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Performance Measurement Analysis Using Value for Money in Medan City Government

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ABSTRACT

This research was conducted because in the implementation of the preparation of regional revenue and expenditure budgets (APBD) there is often a waste of budget and inappropriate use targets that should be felt by the general public, and are still not optimal, especially there is no system for determining budget figures and LRA realization so that there is an upward and downward trend in the Medan City Government budget realization report in 2017-2021. The purpose of this study is to determine and measure The performance of the Medan City Government uses the concept of value for money , namely the economic ratio, the efficiency ratio and the effectiveness ratio, and to find out and analyze the causes of the economic ratio in the less economical category. To find out and analyze the causes of the efficiency ratio in the less efficient and moderately efficient categories. To find out and analyze the causes of the effectiveness ratio in the quite effective category. The research method used is descriptive method with quantitative and qualitative data types. Data collection techniques in this study are documentation and interviews and are adjusted to Kepmdagri N0. 690.900-327 of 1996 concerning guidelines for the assessment of financial performance measurement. And data analysis techniques using quantitative descriptive analysis techniques. The results of the value for money on the Medan City Government in 2017-2021 have an economic ratio which has an average of 77.73% in the less economical category, which has decreased because the target for the Medan City Government expenditure has not been achieved. In terms of the efficient ratio which has an average of 95.32% in the less efficient category. And in terms of the effectiveness ratio which has an average of 85.89% in the quite effective category, where both of these ratios have decreased due to the less than optimal regional income that has not reached the target set by the Regional Government.

Keywords: Value For Money, Performance Measurement

INTRODUCTION

Public sector accounting is defined as public fund accounting which can be interpreted as a technical mechanism and accounting analysis applied to the management of public funds. Since the early 1990s, from formal government (ruling governance) to good governance (good governance) in order to place the government administration to be better and more efficient, and fair to every citizen. The public sector is often seen as a hotbed of waste, a source of leakage of funds, and a loss-making institution, so that the government focuses on services to the community, with transparent procedures and accountability.

Real facts that occur where the demands of the community are in accordance with Law no. 22 of 1999 and Law no. 25 of 1999 which is used as the basis for a series of institutional reforms in creating good governance, namely a clean, economical government. Effective, transparent, responsive and accountable. In government organizations, public accountability is sharing information with the public as stakeholders (Mahmudi, 2015: 9). Accountability is an important objective in government financial reporting. Accountability includes providing financial information to the public and other users of information so as to allow them to take into account the government's accountability for all activities carried out not only for its financial activities, while government financial statements must be able to provide the information that users need in making economic decisions. Political, and social (Halim, 2007:23).

Since the enactment of the Minister of Home Affairs Regulation No. 13 of 2006 concerning Guidelines for Regional Financial Management which is a revision of the Minister of Home Affairs Decree no. 29 of 2002 concerning Guidelines for Management, Accountability and Supervision of Regional Finances as well as Regional Financial Administration and Preparation of Regional Revenue and Expenditure Budget Calculations, there has been an increasingly broad delegation of authority to regional governments in order to increase the effectiveness and efficiency of the implementation of regional government functions (Faud, 2002). 2016:3).

Value for Money is the core of performance measurement in public sector organizations. Performance Value for Money measurement is a specific and unique form of performance measurement in public sector organizations. Because of the importance of the concept, it is often said that the core of measuring public sector performance is to measure the economic level, effectiveness and efficiency of a public sector organization.

