2018 concerning Monitoring and Evaluation of the Implementation of the State Ministry/Agency Expenditure Budget, focusing on the principle of Value for Money (VFM), the performance of the budget implementation realized to measure government spending. In summary, it covers economy, efficiency, and effectiveness, as well as compliance with regulations established in the management of government budgets (Dito Mahar Putro 2022). Value for money is a performance evaluation method used in public sector organizations that not only considers financial aspects, but also combines non-financial factors to assess the performance of a public sector organization. The concept of value for money is an approach used to measure the economic level, efficiency, and effectiveness of an organization's performance programs. The concept of value for money plays a very important role in the context of public sector organizations, therefore this concept is often considered important in measuring financial performance (Ardilla and Putri 2015).

Financial performance has significant relevance in public sector organizations, including the government. The implementation of performance-based budgeting is expected to encourage all local governments to deliver excellent financial performance in their respective administrative areas. The growing push for greater transparency in public sector organizations, such as central and local governments, government units, departments, and public institutions, is expected to help reduce budget waste, capital losses, and identify programs that do not provide economic effectiveness (Liando et al. 2014). Each region has several agencies/SKPDs tasked with assisting the local government in achieving regional success. In this case, the author conducted research at a government agency, namely the Industry, Trade, Cooperatives, and SMEs Agency in Tana Tidung Regency. However, the results of the interviews conducted by the researcher show that the Office of Industry, Trade, Cooperatives, and SMEs in Tana Tidung Regency has not been optimal in applying the principle of value for money. Therefore, it is necessary to measure the performance of the revenue and expenditure budget using the concept of value for money. The purpose of this study is to provide a basis and benchmark for formulating more efficient and economical policies in the management of revenue and expenditure budgets by the Office of Industry, Trade, Cooperatives, and Small and Medium Enterprises (SMEs) in Tana Tidung Regency. Tana Tidung Regency, one of the youngest regencies in North Kalimantan Province, consists of 5 subdistricts and 32 villages.

Based on observations, there are discrepancies every year. However, the success of budget performance is no longer measured by how much of the budget is used, but how little of the budget is used while still achieving the desired performance based on each year's work plan. In this regard, the Tana Tidung Regency Industry, Trade, Cooperatives, and SME Office needs physical performance measurements to determine the overall implementation of its work programs. The Industry, Trade, Cooperatives, and SMEs Office of Tana Tidung Regency is often evaluated based solely on input aspects. It can be seen that the Industry, Trade, Cooperatives, and SMEs Office of Tana Tidung Regency has not maximized the available budget, resulting in budget utilization rates that fluctuate from year to year.

2. Literatur Review

2.1. Stewardship Theory

The theory used as the basis for this research is part of agency theory, namely Stewardship theory (developed by Donaldson and Davis in 1991). This theory describes a situation in which management is not primarily motivated by their individual goals, but rather focuses on achieving key results that benefit the organization. The Stewardship Theory operates on the assumption that there is a close relationship between the success of an organization and the level of satisfaction achieved. Organizational success reflects efforts to maximize the benefits gained by stewards and principals. In this context, optimizing the benefits obtained by the leadership group will ultimately contribute to increasing the benefits of individuals within the organization. The Stewardship theory approach, which encourages individuals to be responsible, can be applied in accounting research related to public sector organizations, including government organizations (Eko Raharjo 2006).

2.2 Public Sector Accounting

In the book "Public Sector Accounting, An Introduction to Public Sector Accounting," Third Edition, Indra Bastian. Accounting in this sector is defined as a mechanism of analysis and technical accounting applied to the management of public funds in high state institutions and institutions under them, local governments, state-owned enterprises, non-governmental organizations, and community organizations, as well as in public institutions and private sector collaboration projects.

