

Comparative Analysis of The Levels of Effectiveness, Efficiency, and Independence of Regional Financial Management After and Before Covid-19 (A Case Study of Districts-Cities in South Sumatra Province)

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Abstract

The Covid-19 pandemic has had a significant impact on the economic sector, especially in the South Sumatra Province, which has caused a decline in regional financial income. This study aims to analyze the comparison of effectiveness, efficiency, and regional financial independence before and during the Covid-19 pandemic in districts/cities in South Sumatra Province. In this study, there were 17 district-city governments in South Sumatra Province which were sampled using the saturated sampling method. The data amounting to 34 for each variable before and during Covid-19. The analytical tool used in this study is the Difference Test. The results of this study indicate that there were significant differences in the effectiveness and efficiency of regional finance between before and during Covid-19. Meanwhile.

Keywords

Covid-19 pandemic, effectiveness, efficiency, independence, regional finance

INTRODUCTION

State financial management has an important role, namely to maintain, guarantee existence, and finance state management to realize prosperity. A good governance system can be achieved if the government can guarantee public interests or services in a balanced manner involving cooperation between the state, society, government and the private sector. One of them is the regional government whose role is to manage sources of income, allocate funds sourced from the Regional Revenue and Expenditure Budget (APBD) for development costs, obtain other sources of revenue according to law to accelerate development,

The effectiveness ratio is the ratio that shows the ability of local governments to realize the planned Regional Original Income (PAD) compared to the target Regional Original Income (PAD) which is set based on the real potential of an area (Mardiasmo, 2018). The greater the actual receipt of Regional Original Revenue (PAD) compared to the target of receipt of Regional Original Revenue (PAD), the more effective it will be. Efficiency is the comparison between the input and output of an existing plan. The efficiency ratio is the ratio between the realization of spending and the realization of regional income received (Mardiasmo, 2018). The smaller the efficiency ratio, the better regional financial management. The regional financial independence ratio

is the ratio between the original regional income and the total regional income (Mardiasmo, 2018).

In managing regional finances what is done must be in accordance with the effectiveness, efficiency and independence that is done optimally, because it relates to the target and realization of regional revenues. If the financial management is not yet effective, efficient and independent, it is necessary to improve the implementation of financial management. This aims to improve management and the availability of funds for development so that regional independence is guaranteed. The Covid-19 pandemic has had a significant impact on the surrounding community and globally. One of them is in the economic sector, especially in South Sumatra Province. According to data processed by DJPK from the 2021 Sumatran district-city APBD budget, it shows that out of 17 Regencies/Cities of South Sumatra Province, there are 10 regions that have experienced a decline in the effectiveness of regional finances. Then, there are 13 regions whose regional financial efficiency has decreased. For regional financial independence, there are 5 regions that have experienced a decline.

The impact of the Covid-19 pandemic on the economy in Indonesia according to research by Yamali and Putri (2020), namely: the problem of layoffs which is rife in large companies, 90% of employees are furloughed from their jobs and 10% of employees are laid off; Manufacturing Purchasing Managers Index

(PMI) decreased by 45.3% in March 2020; Imports decreased by 3.7% in the first quarter of 2020; inflation up to 2.96% (yoy) of gold and commodity prices in March 2020; there was a decline in the aviation, tourism, hotel and trade sectors by up to 50%. The government issued the instruction of the President of the Republic of Indonesia no. 4 of 2020 concerning refocusing activities, budget reallocation, and procurement of goods and services to accelerate the handling of the Covid-19 pandemic.