The benefits value for money in measuring the financial performance of public sector organizations are very helpful for a government agency to be able to provide awareness of public money (Public costs awareness) as the root of the implementation of public accountability. In addition, improving good service to the community appropriately and in accordance with the target can create good service quality with economical, efficient and effective resources. The following is data from the Medan City Government Budget Realization Report from 2017-2021:

Table 1. Expenditure Realization Report for 2017-2021

REVENUE				
Year	**Revenue**	**Increase/ Decrease in**	**Revenue Realization**	**Increase/ Decrease in**
2017	Rp 5,523,623,117,419	-	Rp 4,409,065,482. 200	-

2018	Rp 5,239,408,011.116	-5.15%	Rp 4,253,618,758,532	-3.53%
2019	Rp 6,257,239,035,331	19.4%	Rp 5,518,772,179,306	29.7%
2020	Rp 4,757. 852,448,886	-23.96%	Rp 3,988,761,485,152	-27.7%
2021	Rp 5,208,964,175,119	9.48%	Rp 5,023,076,998,468	25.9%
EXPENDITURE				
Year	**Expenditure**	**Increase/ Decrease in**	**Actual Expenditure**	**Increase / Decrease in**
2017	Rp 5,546,733,964,019	-	Rp 4,394,045,824,264	-
2018	Rp 5,449,562,922,528	-1.75%	Rp 4,213,480,509,726	-4.11%
2019	Rp 6,302,963,592,428	15.66 %	Rp 5,059,387,661,308	20.08%
2020	Rp 5,254,667,074,399	-16,63	Rp 3,854,742,410,736	-23.81%
2021	Rp 5,731,395,062,275	9.07%	Rp 4,499,145,144,311	16.72%

Source: Medan City Government LRA

Based on the table above, we can see the phenomena that occur, in the Medan City Government budget realization report from 2017 to 2021, it has increased and decreased. In the Budget and Revenue realization, there is an increasing and decreasing trend. As well as the Regional Budget and Realization of Expenditures also experienced an increasing and decreasing trend, as well as in 2018 and 2020 experiencing a downward trend.

According to (Mahsun, 2014) the economic ratio is a way of measuring the level of savings from spending by public sector organizations, where the measurement requires data on the expenditure budget and its realization. Economics is related to the extent to which public sector organizations can minimize input resources by avoiding wasteful and unproductive spending. The greater the economic percentage, the better the government's financial performance, and vice versa if the economic percentage is low, the government's financial performance is not good.

LITERATURE REVIEW

Performance Measurement

According to (Mahmudi, 2015:7) performance measurement is a process of assessing work progress towards achieving predetermined goals and objectives, including information on the efficiency of resource use in producing goods and services, quality of goods and services, comparison of activity results with targets, and effectiveness of actions in achieving goals.

Measurement of local government financial performance is carried out to fulfill three objectives, namely first, measurement of regional government financial performance is intended to help improve government financial performance. These performance measures are intended to help the government focus on the goals and objectives of the work unit program. This will ultimately increase the efficiency and effectiveness of government organizations in providing public services. Second, for resource allocation and decision making. Third, to realize public accountability and improve institutional communication (Mardiasmo, 2009:121).

Regional Finance Regional

Finance is all rights and obligations that can be valued in money, sold in all units, both in the form of money and goods, which can be made into regional assets as long as they are not owned/controlled by the State or higher regions and other parties in accordance with the provisions of the laws and regulations (Halim, 2008).

Regional finances can also be interpreted as all regional rights and obligations in the context of regional government administration activities that can be valued in money, including all assets or assets related to the rights and obligations of the region, which are contained in the framework of the Regional Revenue and Expenditure Budget (Halim, 2008)

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Public Sector Financial

Reports Financial and Accounting Reports are a process of collecting, managing, and communicating information that is useful for decision making and assessing organizational performance (Sudaryo, 2017:28). Government institutions are required to be able to make external financial reports which include formal financial reports such as Surplus/Deficit Reports, Budget Realization Reports, Loss/Profit Reports, Cash Flow Statements, Balance Sheets, and Performance Reports which are stated in financialand non-financial . Mardiasmo, 2009:160).

Components of Public Sector Financial Statements

- Surplus/Deficit Report
- Profit/Loss
- Balance Sheet
- Budget Realization Report
- Cash Flow Statement
- Notes to Financial Statements

Value For Money

According to (Mahmudi, 2015:81) Value for Money is a performance assessment in managing economic, efficient, and effective program and organizational activities. According to (Mardiasmo, 2009:4) Value for Money is the concept of managing public sector organizations based on three main elements, namely, economy, efficiency, and effectiveness.

