

Research Article

Performance Evaluation of Financial Management by the City Government of Tegal, Indonesia During the COVID-19 Pandemic Period

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Abstract This study aims to analyze the effectiveness of public sector financial management using five financial ratios and measure changes in Tegal City's Regional Budget (APBD) from 2020 to 2023. The research method uses a quantitative descriptive approach with secondary data from Tegal City's Budget Realization Reports. The results show the best Effectiveness Ratio occurred in 2021-2023 (81-90%), the highest Independence Ratio was in 2020 (77%), the most optimal Efficiency Ratio was in 2020 (7%), the best Degree of Decentralization Ratio was in 2022-2023 (31%), and the highest PAD Growth Ratio was in 2021-2023 (83-105%). Overall, Tegal City's financial performance from 2020-2023 showed positive trends in effectiveness and PAD growth, but requires improvements in efficiency and fiscal independence. The study provides recommendations for the Tegal City Government to optimize regional financial management through improved budget efficiency and reduced dependence on central government funds.

Keywords: Financial Performance, Financial Ratios, Regional Budget (APBD), Local Government, Tegal City

1. Introduction

The first previous study by Fahrevi et al. (2024) on the financial ratio analysis of the Yogyakarta City Government shows a significant increase in financial independence between 2021 and 2022, reflecting the region's ability to finance its own expenditures. This increase may be due to the growth of Local Own-Source Revenue (PAD) or budget efficiency. Although the effectiveness ratio remained high in 2022, it declined compared to the previous year, indicating the need for improved efficiency in PAD management. The increasing growth ratio suggests better financial performance, but the still-low efficiency ratio highlights the need for careful attention to ensure additional expenditures provide maximum benefits for the community and support development goals.

Secondly, according to Wulandari et al. (2023), the financial performance of the Mataram City Government shows signs of independence in financing government activities, although the contribution of Local Own-Source Revenue (PAD) remains low compared to transfer revenues. Although the effectiveness ratio exceeds 100%, indicating good PAD realization, revenue management efficiency remains fluctuating due to regional expenditures that have not been controlled. Mataram City prioritizes operational expenditures over capital expenditures, and PAD growth has yet to reach its optimal level. However, the government

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has successfully met its obligations, as evidenced by the solvency ratio exceeding the established success standards.

Both studies conclude that Yogyakarta City has shown improved financial independence through the expansion of its Regional Original Revenue (PAD), though management efficiency still needs to be enhanced to maximize benefits for the community. Meanwhile, Mataram City demonstrates signs of financial autonomy, but with low PAD contribution and still fluctuating revenue management efficiency. Nevertheless, the local government has been able to fulfill its obligations well, indicating maintained financial stability.

Regional financial management has undergone a significant transformation with the implementation of two crucial regulations. First, according to Article 1, Paragraph (6) of Law No. 23 of 2014 on Regional Government, regional autonomy is defined as the rights, authorities, and responsibilities of autonomous regions to manage and regulate their own government affairs and meet the needs of local communities within the framework of the Unitary State of the Republic of Indonesia (Herlambang et al., 2022). Law No. 33 of 2004 on Financial Balance between Central and Regional Governments (Mubaroq et al., 2022) grants regional governments broader authority (Muldoon-Smith et al., 2023) to regulate their own funding sources. Furthermore, they are given flexibility in determining policy directions, setting objectives, and selecting targets in regional budget allocations. This marks a new era in regional financial management, where local governments play a more significant role in strategically managing their financial resources according to their specific needs and priorities (Slamet et al., 2024). Tegal City, as one of the cities in Central Java Province, has demonstrated substantial efforts in improving financial accountability. Transparent and accountable financial management, supported by strong financial literacy, is essential for ensuring effective financial governance in Tegal City.

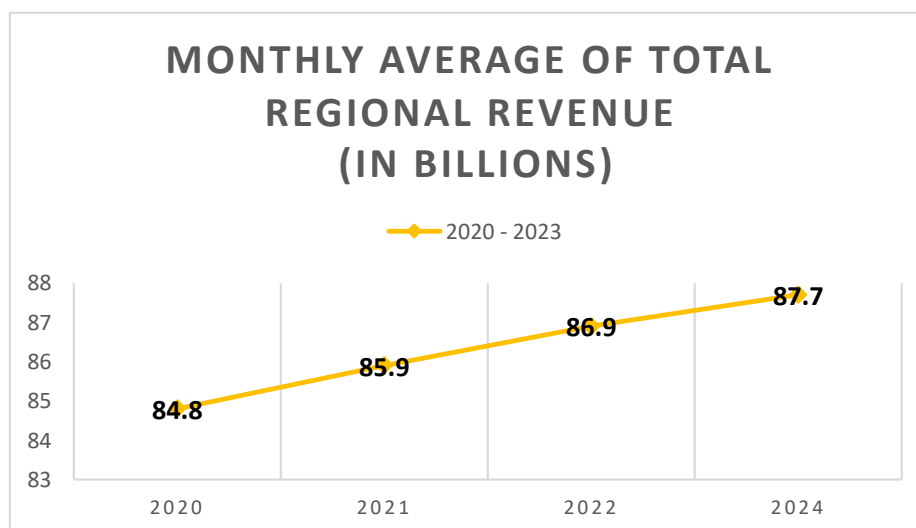


Figure 1. Total Regional Revenue by Month

Source: Results of 2025 Data Processing

In 2020, Tegal City did not rank in the top five of the 2021 APBD Award, with average regional revenue reaching IDR 84.8 billion. In 2021, the average revenue increased to IDR 85.9 billion, and although Tegal City still did not receive recognition in the 2022 APBD Award, local tax revenue was recorded at IDR 97 billion. 2022 showed a continuing positive trend, where average revenue reached IDR 86.9 billion and local taxes increased to IDR 109 billion, enabling Tegal City to achieve 4th place in Indonesia and win the 2023 APBD Award. Tax receipts also rose from IDR 22 billion in 2021 to IDR 26 billion in 2022, while revenue sharing from BUMD and other PAD sources also showed significant increases. However, in 2023, the average regional revenue rose again to IDR 87.7 billion, but Tegal City did not make it into the top five of the 2024 APBD Award.

