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Analysis of the Regional Financial Performance in Banten Province's Regencies and Cities for Efficiency and Effectiveness

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ABSTRACT

Efficiency and effectiveness of financial management is needed to finance implementation of government tasks. The formulation of the problem in this study are: 1) How is the performance government-based financial management efficiency level of regional finance in Banten? 2) How is the government's financial performance based on the level of financial effectiveness in Banten. This study aims: 1) To analyze the government's financial performance based on the efficiency level of regional financial management in Banten, 2) To analyze the government's financial performance based on the level of financial effectiveness in Banten during 2015-2018. This type of research is descriptive quantitative research. It is using regional financial ratio analysis methods and non-parametric methods Data Analysis Envelopment (DEA) assuming Variable Return to Scale (VRS) output-oriented. Based on the analysis of the efficiency level of regional financial performance in districts and cities in Banten Province using ratio analysis, Efficiency financial management of regencies and cities in Banten, there are two local governments that can be categorized as quite efficient, namely: Lebak Regency and Pandeglang Regency. Based on the analysis of the level of effectiveness there are 7 districts and cities that are very effective and only Cilegon is included in the effective category. Financial management efficiency level regions using the DEA method with an intermediation approach, assuming VRS and output-oriented individually showing the results that there is no area that gets a score maximum efficiency reaches 100%.

Keywords: *Efficiency, Effectiveness, DEA, Financial Performance*

Introduction

It is impossible to separate the principle of regional autonomy from regional development as a vital component of national development.. As an autonomous region, the region has the authority and responsibility to carry out the interests of the community based on the principles of openness, community participation and accountability to the community. The current reform era offers a chance to switch from the growth paradigm to a more equitable and balanced development paradigm for the country..

Regional autonomy is not only the delegation of authority and financing from the central government to the regional governments, but more importantly is the desire to increase the efficiency and effectiveness of the management of regional financial resources to improve welfare and service to the community (Yani, 2002).

The main characteristics of a region that is capable of implementing an autonomous region, namely: (1) financial capability of the region, meaning that the region must have the authority and ability to explore financial sources, manage and use its own finances which are sufficient enough to finance the administration of its government, and (2) dependence on central assistance must be minimized, so that local revenue (PAD) can become part of the largest financial source so that the role of local government becomes bigger (Halim in (Saputra, 2014).

Regional financial efficiency ratios describe the comparison between the realization of regional spending and the realization of income The regional government's financial performance is categorized as efficient if the ratio achieved is less than 1 (one) or below 100 (one hundred) percent. The smaller the regional financial efficiency ratio means that the regional government's financial performance is getting better and regional financial management is more efficient.

Regional financial effectiveness ratios indicate to the ability of local governments to mobilize PAD revenues according to the target. Measurement of the effectiveness ratio is important to measure the ability of local governments to realize PAD which is an important component in the Autonomous Region, said to be effective if it reaches 1 (one) or 100 (one hundred) percent. However, the higher the effectiveness ratio, the better the government's financial performance.

Aside from the effectiveness ratio, the most important aspect of implementing and realizing regional autonomy is lowering regional expenditure costs.Aside from the effectiveness ratio, the most important aspect of implementing and realizing regional autonomy is lowering regional expenditure costs. This needs to be done because even if the local government succeeds in realizing the revenue revenue target in accordance with the target set, this success will be meaningless if it turns out that the costs incurred to realize the revenue revenue target are greater than the revenue realization it receives.

The government's ability to manage regional finances is reflected in the Regional Revenue and Expenditure Budget (APBD). The APBD is the 15 annual regional government financial plans that are discussed and agreed upon jointly by the local government and DPRD and stipulated by regional regulations (Mardiasmo, 2004).

APBD is the main policy instrument for local government. As a policy instrument, APBD occupies a central position in efforts to develop the capability and effectiveness of local government. The APBD has an authority function which implies that the regional budget is the basis for implementing regional revenues and expenditures (Mardiasmo, 2004).

