

Analysis of the Efficiency and Effectiveness of Financial Management at the Sidoarjo Regency Population and Civil Registration Office for 2024–2025

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ABSTRACT

This study aims to analyze the level of efficiency and effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period. Efficient and effective financial management is one of the key indicators in achieving good governance and supporting improvements in the quality of public services. The study employs a quantitative descriptive method using a financial ratio analysis approach. Research data were obtained through a review of the Budget Implementation Reports (LRA) for the 2024–2025 period, which included data on budgeted expenditures, actual expenditures, and budget targets. Data analysis was conducted using efficiency and effectiveness ratios. The results show that the financial management efficiency ratio for 2024 was 98.52% and for 2025 was 96.02%. Based on the criteria used in the study, both values fall into the “efficient” category. Meanwhile, the effectiveness ratio for 2024 was 98.52% and for 2025 was 96.02%, indicating that the majority of budget targets were successfully achieved, thus falling into the “effective” category. The research findings indicate that financial management at the Sidoarjo Regency Population and Civil Registration Office has been effective in supporting the achievement of program targets and the optimal delivery of population administration services. Nevertheless, improvements in the quality of budget planning, expenditure control, program performance evaluation, and the use of information technology are still needed to maintain and enhance financial management performance in the future.

Keywords: Effectiveness, Efficiency, Financial Management, Public Service, Department Of Population And Civil Registration.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis tingkat efisiensi dan efektivitas pengelolaan keuangan pada Dinas Kependudukan dan Pencatatan Sipil Kabupaten Sidoarjo Tahun 2024–2025. Pengelolaan keuangan yang efisien dan efektif merupakan salah satu indikator penting dalam mewujudkan tata kelola pemerintahan yang baik (good governance) serta mendukung peningkatan kualitas pelayanan publik. Penelitian menggunakan metode deskriptif kuantitatif dengan pendekatan analisis rasio keuangan. Data penelitian diperoleh melalui teknik dokumentasi terhadap Laporan Realisasi Anggaran (LRA) Tahun 2024–2025 yang meliputi data anggaran belanja, realisasi belanja, dan target anggaran. Analisis data dilakukan menggunakan rasio efisiensi dan rasio efektivitas. Hasil penelitian menunjukkan bahwa rasio efisiensi pengelolaan keuangan pada Tahun 2024 sebesar 98,52% dan Tahun 2025 sebesar 96,02%. Berdasarkan kriteria yang digunakan dalam penelitian, kedua nilai tersebut berada pada kategori efisien. Sementara itu, rasio efektivitas pada Tahun 2024 sebesar 98,52% dan Tahun 2025 sebesar 96,02%, yang menunjukkan bahwa sebagian besar target anggaran berhasil direalisasikan sehingga termasuk dalam kategori efektif. Temuan penelitian mengindikasikan bahwa pengelolaan keuangan pada Dinas Kependudukan dan Pencatatan Sipil Kabupaten Sidoarjo telah mampu mendukung pencapaian target program dan pelaksanaan pelayanan administrasi kependudukan secara optimal. Meskipun demikian, peningkatan kualitas perencanaan anggaran, pengendalian belanja, evaluasi kinerja program, dan pemanfaatan teknologi informasi tetap diperlukan untuk mempertahankan serta meningkatkan kinerja pengelolaan keuangan di masa mendatang.

Kata Kunci: Efektivitas, Efisiensi, Pengelolaan Keuangan, Pelayanan Publik, Dinas Kependudukan Dan Pencatatan Sipil.

1. Introduction

Local financial management is a fundamental aspect of good governance, particularly in ensuring the effectiveness and efficiency of public budget spending (Oktaviani & Nasrifah, 2024). Ideally, local financial management should adhere to the principles of transparency, accountability, efficiency, and effectiveness, as mandated by Law No. 23 of 2014 on

Local Government (Pemerintah Republik Indonesia, 2014) as well as Government Regulation No. 12 of 2019 on Regional Financial Management (Pemerintah Republik Indonesia, 2019). Effectiveness refers to the extent to which a program's objectives are achieved in accordance with planned targets, while efficiency relates to an organization's ability to optimize the use of resources to produce maximum output. Effective and efficient financial management is a key factor in

enhancing the success of government programs and the quality of public services (Amin Insani et al., 2023). On the other hand, sound public sector financial management can boost public confidence in the government and support sustainable regional development (Martadinata, 2024; Bastian, 2019).