From the environmental sources of the South Sumatra Regional Government and the 2021 Regional Fiscal Study, comparative information was obtained between the realization of APBD revenues for the Province of South Sumatra. In 2019 the total realization of regional income amounted to Rp. 8.87 trillion, then decreased drastically by 5.86 trillion in 2020. Then, it increased again in 2021 to Rp. 6.87 trillion. The decline in the realization of regional income in 2020 was due to the impact of the Covid-19 pandemic. Revenue recovery in 2021 due to realization of transfer income increased by Rp. 0.82 trillion compared to 2020 to Rp. 5.70 trillion. Furthermore, the realization of regional original income has increased from 2020, namely Rp. 936 billion to Rp. 1.17 trillion in 2021. Meanwhile, the sources obtained are based on comparisons between the realization of APBD spending in South Sumatra Province. In 2019 the total regional expenditure realization was Rp. 4.44 trillion, and experienced a drastic decrease in 2020, namely Rp. 3.56 trillion. Then, it will decline again in 2021 to reach 3.12 trillion. The decrease in total regional financial spending in 2021 came from transfer spending, the realization of which was only 1.9 percent of the ceiling of Rp. 6.167 trillion, in contrast to the 2020 and 2021 periods reaching 5 percent and 21 percent. Then, the realization of operational expenditure for the Province of South Sumatra has decreased in 2021 by 9.90 percent from the ceiling of Rp. 26.53 trillion. Meanwhile, the realization of capital expenditure in 2021 has increased to Rp. 378 billion.

The Indonesian government implements policies for national economic recovery, there are three policies namely increasing domestic consumption, increasing business activity, and maintaining economic stability, and monetary expansion. The government has formed a special agency to work with economic recovery called the 2021 PEN Task Force. One of the drivers of the national economy is domestic consumption, the more consumption, the more the economy will move. The government has allocated a budget of IDR 172.1 trillion to boost consumption/public purchasing power. These funds are channeled through direct cash assistance, pre-employment cards, electricity exemptions, and others.

The government is trying to move the business world by providing incentives/stimuli to MSMEs and corporations. Then in order to support national economic recovery, Bank Indonesia maintains stabilization of the rupiah exchange rate, lowers interest rates, purchases

state securities, and macroeconomic and financial system stability. The objective of lowering interest rates is to increase financial liquidity to stimulate business activity.

Research conducted by Vebiani, et al. (2022) stated that the level of financial independence of Regency/City governments in West Java Province during Covid-19 experienced an improvement of 0.003 compared to before Covid-19. Then, the level of financial efficiency during the Covid-19 pandemic experienced an improvement of 0.05 compared to the previous time. Meanwhile, the level of financial effectiveness decreased by 0.093 when Covid-19 became less effective.

The ongoing Covid-19 pandemic in 2021 is a question of regional financial performance. So that the effectiveness, efficiency and independence of regional financial management have an important role in supporting the success of development and the regional economy. South Sumatra Province is one of the regions that has a lot of regional potential that can be optimized as a source of regional revenue, so researchers took districts/cities in South Sumatra Province as research objects to determine the effectiveness, efficiency and independence of regional finances before and after the Covid-19 pandemic.

Agency Theory

Agency theory (Agency Theory) according to Jensen and Meckling (1976) describes agency theory as the relationship between agents and principals. In an agency relationship, there is a contract between one or more people (principal) giving orders to another person (agent) to do a job on behalf of the principal and authorizing the agent to make the best decisions for the principal. In government, especially local governments, in this case what is meant by principals are the people represented by the DPRD (Regional People's Representative Council) who give trust for the management of their regional assets to agents, in this case the governors/mayors/regents for local governments..

Regional Financial Control

One important element in the administration of government and development in the regions is the regional financial management system. Based on the Regulation of the Minister of Home Affairs Number 77 of 2020 concerning technical guidelines for managing regional finances, it is stated that what is meant by regional finance are all regional rights and obligations in the context of administering regional government that can be valued in

money and all forms of wealth that can belong to the region in connection with rights and obligations of the area

Based on Government Regulation No. 12 of 2019, regional financial management is all activities including planning, implementation, administration, reporting, accountability, and regional financial supervision. Regional financial management must be carried out in an orderly manner, in compliance with applicable laws and regulations, efficiently, effectively, transparently and responsibly with due observance of the principles of fairness and decency. Principles of financial management to control regional finances according to Chabib and Heru in Pelealu, et al (2018) as follows:

1. Responsibility (Accountability), 2. Value for money, 3. Honesty in managing public finances (Probity), 4. Transparency and 5. Control.