The study has two objectives. First, it aims to analyze the effectiveness of financial management in the public sector using six ratios: effectiveness ratio, independence ratio, efficiency ratio, degree of decentralization ratio, and PAD growth ratio. Second, it seeks to calculate the increase or decrease in Tegal City's Regional Budget (APBD) by conducting a monthly data analysis from 2020 to 2023.

2. Literature Review

Financial Performance

Financial performance is the achievement of work results in the field of regional government finance, encompassing revenues and expenditures, using various financial indicators established through policies or legislation during a budget period (Farida, 2023). The financial performance of a business reflects the results achieved over a certain period, indicating the health of the business (Yuda et al., 2022). This assessment focuses on three main aspects: how smoothly the company meets its short-term obligations (liquidity), how sufficient its capital is, and how capable it is of generating profit (profitability) (Safkaur, 2021).

Local Own-Source Revenue (PAD)

Local Own-Source Revenue is the income obtained by a region from various levies regulated by local regulations and legislation, including local taxes, retributions, profits from regionally owned enterprises, utilization of assets managed separately, and other legitimate revenues originating from the area. (Hasanah et al., 2023)

Regional Revenue and Expenditure Budget (APBD)

The Regional Revenue and Expenditure Budget (APBD) is a financial planning framework for a region that consists of projected revenues and expenditures of a local government within a specific period. In the context of State Finance Law Article 1, Paragraph (8), APBD is defined as an annual financial plan for the region approved by the regional legislative council (Susanti et al., 2024). APBD not only reflects the key policy directions of the local government but also serves as a guideline for resource allocation to meet community needs and achieve development goals. (Jamilah et al., 2024)

Financial Ratios

Financial ratios are an analytical method used by comparing values in financial statements through numerical division. These comparisons can be made between one element and another within the same financial statement or between elements in different financial statements (Dharma et al., 2023). Comparisons can also be conducted between one component and another within the same financial statement. (Atul et al., 2022)

Effectiveness Ratio

The effectiveness ratio indicates how successfully an organization achieves its predetermined targets. An activity can be considered effective when the final result aligns with the plans and objectives set at the beginning (Lin et al., 2022). This ratio is used to measure performance by comparing actual outcomes with the Local Own-Source Revenue (PAD) budget. (Purba et al., 2024)

$$\text{Effectiveness Ratio} = \frac{\text{Actual PAD Realization}}{\text{Targeted PAD Revenue}} \times 100\%$$

Table 1. Effectiveness Ratio Criteria

Effectiveness Ratio (%)	Criteria
>100	Highly Effective

100	Effective
90 – 99	Moderately Effective
75 – 89	Less Effective
<75	Not Effective

Source : (Marliani, 2022)

Independence Ratio

The level of regional financial independence is reflected in the capacity of the local government to finance its activities independently, including government administration, development implementation, and public service provision, relying on revenue from taxes and retributions paid by the local community. This ratio indicates how well a region can sustain its operations without relying excessively on central government transfers. (Ullo et al., 2023)

$$\text{Independence Ratio} = \frac{\text{Actual PAD Realization}}{\text{Transfer Revenue}} \times 100\%$$

Table 2. Independence Ration Criteria

Independence Ratio (%)	Level of Independence	Relationship Patterns
0 - 25	Very Low	Instructive
>25 – 50	Low	Consultative
>50 – 75	Moderate	Participative
>75 – 100	High	Delegative

Source : (Salsabilla et al., 2023)

The definitions of the four relationship patterns are as follows: Instructive, where the Central Government has greater control compared to the Local Government's ability to govern itself (Martunus, 2023). Consultative, where central government intervention starts to decrease as the region is considered capable of managing its own activities (Martunus, 2023). Participative, where the central government's role continues to decline as the region demonstrates a high level of independence in executing its local programs (Martunus, 2023). Delegative, where the Central Government no longer intervenes, as the local government fully manages and implements its affairs independently. (Martunus, 2023)

Efficiency Ratio

The calculation of efficiency level requires a comparison between two types of actual data: the amount of expenditure used to generate revenue and the amount of revenue successfully collected (Fatmawati, 2021). If the ratio is less than one or below 100%, then the local government's performance is considered efficient. The government's performance is considered good when its efficiency ratio is low. (Ayu Sharini et al., 2024)

$$\text{Efficiency Ratio} = \frac{\text{Actual Expenditure}}{\text{Budgeted Expenditure}} \times 100\%$$

Table 3. Efficiency Ratio Criteria

Efficiency Ratio (%)	Criteria
>100	Not Efficient
90 – 100	Less Efficient
80 – 90	Moderately Efficient
60 – 80	Efficient

<60	Very Efficient
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Source : (Salsabilla et al., 2023)

Decentralization Degree Ratio

The Decentralization Degree Ratio is a measure that illustrates how much authority and responsibility the central government has delegated to local governments in the implementation of development. This ratio is calculated by comparing Local Own-Source Revenue (PAD) with Total Regional Revenue (Marliani, 2022). The level of decentralization reflects the extent to which local revenue contributes to overall regional income, indicating the financial autonomy and governance capacity of a region. (Fakhruddin et al., 2024)

$$\text{Decentralization Degree Ratio} = \frac{\text{Local Own – Source Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100\%$$

Table 4. Decentralization Degree Ratio Criteria

Decentralization Degree Ratio (%)	Criteria
0,00-10,00	Very Poor
10,01-20,00	Poor
20,01-30,00	Moderate
30,01-40,00	Sufficient
40,01-50,00	Good
>50,01	Very Good

Source: (Rianson Sihalohe, 2023)

Growth Ratio

Growth analysis aims to identify upward or downward performance trends over a specific period. Through the growth ratio, the contribution of each revenue and expenditure component becomes visible, enabling governments to easily identify areas with potential or those requiring further attention (Fakhruddin et al., 2024). Thus, the growth ratio indicates whether revenue has increased or decreased from one period to the next, whether positively or negatively. (Salsabilla et al., 2023).

$$\text{PAD Growth Ratio} = \frac{\text{PAD}_{(t)} - \text{PAD}_{(t-1)}}{\text{PAD}_{(t-1)}} \times 100\%$$

Table 5. PAD Growth Ratio

PAD Growth Ratio (%)	Criteria
76 – 100	Good
51 – 75	Fair
26 – 50	Less Good
0 – 25	Not Good

Source: (Wulandari et al., 2023)