Nevertheless, these ideal conditions have not yet been fully realized in the practice of local government administration. Various government agencies still face problems such as low budget absorption rates, discrepancies between budget planning and actual spending, and budget allocations that are not sufficiently targeted (Nasrifah, 2025). Research conducted by Devinci Antasena et al. (2023) indicates that weak oversight and budget planning are among the causes of local government financial inefficiencies. This finding is supported by research Euis Suryamah & Nurdiana Mulyantini (2024) which states that suboptimal budget management has an impact on the poor performance of local government organizations and the quality of public services provided to the community.

These financial management issues have the potential to arise in public service agencies with a high volume of service requests, including the Sidoarjo Regency Population and Civil Registration Office. This agency plays a strategic role in providing population administration services, such as issuing electronic identity cards, family cards, birth certificates, death certificates, and various other population documents. The high demand for public services requires effective and efficient budget management to ensure that all service programs can run optimally. According to 2024 data from the Sidoarjo Regency Central Statistics Agency, the population of Sidoarjo Regency reached 2,082,801 people, consisting of 1,048,529 men and 1,034,272 women (B. P. S. K. Sidoarjo, 2024).

This large population indicates a high demand for civil registration services that must be met by the local government. Furthermore, Sidoarjo Regency serves as a buffer zone for the city of Surabaya, which has relatively high levels of urbanization and population mobility; consequently, civil registration services must be delivered quickly, efficiently, and accurately. Thus, sound financial management is essential to support the successful implementation of public service programs (Nurhayati, 2012).

At the national level, population administration services continue to face various challenges. The 2023 Report of the Ombudsman of the Republic of Indonesia indicates that the population administration sector remains among the public services that receive the most complaints from the public, particularly regarding delays in service, procedural irregularities, and maladministration (Ombudsman Republik Indonesia, 2023). Furthermore, the Summary of Audit Findings for the First Semester of 2022, published by the Supreme Audit Agency of the Republic of Indonesia, indicates that there are still weaknesses in internal control systems and inefficiencies in budget utilization across various local government agencies (Badan Pemeriksa Keuangan,

2022). These findings indicate that local financial management remains a challenge in ensuring optimal public service quality.

At the Sidoarjo Regency Population and Civil Registration Office, financial management plays a crucial role in supporting the delivery of fast, timely, and accurate population administration services. According to the Sidoarjo Regency Government Agency Performance Report, there are still several service indicators that have not yet reached their optimal targets, particularly in terms of service speed and the effectiveness of population administration programs (Pemerintah Kabupaten Sidoarjo, 2023). In addition, budget execution for several programs reveals a discrepancy between the targets and the actual results of the programs implemented (P. K. Sidoarjo, 2024). These conditions indicate that the effectiveness and efficiency of budget management still need to be evaluated to ensure that the use of financial resources can optimally support improvements in the quality of public services.

Empirical data show that ineffective and inefficient local government financial management not only affects administrative aspects but also impacts the quality of public services (Anik Gita Yuana et al., 2023). Delays in budget absorption, which often occur at the beginning of the fiscal year and accumulate toward the end of the year, can result in suboptimal program implementation (Yuniati & Anne Putri, 2023). These conditions have the potential to hinder the delivery of civil registration services, which require timeliness and accuracy in serving the public. Given these conditions, an evaluation of the efficiency and effectiveness of financial management is essential to determine the extent to which budget utilization supports the achievement of organizational goals and the improvement of public service quality.

In fact, numerous studies have been conducted on the efficiency and effectiveness of local government financial management. Research Putri, 2022 examined the efficiency and effectiveness of local financial management in general using quantitative descriptive methods and financial ratio analysis, but did not link these findings to the quality of public services. The study Pusung et al., 2019 menganalisis efektivitas dan efisiensi pelaksanaan anggaran belanja pada Badan Perencanaan Penelitian dan Pengembangan Daerah Kota Tomohon dengan fokus pada pelaksanaan anggaran belanja pemerintah daerah. Meanwhile, Hijrianti et al., 2025 to examine the evaluation of the financial performance of Central Java Province, with a broader focus on the financial performance of local governments.

A study (Wati et al., 2023) has indeed examined the effectiveness and efficiency of the budget at the Tegal Regency Population and Civil Registration Office; however, that study covered the 2018–2022 period and did not link financial management to the quality of population administration services during the era of strengthened bureaucratic reform and the digitization of public services. Furthermore, the studies by Maollo et al., 2024 and Sahdan et al., 2024 focused more on analyzing

the financial performance of local governments in general.