Regional Revenue and Expenditure Budget (APBD)

The Regional Revenue and Expenditure Budget (APBD) is the regional annual financial plan stipulated by regional regulations. In a broad sense, the Regional Revenue and Expenditure Budget (APBD) is a budget plan consisting of revenue, expenditure and financing budgets designed by the Regional Government for one year with the approval of the Regional People's Representative Council (DPRD).

All regional revenues and regional expenditures in the form of money are budgeted in the APBD. Regional revenues consist of regional revenues and regional financing receipts. Regional expenditures consist of regional expenditures and regional financing expenditures (Permendagri Number 77 of 2020). Taking regional revenues in order to fulfill the APBD target. Likewise regional expenditures and other regional expenses so that the implementation of regional decentralization is carried out according to the amount and according to the objectives in the APBD. As the basis for regional financial management, APBD is determined as the basis for regional financial control, inspection and supervision activities.

Regional Financial Performance Measurement

Performance measurement according to Mahsun (2018) is a system used in assessing the level of achievement of organizational progress, quality of decision making, and public accountability. According to Poyoh, et al (2017) regional financial performance is the capacity of the region to meet regional needs by managing and exploring sources of local revenue in carrying out government systems, community services, and regional development. The benefits of measuring regional financial performance according to Mardiasmo in Soraida's quote, Septa (2022), namely:

1. Provides an understanding of the measures used in assessing management performance.
2. Provide guidelines for achieving predetermined performance targets.
3. To monitor and evaluate performance achievements and compare them with performance targets, corrective actions are then taken to improve performance.
4. As a basis for giving rewards and punishments (reward and punishment) objectively.
5. As a communication tool for subordinates and leaders to improve organizational performance.
6. Help determine whether customer satisfaction is met.
7. Help understand the process of government agency activities.
8. Ensure objective decision making.

According to the Ministry of Finance Directorate General of Treasury in the 2020 Regional Fiscal Study, the challenges in the economy of the South Sumatra Province are internal factors that affect the measurement of regional financial management performance:

1. Global economic uncertainty affected by the possibility of the continued spread of the Covid-19 outbreak.
2. Local Own Revenue is predicted not to fall from the projected 2020 budget so that the local government consumption side will experience a decline.

PAD Effectiveness Ratio

According to Mardiasmo (2018) the regional financial effectiveness ratio is the ratio of calculating the realization of Regional Original Revenue (PAD) to the target Regional Original Revenue (PAD). According to Onibala, et al. (2021) The effectiveness ratio of local original revenue describes local governments in achieving the target of regional original income

in the APBD. The effectiveness ratio describes the capacity of local governments in realizing the targeted Regional Original Revenue (PAD) with predetermined Regional Original Revenue (PAD). The ratio of effectiveness to local revenue (PAD) can be calculated using the following formula:

$$RE_{tev} = \frac{\text{Realisasi Penerimaan PAD}}{\text{Target PAD yang ditetapkan}} \times 100\%$$

Regional Financial Efficiency Ratio

The efficiency ratio is the ratio that describes the comparison between spending the amount spent and the actual income earned. The smaller the efficiency ratio, the better the performance of local government. According to Mardiasmo (2018) calculating the efficiency of regional financial management can be done by comparing the realization of spending to the realization of regional income. Regional Financial Efficiency Ratio can be calculated using the following formula:

$$RE_{cy} = \frac{T. \text{ Realisasi Belanja Daerah}}{T. \text{ Realisasi Pendapatan Daerah}} \times 100\%$$

Regional Financial Independence Ratio

According to Risky, et al in Rahmawati and Kiswara (2022) regional financial independence describes the dependence of local governments on regional funds obtained from outside. According to Halim

and Kusufi (2012) fiscal autonomy or the regional financial independence ratio describes the regional capacity to finance government activities from Regional Original Revenue (PAD). According to Minister of Home Affairs Regulation No. 19 of 2020, the ratio of regional financial independence can be measured by the following formula.

$$RM = \frac{\text{Total Pendapatan Asli Daerah}}{\text{Total Pendapatan}} \times 100\%$$

METHODS

This study discusses financial management in the government of 17 districts and cities in the province of South Sumatra where the performance is compared with cases before and after the presence of Covid-19 which is seen from the level of effectiveness, efficiency and independence in management. The data used as material for analysis is the APBD budget that has been collected and analyzed using SPSS to see the comparison of the budget where the analysis is with Shapiro Wilk normality test, and different test.

