



DEPARTMENT OF ACCOUNTING

FACULTY OF ECONOMICS

**UNIVERSITAS ANDALAS
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THESIS

**ANALYSIS OF EFFECTIVENESS AND EFFICIENCY OF BUDGET
ABSORPTION AT LOCAL GOVERNMENT UNITS IN PADANG CITY
DURING COVID – 19 PANDEMIC**

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*"Proposed as one of the Requirements for Obtaining a Bachelor's
Degree in Accounting at Faculty of Economics, Andalas University"*

PADANG

2021

ABSTRACT

This study aims to analyze the revenue effectiveness and expenditure efficiency of budget absorption at Local Government Units in Padang City during the Covid-19 pandemic. And also want to know the impact of the Covid-19 pandemic on budget absorption on Local Government Units in Padang City. This study adopts the qualitative research approach, data obtained through the documentation method and the interview method. Based on the calculation of the revenue effectiveness ratio found in 2020, on average, there was an increase in revenue effectiveness of 7.14% from 2019 (stay in Less Effective category). And the calculation result of the expenditure efficiency ratio, the researcher found in 2020, on average, there was a decrease in expenditure efficiency of 2.57% than 2019 (Efficient Enough became Less Efficient). The results and discussion in this study found that The Local Government Units with the highest increase in revenue effectiveness are a Regional Public Service Agency (BLUD) that has the authority to manage their own finances and are engaged in public health services. The Local Government Unit with the highest decrease in revenue effectiveness is the ordinary Local Government Units, and the decrease occurred because influenced by the Covid-19 Pandemic. Furthermore, the average of Local Government Units in Padang experienced a decrease in expenditure targets, as a result of budget refocusing and rationalization. The low budget target results in a decrease in the expenditure efficiency ratio. Although Local Government Units experienced an increase in the expenditure efficiency ratio, the increase was not significant. Besides that, the PSBB policy limits the implementation of planned activities. This study has limitations on the informants of the interviews who are only represented by 8 Local Government Units. And also limited to the budget absorption in 2020 with a comparison in 2019.

Key words: Budget Absorption; Effectiveness; Efficiency; Covid-19 Pandemic.