The success of exploring and increasing regional income must be balanced with regional success in reducing regional expenditure. Regional expenditures are all expenditures from the regional general treasury account which reduce the equity of funds, are regional obligations in one fiscal year and no repayment will be obtained by the region (Mahsun, 2012).

One of the spirit of regional financial reform is the implementation of financial accountability by the Regional Government and an evaluation of the financial performance of the autonomous region so that it can be known to what extent the autonomous regional government is capable of implementing autonomy, especially in the financial sector.

The financial accountability of district or city regional heads in Banten Province has been carried out throughout 2014 to 2017 before the Regency and City DPRD. However, this accountability has not been supplemented by information on how the financial performance and the various financial dimensions of the autonomous region are obtained so that a more comprehensive financial performance assessment can be obtained in implementing regional financial autonomy. In this regard, it is very relevant to conduct research to determine the financial performance of the autonomous districts and cities in Banten Province.

In managing their regional finances, regional governments can apply financial ratio analysis to the APBD that has been determined and implemented. APBD financial ratio analysis is performed by comparing results from one period to the previous period in order to identify trends. Through this analysis, the government can assess regional financial independence in financing the implementation of regional autonomy, measuring effectiveness and efficiency in realizing regional revenues (Halim, 2008).

Based on the explanation of the background, the authors conducted research on regional financial performance based on the level of effectiveness and efficiency of regional finances entitled: Analysis of the Efficiency and Effectiveness of Regional Financial Performance of Regencies and Cities in Banten Province.

Literature Review

Regional finances are all regional rights and obligations in the context of administering regional government which can be valued in money including all forms of wealth related to regional rights and obligations within the framework of the regional revenue and expenditure budget (Yani, 2002).

Regional financial policies are always aimed at achieving development goals, such as establishing an independent regional economy based on the principle of kinship and economic democracy based on Pancasila and the 1945 Constitution, with an increase in evenly distributed people's prosperity.

Arrangements regarding regional financial management as stipulated in Government Regulation Number 58 of 2005 which replaced Government Regulation Number 105 of 2000 are general rules and place more emphasis on principles, norms, and general foundations in regional financial management.

Meanwhile, detailed financial management systems and procedures are determined by each region. Diversity is possible as long as it is in line with or does not conflict with government regulations. APBD consists of regional income, regional spending, and regional financing.

Regional government financial performance is the level of achievement of a work result in the field of regional finance, which includes regional revenues and expenditures using financial indicators determined through a policy or statutory provision during one budget period. The form of performance measurement is a financial ratio formed from elements of accountability reports to regional heads in the form of APBD calculations (Saputra, 2014).

performance measurement that is used in general by profit-oriented companies, among others, through the determination of financial ratios. The ratio referred to in the financial statements is a number that shows the relationship between an element and another element.

In the APBD, financial ratio analysis is performed by comparing results from one period to the previous period in order to identify trends. It can also be done by comparing the financial ratios of one regional government to the financial ratios of other regions that are close to it or have similar regional potential to see how the regional government's financial ratios compare to those of other regional governments.

Several financial ratiosbe used to measure regional government accountability, namely the ratio of financial independence (fiscal autonomy), the ratio of effectiveness to local revenue, the ratio of regional efficiency, the ratio of harmony, the ratio of growth (shift analysis), the ratio of the proportion of income and spending (share analysis)).

Furthermore, regional financial performance can be measured by analyzing the efficiency scale. Efficiency is a measure of whether the use of goods and services purchased and used by government apparatus organizations can achieve certain organizational goals. Efficiency is closely related to the concept of productivity.

Efficiency measurement is carried out by using a comparison between the output produced and the input used (cost of output). The process of operational activities can be said to be efficient if a certain product or work result can be achieved with the lowest possible use of resources and funds (Ulum, 2012).