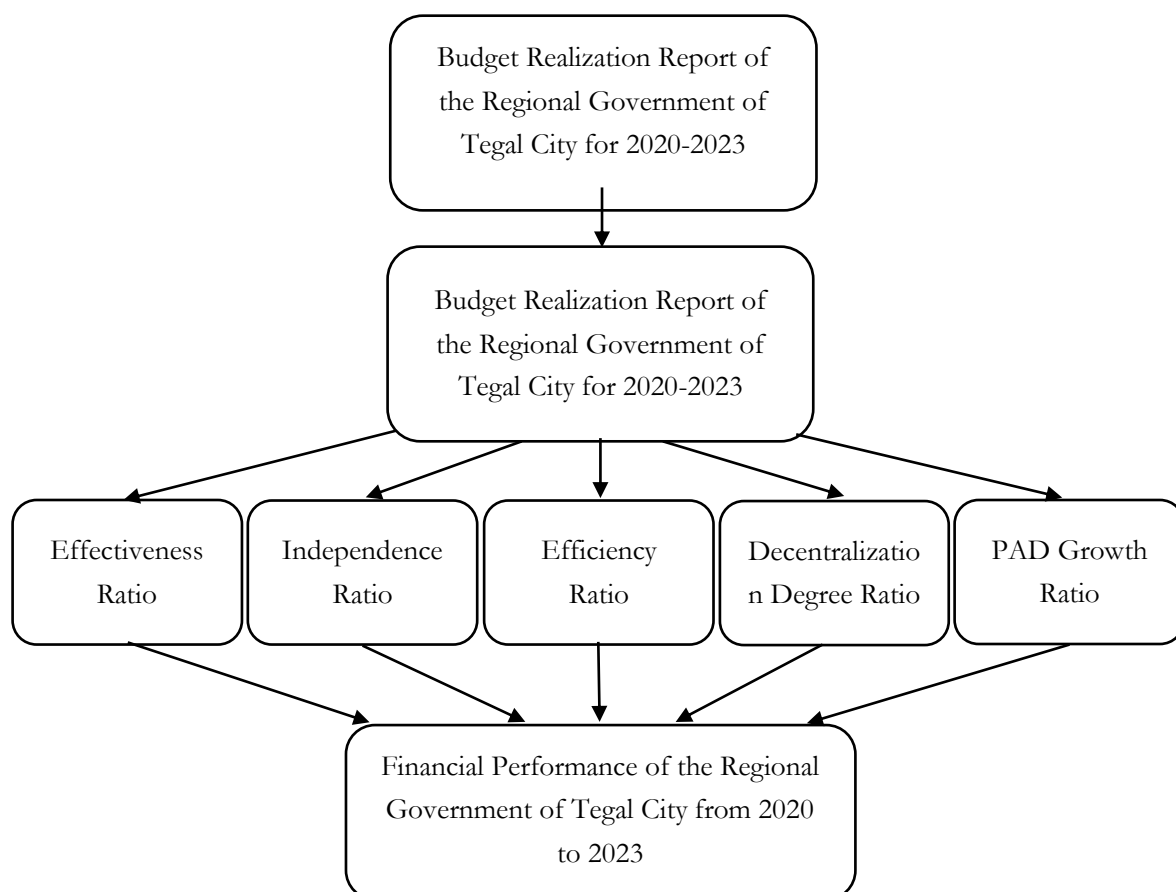


Figure 2. Theoretical Framework

Source: Results of 2025 Data Processing

3. Research Methodology

This study uses a descriptive method with a quantitative approach applied to the Budget Realization Report (LRA) of Tegal City for the period 2020-2023. The study utilizes secondary data collected through document review, specifically examining the records of budget revenue and expenditure implementation for the specified timeframe.

This study adopts a descriptive approach with several key objectives: collecting comprehensive data, identifying emerging issues, and assessing current conditions and practices. Furthermore, the study aims to analyze financial figures to evaluate the fiscal performance of the Tegal City Government. These measurements utilize specific formulas designed to assess financial transparency developments. (Salsabilla et al., 2023)

The quantitative approach in research is a method that applies scientific procedures to accumulate numerical data, process it statistically, and derive findings. By adopting this method, researchers can test hypotheses objectively, make broader generalizations about the subject under study, and present factual evidence that strengthens arguments. (Candra Susanto et al., 2024)

This method examines several regional financial indicators, including the effectiveness ratio, independence ratio, efficiency ratio, decentralization degree ratio, and PAD growth ratio. The goal is to present a comprehensive overview of the financial performance of the Tegal City Government, based on a mathematical analysis of its regional budget.

Through this approach, the study can conduct an in-depth assessment of management, independence, productivity, and financial dynamics in the region during the specified timeframe.

4. Results and Discussion

Research Object Overview

Tegal City is located between 109°08' - 109°10' East Longitude and 6°50' - 6°53' South Latitude, covering an area of 39.68 km² or approximately 3,968 hectares. Geographically, Tegal City holds a highly strategic position as a connecting hub for national and regional economic routes along Java's North Coast (Pantura), linking the west-east corridor (Jakarta-Tegal-Semarang-Surabaya) with central and southern Java routes (Jakarta-Tegal-Purwokerto-Yogyakarta-Surabaya) and vice versa. The city's area is relatively small, comprising only 0.11% of Central Java Province's total area. Administratively, Tegal City is divided into 4 districts (kecamatan) and 27 subdistricts (kelurahan).

Data Analysis

This study examines the financial management achievements carried out by the Government of Tegal City. The evaluation of the city's financial performance is based on the Budget Realization Report (APBD) for the fiscal years 2020 to 2023.