Based on the findings of the aforementioned previous studies, there is a research gap: there remains a limited number of studies that specifically analyze the efficiency and effectiveness of financial management in population administration agencies by linking them to the quality of public services. Furthermore, research focusing on the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period remains very limited. Thus, this study offers novelty in its research focus, which not only analyzes the level of efficiency and effectiveness of local financial management but also links it to the quality of civil registration services using the latest data from 2024–2025.

The urgency of this study is further heightened by the demands for bureaucratic reform and improved public service quality in the modern era (Hikam et al., 2024). Transparency, accountability, effectiveness, and efficiency in financial management are key factors in enhancing public trust in local governments. Suboptimal financial management has the potential to reduce the quality of public services, public satisfaction levels, and the performance of local government organizations.

Given these circumstances, this study aims to analyze the level of efficiency and effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period in order to provide an overview of local financial management performance and serve as a basis for formulating strategic recommendations to improve the quality of population administration services.

2. Literature Review

Local Government Financial Management

Local government financial management encompasses all activities related to the planning, implementation, administration, reporting, accountability, and oversight of local government finances, carried out in an orderly manner, in compliance with laws and regulations, and in an effective, efficient, economical, transparent, and accountable fashion (Pemerintah Republik Indonesia, 2019). Good local financial management is one of the indicators of successful governance because it is directly related to the achievement of development goals and the quality of public services.

Efficiency in Financial Management

Efficiency is an organization's ability to make optimal use of available resources to produce a specific output. Efficiency reflects the relationship between inputs and outputs; an organization is considered efficient if it is able to produce maximum output with minimal use of resources (Mahmudi, 2010). In local government financial management, efficiency can be measured by comparing actual expenditures with the approved budget. The lower the resulting efficiency ratio, the more efficient the financial management.

Efficiency in Financial Management

Effectiveness refers to the degree to which an organization succeeds in achieving its predetermined goals or targets. Effectiveness indicates the extent to which a program or activity can be implemented in accordance with planned targets (Nuraeni & Syahrudin, 2024). In the context of local financial management, effectiveness is measured by comparing budget execution against budget targets (Nasrifah et al., 2022). The higher the rate of achievement of budget targets, the more effective the financial management carried out by government agencies.

The Theory of Value for Money

The concept of "Value for Money" is one of the approaches used to evaluate public sector performance. Value for Money emphasizes three main aspects: economy, efficiency, and effectiveness (Erawan P A et al., 2021). The economy aspect relates to the ability to acquire resources at a reasonable cost; the efficiency aspect relates to the optimal use of resources; and the effectiveness aspect relates to the degree to which established objectives are achieved. This indicates that a public organization is considered to perform well if it is able to effectively achieve program targets and use resources efficiently.

Research Hypothesis

Based on the theories of efficiency, effectiveness, and the concept of "Value for Money," sound local financial management is characterized by the effective achievement of budget targets and the efficient use of the budget. As a public service agency, the Sidoarjo Regency Population and Civil Registration Office is required to manage its budget optimally to support the quality of population administration services. Given these conditions, the research hypotheses are as follows:

H Efficiency

H₀: The level of financial management efficiency at the Sidoarjo Regency Population and Civil Registration Office [ea2.1] for the 2024–2025 period **does not meet the criteria for efficiency** based on the efficiency ratio.

H₁: The level of efficiency in financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period **meets the criteria** for efficiency based on the efficiency ratio.

H Effectiveness

H₀: The level of effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period **does not meet the criteria for effectiveness** based on the effectiveness ratio.

H₁: The level of financial management effectiveness at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period **meets the criteria** for effectiveness based on the effectiveness ratio.

Analytical Framework

This study analyzes the level of efficiency and effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period based on data from the Budget Implementation Report (LRA). The analysis was conducted using efficiency and effectiveness ratios to assess the performance of local government financial management. The results of the measurements were then interpreted based on established criteria and analyzed using the “Value for Money” concept to provide an overview of the quality of the agency’s financial management.

3. Methodology

This study employs a descriptive method with a quantitative approach. The quantitative approach was chosen because the research data consists of numerical figures derived from the Budget Implementation Report (LRA), which can be analyzed using financial ratios. The study aims to analyze the level of efficiency and effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period.