Public sector accounting, according to (Malahika, 2018), is an activity aimed at providing economic transaction

reports that lead to the preparation of public sector financial accounting reports. Government Regulation Number 71 of 2010 concerning Government Accounting Standards stipulates that the budget realization report (LRA) is a component of government financial reporting, which can provide structured information on the implementation of the budget and its entities reported within a certain period (Sampow and Pangkey 2022).

2.3 Local Government Financial Reports (LKPD)

(Roman 2016) argues that local government financial reports are a manifestation of local government accountability, part of the local financial cycle that begins with planning, budgeting, implementation, and management. Management and reporting begin with accounting records from each regional work unit (SKPD) as an accounting unit. The Regional General Finance Department (SKPKD) is an accounting unit. From the above observations, there are several factors that can affect the quality of financial reporting, such as government accounting standards and human resource capacity (Eman, Pakaya, and Wuryandini 2022). The quality of local government financial reporting is important because it is a manifestation of good governance. Quality financial reporting can be useful for future government policy development efforts. If financial reporting can support decision-making, it will help promote development and reduce poverty. Quality financial reporting is based on the opinion of the Financial Audit Authority (Ayuningsih, Mawardi, and Sari 2022).

2.4. Budget Realization Report (LRA)

Government Regulation Number 71 of 2010 concerning Government Accounting Standards stipulates that the Budget Realization Report (LRA) is a component of financial reports government provides information on the achievements and policies implemented by reporting entities during a specific period. The LRA provides an overview of the financial resources managed by the central/regional government, including their allocation and use, and describes the comparison between the budget and actual realization during the period in question (Polii et al. 2020).

Budget realization reports provide data on the reporting unit's achievements in terms of revenue, expenditure, transfers, surplus/deficit, and other financial aspects, which are then compared with the budget set for that unit. This information is useful in helping report users assess decisions related to economic resource allocation, accountability, and the reporting entity's level of compliance with the established budget.

2.5. Performance measurement

Performance is a description of the extent to which an activity has achieved the objectives, goals, mission, and vision of an organization as outlined in its strategic planning position. According to Edison (2016), performance is the result of a process that is stated and measured over a predetermined period of time. Therefore, local government operational efficiency means that employees are able to participate in managing finances, compiling and publishing financial reports in accordance with established local regulations. In this variable, the achievement of an activity's objectives affects people's lives, the level of program achievement, and the ethical behavior of employees (Gerung, Dotulong, and Raintung 2022).

According to Mahmudi (2015:7), performance measurement is a process that involves evaluating work progress in order to achieve predetermined goals and objectives. This includes evaluating the efficiency of using resources to produce goods and services, as well as assessing the quality of goods and services. In addition, this process involves comparing the performance results of activities with predetermined objectives and the effectiveness of actions taken to achieve those objectives (Husna 2020).

2.6. Performance Indicators

Performance indicators, as explained by Bastian in 2016:267, refer to metrics that can be quantitative or qualitative measures that provide an overview of the extent to which the objectives or targets that have been set have been achieved. These indicators take into account factors such as resources used (input indicators), results produced (output indicators), effects produced (outcome indicators), benefits obtained (benefit indicators), and impacts produced (impact indicators). The meanings of input, outcome, benefit, and impact indicators are as follows

2.7. Input indicators

Input indicators are everything needed for the implementation of activities to produce results. These indicators can be in the form of human resources, information, policies, regulations, or laws. According to Mardiasmo (2018), input refers primarily to the data sources used in implementing strategies and program functions. Therefore, involvement in this study reflects the use of the budget. Budget implementation is defined as the amount of money received by an organization to meet its needs. The input value is the amount provided by the organization to meet its needs. Therefore, the input value in this study can be interpreted in the form of budget allocations or predetermined targets (Rumagit, Karamoy, and Afandi 2022).

2.8. Output Indicator

Mahmudi, 2015: 99 Output indicators are direct measures of the results of a process. These measures

show the results of the implementation of a program or activity. The measurement of results is carried out in the form of quantitative or non-quantitative financial measurements (Yulitiawati and Rusmidarti 2021).