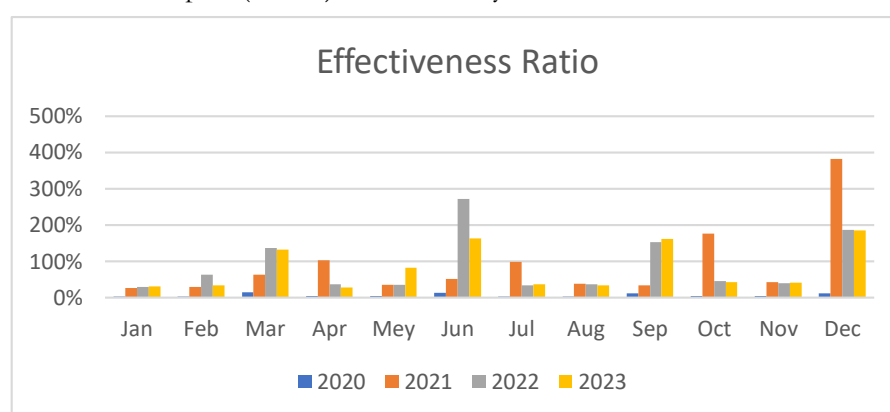


Figure 3. Effectiveness Ratio

Source: Results of 2025 Data Processing

Table 6. Effectiveness Ratio

Month	Ratio 2020 (%)	Criteria	Ratio 2021 (%)	Criteria	Ratio 2022 (%)	Criteria	Ratio 2023 (%)	Criteria
Jan	3%	Not Effective	26%	Not Effective	30%	Not Effective	31%	Not Effective
Feb	3%	Not Effective	30%	Not Effective	63%	Not Effective	34%	Not Effective
Mar	15%	Not Effective	63%	Not Effective	136%	Very Effective	132%	Very Effective
Apr	4%	Not Effective	103%	Very Effective	37%	Not Effective	28%	Not Effective
May	4%	Not Effective	35%	Not Effective	35%	Not Effective	82%	Not Effective
Jun	13%	Not Effective	52%	Not Effective	272%	Very Effective	163%	Very Effective
Jul	3%	Not Effective	99%	Moderately Effective	34%	Not Effective	37%	Not Effective
Aug	3%	Not Effective	38%	Not Effective	37%	Not Effective	34%	Not Effective
Sep	12%	Not Effective	34%	Not Effective	153%	Very Effective	162%	Very Effective
Oct	5%	Not Effective	176%	Very Effective	46%	Not Effective	42%	Not Effective
Nov	4%	Not Effective	43%	Not Effective	40%	Not Effective	41%	Not Effective
Dec	11%	Not Effective	382%	Very Effective	186%	Very Effective	185%	Very Effective
Average	7%		90%		89%		81%	

Source: Results of 2025 Data Processing

The Effectiveness Ratio in 2020 showed 100% ineffectiveness across all 12 months from January to December. In 2021, the results were more fluctuating with 8 months (67%) being ineffective (January, February, March, May, June, August, September, and November), 1 month (8%) moderately effective (July), and 3 months (25%) highly effective (April, October, and December). The 2022 results continued this fluctuating pattern with 8 ineffective months (67% - January, February, April, May, July, August, October, and November) and 4 highly effective months (33% - March, June, September, and December). Similarly, 2023 showed 7 ineffective months (58% - January, February, April, July, August, October, and November), 1 less effective month (8% - May), and 4 highly effective months (33% - March, June, September, and December). These patterns demonstrate ongoing variability in the city's financial effectiveness across the four-year period.

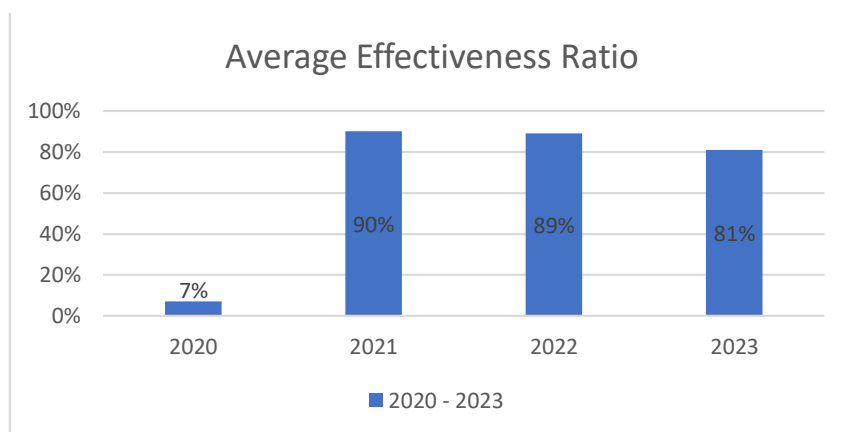


Figure 4. Average Effectiveness Ratio

Source: Results of 2025 Data Processing

From the average Effectiveness Ratio per month, fluctuations were observed throughout the years. In 2020, the ratio stood at 7% per month, classified as ineffective. In 2021, there was a significant increase of 83%, resulting in 90% per month, which fell under the highly effective category. In 2022, a slight decline of 1% was recorded, leading to 89% per month, still highly effective. By 2023, the ratio experienced an 8% decrease, bringing it to 81% per month, yet still maintaining its highly effective status. Based on the average Effectiveness Ratio, the years 2021, 2022, and 2023 aligned best with the initial plans and targets, achieving 90%, 89%, and 81%, all categorized as highly effective. Meanwhile, 2020 had the lowest effectiveness ratio at 7%, classified as ineffective.