RESULTS AND DISCUSSION

Table 1. Descriptive Statistics of Effectiveness, Efficiency, and Regional Financial Independence

	Effectiveness		Efficiency		independence	
	Before the Covid-19 Pandemic	During the Covid-19 Pandemic	Before the Covid-19 Pandemic	During the Covid-19 Pandemic	Before the Covid-19 Pandemic	During the Covid-19 Pandemic
Average	0.9723	0.7829	1.0026	0.9602	0.0822	0.0846
Median	0.9510	0.8145	0.9955	0.9620	0.0740	0.0710
Standard Deviation	0.32283	0.25161	0.05628	0.08135	0.05331	0.06591

Source :Processed Data (2023)

The first analysis to be carried out is to calculate descriptive statistics from the effectiveness, efficiency, and regional financial independence data. Descriptive statistics that are calculated in this analysis include the average, median, and standard

deviation. Based on Table 1; regional financial effectiveness before Covid-19 had an average value of 0.9723 and regional financial effectiveness after Covid-19 had an average value of 0.7829. This shows that the variable data on regional financial effectiveness before

Covid-19 was classified as quite effective and during Covid-19 the status was less effective.

Furthermore, regional financial efficiency before Covid-19 has an average value of 1.0026 and regional financial efficiency after Covid-19 has an average value 0.9602. This shows that the regional financial efficiency variable data before Covid-19 was classified as fairly efficient and balanced and during Covid-19 the status was efficient.

Then, at the level of regional financial independence before Covid-19, it had an average value 0.0822 and regional financial independence when Covid-19 has an average value 0.0846. This shows that the data on the regional financial independence variable both before and during Covid-19 had very low status or were instructive.

Table 2. Average Effectiveness, Efficiency, and Regional Financial Independence Before and During the Covid-19 Pandemic

No	Kabupaten/Kota	Effectiveness			Efficiency			independence		
		Average Before Covid-19	Average During Covid-19	Average Amount	Average Before Covid-19	Average During Covid-19	Average Amount	Average Before Covid-19	Average During Covid-19	Average Amount
1	Lubuk Linggau City	1.42	0.81	1.12	0.96	0.9	0.94	0.09	0.1	0.093
2	Regency. Banyuasin	1.28	1.96	1.62	1.07	1	1.03	0.09	0.1	0.096
3	Regency. Ogan Ilir	0.62	0.66	0.64	1.01	0.9	0.97	0.06	0.07	0.063
4	Regency. OKU East	0.99	1.05	1.02	1	1	0.99	0.05	0.06	0.054
5	Regency. OKU South	0.96	0.67	0.82	1.01	1.1	1.04	0.04	0.05	0.041
6	Regency. Four Gates	0.7	0.73	0.71	1	1.1	1.03	0.04	0.04	0.04
7	Regency. PALI	0.67	0.86	0.76	1.02	0.8	0.93	0.05	0.04	0.048
8	Regency. Musi Rawas Utara	0.77	0.63	0.7	1.05	0.9	0.98	0.05	0.04	0.043
9	Regency. Wow	1.17	1.01	1.09	0.96	1	0.96	0.06	0.06	0.06
10	Regency. Musi Banyuasin	1.02	0.96	0.99	0.94	1	0.96	0.09	0.1	0.093
11	Regency. Musi Rawas	1.01	0.73	0.87	1.01	1	1.01	0.08	0.08	0.081
12	Regency. Muara Enim	1.16	0.74	0.95	1	1	0.98	0.1	0.07	0.082
13	Regency. OKI	0.93	0.43	0.68	1.03	1	1.02	0.08	0.08	0.077
14	Regency. OKU	0.94	0.54	0.74	1.02	0.9	0.96	0.09	0.08	0.082
15	Prabumulih City	0.93	0.54	0.73	1.02	0.9	0.95	0.09	0.07	0.078
16	Fence City	1.35	1.16	1.26	0.95	1	0.97	0.09	0.08	0.082
17	Palembang city	0.61	0.8	0.7	1	0.9	0.97	0.28	0.33	0.301
18	Total	16.53	14.28	15,4	16.03	16.4	16.69	1.43	1.45	1.414

