

ANALYSIS OF VALUE FOR MONEY AND ACCOUNTABILITY IN SLUM SETTLEMENT ALLEVIATION TOWARDS ACHIEVING GOOD GOVERNANCE

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Abstract

Slum settlement alleviation requires local governments to manage public resources economically while ensuring that budget utilization contributes to measurable program performance. Although previous studies have examined Value for Money (VfM) and performance accountability in local government institutions, empirical evidence integrating both perspectives in slum settlement management remains limited. This study aims to evaluate the implementation of VfM and performance accountability in the slum settlement alleviation program of the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati in 2024. The study employed a qualitative descriptive approach using primary data from in-depth interviews and secondary data from the Government Agency Performance Report (LKjIP), budget realization reports, and other institutional documents. Data were analyzed by calculating and qualitatively interpreting economy, efficiency, and effectiveness ratios in relation to institutional performance and accountability practices. The findings show an economic ratio of 99.6%, indicating that budget utilization remained below the allocated budget. The efficiency ratio reached 1269%; however, this result requires cautious interpretation because the numerical ratio and its applied classification were not fully consistent. Meanwhile, the effectiveness ratio of 7.90% indicates a substantial gap between actual performance and predetermined targets, influenced by budget adjustments, implementation delays, extreme weather, material delivery delays, and limited implementation time. Performance accountability was supported through LKjIP preparation and cross-divisional involvement in reporting. The study implies that VfM and performance accountability should be integrated to strengthen resource management, performance monitoring, transparency, and results-oriented public sector management.

Keywords: Accountability, Economy, Effectiveness, Efficiency, Public Sector Management



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INTRODUCTION

Global socio-economic phenomena, particularly urbanization, have contributed to substantial changes in land use and have intensified urban population and building density. This process of urban growth has, in turn, contributed to the emergence and expansion of slum settlements (Atika & Ikaputra, 2023). Access to adequate and decent housing remains a persistent challenge in many urban areas (Florencetina & Aditantri, 2022). Slum settlements are generally characterized by inadequate housing infrastructure and environmental conditions, as well as broader socio-economic challenges faced by their residents (Shaumira & Aulia, 2024). At the global level, the assessment of slum settlements conducted by UN-HABITAT indicates that approximately 32%, or around 924 million, of the urban population live in slum areas (Maharani & Aditantri, 2025). This condition highlights the continuing need for effective public intervention to improve the quality of urban settlements and ensure access to adequate housing.

In Indonesia, slum settlements are defined by Minister of Public Works and Housing Regulation No. 1 of 2011 as residential areas that are considered uninhabitable due to irregular building arrangements, high building density, and inadequate building quality, facilities, and infrastructure (Kementerian PUPR, 2011). Slum settlements are therefore not merely associated with poor physical conditions but also represent a broader urban development challenge that may affect the quality of life of urban residents (Atika & Ikaputra, 2023). A similar condition can be observed in Pati Regency. Data from the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati (2025) indicate changes in the extent of slum settlements across several sub-districts during 2022–2024, as presented in Table 1.

Table 1. Slum Settlement Areas in Pati Regency, 2022–2024
Unit: hectares

No.	Sub-district	2022	2023	2024
1.	Kayen	19.42	14	0
2.	Juwana	0	15.2	15.19
3.	Pati	0	4.56	11.6
4.	Margoyoso	0	17	0
5.	Tayu	0	5.45	6.65
6.	Dukuhseti	314.1	211	110.1
Total		423.5	264.2	143.5

Source: Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati

The data show a substantial overall decline in the recorded extent of slum settlements during the 2022–2024 period. Nevertheless, variations across sub-districts indicate that the management and alleviation of slum settlements remain an important policy concern. In this context, local governments have a crucial role in facilitating the provision of adequate housing for all segments of society, in accordance with the mandate of Law Number 1 of 2011 concerning Housing and Residential Areas (Presiden Republik Indonesia, 2011). The role of government extends beyond the implementation of

technical policies to include the formulation and facilitation of public policies in the housing and settlement sector (Ramadhan & Jayanti, 2025).

One of the programs implemented by the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati is the alleviation of slum settlements. The success of such programs is closely associated with the quality of institutional performance and accountability. Performance accountability encompasses transparency in public information, the effectiveness of program implementation, the efficiency of budget utilization, and the alignment between program outputs and predetermined strategic objectives. These elements are essential for strengthening the implementation of good governance within public institutions (Ramadhan & Jayanti, 2025). Consequently, evaluating the performance of public programs requires not only an assessment of budget realization but also an examination of whether public resources generate outputs and outcomes consistent with established objectives.