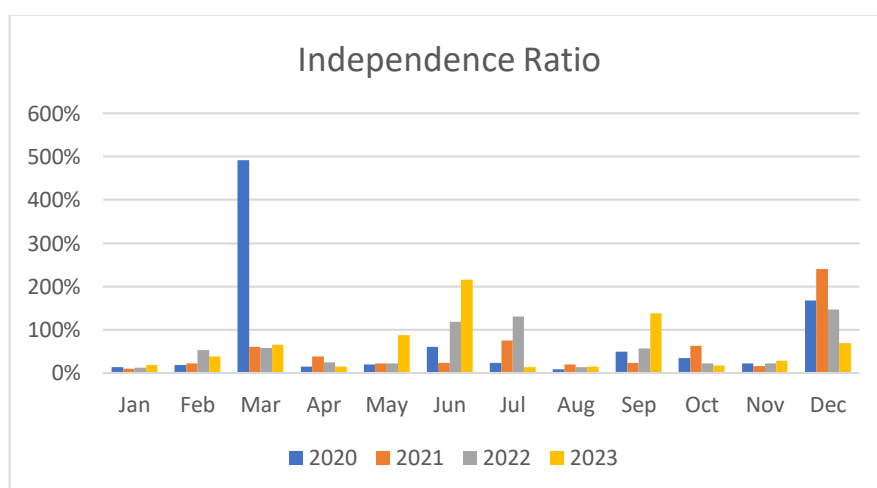


Figure 5. Independence Ratio

Source: Results of 2025 Data Processing

Table 7. Independence Ratio

Month	Ratio 2020 (%)	Level	Relationship Patterns	Ratio 2021 (%)	Level	Relationship Patterns	Ratio 2022 (%)	Level	Relationship Patterns	Ratio 2023 (%)	Level	Relationship Patterns
Jan	14%	Very Poor	Instructive	10%	Very Poor	Instructive	13%	Very Poor	Instructive	19%	Very Poor	Instructive
Feb	19%	Very Poor	Instructive	22%	Very Poor	Instructive	53%	Moderate	Participative	38%	Poor	Consultative
Mar	49%	High	Delegative	60%	Moderate	Participative	58%	Moderate	Participative	66%	Moderate	Participative
Apr	15%	Very Poor	Instructive	38%	Poor	Consultative	25%	Very Poor	Instructive	15%	Very Poor	Instructive
May	20%	Very Poor	Instructive	22%	Very Poor	Instructive	22%	Very Poor	Instructive	88%	High	Delegative
Jun	60%	Moderate	Participative	23%	Very Poor	Instructive	118%	High	Delegative	216%	High	Delegative
Jul	24%	Very Poor	Instructive	75%	Moderate	Participative	131%	High	Delegative	14%	Very Poor	Instructive
Aug	9%	Very Poor	Instructive	20%	Very Poor	Instructive	14%	Very Poor	Instructive	15%	Very Poor	Instructive
Sep	49%	Poor	Consultative	24%	Very Poor	Instructive	57%	Moderate	Participative	138%	High	Delegative
Oct	34%	Poor	Consultative	63%	Moderate	Participative	22%	Very Poor	Instructive	17%	Very Poor	Instructive
Nov	22%	Very Poor	Instructive	16%	Very Poor	Instructive	22%	Very Poor	Instructive	28%	Poor	Consultative
Dec	168%	High	Delegative	240%	High	Delegative	147%	High	Delegative	69%	Moderate	Participative
Average	77%			51%			57%			60%		

Source: Results of 2025 Data Processing

The Independence Ratio in 2020 fluctuated throughout the year, with seven months classified as very low independence at 58%, showing an instructive relationship pattern in January, February, April, May, July, August, and November. Two months, September and October, were categorized as low independence at 17%, with a consultative relationship pattern, while June demonstrated moderate independence at 8%, with a participatory relationship pattern. March and December stood out with high independence at 17%, exhibiting a delegative relationship pattern. In 2021, independence levels also varied, with seven months—January, February, May, June, August, September, and November—falling into the very low independence category at 58%, following an instructive pattern, while April was low independence at 8%, showing a consultative pattern. Three months—March, July, and October—displayed moderate independence at 25%, with a participatory pattern, and December recorded high independence at 8%, featuring a delegative relationship pattern. For 2022, six months—January, April, May, August, October, and November—had very low independence at 50%, showing an instructive pattern, while February, March, and September had moderate independence at 25%, following a participatory pattern. June, July, and December demonstrated high independence at 25%, characterized by a delegative relationship pattern. In 2023, independence levels continued to fluctuate, with five months—January, April, July, August, and October—recording very low independence at 42%, maintaining an instructive pattern. February and November were categorized as low independence at 17%, showing a consultative pattern, while March and December reflected moderate independence at 17%, with a participatory pattern. Lastly, May, June, and September displayed high independence at 25%, characterized by a delegative relationship pattern.

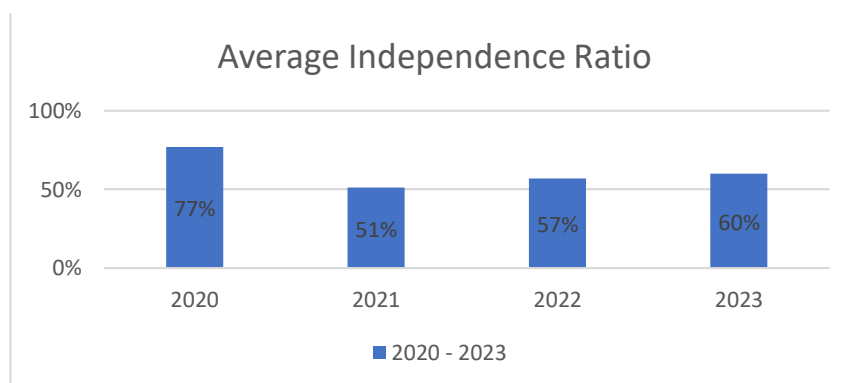


Figure 6. Average Independence Ratio

Source: Results of 2025 Data Processing

The monthly average Independence Ratio showed fluctuating trends over the years. In 2020, it stood at 77% per month, indicating a high level of autonomy with a delegative

relationship pattern. The following year (2021) saw a 26% decline to 51%, reflecting moderate autonomy with a participative relationship pattern. In 2022, there was a 6% increase to 57%, maintaining moderate autonomy and participative relationship pattern. By 2023, it further improved by 3% to reach 60%, still within the moderate autonomy range with participative relationship pattern. Among these years, 2020 demonstrated the local government's strongest capacity for self-financing its various activities with its 77% high autonomy rating and delegative relationship pattern. Conversely, the lowest independence ratios were recorded in 2021 (51%), 2022 (57%), and 2023 (63%), all falling within the moderate criteria range.