Source :Processed Data (2023)

In addition, the calculation of the effectiveness, efficiency and independence of regional finances before and after the Covid-19 pandemic which is shown in Table 2 states that Data processing from table 4.2 can be seen at the level of regional financial effectiveness of 17 regencies and cities in South Sumatra Province before the Covid-19 pandemic, there were 7 regencies and cities which were very effective (> 100%) namely

Lubuk Linggau City, Banyuasin Regency, Lahat Regency, Musi Banyuasin Regency, Musi Rawas Regency, Muara Enim Regency, and Pagar Alam City. This shows that 7 districts and cities with very effective criteria (> 100%) succeeded in realizing PAD exceeding the PAD target. The results of the data calculation stated that there were 5 regencies and cities with sufficiently effective criteria (90-99%) namely East OKU Regency, OKU South

Regency, OKI Regency, OKU Regency, and Prabumulih City. This shows that the 5 regencies and cities can realize PAD from the set target PAD but have not fully maximized it. The results of the data calculation also show that there are 4 districts and cities with ineffective criteria (<75%) namely Ogan Ilir Regency, Empat Lawang Regency, PALI Regency, and Palembang City. This states that the 4 regencies and cities are lacking in realizing PAD from the target PAD set so that their effectiveness status is less effective.

Based on the results of managing data on the effectiveness of regional finances in 17 districts and cities in South Sumatra Province during the Covid-19 pandemic, it shows that there was an increase in the number of districts and cities with ineffective status between before the Covid-19 pandemic in 2019-2020 and during the Covid-19 pandemic. 2021-2022, namely from 4 districts/cities to 9 districts/cities. This means that there has been a decrease in the realization of district/city PAD in South Sumatra Province during the 2021-2022 Covid-19 pandemic. The implementation of the PPKM policy implemented by the Government in districts/cities in South Sumatra Province has had an impact on the decrease in the realization of PAD originating from levies and regional taxes so that it is experiencing problems.

Based on the results of data management from table 2, it can be seen from the average number between before and during Covid-19 regencies and cities in South Sumatra Province. From the data on the level of effectiveness before and during Covid-19 the smallest average number was OKI Regency at 0.68 (68%) with an ineffective status. This means that the OKI Regency Government in realizing the receipt of Regional Original Revenue is less than the set PAD target so that the status is ineffective. From the data on the level of effectiveness before and during Covid-19, the largest average number was Banyuasin Regency with a score of 1.62 (162%) with a very effective status. This means that the Government of Banyuasin Regency in realizing the receipt of Regional Original Revenue exceeds the set PAD target so that its status is very effective.

Then from the results of table 4.2 data calculation number 18, namely the sum of the level of financial effectiveness of districts/cities in South Sumatra Province between before and during Covid-19, namely 16.53 and 14.28. From these two data it can be concluded that

the average number of all regencies and cities in South Sumatra Province before Covid-19 was greater than during Covid-19. This shows that there are significant differences in regional financial effectiveness.