Value for money is the core of performance measurement in government organizations. Government performance cannot be judged from the output produced alone, but must consider the input, output and outcome together. Even for some things that need to be added to the measurement of distribution and service coverage (equity and service coverage).

Three Points of Discussion of Value For Money Indicators According to (Indra Bastian, 2006:335)

a. Economical "the comparison between the input and the input itself, is it appropriate? Economic understanding is often referred to as savings which includes efficient management and no waste. In essence, there is a similar understanding between efficient and economical, because in both there is the elimination or reduction of costs (cost reduction). An increase in costs must be accompanied by a large increase in benefits. The regional economic ratio formula is as follows:

$$\text{Economic Ratio} = \frac{\text{Cost Realization}}{\text{Budget Realization}} \times 100\%$$

Table 2. Economic Assessment Criteria for the Value For Money Method

Percentage of Performance Value	Criteria
100% - above	Very Economical
90% - 100%	Economical
80% - 90%	Quite Economical
60% - 80%	Less Economical
Less than 60%	Not Economical

Source: Ministry of Home Affairs No. 690,900-327 Year 1996

b. Efficiency “is closely related to the concept of productivity. measurement of efficiency is done by using a comparison between output generated against input used. The process of operational activities can be said to be efficient if a certain product or work result can be achieved using the minimum possible resources and funds.” The Efficiency Ratio formula is formulated as follows:

$$\text{Efficiency Ratio} = \frac{\text{Cost Realization}}{\text{Revenue Realization}} \times 100\%$$

Table 3. Efficiency Assessment Criteria Value For Money Method

Percentage Performance Value	Criteria
100% - and above	Inefficient
90% - 100%	Less Efficient
80% - 90%	Fairly Efficient
60% - 80%	Efficient
Less than 60%	Very Efficient

Source: Ministry of Home Affairs No. 690,900-327 Year 1996

c. Effectiveness "describes the impact (outcome) of outputs in achieving program objectives. The greater the contribution of output produced to the achievement of the goals or objectives specified, the more effective the work process of an organizational unit. The effectiveness ratio formula is formulated by:

$$\text{Effectiveness Ratio} = \frac{\text{Realized Revenue}}{\text{Budget Revenue}} \times 100\%$$

Table 4. Effectiveness Assessment Criteria Value for Money Method

Percentage of Performance Value	Criteria
100% - and above	Very Effective
90% - 100%	Effective
80% - 90%	Quite Effective
60% - 80%	Less Effective
Less than 60%	Ineffective

Source: Ministry of Home Affairs No. 690.900-327 Year 1996

CONCEPTUAL FRAMEWORK

Value for Money is the core of performance measurement in government organizations. The government's performance cannot be judged from the output produced alone, but must consider the input, output, outcome together, and is an indicator that provides information to us whether the budget (funds) spent produces a certain value for the people.

Economical Ratios require data on budget and cost realization and are included in the budget realization report. The government's performance is said to be economical if the ratio achieved is greater than an economic ratio, which means that the government's performance is getting better and more economical.

Effectiveness Ratio describes the comparison between the realization of income and the target. The ability of the region to carry out its duties is categorized as effective if the ratio achieved exceeds one hundred percent. The higher the effectiveness ratio, the better the regional capability.

Efficiency Ratio describes the amount of costs incurred with the realization of income received. The government's performance in its activities will be more efficient if the percentage ratio produced is getting smaller.

METHOD

This type of research uses a descriptive approach which is carried out by collecting and presenting data received from the Medan City Regional and Asset Financial Management Agency in the form of data from the Budget Realization Report and Balance Sheet Report from the Medan City Government so as to provide a clear enough picture to assist the author in analyzing and compare with existing theory.

The operational definition is a definition that explains how these variables can be measured, by giving meaning or explanation of activities with the aim of seeing the importance of the variables used in this research and to facilitate understanding and discussing research later. The performance analysis of the Medan City Government using the Value For Money is a performance measurement that is carried out to find out how economical, efficient, and effective the performance of the regional work unit is in each period.