The research population consists of all financial reports of the Sidoarjo Regency Population and Civil Registration Office. The research sample was determined using purposive sampling with the following criteria: (1) official financial reports of the agency; (2) containing budget target and budget realization data; and (3) covering the 2024–2025 period.

Data were collected through documentation of Budget Implementation Reports (LRA), budget planning documents, and regulations related to local government financial management. Data validity was assessed using content validity by verifying the consistency of the data with official documents and through triangulation of sources to enhance the credibility of the data (Fahrevi et al., 2024).

3.1 Data

The data used is secondary data obtained from the Budget Implementation Report (LRA) of the Sidoarjo Regency Population and Civil Registration Office for 2024–2025. The data includes the budgeted expenditures, actual expenditures, and budget targets, which were used as the basis for calculating the efficiency and effectiveness ratios.

Table 1. Budget Data and Expenditure Realization for the Sidoarjo Regency Population and Civil Registration Office for 2024–2025

Year	Budgeted Expenditures (Rp)	Actual Expenditures (Rp)	Budget Target (Rp)
2024	677.541.189.743	667.489.786.441	677.541.189.743
2025	5.468.924.599.197	5.251.342.990.301	5.468.924.599.197

The data was used to measure the efficiency and effectiveness of financial management during the study period.

3.2 Methods of Analysis

Data analysis was conducted using financial ratio analysis, which consists of efficiency ratios and effectiveness ratios.

Efficiency Ratios

Efficiency ratios are used to measure an agency’s ability to optimize budget utilization. The formula used is:

$$Efficiency = \frac{Actual\ Expenditures}{Budgeted\ Expenditures} \times 100\%$$

The criteria for assessing efficiency are based on Maududi (2025).

Table 2. Efficiency Assessment Criteria

Efficiency Ratio	Criteria
< 60%	Inefficient
60% – 80%	Less Efficient
80% – 90%	Quite Efficient
90% – 100%	Efficient
> 100%	Inefficient

Effectiveness Ratio

The effectiveness ratio is used to measure the extent to which established budget targets have been achieved. The formula used is:

$$Effectiveness = \frac{Actual\ Expenditures}{Expenditure\ Target} \times 100\%$$

The criteria for assessing effectiveness are based on Zhafiri & Trisnaningsih (2023).

Table 3. Effectiveness Assessment Criteria

Effective Ratio	Criteria
< 60%	Ineffective
60% – 80%	Less Effective
80% – 90%	Fairly Effective
90% – 100%	Effective
> 100%	Ineffective

The results of the calculations for these two ratios are then used to assess the financial management performance of the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period from the perspectives of budget management efficiency and effectiveness.

4. Results And Discussion

This study aims to determine the level of efficiency and effectiveness of financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period. Research data were obtained through a documentation review of the Budget Implementation Report (LRA), which contains data on budgeted expenditures, actual expenditures, and budget targets. Before being used in the study, the research instrument was validated by two experts (expert judgment) with expertise in research methodology and public sector financial management. The validation results indicated that the research instrument was suitable for use with

several editorial revisions in accordance with the validators' recommendations.

Based on the data in Table 1 above, the efficiency ratio was calculated by comparing actual expenditures to the established budget. The results of the efficiency ratio calculation are presented in Table 4.

Table 4. *Efficiency Ratio Calculation Results for 2024–2025*

Year	Budgeted Expenditures (Rp)	Actual Expenditures (Rp)	Efficiency Ratio (%)
2024	677.541.189.743	667.489.786.441	98,52%
2025	5.468.924.599.197	5.251.342.990.301	96,02%

The analysis results show that the financial management efficiency ratio for 2024 was 98.52% and for 2025 was 96.02%. Based on the efficiency assessment criteria used in this study, both values fall within the 90%–100% range and are therefore classified as efficient. This indicates that budget utilization is well-controlled and that actual expenditures remain within the established budget limits.

According to Mahmudi (2010), efficiency in the public sector describes the relationship between inputs and outputs, whereby an organization is considered efficient if it is able to produce optimal outputs through the controlled use of resources. Therefore, an efficiency ratio falling within the “efficient” category indicates that financial management has supported program implementation in accordance with the established budget plan.

The findings of this study align with the research by Putri (2022) which found that the efficiency level of local government financial management fell within the “efficient” category, with an average ratio of 97.01%. These findings also align with the study by Wati et al. (2023) on the Population and Civil Registration Office of Tegal Regency, which showed that expenditure efficiency fell into the “efficient” category because budget implementation was carried out in accordance with the established budget.