Based on the results of calculating data from table 2 on the efficiency level of regional financial management from 17 regencies and cities in South Sumatra Province before the Covid-19 pandemic, there were 7 regencies and cities whose status was efficient (less than 100%), namely Lubuk Linggau City, Empat Lawang Regency, Lahat Regency, Musi Banyuasin Regency, Muara Enim Regency, Pagar Alam City and Palembang City. This shows that the 7 regencies and cities realized less regional expenditure than realized regional income, causing the status of efficient regional financial efficiency. The results of data management also show that there are 3 regencies/cities with balanced efficient status (equal to 100%) namely Ogan Ilir Regency, OKU Timur Regency, and Musi Rawas Regency. This means that the realization of regional expenditures in the 3 regencies/cities is the same as the realization of regional income earned so that the status of regional financial efficiency is balanced. Then, the results of data management show that there are 7 districts and cities whose status is inefficient (more than 100%), namely Banyuasin Regency, OKU Selatan Regency, PALI Regency, North Musi Rawas Regency, OKI Regency, OKU Regency, and Prabumulih City. This shows that the 7 regencies/cities in realizing regional spending are more than the realization of regional income, causing the status of regional financial efficiency to be inefficient. the results of data management show that there are 7 regencies and cities whose status is inefficient (more than 100%) namely Banyuasin Regency, OKU Selatan Regency, PALI Regency, Musi Rawas Utara Regency, OKI Regency, OKU Regency, and Prabumulih City. This shows that the 7 regencies/cities in realizing regional spending are more than the realization of regional income, causing the status of regional financial efficiency to be inefficient. the results of data management show that there are 7 regencies and cities whose status is inefficient (more than 100%) namely Banyuasin Regency, OKU Selatan Regency, PALI Regency, Musi Rawas Utara Regency, OKI Regency, OKU Regency, and Prabumulih City. This shows that the 7 regencies/cities in realizing regional spending are more than the realization of regional income, causing the

status of regional financial efficiency to be inefficient.

Based on the results of data calculations on regional financial efficiency in 17 districts and cities in South Sumatra Province during the Covid-19 pandemic, it shows that there was a decrease in several districts and cities with inefficient status between before the pandemic and during the Covid-19 pandemic, from 7 districts/cities to 2 regency/city. This means that there was a decrease in the realization of regional income during the Covid-19 pandemic and an increase in the realization of regional spending allocated for efforts to accelerate the handling of Covid-19 for the Indonesian people in dealing with the Covid-19 pandemic.

Based on the results of data management from table 4.2, it can be seen from the average number between before and during Covid-19 regencies and cities in South Sumatra Province. From the data on the level of regional financial efficiency before and during Covid-19 the smallest average number was South OKU Regency at 1.04 (104%) with an inefficient status. This means that the South OKU Regency government in realizing regional spending is more than the realization of regional income that has been determined so that its status is inefficient. From the data on the level of effectiveness before and during Covid-19, the largest average number was Lubuk Linggau City with a value of 0.94 (94%) with an efficient status. This means that the City Government of Lubuk Linggau in realizing regional expenditure is less than the regional income that has been determined so that its status is efficient.

According to the results of table 2 data calculation number 18, namely the sum of the regional financial efficiency levels of districts/cities in South Sumatra Province between before and during Covid-19, namely 16.03 and 16.4. From these two data it can be concluded that the average number of all regencies and cities in South Sumatra Province during Covid-19 was greater than before Covid-19. This shows that there are differences in regional financial efficiency.

Based on the results of data processing from table 4.2, it can be seen in the ratio of regional financial independence from 17 regencies and cities in South Sumatra Province before the Covid-19 pandemic, there were 16 regencies and cities whose status was instructive (very low independence, namely 0-25%), namely Lubuk Linggau City, Banyuasin Regency, Ogan Ilir Regency, East

OKU Regency, South OKU Regency, Empat Lawang Regency, PALI Regency, North Musi Rawas Regency, Lahat Regency, Musi Banyuasin Regency, Musi Rawas Regency, Muara Enim Regency, OKI Regency, OKU Regency, City Prabumulih, and City of Pagar Alam. This shows that the 16 regencies and cities in realizing their own regional income are less than regional income, resulting in very low regional financial independence status. The results of data processing also show that Palembang City is in a consultative status (low regional independence, namely 25-50%). This shows that the City of Palembang in realizing its own regional income is less than regional income, resulting in a low regional financial independence status.