Output is the consequence of implementing a program, activity, or policy. This output refers to the results that arise from an activity. Output is a component that will be compared with input to assess the level of efficiency, and involves evaluating the economic value obtained by comparing the budget realization with the predetermined budget (Enre 2020).

2.9. Outcome indicators

Outcome indicators are the impacts achieved from a particular activity. Outcomes are related to the objectives or targets to be achieved. Thus, outcomes are what is obtained from a program or activity compared to the expected outcomes. The expected outcomes are the desired performance targets (Sari et al. 2022).

2.10. Benefit indicators

Benefit indicators are related to the ultimate goal of the activity. Benefit indicators are the targets/benefits obtained through the optimal operation of outputs. This index describes the benefits obtained from the indicators produced, namely increases and decreases, especially in the medium and long term (Strategi and Raya 2021).

2.11. Impact indicators

Impact indicators are the effects, both positive and negative, at each indicator level based on predetermined assumptions. Impact is a performance measure based on its significance given the conditions under which the benefits are to be achieved (Reza Nanda, Darwanis 2016).

2.12 Value for Money

Mahmud (2013: 83) Value for money is an important concept in public sector organizations, where value for money means appreciating the value of money. Value for money is an important principle in the economic management of government operational budgets (minimizing inputs by avoiding unnecessary expenses), efficiency (achieving maximum output with maximum investment), providing inputs or outputs with the lowest contribution), and effectiveness (program implementation). results in achieving the objectives that have been set). If these three main factors are interrelated and inseparable, they will be explained in part (Tito Aditya Perdana et al. 2020).

2.13. Value for Money Indicators

Value for money is an understanding of public sector organization management based on three main indicators, namely: economy, efficiency, and effectiveness, with the following scope:

2.14. Economics

Mahmudi in 2013:83-84 explains that in economics, there is a relationship between the transformation of inputs in the form of financial resources (money/cash) into secondary inputs such as labor, materials, infrastructure, and capital goods used in organizational operations. Economic principles are closely related to the concept of costs involved in obtaining input units. Economics implies that inputs must be obtained at low costs, close to market prices. In the framework of economics, a comparison is made between inputs and their monetary value in order to obtain those inputs (Polii et al. 2020).

2.15. Efficiency

Mahmudi (2013:85) explains that efficiency is related to the relationship between the output produced and the resources used in the production process. In the context of a system, efficiency involves a comparison between production output and the inputs used, or in other words, a comparison between output per unit and inputs. (Imanuel R. A. Polii et al 2022).

2.16. Effectiveness

Dwi Purwiyanti in (2017) states that effectiveness reflects the relationship between the actual results achieved and the predetermined objectives. Operational activities are considered effective if they can achieve the final objectives and targets specified in the policy. Effectiveness is a measure of the extent to which program results are achieved in relation to predetermined objectives. In other words, effectiveness involves a comparison between the results achieved and the expected or previously planned results (Syad'iyah, Susanti, and Rasyidi 2016).

3. Research Methodology

3.1 Research Design

This study uses descriptive research with a quantitative approach. This method is used to collect data relevant to the actual situation, then process and analyze the data with the aim of providing a clear picture of the research object, which ultimately allows conclusions to be drawn. Financial performance assessment is carried out through the application of the *value for money* method. The focus of this study is on data collected by the author from the Office of Industry, Trade, Cooperatives, and SMEs in Tana Tidung Regency. This study uses the Local Government Financial Report (LKPD) as the population. The samples used are the Budget Realization Report (LRA) and the Government Agency Performance Accountability Report (LAKIP) of the Office of Industry, Trade, Cooperatives, and SMEs of Tana Tidung Regency for 2018-2022. The sampling technique used in this study was *purposive sampling*. In *purposive sampling*, researchers have the freedom to select samples that suit the needs of the study. The data collection technique used was observation, namely collecting secondary data in the form of financial reports to obtain data related to the issues and discussions. The data used by the author was written data in the form of Budget Realization Reports and Government Agency Performance Accountability Reports at the Tana Tidung Regency Industry, Trade, Cooperatives, and SMEs Office for 2018 – 2022. The data analysis technique used in this study is quantitative analysis using the Value For Money concept with 3 ratios, namely:

Table 1 Percentage of Economic Assessment

Economic Value	Performance Description
>101%	Very Economical
100	Economical
80% - 99	Fairly economical
60	Less economical
0-59%	Not economical

Source: (Mahmudi, 2007)

Efficiency Ratio

According to Mahmudi (2007), the efficiency level is measured by comparing actual expenditures with the budget target as follows:

$$\text{Efficiency Level} = \frac{\text{output}}{\text{input}} \times 100\%$$

Explanation

Output: Achieved realization Input: Economic value

Table 2 Efficiency Assessment Percentage

Efficiency Value	Performance Description
>101%	Highly Efficient
100	Efficient
80% - 99%	Fairly Efficient
60% - 79	Less Efficient
0-59	Not Efficient

Source: (Mahmudi, 2007)

Effectiveness Ratio

According to Mahmudi (2007), performance levels are measured by comparing physical/non-physical performance with predetermined physical performance targets using the following calculation:

$$\text{Effectiveness level} = \frac{\text{outcome}}{\text{output}} \times 100$$

Explanation

Outcome: Performance Achievement

Output: Performance Target

Table 3 Effectiveness Assessment Percentage

Effectiveness Performance Score	Description
>101%	Very Effective
100	Effective
80% - 99%	Fairly Effective
60% - 79	Less Effective
0-59	Not Effective

Source: (Mahmudi, 2007)

4. Results and Discussion

4.1 Results and Discussion

The analysis of the financial performance of the Tana Tidung Regency Government in this study is an assessment of the progress of the implementation of tasks and activities The Tana Tidung Regency Government in the fields of Industry, Trade, Cooperatives, and SMEs during the period 2018 to 2022. The data analyzed is sourced from the Budget Implementation Report and the Government Agency Performance Accountability Report. This analysis is expected to provide insights into the financial performance of the Tana Tidung Regency Industry, Trade, Cooperatives, and SMEs Department for the years 2018-2022. The results of the ratio analysis are as follows:

Economic Ratios

Based on the results of the Economic Assessment in 2018, there were 9 Activity Programs with details of 7 activities that met the criteria of being sufficiently economical, namely the Office Administration Service Program (94%), the Program for Improving Facilities and Infrastructure for Civil Servants (95%), the Program for Improving Civil Servant Discipline (95%), the Program for Developing Small and Medium Industries (96%), the Program for Creating a Conducive Climate for Small and Medium Enterprises at 99%, the Program for Improving the Quality of Cooperative Institutions at 99%, and the Program for Improving the Efficiency of Domestic Trade at 96%. There were 2 activities that met the criteria for being uneconomical, namely the Program for Increasing the Capacity of Government Resources at 53% and the Program for Consumer Protection and Trade Security at 0%, due to the lack of budget absorption in these program activities.