Effectiveness analysis also needs to be done on the use of regional finance. According to Permendagri Number 13 of 2006 effectiveness is the achievement of program results with predetermined targets, namely by comparing expenses with results.

The regional financial effectiveness ratio (hereinafter referred to as the "EKD ratio") shows the ability of regional governments to realize the planned regional own-source revenue (PAD) compared to the target set based on the real potential of the region. The ability of the region to carry out its duties is categorized as effective if the ratio achieved is at least 100%. However, the higher the effectiveness ratio describes the better regional capabilities.

In the view of Islamic economics, performance (work results) is related to everything that has been done by an individual relevant to certain standards. Regarding human performance, Allah reveals it in the form of rewards and punishments. When humans carry out all the commandments of Allah then Allah gives him a reward. Conversely, when humans violate the rules that He has outlined, Allah will punish them with painful punishments, as explained in several verses in the Al-Quran, including Surah Al-Kahf verses 87-88. So that performance appraisal in Islam must be based on the principles of the Koran.

Allah will certainly reward every human deed according to what they have done. This means that if someone does a good job and shows good performance for his organization, he will also get good results from his work and provide benefits for his organization.

In carrying out state revenue collection, there are several principles that must be obeyed by Ulil Amri, namely: 1) There must be a Nash (Al-Quran and Hadith) that governs it; 2) There must be a distinction between Muslims and non-Muslims, 3) Only the rich who bears the burden, and 4) There is a demand for public benefit.

Method

The writer uses a quantitative descriptive research method. The data used in this study are reports on the realization of district and city APBDs in Banten for the period 2015 to 2018. Reports on the realization of APBD were obtained from BPKAD in Banten Province.

The data analysis technique used is to calculate the ratio of efficiency to effectiveness. Then, using the Data Envelopment Analysis (DEA) method, make these two ratios the output variables, and the input variables are realization of PAD and realization of central government transfer-equilibrium funds. This efficiency measurement is output oriented with the assumption of Variable Return to Scale (VRS) using *software* MaxDEA 8 Basic

Results and Discussion

Results

Regional Financial Management Efficiency Analysis Using Ratio Analysis

The efficiency of regional financial management can be calculated by comparing the realization of regional spending to the realization of regional revenues. The magnitude of the regional financial efficiency ratio of the regency and city governments in Banten Province during the 2015-2018 period can be seen in the table below:

Table 1.
Ratio of Regency and City Governments' Financial Management Efficiency in Banten Province, 2015–2018

No	Regency and City	Efficency Ratio (%)				Category	
		2015	2016	2017	2018	Average	Description
1	Kota Tangerang Selatan	100,71	108,42	98,9	101,82	102,4625	Not Efficient
2	Kota Tangerang	91,73	109,07	99,11	107,93	101,96	Not Efficient
3	Kabupaten Tangerang	94,85	88,84	86,37	97,17	91,8075	Not Efficient
4	Kabupaten Serang	101,62	103,06	83,41	102,72	97,7025	Not Efficient
5	Kota Serang	96,04	99,76	108,05	98,83	100,67	Not Efficient
6	Kota Cilegon	103,82	99,63	102,83	97,49	100,9425	Not Efficient
7	Kabupaten Pandeglang	88,62	84,82	86,61	88,57	87,155	Not Efficient
8	Kabupaten Lebak	93,52	83,95	85,65	83,16	86,57	Not Efficient

Source: Data processing using Ms.Excel 2010

In order to determine the efficiency ratio of regional revenues, the calculations in the above table compared the realization of expenditures and the realization of regional income from all the regencies and cities in Banten Province. The effectiveness of regional financial management in Banten Province's cities and regencies was 96.36% in 2015, 97.2% in 2016, and 93.87% in 2017, with a rise to 97.21 in 2018. In Banten Province, the district and city regional financial management efficiency trend on average from 2015 to 2018 was 96.16%, falling into the less efficient category.