Based on the results of data calculations on regional financial independence in 17 regencies and cities in South Sumatra Province during the Covid-19 pandemic, it shows that there were 8 regencies/cities that experienced a decrease in their level of independence. This means that there was a decrease in district and city PAD in South Sumatra Province during Covid-19 due to the Government's PPKM policy which limited activities so that the sources of Regional Original Revenue, especially regional taxes and levies, experienced a decrease.

Based on the results of data management from table 4.2, it can be seen from the average number between before Covid-19 and during Covid-19 districts and cities in South Sumatra Province. From data on the level of regional financial independence before and during Covid-19 the smallest average number was Empat Lawang Regency of 0.04 (4%) with an instructive status where independence was very low. This means that the Empat Lawang Regency government in realizing regional original income is less than regional income so that its independence status is very low. From the data on the level of effectiveness before and during Covid-19, the largest average number was Palembang City with a value of 0.301 (30.1%) with a constructive status where independence was low.

According to data from the calculation results of table 4.2 number 18, namely the sum of the levels of regional financial independence in the districts/cities in South Sumatra Province between before and during Covid-19, namely 1.43 and 1.45. From these two data it can be concluded that the average number of all regencies and cities in South Sumatra Province during Covid-19 was

greater than before Covid-19. This shows that there are slight differences in regional financial independence.

Table 3 Data Normality Test

Data	Condition	P-Value	Decision
Effectiveness	Before the Covid-19 pandemic	0.266	Data is normally distributed
	During the Covid-19 pandemic	0.207	Data is normally distributed
Efficiency	Before the Covid-19 pandemic	0.818	Data is normally distributed
	During the Covid-19 pandemic	0.867	Data is normally distributed
independence	Before the Covid-19 pandemic	0.000	Data is not normally distributed
	During the Covid-19 pandemic	0.000	Data is not normally distributed

Source :Processed Data (2023)

based on Table 3, namely the results of the normality test, it is known that the effectiveness and efficiency data both before and during the Covid-19 pandemic were normally distributed because they produced a p-value > 0.05. Meanwhile, independent data, both in conditions before the pandemic and during the Covid-19 pandemic, were known to be not normally distributed because they produced a p-value <0.05. Based on the

results of the normality test, the comparison of effectiveness and efficiency data can be carried out using the parametric statistical method, namely using the paired t test method, while comparing independence data is carried out using non-parametric statistical methods, namely using the Wilcoxon test.

Table 4 Comparison Test of the Effectiveness and Efficiency of Regional Finances Before and After the Covid-19 Pandemic

Information	P-VALUE
Effectiveness before the Covid-19 pandemic VSafter the Covid-19 pandemic	0.001
Efficiency before the Covid-19 pandemic VSafter the Covid-19 pandemic	0.033
Independence before the Covid-19 pandemic VSafter the Covid-19 pandemic	0.617

Source :Processed Data (2023)

Table 4 shows that the effectiveness before the Covid-19 pandemic has a significant difference from the effectiveness after the Covid-19 pandemic. This shows that the Covid-19 pandemic has an effect or influence on the effectiveness of regional financial management. Likewise with efficiency data, it is known that the efficiency before the Covid-19 pandemic had a significant difference from the efficiency after the Covid-19 pandemic. This shows that the

Covid-19 pandemic has also had an effect or influence on the efficiency of regional financial management. And in Table 4 also gotIt is known that the independence before the Covid-19 pandemic did not have a significant difference from the independence after the Covid-19 pandemic. This shows that the Covid-19 pandemic has no effect or influence on the independence of regional financial management.

CONCLUSION

The level of financial effectiveness of districts/cities in South Sumatra Province before and after the Covid-19 pandemic experienced a difference of Asymp.sig 0.001 where almost all regions after the Covid-19 pandemic experienced a decline. This is due to the long-lasting impact of the Covid-19 pandemic.

The level of district/city financial efficiency in South Sumatra Province before and after the Covid-19 pandemic experienced

a difference of Asymp.sig 0.033 where the average regional financial efficiency in many areas was stable but in some areas it was unstable.

The level of financial independence of districts/cities in South Sumatra Province before and after the Covid-19 pandemic did not experience any difference based on the results of the Wilcoxon sign test of Asymp.sig 0.617.

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