Nevertheless, the efficiency of financial management is not measured solely by the ability to control the budget, but also by the organization's ability to deliver optimal public services. The Population and Civil Registration Office is an agency with a high service intensity, so the majority of its budget is used to support population administration services for the public. Thus, high budget expenditures remain justifiable as long as they result in services that align with the organization's objectives.

In addition to efficiency, this study also analyzes the level of effectiveness in financial management based on a comparison between actual expenditures and established budget targets. The results of the effectiveness ratio calculations are presented in Table 5.

Table 5. *Calculated Effectiveness Ratios for 2024–2025*

Year	Actual Expenditures (Rp)	Budget Target (Rp)	Efficiency Ratio (%)
2024	667.489.786.441	677.541.189.743	98,52%
2025	5.251.342.990.301	5.468.924.599.197	96,02%

Based on these calculations, the financial management effectiveness rate for 2024 reached 98.52%, while that for 2025 was 96.02%. These figures show that the majority of the established budget targets were successfully achieved. The high percentage of budget realization indicates that the planned programs and activities were carried out in accordance with the established targets.

According to Nuraeni & Syahrudin (2024), effectiveness is a measure of an organization's success in achieving its previously established goals. The higher the rate of target achievement, the more effective the implementation of the programs and activities carried out. Thus, budget realization that is close to the target indicates that the budget planning and implementation processes at the Sidoarjo Regency Population and Civil Registration Office have proceeded well.

The results of this study are consistent with the research by Wati et al. (2023) which showed that the level of budget absorption effectiveness fell into the “effective” category because budget execution was able to meet the targets set in the planning documents. These findings are also supported by Rahman & Saputra (2022) who stated that effectiveness is an indicator of a local government's success in managing finances and implementing development programs.

The results of this study also reinforce the findings of Rifah et al. (2023) who state that local financial performance is determined not only by the size of the available budget but also by the quality of local development planning and budgeting. According to that study, effective and efficient financial management can be achieved if the processes of budget planning, implementation, control, and evaluation are carried out in an integrated and sustainable manner. In the context of this study, the high level of financial management effectiveness at the Sidoarjo Regency Population and Civil Registration Office indicates that the budget planning and implementation processes have been carried out sufficiently well, allowing most budget targets to be realized in accordance with the organization's objectives. However, improving the quality of budget evaluation remains necessary so that the use of financial resources can yield more optimal benefits for the community.

On the other hand, the results of this study are related to the research by Fazlurahman et al. (2020) which analyzes the financial performance of local governments by measuring financial effectiveness and efficiency ratios. The results of the study show that improvements in local financial performance are marked by the government's increasing ability to meet budget targets and optimally manage the use of financial resources. This indicates that efficiency and effectiveness ratios can serve as key indicators in assessing the success of local financial management. In this study, the efficiency ratio—which falls into the “efficient” category—indicates that the Sidoarjo Regency Population and Civil Registration Office has been able to manage its budget in accordance with established plans, thereby ensuring the sustainable

implementation of population administration programs and services.

When comparing 2024 to 2025, the efficiency ratio decreased from 98.52% to 96.02%. This decrease in the ratio indicates an improvement in the agency's ability to control budget spending compared to the previous year. Although the difference is not very significant, this suggests that efforts have been made to improve budget execution, resulting in more controlled use of financial resources. These changes may be influenced by improved budget planning, more precise program implementation, or evaluations of the previous year's budget spending.

In terms of effectiveness, the achievement rates of 98.52% in 2024 and 96.02% in 2025 show that the majority of budget targets were successfully realized. Although there was a decrease in the percentage in 2025, the effectiveness level remains in the "good" category because budget realization still remained close to the established targets. This indicates that the programs and activities planned by the Sidoarjo Regency Population and Civil Registration Office can still be implemented optimally. Thus, this decrease in percentage does not directly indicate a decline in organizational performance but may be influenced by changes in budget requirements, program adjustments, or external conditions affecting the implementation of activities.

When examined simultaneously, the research findings indicate that the efficiency and effectiveness of financial management are interrelated. Effective financial management is not necessarily efficient, just as efficient financial management does not necessarily achieve all established targets. Therefore, the success of local government financial management is ideally demonstrated by an agency's ability to achieve program targets while simultaneously controlling the use of its available resources. In this study, both aspects showed relatively good results, indicating that financial management has optimally supported the organization's tasks and functions.