One approach that can be employed by local governments to assess the quality of public sector performance is the Value for Money (VfM) concept. VfM is a public sector management principle that emphasizes the balance among economy, efficiency, and effectiveness in the utilization of public resources. According to Mardiasmo (2018) and Nordiawan and Hertianti (2010), the concept ensures that public funds are utilized economically, productively, and in a manner that optimizes the achievement of predetermined objectives. Mahmuda (2024) further emphasizes that the application of VfM enables government organizations to evaluate the extent to which programs and activities are aligned with the principles of good governance. VfM can be achieved when an organization utilizes the minimum necessary inputs to generate optimal outputs and achieve its organizational objectives. Therefore, the implementation of slum settlement alleviation programs should not be viewed solely as the fulfillment of the formal duties and functions of government institutions but also as a process that requires measurable performance and accountable reporting of the use of public resources.

In addition to VfM, performance accountability represents an important component of public sector performance assessment. One of its principal forms is the preparation and reporting of the Government Agency Performance Accountability Report (Laporan Akuntabilitas Kinerja Instansi Pemerintah/LAKIP). Government performance is planned and evaluated in accordance with the Strategic Plan (Rencana Strategis/Restra), which generally covers a five-year period (Mahmuda, 2024). Such accountability mechanisms are intended to support the realization of clean and responsible government by providing information regarding the responsibilities undertaken, the methods used to perform institutional duties, the implementation of activities, and their resulting impacts (RAF, 2024). Nevertheless, the implementation of performance accountability at the local government level, including at the regency and municipal levels, continues to encounter structural and cultural challenges (Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi Republik Indonesia, 2024). This situation underscores the

importance of examining whether formal performance reporting is accompanied by effective and efficient management of public resources.

Previous studies have examined the application of VfM in measuring the performance of government institutions and its relationship with public accountability. Mahmuda (2024), in a study of the Dinas Tenaga Kerja dan Transmigrasi Kabupaten Buton Selatan, found that all programs were categorized as economical, although several efficiency and effectiveness indicators had not yet reached optimal levels. These findings indicate the need for improvements in program implementation to ensure greater alignment with good governance principles.

Similarly, Hakiki et al. (2023), in their study of the Dinas Perhubungan Kabupaten Lombok Utara, found that transparency and accountability requirements had been fulfilled. However, institutional performance did not fully satisfy the VfM principle because several activities were considered efficient but not effective. Ramlah et al. (2024), examining the Dinas Pariwisata Kota Makassar, also demonstrated that the application of VfM provides a useful framework for assessing the economy, efficiency, and effectiveness of local government budget utilization, although efficiency had not been fully achieved.

Furthermore, Anggraeni et al. (2023), in their study of Bappeda Provinsi Bali, suggested that performance measurement should extend beyond the three conventional VfM indicators—economy, efficiency, and effectiveness—to incorporate equity and equality in evaluating the success of regional development programs. Collectively, these studies demonstrate the relevance of VfM as an instrument for evaluating public sector performance and strengthening accountability in regional financial management. However, the effectiveness of program implementation remains an important issue, particularly in ensuring that budget utilization is translated into measurable outputs and outcomes. Moreover, empirical evidence concerning the simultaneous application of VfM and performance accountability in the context of slum settlement alleviation at the local government level remains limited. This provides a basis for further investigation into how public resources are managed and translated into program performance within this specific policy context.

Against this background, the present study focuses on the performance accountability of the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati. The analysis is centered on performance achievement based on strategic indicators reported in the Government Agency Performance Accountability Report (Laporan Kinerja Instansi Pemerintah/LKjIP), complemented by supporting documents, including budget realization reports and institutional performance planning documents. The study does not examine financial aspects in detail, the performance of work units outside the institution, or the broader evaluation of local government policies. Instead, it specifically examines the implementation of VfM and its relationship with institutional performance accountability in the management of slum settlement alleviation programs.

Accordingly, this study aims to analyze the application of the VfM concept in budget management at the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati. The analysis evaluates the extent to which public budget utilization has achieved the principles of economy, efficiency, and effectiveness in accordance with sound local government financial management and good governance principles. In addition, the study examines how performance accountability is disclosed and implemented through institutional performance reporting. By integrating the VfM perspective with performance accountability, this study seeks to provide a more comprehensive understanding of how public resources are managed and how institutional performance is demonstrated through measurable program achievements. The findings are expected to provide empirical evidence regarding the implementation of VfM and the realization of public accountability in slum settlement management at the local government level, particularly within the context of Pati Regency.

LITERATURE REVIEW

Performance Accountability

Performance accountability refers to the obligation of government institutions to account for the achievement of organizational objectives and the results of programs and activities implemented within a given period. It also reflects the responsibility of public institutions to demonstrate that public resources have been utilized in an efficient, effective, transparent, and responsible manner (Hakiki et al., 2023). Thus, performance accountability extends beyond the administrative reporting of activities and budget realization; it emphasizes the extent to which the use of public resources contributes to the achievement of predetermined performance targets.