Based on the results of the Economic Assessment in 2019, there were 9 Activity Programs with details of 8 activity programs that met the criteria of being sufficiently economical, namely the Office Administration Service Program 99%, the Improvement of Facilities and Infrastructure for Civil Servants Program 96%, the Program for Improving the Capacity of Government Resources at 99%, the Program for Developing Small and Medium Industries at 96%, the Program for Developing Entrepreneurship and Competitive Excellence in Small and Medium Enterprises at 93%, the Program for Improving the Quality of Cooperative Institutions at 94%, and the Program for Consumer Protection and Trade Security at 86%. There is one program activity that does not meet the economic criteria, namely the Program for Improving the Development of the Performance and Financial Reporting System at 3%. Based on the economic assessment results in 2020, there are 10 activity programs with details of 4 activity programs that have sufficient economic criteria, namely the Office Administration Service Program (95%), the Small and Medium Industry Development Program (93%), the Cooperative Institutional Quality Improvement Program (82%), and the Consumer Protection and Trade Security Program (83%). There were 3 program activities with less economical criteria, namely the Program for Improving Apparatus Facilities and Infrastructure at 78%, the Program for Improving Domestic Trade Efficiency at 72%, and the Program for Coaching Street Vendors and Peddlers at 60%. There are two activities with non-economic criteria, namely the Program for Improving the Development of Performance and Financial Reporting Systems (16%) and the Program for Entrepreneurship Development and Competitive Advantage of Small and Medium Enterprises 0.46%.

Based on the results of the economic assessment in 2021, there were 11 activity programs, with 9 programs meeting the criteria for economic viability, namely the Regional Government Support Program for Regencies/Cities (96%), the Empowerment Program for Medium, Small, and Micro Enterprises (MSMEs) (83%), the MSME Development Program 96%, the Trade Distribution Improvement Facilities Program 93%, the Stabilization of Prices for Basic and Essential Goods Program 93%, the Consumer Standardization and Protection Program 95%, the Use and Marketing of Domestic Products Program 99%, the Industrial Planning

and Development Program 96%, and the District/City Industrial Business Licensing Control Program 93%. There is one program activity that has a less economical criterion, namely the Cooperative Supervision and Inspection Program at 68%. There is one program activity that has a non-economical criterion, namely the cooperative education and training program at 24%.

Based on the economic assessment results in 2022, there are 7 activity programs with details of 5 activity programs that have sufficient economic criteria, namely the District/City Local Government Support Program 96%, the Cooperative Education and Training Program 98%, the Empowerment of Medium, Small, and Micro Enterprises (MSMEs) Program 93%, the MSME Development Program at 84%, and the Trade Distribution Facility Improvement Program at 91%. There is 1 activity program has criteria that are less economical, namely the Program for Stabilizing Prices of Basic Necessities and Important Goods at 64%. There is one activity program that has criteria that are not economical, namely the Program for Standardization and Consumer Protection at 44%, the Program for Industrial Planning and Development at 94%, and the Program for Controlling Industrial Permits in Regencies/Cities at 88%.

Efficiency Ratio

Based on the results of the efficiency assessment in 2018, there were 9 activity programs, with 3 programs meeting the criteria for highly efficient: the Civil Service Discipline Improvement Program (105%), the Small and Medium Industry Development Program (102%), and the Program for Creating a Conducive Climate for Small and Medium Enterprises (101%). There were 5 program activities that met the criteria for efficiency, namely the Office Administration Service Program (100%), the Improvement of Civil Service Facilities and Infrastructure Program (100%), the Improvement of Civil Service Resource Capacity Program (100%), the Improvement of Cooperative Institutional Quality Program (100%), Domestic Trade Efficiency Improvement Program 100%. There is one activity that does not have a value, namely the Consumer Protection and Trade Security Program.

Based on the efficiency assessment results in 2019, there were 9 activity programs, with 3 activity programs having very efficient criteria, namely the 103% Improvement of Government Facilities and Infrastructure Program, the 106% Development of Entrepreneurship and Competitive Excellence of Small and Medium Enterprises Program, and the 116% Consumer Protection and Trade Security Program. There were 6 program activities that met the criteria for efficient, namely the Office Administration Service Program (100%), the Apparatus Resource Capacity Improvement Program (100%), the Performance and Financial Achievement Reporting System Improvement Program (100%), the Small and Medium Industry Development Program (100%), the Cooperative Institutional Quality Improvement Program at 100%, and the Domestic Trade Efficiency Improvement Program at 100%.