From a good governance perspective, effectiveness and efficiency are two key principles that must be realized in public sector financial management. Effectiveness relates to the government's ability to achieve development goals and deliver public services, while efficiency relates to the optimal use of resources to generate the greatest possible benefits for the community. The results of this study indicate that the Sidoarjo Regency Population and Civil Registration Office has made efforts to apply these principles by achieving high budget targets and maintaining budget control within planned limits. This situation serves as an indicator that local financial management has supported the implementation of a more accountable and public-service-oriented government.

Furthermore, the results of this study can also be linked to the implementation of bureaucratic reform, which is currently a focus of local governments. Bureaucratic reform requires every government agency to improve the quality of public services through more effective and efficient resource management. In the

context of the Sidoarjo Regency Population and Civil Registration Office, the successful achievement of budget targets indicates that population administration service programs can be implemented in accordance with established plans. This is important because population administration services are a form of basic service that directly impacts the community.

Advances in information technology have also contributed to improving the effectiveness and efficiency of local government financial management. The digitization of administrative and financial management systems enables the budgeting process—including planning, implementation, monitoring, and evaluation—to be carried out more quickly and accurately. The use of information technology not only supports transparency and accountability but also helps organizations reduce the risk of administrative errors and improve the quality of decision-making. Given these conditions, strengthening digital systems in financial management can be one of the strategies that needs to be continuously developed to maintain and even improve financial performance in the future.

The practical implications of these research findings highlight the importance of maintaining the quality of budget planning and control, which have been functioning effectively. The Sidoarjo Regency Population and Civil Registration Office needs to continue evaluating the programs it implements to ensure that budget expenditures truly provide maximum benefits to the community. Furthermore, strengthening internal oversight, enhancing human resource competencies, and making optimal use of information technology can serve as strategic steps in maintaining the consistency, effectiveness, and efficiency of local financial management.

From a public service perspective, the effectiveness and efficiency of financial management are closely linked to the quality of population administration services received by the public. Effective budget management enables agencies to provide the facilities, infrastructure, and operational support needed to expedite service delivery. Meanwhile, efficient budget management allows for the optimal use of resources without compromising the quality of services provided. Based on this, the success of financial management is reflected not only in the achievement of budget targets but also in the agency's ability to deliver services that are fast, accurate, transparent, and accountable.

The results of this study also indicate that high levels of effectiveness must be maintained by strengthening internal oversight systems, evaluating program performance, and utilizing information technology in local government financial management. The use of technology can improve the accuracy of planning, accelerate reporting processes, and support transparency in budget utilization, thereby minimizing the risk of irregularities. Thus, effective and efficient financial management can serve as a key instrument in achieving good governance and sustainably improving the quality of public services.

Furthermore, the research findings indicate that the success of financial management is determined not only by the level of budget absorption but also by the organization's ability to ensure continuity between program planning, implementation, and evaluation. At the Sidoarjo Regency Population and Civil Registration Office, the high budget realization rate indicates that most of the activities planned in the budget document were carried out according to the established schedule. This situation demonstrates fairly good coordination between the planning unit, activity implementers, and financial managers, allowing the budget execution process to proceed in line with the organization's needs. Alignment between budget planning and execution is a key indicator of accountable financial management, as it demonstrates that the budget is being used in accordance with previously established objectives.

From a managerial perspective, the levels of efficiency and effectiveness identified in this study can serve as a basis for agency leaders in formulating financial management policies for the next period. Information regarding budget absorption rates and the achievement of program targets can be used as evaluation data to identify activities that significantly contribute to the achievement of organizational goals, as well as those that still require improvement in their implementation. Thus, the budget formulation process for the following year can be carried out in a more targeted manner based on the evaluation results obtained from the previous period. This approach is in line with the principles of performance-based budgeting, which emphasizes the link between budget utilization and the achievement of program outcomes.

The results of this study also highlight the importance of striking a balance between efficiency and effectiveness in public sector financial management. In practice, government agencies often face a dilemma between efforts to cut costs and the demand to continue providing quality services to the public. Excessive budget cuts have the potential to reduce service quality, while overspending can lead to a waste of resources. Thus, sound financial management is not only focused on budget absorption but also on achieving the benefits derived from the use of those funds.