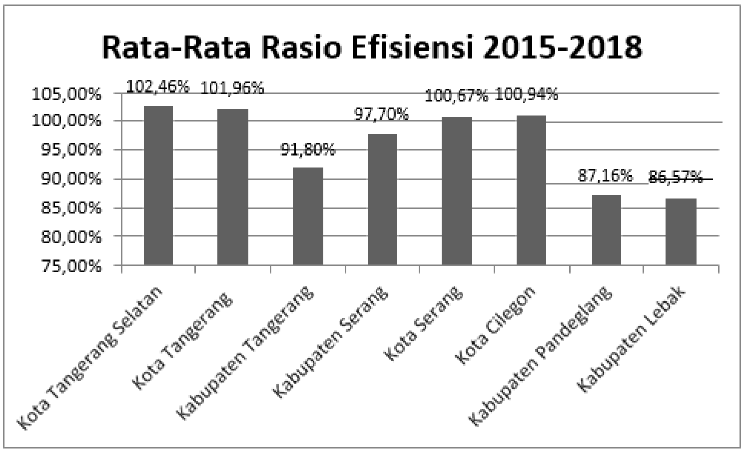
Regional government financial performance in collecting revenue is categorized as efficient if the ratio achieved is less than 1 (one) or below 100%. The smaller the regional financial efficiency ratio means that the regional government's financial performance is getting better. The efficiency ratio of local government financial performance with the lowest level of efficiency or below 100% for 2015, 2016, 2017 to 2018 respectively 88.62, 84.82, 86.61 and 88.57 was obtained by the District Pandeglang is in quite efficient category. While the efficiency ratio of local government financial performance with the highest level of efficiency is more than 100% for 2015 Cilegon City obtained 103.82%, 2016 South Tangerang City obtained 108.42%, 2017 Serang City obtained 108, 05%, then in 2018

Tangerang City received 107.93%. Everything is in the inefficient category.

Based on the previous explanation, it can be seen that the efficiency level of regional financial management in Regencies and Cities in Banten Province is fluctuating. On average from 2015 to 2018, regional financial efficiency in regencies and cities in Banten Province was 96.16% which was in the less efficient category. This shows that the ability of the region is not good.

A graph of the typical regional financial efficiency can be created from table 1 above, as shown in the following figure:

Figure 1.
Average Regional Financial Efficiency Ratio
Regencies and Cities in Banten Province 2015-2018



Source: Data processing using Ms.Excel 2010

The figure above shows that the average efficiency ratio for district and city regional financial management in Banten Province during 2015-2018 with the lowest efficient level category or below 100% is Lebak Regency at 86.57% indicating that Lebak Regency is quite efficient , while the efficiency ratio for district and city regional financial management in Banten Province with the highest efficiency level category or at a rate above 100% is South Tangerang City at 102.46% indicating that South Tangerang City is inefficient.

Regional Financial Effectiveness Analysis using Ratio Analysis.

The effectiveness of regional financial management can be calculated by comparing the realization of regional original revenue receipts with the regional original revenue revenue budget. The magnitude of the regional financial effectiveness ratio for regencies and cities in Banten Province in 2015-2018 can be seen in the following table:

Table 2.
The Effectiveness of Regional Financial Management Regencies and Cities in Banten Province 2015-2018

No	Regencies and Cities	Efectivity Ratio (%)	Year			Category	
		2015	2016	2017	2018	Average	Description
1	City of Tangerang	109,67	108,24	111,99	108,55	109,6125	Very Effective
2	Selatan	114,07	110,34	120,05	109	113,365	Very Effective
3	Tangerang City	116,73	117,07	127,76	115,15	119,1775	Very Effective
4	Tangerang Regency	104,39	104,66	105,44	103,19	104,42	Very Effective
5	Serang Regency	118,72	110,22	108,21	108,33	111,37	Very Effective
6	Serang City	112,36	100,68	85,35	78,85	94,31	Effective
7	Cilegon	107,32	102,65	110,2	95,79	103,99	Very Effective
8	Pandeglang	114,3	95,1	102,75	113,09	106,31	Very Effective