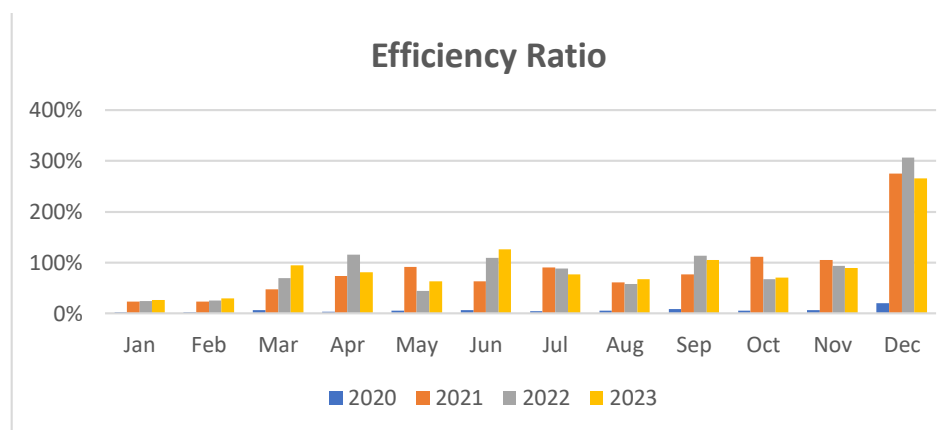


Figure 7. Efficiency Ratio

Source: Results of 2025 Data Processing

Table 8. Efficiency Ratio

Month	Ratio 2020 (%)	Criteria	Ratio 2021 (%)	Criteria	Ratio 2022 (%)	Criteria	Ratio 2023 (%)	Criteria
Jan	2%	Very Efficient	23%	Very Efficient	24%	Very Efficient	27%	Very Efficient
Feb	2%	Very Efficient	23%	Very Efficient	26%	Very Efficient	30%	Very Efficient
Mar	7%	Very Efficient	48%	Very Efficient	70%	Efficient	95%	Less Efficient
Apr	4%	Very Efficient	74%	Efficient	116%	Not Efficient	81%	Moderately Efficient
May	6%	Very Efficient	92%	Less Efficient	44%	Very Efficient	63%	Efficient
Jun	7%	Very Efficient	63%	Efficient	109%	Not Efficient	126%	Not Efficient
Jul	5%	Very Efficient	91%	Less Efficient	88%	Moderately Efficient	77%	Efficient
Aug	6%	Very Efficient	61%	Efficient	58%	Very Efficient	67%	Efficient
Sep	9%	Very Efficient	77%	Efficient	114%	Not Efficient	105%	Not Efficient
Oct	6%	Very Efficient	112%	Not Efficient	68%	Efficient	71%	Efficient
Nov	7%	Very Efficient	105%	Not Efficient	94%	Less Efficient	90%	Less Efficient
Dec	20%	Very Efficient	275%	Not Efficient	307%	Not Efficient	266%	Not Efficient
Average	7%		87%		93%		91%	

Source: Results of 2025 Data Processing

The Efficiency Ratio in 2020 showed all 12 months (January-December) with 100% highly efficient results. In 2021, the results fluctuated across 12 months: 3 months (25%) were inefficient (October, November, December), 2 months (17%) were less efficient (May, July), 4 months (33%) were efficient (April, June, August, September), and 3 months (25%) were highly efficient (January, February, March). The year 2022 continued this fluctuating pattern with: 4 months (33%) inefficient (April, June, September, December), 1 month (8%) less efficient (November), 1 month (8%) moderately efficient (July), 2 months (17%) efficient

(March, October), and 4 months (33%) highly efficient (January, February, May, August). In 2023, the ratio showed further variations: 3 months (25%) inefficient (June, September, December), 2 months (17%) less efficient (March, November), 1 month (8%) moderately efficient (April), 4 months (33%) efficient (May, July, August, October), and 2 months (17%) highly efficient (January, February).

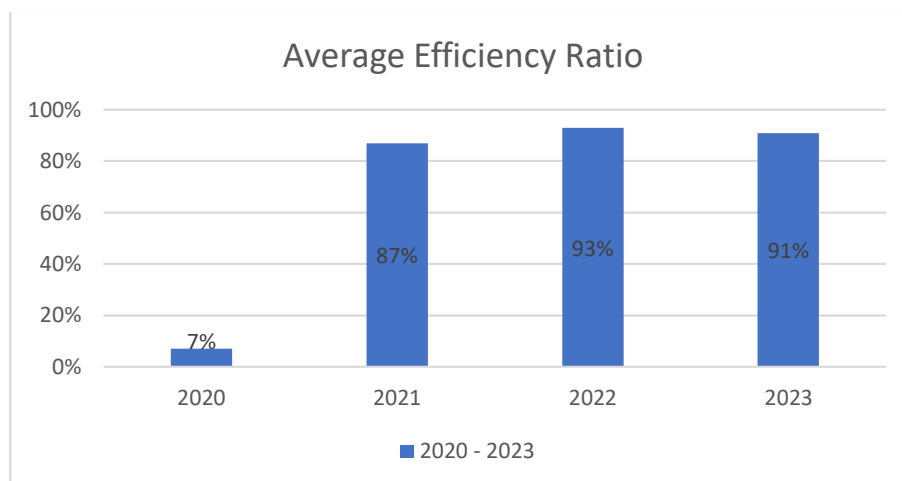


Figure 8. Average Efficiency Ratio

Source: Results of 2025 Data Processing

The monthly average Efficiency Ratio showed fluctuating trends across the years. In 2020, it stood at 7% per month, classified as "highly efficient." The ratio then increased by 80% in 2021 to reach 87%, falling under the "moderately efficient" category. A further 6% increase occurred in 2022, bringing the ratio to 93% and categorizing it as "less efficient." In 2023, there was a slight 2% decrease to 91%, maintaining the "less efficient" classification. Analysis of these efficiency ratios reveals that 2020 demonstrated the optimal balance between expenditure used to generate revenue and actual revenue received, as evidenced by its 7% "highly efficient" rating. Conversely, the least favorable performance occurred in 2022 and 2023, with ratios of 93% and 91% respectively, both classified as "less efficient," indicating poorer cost-to-revenue outcomes during these years.