Furthermore, effective and efficient financial management also plays a crucial role in boosting public trust in the public services provided by local governments. The public generally evaluates an agency's success not only based on the amount of its budget but also on the quality of the services received. Given this, budget allocation that results in fast, accurate, and easily accessible population administration services will have a positive impact on public satisfaction levels. In the context of the Sidoarjo Regency Population and Civil Registration Office, the successful achievement of most budget targets can serve as a vital foundation for maintaining the sustainability of high-quality population administration services that are responsive to the public's needs.

At the Sidoarjo Regency Population and Civil Registration Office, budget management has different

characteristics compared to government agencies focused on physical development. Most of the activities carried out are related to population administration services, such as the issuance of electronic ID cards, family cards, birth certificates, death certificates, and various other population documents. These characteristics mean that budgetary needs are primarily directed toward providing service facilities, maintaining information systems, developing service technologies, and enhancing human resource capacity. Thus, a high budget execution rate does not necessarily indicate wastefulness but may reflect the high demand for services that the agency must meet.

Furthermore, the high level of effectiveness achieved in this study indicates that the budgeting process has taken the organization's needs into account with sufficient accuracy. Accuracy in setting budget targets is one of the factors that determine the success of local financial management. If budget targets are set too high, budget execution may fail to meet the established targets. Conversely, if targets are set too low, high effectiveness may not necessarily reflect optimal performance. Based on these conditions, the results of this study show that the budget planning process at the Sidoarjo Regency Population and Civil Registration Office has been conducted in a sufficiently realistic manner and is in line with the needs of the programs to be implemented.

On the other hand, future financial management challenges are expected to become increasingly complex as public demands for high-quality digital public services rise. The digital transformation of civil registration services requires adequate funding to develop technological infrastructure, enhance human resource capacity, and strengthen data security systems. Therefore, effective and efficient financial management must continue to be improved to support the modernization of public services without causing budgetary waste. With sound financial management, agencies will not only be able to achieve established program targets but also adapt to changing public service needs in the future.

From a public management perspective, the results of this study indicate that the success of financial management is influenced not only by budgetary factors but also by the quality of the human resources involved in the processes of financial planning, implementation, and oversight. The competence of civil servants in developing work programs, managing budgets, monitoring activities, and preparing accountability reports is a critical factor in achieving financial effectiveness and efficiency. This indicates that efforts to enhance the capacity of civil servants through training, technical assistance, and the promotion of a performance-based work culture must continue to support improvements in the quality of local financial management.

The findings of this study also have implications for future research. The measurement of effectiveness and efficiency in this study still focuses on financial aspects based on data from the Budget Implementation Report. Therefore, future research could develop a more comprehensive analysis by linking financial performance to indicators of public service quality, levels of public

satisfaction, the speed of civil registration services, and the achievement of bureaucratic reform indicators. In this way, the evaluation of financial management would not only focus on budgetary aspects but also on the benefits directly experienced by the public as recipients of public services.

When analyzed using the Value for Money theory, the research results show that financial management at the Sidoarjo Regency Population and Civil Registration Office has met the effectiveness criterion, as the budget targets were almost fully achieved. On the other hand, the efficiency criterion also indicates positive results, as actual expenditures remained within the established budget limits. Under the Value for Money concept, public organizations are required to achieve program objectives through the economical, efficient, and effective use of resources.

Overall, the research findings indicate that financial management at the Sidoarjo Regency Population and Civil Registration Office for the 2024–2025 period has been carried out efficiently and effectively. Budget execution has supported the achievement of program targets while remaining within the established budget limits. This indicates that financial management has effectively supported the delivery of population administration services. It also underscores the need to maintain and improve the quality of budget planning, expenditure control, and budget utilization evaluation to support the continuous improvement of public service quality.

5. Conclusion and Suggestions

Based on the research findings, financial management at the Sidoarjo Regency Population and Civil Registration Office for the years 2024–2025 demonstrated efficient and effective performance. The financial management efficiency rate was 98.52% in 2024 and 96.02% in 2025, which, based on the assessment criteria, falls within the “efficient” category. Meanwhile, the effectiveness rate of financial management in 2024 was 98.52% and in 2025 was 96.02%, indicating that the majority of budget targets were successfully achieved in accordance with the established plans. The results of this study indicate that financial management has been able to optimally support the implementation of programs and population administration services. Thus, the quality of budget planning, expenditure control, and budget utilization evaluation must continue to be maintained and improved so that financial management performance remains efficient, effective, and capable of supporting the continuous improvement of public service quality.

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