The Medan City Government research site is located at Jalan Kapt. Maulana Lubis, No. 2 Medan City, North Sumatra. The research time is planned for February to June 2022.

The type of data used in this study is quantitative and qualitative data, where this quantitative data is in the form of data calculated or processed from City Government Budget Realization Report data. Medan Year 2017-2021. Qualitative data in the form of interviews about financial performance and reports with the head of the accounting department of the Medan City Regional and Asset Financial Management Agency.

Data sources In this study using data, namely secondary and primary data sources. Secondary data is the data obtained in the form of data from the documentation of the Budget Realization Report and the Medan City Government Balance Sheet for 2017-2021.

While primary data is data obtained by direct observation at the research site, in order to collect supporting information for this research. This data is the result of an interview with the head of the accounting department of the Medan City Regional and Asset Financial Management Agency.

Data collection techniques in this study are as follows:

a. Documentation
   This data collection technique is carried out by recording sourced from the budget realization report document and the Medan City Government balance sheet, from 2017-2021 which are needed by researchers.
b. Interviews
   Interviews were conducted directly with the head of the accounting department of the Medan City Regional and Asset Financial Management Agency.

The data analysis technique used by the author in this study is quantitative descriptive analysis, which is an analytical method by first collecting data, classifying and interpreting data whose descriptive form uses numbers or numerical (statistics), so that it can provide a clear picture of the problem being studied thorough.

RESULT AND DISCUSSION

Research Results

This study will measure the performance of the Medan City Government in 2017-2021 using three elements that are examined, namely Economic, Efficiency, and Effectiveness.

Economic Ratio

is an understanding in obtaining resources preferably at a lower price or a price that is close to the market price. An organization's performance is said to be economical if the budget realization is smaller than the budget target and can achieve output . This calculation is used because of the difficulty of converting human resources and facilities and infrastructure used into a monetary system and determining what input are actually needed.

The Economic Ratio is a comparison between the actual costs used and the budget used, can be searched by the following calculations:

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$$\text{Economic Ratio} = \frac{\text{Realization Cost}}{\text{Realization Budget}} \times 100\%$$

$$2017 = \frac{\text{Rp } 4.394.045.824.264}{\text{Rp } 5.546.733.964.019} \times 100\%$$
$$= 79{,}22\%$$
$$2018 = \frac{\text{Rp } 4.213.480.509.726}{\text{Rp } 5.449.562.922.528} \times 100\%$$
$$= 77{,}32\%.$$
$$2019 = \frac{\text{Rp } 5.059.387.661.308}{\text{Rp } 6.302.963.592.428} \times 100\%$$
$$= 80{,}27\%$$
$$2020 = \frac{\text{Rp } 3.854.742.410.736}{\text{Rp } 5.254.667.074.399} \times 100\%$$
$$= 73{,}36\%$$
$$2021 = \frac{\text{Rp } 4.499.145.144.311}{\text{Rp } 5.731.395.062.275} \times 100\%$$
$$= 78{,}50\%$$

Table 5. Medan City Government Economic Ratio

Year	Expenditure	Realization	Economic Ratio	Category
2017	Rp 5,546,733,964,019	Rp 4,394,045,824,264	79.22%	Less Economical
2018	Rp 5,449,562,922,528	Rp 4,213,480,509 .726	77.32%	Less Economical
2019	Rp 6,302,963,592,428	Rp 5,059,387,661,308	80.27%	Fairly Economical
2020	Rp 5,254,667,074,399	Rp 3,854,742,410,736	73.36 %	Less Economical
2021	Rp 5,731. 395,062,275	Rp 4,499,145,144,311	78.50%	Less Economical

From the calculation of the economic ratio above, the development of the Medan City Government's economic ratio can be seen in the following graph:

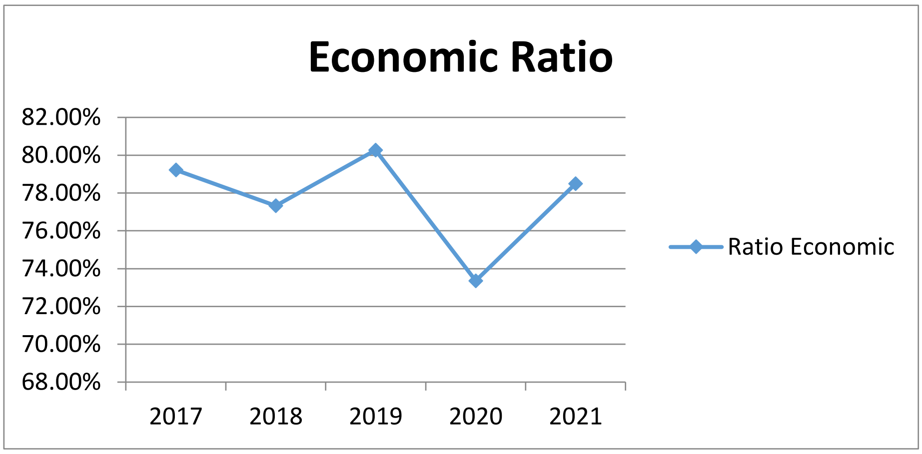

Figure 1. Development of Medan City Government's Economic Ratio in 2017 - 2021

Efficiency Ratio

Efficiency is the achievement output with certain inputs or low use of inputs for outputs. The process of operational activities can be said to be efficient if a certain product or work can be achieved with the minimum use of resources and funds. In this study, the efficiency measurement is carried out with the following calculations:

$$\text{Efficiency Ratio} = \frac{\text{Realization Cost}}{\text{Realization Revenue}} \times 100\%$$

$$2017 = \frac{\text{Rp } 4.394.045.824.264}{\text{Rp } 4.409.065.482.200} \times 100\%$$
$$= 99,66\%$$

$$2018 = \frac{\text{Rp } 4.213.480.509.726}{\text{Rp } 4.253.618.758.532} \times 100\%$$
$$= 99,06\%$$

$$2019 = \frac{\text{Rp } 5.059.387.661.308}{\text{Rp } 5.518.772.179.306} \times 100\%$$
$$=91,68\%$$

$$2020 = \frac{\text{Rp } 3.854.742.410.736}{\text{Rp } 3.988.761.485.152} \times 100\%$$
$$= 96,64\%$$

$$2021 = \frac{\text{Rp } 4.499.145.144.311}{\text{Rp } 5.023.076.998.468} \times 100\%$$
$$=89,57\%$$

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Table 6. Medan City Government Efficiency Ratio

Year	Expenditure	Realization Revenue Realization	Efficiency Ratio	Category
2017	Rp 4,394,045,824,264	Rp 4,409,065,482,200	99.66%	Less Efficient
2018	Rp 4,213,480,509,726	Rp 4,253,618,758 .532	99.06%	Less Efficient
2019	Rp 5,059,387,661,308	Rp 5,518,772,179,306	91.68%	Less Efficient
2020	Rp 3,854,742,410,736	Rp 3,988,761,485,152	96.64%	Less Efficient
2021	Rp 4,499. 145,144,311	Rp 5,023,076,998,468	89.57%	Quite Efficient

From the calculation of the efficiency ratio above, the development of the efficiency ratio of the Medan City Government can be seen from the graph as follows:

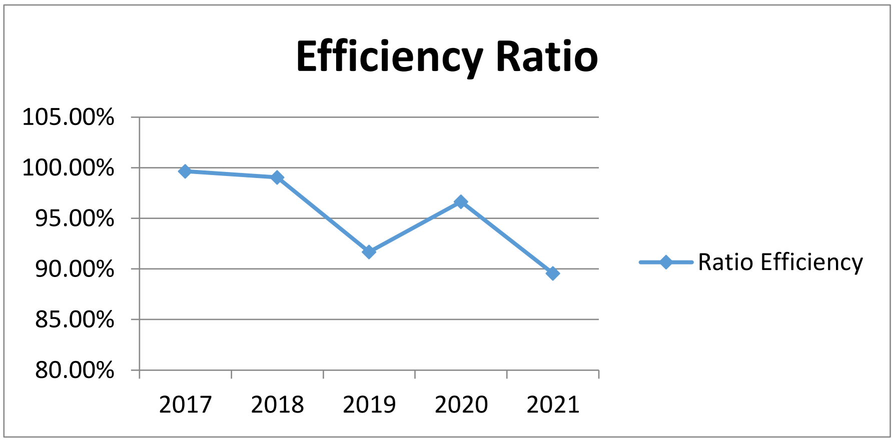

Figure 2. Development of the Medan City Government Efficiency Ratio in 2017-2021

Effectiveness Ratio

Effectiveness is a ratio that is described as a result of the impact (outcome) of output in achieving program objectives. The greater the output produced towards the achievement of the goals or objectives specified, the more effective the work process of an organizational unit. Measurement of effectiveness is the relationship between outputandgoals and can be interpreted if an organization succeeds in achieving its goals, then the organization is said to have been running effectively.

In this study, the measurement of effectiveness is carried out as follows:

$$\text{Effectiveness Ratio} = \frac{\text{Realized Revenue}}{\text{Budget Revenue}} \times 100\%$$

$$2017 = \frac{\text{Rp } 4.409.065.482.200}{\text{Rp } 5.523.623.117.419} \times 100\%$$
$$= 79{,}82\%$$
$$2018 = \frac{\text{Rp } 4.253.618.758.532}{\text{Rp } 5.239.408.011.116} \times 100\%$$
$$= 81{,}19\%$$
$$2019 = \frac{\text{Rp } 5.518.772.179.306}{\text{Rp } 6.257.239.035.331} \times 100\%$$
$$= 88{,}20\%$$
$$2020 = \frac{\text{Rp } 3.988.761.485.152}{\text{Rp } 4.757.852.448.886} \times 100\%$$
$$= 83{,}84\%$$
$$2021 = \frac{\text{Rp } 5.023.076.998.468}{\text{Rp } 5.208.964.175.119} \times 100\%$$
$$= 96{,}43\%$$

Table 7. Medan City Government Effectiveness Ratio

Year	of Revenue Realization	Budget Revenue	Effectiveness Ratio	Category
2017	Rp 4,409,065,482,200	Rp 5,523,623,117,419	79.82%	Less Effective
2018	Rp 4,253,618,758,532	Rp 5,239,408,011 .116	81.19%	Sufficiently Effective
2019	Rp 5,518,772,179,306	Rp 6,257,239,035,331	88, 20%	Sufficiently Effective
2020	Rp 3,988,761,485,152	Rp 4,757,852,448,886	83.84%	Sufficiently Effective
2021	Rp 5,023. 076,998,468	Rp 5,208,964,175,119	96.43%	Effective

From the calculation of the effectiveness ratio above, the development of the effectiveness ratio of the Medan City Government can be seen from the following graph:

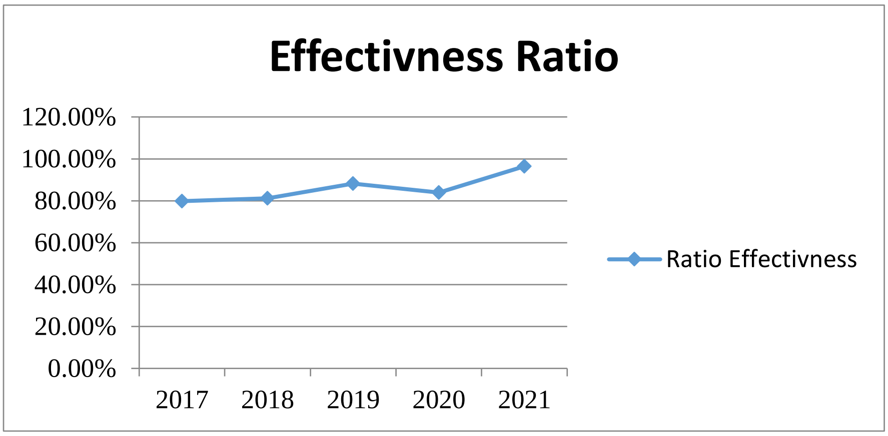

Figure 3. Development of Medan City Government Effectiveness Ratio in 2017–2021

DISCUSSION

Economic Ratio

Seen from table then for the economic ratio Medan City Government which is measured in 5 years in 2017 - 2021, where for 2017 the economic ratio is 79.22% which is included in the less economical category because it is between 60% to 80%, for 2018 the economic ratio has decreased by 77 ,32% which is included in the less economical category because between 60% to 80%, for 2019 the economic ratio has increased by 80.27% which is included in the quite economical category because between 80% to 90%, for 2020 the economic ratio has decreased significant return of 73.36% which is included in the less economical category because between 60% to 80%, for 2021 the economic ratio slightly increased by 78.50% even though u remains in the less economical category because it is between 60% to 80%. Where the standard of the economic ratio is 100% which can be said that the Medan City Government is still not able to make appropriate allocations in its budget. The 2019 fiscal year was the best because it produced an economic ratio of 80.27% and was said to be quite economical.

Based on the figure the development of the Medan City Government's economic ratio for 2017 to 2020 has changed. This happens because of changes in the amount of Medan City Government spending every year. Through economic ratio analysis, it can be seen how much the Medan City Government's expenditure realization is against the expenditure target that has been determined by the Medan City Government which should be achieved in a certain period. Economic ratios are often called savings which include careful management and no waste. The greater the economic percentage, the better the government's financial performance.

Efficiency Ratio

It can be seen from the table, for the efficiency ratio of the Medan City Government from 2017 to 2021, where for 2017 the efficiency ratio is 99.66% which is included in the less efficient category because it is between 90% to 100%, for in 2018 the efficiency ratio decreased by 99.06% which was included in the less efficient category because it was between 90% to 100%, for 2019 the efficiency ratio also decreased significantly by 91.68% which was included in the less efficient category, for In 2020 the efficiency ratio has increased by 96.64% even though it is still said to be less efficient because it is between 90% to 100%, for 2021 the efficiency ratio has decreased again by 89.57% which is included in the quite efficient category because it is between 80% up to 90%. And it can be said that the Medan City Government is still not efficient in 2017-2021.

Based on the figure it shows that the efficiency ratio has increased and decreased. This is because the Medan City Government has not been able to use the necessary resources by streamlining expenditures to achieve the targets achieved. Through efficiency ratio analysis, if the Medan City Government succeeds in realizing the budget, it is greater than the realization of the revenue budget received.

Effectiveness Ratio

It can be seen from table that the effectiveness ratio of the Medan City Government when measured for 5 years, from 2017-2021. Where in 2017 the effectiveness ratio of 79.82% is included in the less effective category because it is between 60% to 80%, for 2018 the effectiveness ratio has increased by 81.19% is included in the quite effective category because it is between 80% to 90% , for 2019 the effectiveness ratio has increased again by

88.20% including in the category of quite effective because it is between 80% to 90%, for 2020 the effectiveness ratio has decreased where 83.84% is still said to be quite effective because among 80% to 90%, for 2021 the effectiveness ratio has increased by 96.43% including the effective category because it is between 90% to 100%.

Based on the figure it shows that the effectiveness ratio has increased and decreased. 2021 is the best year than the previous year, and the category is effective. The Medan City Government is said to be successful if it can realize an income budget that is greater than the set revenue target, and the costs incurred to realize the budget are smaller than the expenditure target received.