Source: Data processing using Ms.Excel 2010

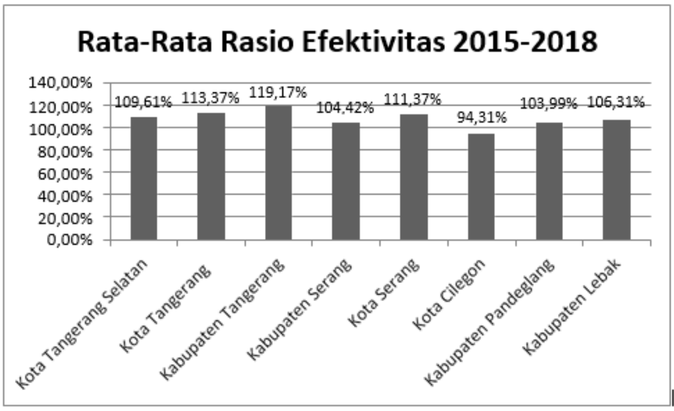
In order to determine the effectiveness ratio of Regional Original Revenue, the calculations in the table compare the realization of PAD and Target PAD from all Regencies and Cities in Banten Province. In Regencies and Cities in Banten Province, the effectiveness of Local Own Revenue is on average at a ratio of 112.2% for 2015, 106.12% for 2016, 108.97% for 2017, and further decreased in 2018 to 103.99%. In Banten Province, the tendency for district and city PAD effectiveness from 2015 to 2018 was 107.82%, falling into the very effective category.

The highest regional original revenue effectiveness ratio was obtained by Serang City for 2015, 2016, 2017 to 2018 obtained by Tangerang Regency at 117.07%, 127.76% and 115.15%, with the average trend from 2015 to 2018 being 107.82% so that it is in the very effective category. Meanwhile, the effectiveness ratio of the lowest Original Regional Income, for 2015 was obtained by Serang Regency, which was 104.39%, with an average effectiveness ratio of regional original income of 112.2%. In 2016, Lebak Regency obtained a score of 95.1 with an average Regional Own Revenue effectiveness ratio of 106.12%. In 2017 and 2018 Cilegon City received 85.35% and 94.31 with an effectiveness ratio of Regional Own Revenue on average 102.75% and 103.99.

The level of regional financial management effectiveness in the Regencies and Cities of Banten Province fluctuates, as can be seen from the previous explanation. The effectiveness of regional finance in Regencies and Cities in Banten Province was 107.82% on average from 2015 to 2018, falling into the very effective category. This demonstrates the improvement in regional capacity.

From the table above a graph of the average regional financial effectiveness can be made as can be seen in the following figure:

Figure 2.
Average Regional Financial Effectiveness Ratio
Regencies and Cities in Banten Province
2015-2018



Source: Data processing using Ms.Excel 2010

The figure shows that the average ratio of the effectiveness of district and city regional financial management in Banten Province during 2015-2018 with the highest level of effectiveness category is Tangerang Regency of 119.17% indicating that Tangerang Regency is very effective, while the ratio of effectiveness of district and regional financial management is The city in Banten Province with the lowest level of effectiveness is Cilegon City at 94.31% indicating that Cilegon City is effective.

Results of Non-Parametric Data Envelopment Analysis (DEA) Techniques Analysis City of Tangerang Selatan

The results of measuring the efficiency level of South Tangerang City with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 3.
Efficiency Level City of Tangerang Selatan (%)

Year	2015	2016	2017	2018
Efficency Score	97,07	100	97,04	96,67

Source: MaxDEA data processing on VRS assumption

Based on the table, the lowest efficiency achieved by the City of South Tangerang in 2018 was 96.67%.