Based on the efficiency assessment results in 2020, there were 10 activity programs, with 2 activity programs meeting the criteria for highly efficient, namely the Program for Improving Civil Service Facilities and Infrastructure at 101% and the Program for Developing Small and Medium Industries at 101%. There are 6 activity programs that meet the criteria for efficient, namely the Office Administration Service Program 100%, the Program for Improving the Development of Performance and Financial Reporting Systems 100%, the Program for Improving the Quality of Cooperative Institutions 100%, the Program for Improving Domestic Trade Efficiency 100%, the Consumer Protection and Trade Security Program 100%, and the Street Vendor and Peddler Development Program 100%.

Based on the efficiency assessment results in 2021, there are 11 Activity Programs with details of all activity programs having efficient criteria, namely the 100% District/City Local Government Support Program, the 100% Cooperative Supervision and Inspection Program, Cooperative education and training program 100%, Empowerment of Medium, Small, and Micro Enterprises (MSMEs) program 100%, MSME development program 100%. Distribution Improvement Facilities Program 100%, Price Stabilization Program for Basic and Essential Goods 100%, Standardization and Consumer Protection Program 100%, Domestic Product Utilization and Marketing Program 100%, Industrial Planning and Development Program 100%, District/City Industrial Business License Control Program 100%.

Based on the results of the efficiency assessment in 2022, a total of 9 Activity Programs were found to be highly efficient, with all programs meeting the criteria for high efficiency, namely: Local Government Support Program for Regencies/Cities 100%, Cooperative Education and Training Program 100%, Empowerment Program for Medium, Small, and Micro Enterprises (MSMEs) 100%, the MSME Development Program 100%, the Trade Distribution Facility Improvement Program 100%, the Stabilization of Prices for Basic Necessities and Important Goods Program 100%, the Standardization and Consumer Protection Program 100%, the Industrial Planning and Development Program 100%, and the Regency/City Industrial Licensing Control Program 100%.

Effectiveness Ratio

Based on the results of the 2018 Effectiveness Assessment, there were 9 Activity Programs with details of 3 activity programs that met the efficiency criteria, namely the Program for Improving Civil Service Discipline 100%, the Program for Creating a Conducive Climate for Small and Medium Enterprises 100%, and the Program for Improving the Quality of Cooperative Institutions 100%. There were 4 program activities that met the criteria for being fairly effective, namely the Office Administration Service Program (94%), the Improvement of Civil Service Facilities and Infrastructure Program (95%), the Small and Medium Industry Development Program (98%), and the Improvement of Domestic Trade Efficiency Program (96%).

Based on the 2019 Effectiveness assessment results, there were 9 Activity Programs with details of 8 activity programs that met the criteria for being quite efficient, namely the Office Administration Service Program (99%), the Program for Improving Government Facilities and Infrastructure (99%), the Program for Improving the Capacity of Government Resources at 99%, the Program for Developing Small and Medium Industries at 96%, the Program for Developing Entrepreneurship and Competitive Excellence in Small and Medium Enterprises at 99%, the Program for Improving the Quality of Cooperative Institutions at 96%, and the Program for Developing Entrepreneurship and Competitive Excellence in Small and Medium Enterprises at 99%. Furthermore, the Cooperative Institutional Quality Improvement Program 94%, Domestic Trade Efficiency Improvement Program 81%, Consumer Protection and Trade Security Program 99%. One program activity has an ineffective criterion, namely the Performance and Financial Reporting System Development Improvement Program 3%.