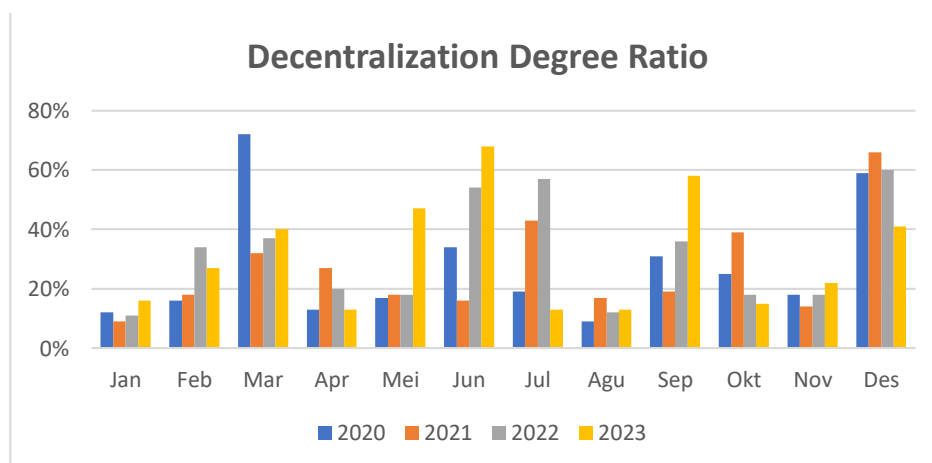


Figure 9. Decentralization Degree Ratio

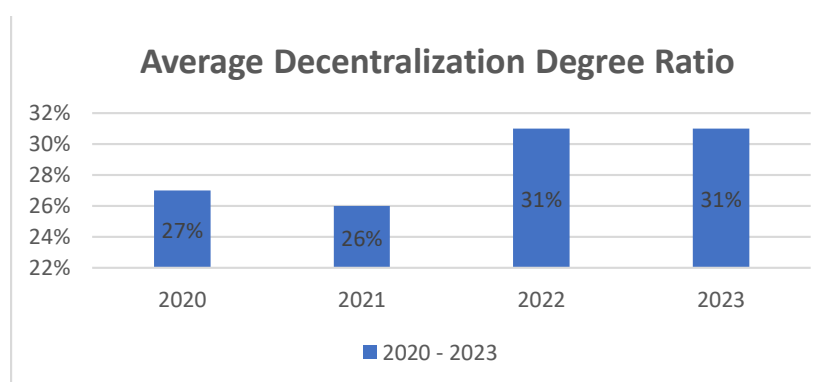
Source: Results of 2025 Data Processing

Table 9. Decentralization Degree Ratio

Month	Ratio 2020 (%)	Criteria	Ratio 2021 (%)	Criteria	Ratio 2022 (%)	Criteria	Ratio 2023 (%)	Criteria
Jan	12%	Poor	9%	Very Poor	11%	Poor	16%	Poor
Feb	16%	Poor	18%	Poor	34%	Sufficient	27%	Moderate
Mar	72%	Very Good	32%	Sufficient	37%	Sufficient	40%	Sufficient
Apr	13%	Poor	27%	Moderate	20%	Poor	13%	Poor
May	17%	Poor	18%	Poor	18%	Poor	47%	Good
Jun	34%	Sufficient	16%	Poor	54%	Very Good	68%	Very Good
Jul	19%	Poor	43%	Good	57%	Very Good	13%	Poor
Aug	9%	Very Poor	17%	Poor	12%	Poor	13%	Poor
Sep	31%	Sufficient	19%	Poor	36%	Sufficient	58%	Very Good
Oct	25%	Moderate	39%	Sufficient	18%	Poor	15%	Poor
Nov	18%	Poor	14%	Poor	18%	Poor	22%	Moderate
Dec	59%	Very Good	66%	Very Good	60%	Very Good	41%	Good
Average	27%		26%		31%		31%	

Source: Results of 2025 Data Processing

The Decentralization Degree Ratio exhibited fluctuating patterns across the four-year period. In 2020, the ratio showed varied results with March performing very poorly (8%), while January, February, April, May, July and November showed poor performance (50%). October demonstrated moderate results (8%), June and September were sufficient (17%), and August and December achieved very good status (17%). The following year continued this fluctuation, with January being very poor (8%), February, May, June, August, September and November remaining poor (50%), April showing moderate performance (8%), March and October being sufficient (17%), July performing well (8%), and December achieving very good results (8%). In 2022, the pattern persisted with January, April, May, August, October and November performing poorly (50%), February, March and September showing sufficient results (25%), and June, July and December reaching very good levels (25%). The most recent year, 2023, maintained this variability with January, April, July, August and October performing poorly (42%), February and November showing moderate results (17%), March being sufficient (8%), May and December performing well (17%), and June and September achieving very good status (17%).

**Figure 10. Average Decentralization Degree Ratio**

Source: Results of 2025 Data Processing

The monthly average Degree of Decentralization Ratio showed fluctuating trends during the study period. In 2020, it stood at 27%, classified as "moderate." The following year (2021) saw a slight 1% decrease to 26%, maintaining the "moderate" classification. A positive turn occurred in 2022 with a 5% increase to 31%, elevating the status to "sufficient." This level remained stable in 2023 at 31%, again categorized as "sufficient" with neither improvement nor decline. Analysis of these ratios reveals that 2022 and 2023 demonstrated the most

substantial transfer of authority and responsibilities from the central government to local governments in development implementation, both achieving the "sufficient" classification at 31%. Conversely, the lowest degrees of decentralization occurred in 2020 and 2021, with ratios of 27% and 26% respectively, both categorized as "moderate."

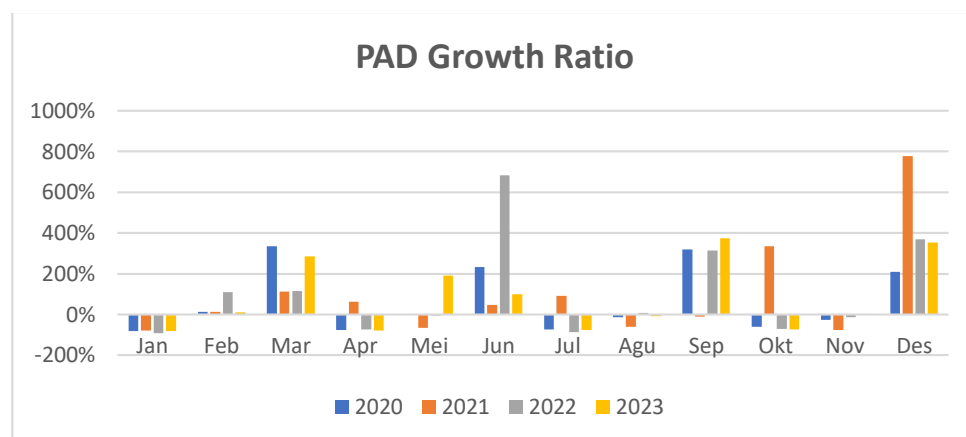


Figure 10. PAD Growth Ratio

Source: Results of 2025 Data Processing

Table 10. PAD Growth Ratio

Month	Ratio							
	2020	Criteria	2021	Criteria	2022	Criteria	2023	Criteria
Jan	-81%	-	-78%	-	-91%	-	-82%	-
Feb	12%	Not Good	13%	Not Good	111%	Good	10%	Not Good
Mar	334%	Good	113%	Good	116%	Good	285%	Good
Apr	-75%	-	63%	Moderately Good	-73%	-	-79%	-
May	4%	Not Good	-66%	-	-6%	-	191%	Good
Jun	233%	Good	47%	Less Good	683%	Good	99%	Good
Jul	-74%	-	92%	Good	-87%	-	-77%	-
Aug	-12%	-	-61%	-	8%	Not Good	-9%	-
Sep	320%	Good	-11%	-	313%	Good	375%	Good
Okt	-61%	-	336%	Good	-70%	-	-74%	-
Nov	-26%	-	-75%	-	-14%	-	-2%	-
Dec	209%	Good	778%	Good	369%	Good	353%	Good
Average	65%		96%		105%		83%	