Tangerang City

The results of measuring the efficiency level of Tangerang City with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 4.
Tangerang City Regional Financial Management Efficiency Level (%)

Year	2015	2016	2017	2018
Efficency Score	94,97	100	100	98,95

Source: MaxDEA data processing on VRS assumption

The City of Tangerang's regional financial management efficiency level for 2015 displays the lowest number, 94.97, as can be seen. The City of Tangerang once again received the highest possible efficiency rating in 2016 and 2017. But in 2018, the City of Tangerang saw a 98.95% decline in presentation figures.

Tangerang Regency

The results of measuring the efficiency level of South Tangerang City with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 5.
Tangerang Regency Regional Financial Management Efficiency Level (%)

Year	2015	2016	2017	2018
Efficency Score	96,90	95,13	100	96,87

Source: MaxDEA data processing on VRS assumption

Tangerang Regency experienced a decrease in efficiency in 2016 of 95.13. This value is the lowest efficiency percentage experienced by Tangerang Regency from 2015 to 2018.

Serang Regency

The following are the findings from measurements based on output-oriented measurements of Serang Regency's efficiency level using an intermediary approach and VRS analysis:

Table 6.
Serang Regency Regional Financial Management Efficiency Level (%)

Year	2015	2016	2017	2018
Efficiency Score	94,97	95,71	87,67	94,76

Source: MaxDEA data processing on VRS assumption

From the table above, the efficiency level of regional financial management in Serang Regency has decreased. The lowest efficiency achieved by Serang Regency in 2017 was 87.67%.

Serang City

The results of measuring the efficiency level of Serang City with an intermediation approach using VRS (Variable Return to Scale) analysis, measurements based on output oriented are as follows:

Table 7.
Serang City Regional Financial Management Efficiency Level (%)

Year	2015	2016	2017	2018
Efficiency Score	100	100	100	98,63

Source: MaxDEA data processing on VRS assumption

Serang City regional financial management experienced a decrease in efficiency in 2018 of 98.63%. This value is the lowest efficiency percentage experienced by the City of Serang from 2015 to 2018.

Cilegon City

The results of measuring the efficiency level of Cilegon City with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 8.
Serang City Regional Financial Management Efficiency Level (%)

Tahun	2015	2016	2017	2018
***Score* Efisiensi**	100	92,43	95.3	90,46

Source: MaxDEA data processing on VRS assumption

The efficiency level of regional financial management in Cilegon City has decreased. The lowest efficiency achieved by Cilegon City in 2018 was 90.46%.

Pandeglang Regency

The results of measuring the efficiency level of Pandeglang Regency with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 9.
Serang City Regional Financial Management Efficiency Level (%)

Tahun	2015	2016	2017	2018
***Score* Efisiensi**	91,13	87,16	92,1	85,46

Source: MaxDEA data processing on VRS assumption

From the table above, the efficiency level of regional financial management in Pandeglang Regency has decreased. The lowest efficiency achieved by Pandeglang Regency in 2018 was 85.46%.

Lebak Regency

The results of measuring the efficiency level of Lebak Regency with an intermediation approach using VRS (Variable Return To Scale) analysis, measurements based on output oriented are as follows:

Table 10.
Serang City Regional Financial Management Efficiency Level (%)

Tahun	2015	2016	2017	2018
***Score* Efisiensi**	96,54	83	87,32	94,62

Source: MaxDEA data processing on VRS assumption

The efficiency level of regional financial management in Lebak Regency has decreased. The lowest efficiency achieved by Pandeglang Regency in 2016 was 83%.