Based on the results of the 2020 Effectiveness Assessment, there were 10 Activity Programs, with 4 programs meeting the criteria for sufficient efficiency, namely the Office Administration Service Program (95%), the Small and Medium Industry Development Program (94%), the Cooperative Institutional Quality Improvement Program (82%), and the Consumer Protection and Trade Security Program (83%). There were 3 activity programs that were considered less effective, namely the Improvement of Government Facilities and Infrastructure Program (79%), the Improvement of Domestic Trade Efficiency Program (72%), and the Street Vendor and Peddler Development Program (60%). There is one program activity that is considered ineffective, namely the Program for Improving the Development of a Performance and Financial Reporting System (16%), and two program activities that have no value, namely the Program for Increasing the Capacity of Apparatus Resources and the Program for Developing Entrepreneurship and Competitive Excellence in Small and Medium Enterprises.

Based on the results of the 2021 Effectiveness Assessment, there were 5 Program Activities with details of 9 program activities that met the criteria of being sufficiently efficient, namely the Program to Support Regional Government Affairs in Regencies/Cities 96%, the Program for the Empowerment of Medium, Small, and Micro Enterprises (MSMEs) 83%, the MSME Development Program 96%, the Trade Distribution Facility Improvement Program 93%, the Stabilization of Prices for Basic and Essential Goods Program 93%, the Consumer Standardization and Protection Program 95%, the Domestic Product Use and Marketing Program 99%, the Industrial Planning and Development Program 96%, and the District/City Industrial Business License Control Program 93%. There is one program activity that is considered less effective, namely the Cooperative Supervision and Inspection Program (68%), and two program activities that are considered ineffective, namely the cooperative education and training program (24%).

Based on the results of the 2022 Effectiveness Assessment, there were 9 Activity Programs with details of 7 activity programs that met the criteria for sufficient efficiency, namely the Regional Government Support Program for Regencies/Cities 96%, the Cooperative Education and Training Program 98%, the Empowerment Program for Medium, Small, and Micro Enterprises (MSMEs) 93%, the MSME Development Program at 84%, the Trade Distribution Facility Improvement Program at 91%, the Industrial Planning and Development Program at 94%, and the Regency/City Industrial Licensing Control Program at 88%. There is one program activity that is considered less effective, namely the Program for Stabilizing Prices of Basic Necessities and Important Goods (64%), and one program activity that is considered ineffective, namely the Program for Standardization and Consumer Protection (44%).

5. Conclusion and suggestion

5.1. Conclusion

Based on the analysis using the value for money method, it can be concluded that the performance of the Department of Industry, Trade, Cooperatives, and SMEs from 2018 to 2022 in terms of economy, efficiency, and effectiveness is as follows: In terms of economic ratio, it has reached the average economic criteria in

2018, 2019, 2021, and 2022, even though in 2020 there were more activities that were declared as less economical. This is because in 2020 there were several activities whose budgets were not absorbed properly. However, this shows that the Industry, Trade, Cooperatives, and SMEs Office of Tana Tidung Regency is capable of realizing the existing budget. Judging from the efficiency ratio in 2018-2022, it has reached the criteria of average efficiency and sufficient efficiency. This means that the Industry, Trade, Cooperatives, and SMEs Office of Tana Tidung Regency is capable of using the available budget to produce a program of activities.

Judging from the effectiveness ratio in 2018-2022, it has reached the average effectiveness criteria. This means that the Tana Tidung Regency Office of Industry, Trade, Cooperatives, and SMEs is categorized as quite effective in increasing the contribution of the output produced to the achievement of the specified objectives or targets. There are several activities that do not have a value, including 1 activity in 2018, 2 activities in 2020, 1 activity in 2021, and 1 activity in 2022.

5.2. Suggestion

Based on the discussion and conclusions of this research, the following recommendations can be drawn: For the Tana Tidung Regency Industry, Trade, Cooperatives, and SMEs Agency, the implementation of the program has been good. It can be said that it has carried out its activities in a fairly economical manner, but in 2020, the average was less economical. Therefore, it is hoped that it will evaluate its program activities and be able to absorb the budget well so that it can produce economical activities. The quality of each program activity that has been created can be maintained and improved for the following years. For future researchers who also use the value for money concept, it is hoped that they will use a different, broader object.

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