Source: Results of 2025 Data Processing

The PAD Growth Ratio in 2020 fluctuated throughout the year, with six months—January, April, July, August, October, and November—falling into the "not included in criteria" category at 50%, while March, June, September, and December showed "good" growth, also at 50%. In 2021, the ratio varied, with five months—January, May, August, September, and November—classified as "not included in criteria" at 42%, while February recorded "not good" growth at 8%, June showed "less good" growth at 8%, April demonstrated "moderately good" growth at 8%, and March, July, October, and December exhibited "good" growth at 33%. By 2022, the fluctuations continued, with January, April, July, August, October, and November falling into the "not included in criteria" category at 50%, while August recorded "not good" growth at 8%, and February, March, June, September, and December demonstrated "good" growth at 42%. In 2023, a similar trend persisted, with January, April, July, August, October, and November categorized as "not

included in criteria" at 50%, while February recorded "not good" growth at 8%, and March, May, June, September, and December exhibited "good" growth at 42%.

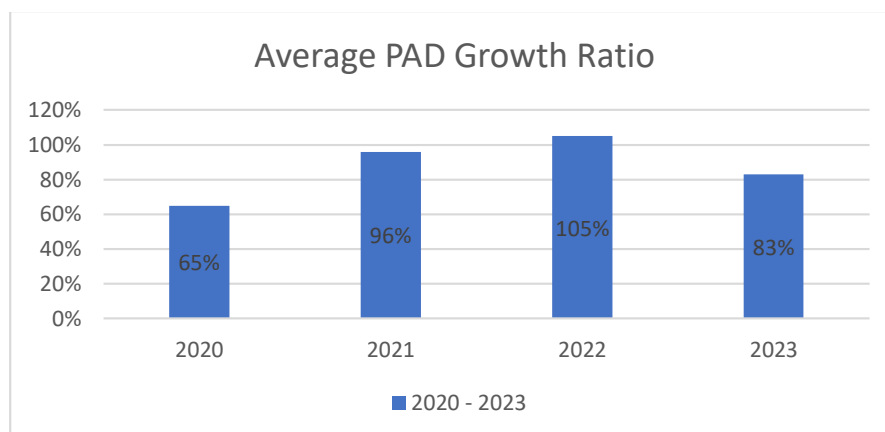


Figure 11. Average PAD Growth Ratio

Source: Results of 2025 Data Processing

From the average PAD Growth Ratio per month, fluctuations were observed across the years. In 2020, the ratio stood at 65%, categorized as moderately good, while in 2021, there was a 31% increase, bringing the ratio to 96%, classified as good. By 2022, the ratio rose again by 9%, reaching 105%, maintaining its good status, but in 2023, a 22% decrease was recorded, lowering the ratio to 83%, though still considered good. Based on the trends over the four years, 2021, 2022, and 2023 demonstrated good PAD growth, whereas 2020 recorded the lowest growth rate at 65%, classified as moderately good.

5. Conclusion

Based on the previous data analysis, the financial performance of the Tegal City Government from 2020 to 2023 can be evaluated using ratio analysis approaches. The Effectiveness Ratio in 2021, 2022, and 2023 showed the best performance with averages of 90%, 89%, and 81% (highly effective). This indicates that the Tegal City Government successfully exceeded the planned PAD revenue targets, demonstrating its ability to optimize regional revenue sources. On the other hand, 2020 showed the worst performance with an average of 7% (ineffective), indicating that the government failed to meet its PAD target, reflecting challenges in revenue optimization. The Independence Ratio in 2020 recorded the best result with an average of 77% (high) and a delegative relationship pattern, signifying that the Tegal City Government had a strong capability to finance its administrative, development, and public service activities with minimal dependence on central government assistance. However, 2021, 2022, and 2023 recorded the lowest results, with averages of 51%, 57%, and 60% (moderate) and a participatory relationship pattern, indicating continued reliance on central government aid for financing governance, development, and public services. The Efficiency Ratio in 2020 recorded the best performance with an average of 7% (highly efficient), demonstrating that the Tegal City Government could optimize resource usage with minimal expenditure for maximum output in financial management. Meanwhile, 2022 and 2023 recorded the worst performances with averages of 93% and 91% (less efficient), indicating that the government had not optimized resource usage and still required significant spending in financial management. The Decentralization Degree Ratio in 2022 and 2023 showed the best results, with an average of 31% (sufficient), indicating a balanced transfer of authority and responsibility from the central government to the Tegal City Government in regional development implementation. Conversely, 2020 and 2021 recorded the lowest results, with averages of 27% and 26% (moderate), reflecting limited authority and responsibility delegation from the central government to the Tegal City Government in regional development efforts. Lastly, the PAD Growth Ratio in 2021, 2022, and 2023 recorded the highest performance, with averages of 96%, 105%, and 83% (good), demonstrating a significant improvement in the government's ability to explore and optimize PAD sources, which reflects positive regional economic growth. Meanwhile, 2020 recorded

the lowest performance with an average of 65% (quite good), indicating slower revenue growth, reflecting economic challenges in local financial development.

Overall, the financial performance of the Tegal City Government from 2020 to 2023 showed a positive trend, especially in effectiveness and PAD growth, which continued to improve since 2021, reflecting the government's ability to explore regional revenue potential. However, spending efficiency declined in 2022 and 2023, indicating the need for more optimal budget management. The level of fiscal independence also decreased, suggesting ongoing reliance on central government funds. Nevertheless, the degree of decentralization improved, signaling an increase in the delegation of authority from the central government. The Tegal City Government needs to enhance efficiency and independence to strengthen sustainable financial performance.

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