The table below shows the average regional financial efficiency for 2015-2018:

Table 11.
Average Efficiency of Regional Financial Management 2015-2018

NO	**Regencies/Cities**	**Year**				**MEAN**
		2015	**2016**	**2017**	**2018**	
1	City of Tangerang Selatan	97,07	100	97,04	96,67	97,695
2	Tangerang City	94,97	100	100	98,95	98,48
3	Tangerang Regency	96,9	95,13	100	98,87	97,725
4	Serang Regency	94,97	95,71	87,67	94,76	93,2775
5	Serang City	100	100	100	98,63	99,6575
6	Cilegon	100	92,43	95,3	90,46	94,5475
7	Pandeglang	91,13	87,16	92,1	85,46	88,9625
8	Lebak	96,54	83	87,32	94,62	90,37
MEAN		**96,4475**	**94,17875**	**94,92875**	**94,8025**	

There is not a single regional government in Banten Province that achieves a perfect efficiency score, as can be seen from the average efficiency of regional financial management in Regencies and Cities. Serang City, with a score of 99.66%, has the highest average efficiency rating among local governments. In contrast, Pandeglang Regency, with a score of 88.96%, has the lowest average efficiency rating among local governments.

During the observation period, from 2015 to 2018, there were fluctuations in the average performance of regional financial management in the Regencies and Cities in Banten Province as a whole with case studies in Regencies and Cities in Banten Province. 2015 saw the highest average rating for the effectiveness of regional financial management in Banten province's regencies and cities. In the cities and regencies of Banten province, the average efficiency score for regional financial management in 2015 was 96.45%.

In the following year, the average efficiency decreased by 2.27% to 94.18. In 2017 the average efficiency increased by 0.75% to 94.93%. And at the end of the research year, namely 2018, the average efficiency of regional financial management again decreased by 0.13%.

Discussion

Analysis of the Efficiency Levels of Eight Regencies and Cities in Banten Province Using Ratio Analysis for the 2015–2018 Period

Regional spending must be balanced with regional revenues. This is because, if regional spending cannot be matched by regional revenues, there will be a regional budget deficit. Conversely, if regional revenue is greater than regional expenditure, there will be a regional budget surplus. This regional budget surplus is due to the efficiency carried out by the regional government in regional financial management. To find out the level of regional financial efficiency in regencies and cities in Banten Province, namely by comparing the realization of regional spending to the realization of regional revenues. The greater the efficiency ratio, the more inefficient the regional financial management will be.

Regional financial management of South Tangerang City for the 2015 to 2018 fiscal year is at the level of inefficient regional financial management with an average efficiency ratio of 102.46 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is not good. An efficiency ratio that exceeds 100 percent means that regional expenditure has exceeded the available budget, so that regional expenditure is financed with other sources of funds such as SILPA funds, loans to the center or loans to financial institutions.

Tangerang City's regional financial management for the 2015 to 2018 fiscal year is at the level of not efficient regional financial management with an average efficiency ratio of 101.96 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is not good. An efficiency ratio that exceeds 100 percent means that regional expenditure has exceeded the available budget, so that regional expenditure is financed with other sources of funds.

Tangerang Regency regional financial management for the 2015 to 2018 fiscal year is at the level of regional financial management that is less efficient with an average efficiency ratio of 91.81 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is quite good. An efficiency ratio that does not exceed 100 percent means that regional spending does not exceed the available budget.

Serang Regency's regional financial management for the 2015 to 2018 fiscal year is at the level of inefficient regional financial management with an average efficiency ratio of 97.7 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is not good.

Serang City's regional financial management for the 2015 to 2018 fiscal year is at the level of inefficient regional financial management with an average efficiency ratio of 100.67 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is not good. An efficiency ratio that exceeds 100 percent means that regional expenditure has exceeded the available budget, so that regional expenditure is financed with other sources of funds.

Cilegon City's regional financial management for the 2015 to 2018 fiscal year is at the level of inefficient regional financial management with an average efficiency ratio of 100.94 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is not good. An efficiency ratio that exceeds 100 percent means that regional expenditure has exceeded the available budget, so that regional expenditure is financed with other sources of funds.

Regional financial management of Pandeglang Regency for the 2015 to 2018 fiscal year is at a fairly efficient level of regional financial management with an average efficiency ratio of 87.16 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is quite good.