The measurement of the Medan City Government's financial performance using the Value For Money which is measured using economic ratios, efficiency ratios and effectiveness ratios has fluctuated, this can be seen from the trend below:

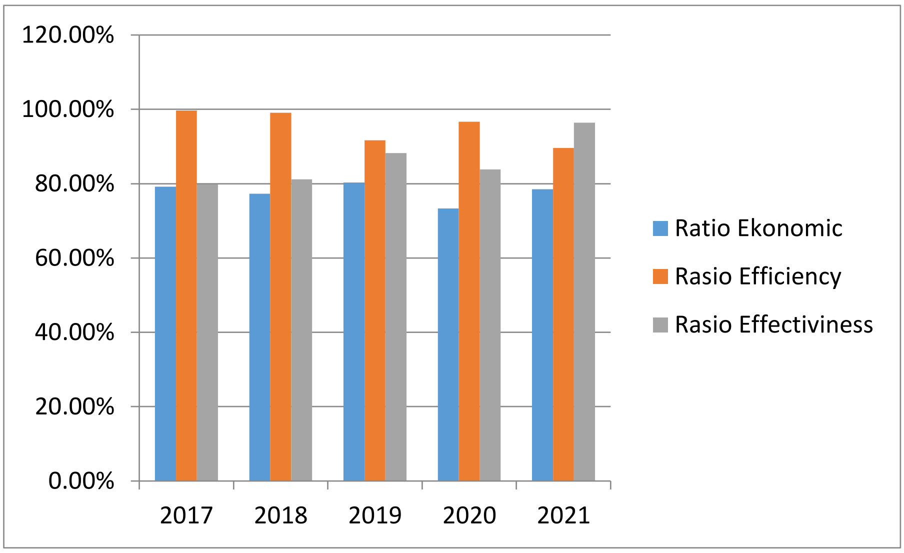

Figure 4. Development of Economic Ratios, Efficiency Ratios and Effectiveness Ratios

It can be seen from the graph above that the economic ratio for the cost of spending has fluctuated during In the last 5 years, the level of spending efficiency has also fluctuated, and the revenue effectiveness ratio has increased even though in 2020 it has decreased and in 2021 it has increased effectively.

CONCLUSION

Medan City Government Performance based on Value for Money measured by economic ratios, efficiency ratios and effectiveness ratios from 2017 -2021 has decreased and increased every year. The economic ratio has not been said to be economical if it is calculated for 5 years the average is between 77.73%, it is in the less economical category. In terms of efficiency, the average efficiency ratio of 95.32% is included in the less efficient category. In terms of effectiveness, it has an average ratio of 85.89% in the category of quite effective.

The way to increase the value for money in the Medan City Government is that the Medan City Government must be optimal in obtaining regional income, especially regional original income (PAD) in increasing regional wealth results in order to reduce contributions from the central government and use regional budgets. right on target in maximizing the work program of the Medan City Government, as well as emphasizing costs for operating expenses and increasing capital expenditures so that the quality of service to the community is balanced with the expenditures issued by the Regional Government.

From the results of the study, Value for Money in the Medan City Government has not met the standards based on Kepmdagri No. 600.900-327 of 1996. A performance is said to be economical if the economic ratio reaches 90%, it is said to be efficiency if the efficiency ratio reaches 80%, and is said to be effective if the effectiveness ratio reaches 90%. From the calculations for the three ratios, none of them reached the standard based on Kepmdagri No. 600,900-327 in 1996. It can be concluded that the performance of the Medan City Government is not optimal.

SUGGESTION

a. For the economical ratio into the Less economical category, it is hoped that the Medan City Government as a user of the regional budget will pay more attention to excess so that there is no more wasting of funds that exceeds the target that has been given.
b. For the Efficiency Ratio into the Less Efficient category, it is hoped that the Medan City Government can streamline its budget properly, so that it is more precise in the use of funds provided by the State and there is no excessive use of funds to run its work program.
c. For the Effectiveness Ratio to be in the Quite Effective category, it is hoped that the Medan City Government, so that agencies can also improve the effectiveness of their services, so that with a large enough output can increase effectiveness, because the effectiveness of a program can increase if the community is satisfied with the services provided to them.

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