Regional financial management of Lebak Regency for the 2015 to 2018 fiscal year is at a fairly efficient level of regional financial management with an average efficiency ratio of 86.57 percent. This shows that the government's financial performance based on the efficiency level of regional financial management is quite good.

From the results of calculations for all regencies and cities in Banten Province, the areas that experienced a fairly efficient assessment were Lebak Regency and Pandeglang Regency with sufficiently efficient criteria, but the best efficiency score was achieved by Lebak Regency with the lowest efficiency score of 83.16 percent. Meanwhile, the area with the highest score for inefficiency was South Tangerang City, which was 102.46 percent, because the greater the efficiency ratio, the more inefficient the regional financial management would be.

Analysis of the Efectivity Levels of Eight Regencies and Cities in Banten Province Using Ratio Analysis for the 2015–2018 Period

The results of the analysis of the level of effectiveness of regional financial performance in regencies and cities in Banten Province using ratio analysis during the 2015-2018 period, the effectiveness of regional financial management in regencies and cities in Banten province on average there are seven local governments that can be categorized as very effective.

South Tangerang City 109.61%, Tangerang City 113.37%, Tangerang Regency 119.18%, Serang Regency 104.42%, Serang City 111.37%, Pandeglang Regency 103.99%, and Lebak Regency by 106.31%. There is only one regional government that is categorized as effective, namely Cilegon City with 94.31%. This illustrates that local governments in regencies and cities in Banten Province have been able to realize PAD beyond the planned target. The higher the effectiveness ratio, the better the government's financial performance.

Analysis Using Data Envelopment Analysis (DEA)

With the assumption that they were technically output-oriented Variable Return To Scale (VRS) during the 2015–2018 period, the Data Envelopment Analysis (DEA) results of the analysis of the efficiency level of eight district and city local governments in Banten province reveal that: not a single local government achieved a score of perfect efficiency. Just one, the City of Serang, with a score of 99.66%, comes the closest to the ideal efficiency value. This could mean that regional financial management in the province of Banten's regencies and cities hasn't been able to fully utilize all of its resources and isn't considered an efficient area.

Conclusion

The following conclusions can be drawn by the authors based on the analysis and discussion of the level of effectiveness and efficiency of regional financial performance in regencies and cities in Banten Province:

1. Based on an analysis of the level of effectiveness of regional financial performance in regencies and cities in Banten Province using ratio analysis during the 2015-2018 period, the effectiveness of regional financial management in regencies and cities in Banten province on average there are seven local governments that can be categorized as very effective, namely Tangerang City South 109.61%, Tangerang City 113.37%, Tangerang Regency 119.18%, Serang Regency 104.42%, Serang City 111.37%, Pandeglang Regency 103.99%, and Lebak Regency of 106.31%. There is only one regional government that is categorized as effective, namely Cilegon City with 94.31%. This demonstrates how local governments in Banten Province's cities and regencies have been successful in realizing PAD above and beyond the predetermined goal. The government performs better financially the higher the effectiveness ratio.
2. Two local governments in Banten province, namely Lebak Regency and Pandeglang Regency, can be categorized as quite efficient on the basis of an analysis of the efficiency level of regional financial performance in regencies and cities during the 2015–2018 period using ratio analysis. Their respective efficiency levels are 86.57% and 87.16%. Tangerang Regency and Serang Regency, with efficiency ratings of 91.81% and 97.70%, respectively, are two local governments that fall into this category. In the meantime, four additional regional governments—South Tangerang City (102.46%), Tangerang City (101.96), Serang City (100.67%), and Cilegon City (100.94%)—are rated as inefficient.
3. Using the Data Analysis Envelopment (DEA) method with an intermediary approach, assuming VRS and output-oriented individually, the efficiency level of regional financial management in regencies and cities in Banten Province for the 2015-2018 period shows the result that no single local government is able to generate and maintain a score maximum efficiency reaches 100%.

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