Public accountability encompasses four principal dimensions: honesty accountability, process accountability, program accountability, and policy accountability (Mardiasmo, 2018). Honesty accountability concerns the avoidance of misuse and abuse of public resources, while process accountability relates to compliance with established procedures and regulations. Program accountability focuses on whether programs have been implemented effectively and achieved their intended objectives, whereas policy accountability concerns the responsibility of government institutions for the outcomes and consequences of policies that have been implemented. These dimensions indicate that accountability should be understood as a multidimensional mechanism that connects the management of public resources with institutional performance and public interests.

Mardiasmo (2018) emphasizes that performance accountability within government institutions is essential for supporting the realization of good governance through reporting mechanisms that are clear, measurable, transparent, and oriented toward performance outcomes. In this context, accountability provides a framework through which stakeholders can assess not only whether government activities have been implemented, but also whether the resources allocated to those activities have generated

results consistent with organizational objectives. Therefore, performance accountability serves as an important foundation for evaluating the quality of public sector management.

Government Agency Performance Report (LKjIP)

The Government Agency Performance Report (Laporan Kinerja Instansi Pemerintah/LKjIP) represents an institutional accountability mechanism through which government agencies report the implementation of their duties and functions, particularly those financed through the state or regional budget (APBN/APBD), in pursuit of organizational strategic objectives. LKjIP provides information regarding the relationship between planned performance targets, program implementation, resource utilization, and the achievement of institutional performance.

As an annual performance accountability instrument, LKjIP enables government institutions and stakeholders to assess the extent to which programs and activities have achieved predetermined targets (Anggraeni et al., 2023; Mardiasmo, 2018). The report therefore serves not merely as an administrative document but also as an instrument for evaluating institutional performance and supporting transparency in public resource management.

Within the context of local government, LKjIP can provide an important basis for examining the consistency between performance planning and actual achievement. Information presented in the report can be used to identify performance gaps and assess whether the resources allocated to programs have contributed to the achievement of strategic objectives. Consequently, LKjIP is closely related to the implementation of performance accountability because it provides documented evidence of government performance and the realization of predetermined targets.

Budget

A budget is a quantitative work plan that specifies expected revenues and expenditures over a particular period. In the public sector, however, a budget has a broader function than merely allocating financial resources. According to Mardiasmo (2018), the public budget functions as an instrument of financial planning and control while simultaneously representing a form of public accountability because it involves the allocation and utilization of funds derived from the community.

As an instrument of planning, the budget establishes the financial resources required to implement future programs and activities. As an instrument of control, it provides a basis for comparing planned allocations with actual realization and identifying deviations that may occur during implementation. Suparmoko (2002) states that the budget functions as a planning and supervisory instrument for future activities. Accordingly, budget performance cannot be assessed solely from the level of expenditure realization, but should also be examined in relation to the outputs and objectives generated from the resources utilized.

In the context of local government, the budget represents the government's commitment to managing public finances in accordance with the principles of effectiveness and efficiency (Syamsidar et al., 2024). The quality of budget management

is therefore reflected not only in the government's ability to absorb allocated funds but also in its capacity to transform financial resources into meaningful program outputs and outcomes. This perspective provides an important foundation for applying the Value for Money approach in evaluating government performance.

Value for Money

The Value for Money (VfM) concept is a fundamental principle in public sector management that emphasizes the extent to which public resources are utilized economically, efficiently, and effectively. VfM provides a framework for evaluating whether resources allocated through the public budget are converted into outputs and benefits that are consistent with predetermined objectives. According to Mardiasmo (2018) and Nordiawan and Hertianti (2010), Value for Money provides an indication of the extent to which public expenditure generates value and benefits for society.

The primary objective of VfM is to ensure that public funds are managed economically, utilized productively, and directed toward achieving optimal results. In this regard, VfM shifts the focus of public financial management from expenditure realization alone toward the relationship between inputs, outputs, and outcomes. The approach consequently provides a broader perspective for assessing government performance because it considers whether the resources consumed by a program are proportional to the results generated.

VfM consists of three interconnected dimensions: economy, efficiency, and effectiveness. Economy concerns the extent to which inputs are acquired at the lowest reasonable cost while maintaining the required quality and quantity. Efficiency examines the relationship between inputs and outputs, emphasizing the optimal transformation of resources into program results. Effectiveness assesses the extent to which the outputs or outcomes achieved contribute to the attainment of predetermined objectives and targets. These three dimensions should be considered collectively because economical expenditure does not necessarily guarantee efficient resource utilization, and efficient implementation does not necessarily result in effective achievement of program objectives.

Mahmuda (2024) emphasizes that the application of Value for Money enables government institutions to evaluate the extent to which their programs and activities are aligned with the principles of good governance. Accordingly, VfM can function as a performance evaluation instrument that connects financial management with institutional accountability. In the context of slum settlement alleviation, the application of VfM is particularly relevant because the assessment should consider not only the amount of public expenditure but also whether the resources allocated generate measurable improvements in the targeted settlement conditions.

Economic Ratio

The economic ratio measures the extent to which an organization obtains the required inputs at an economical cost while maintaining the expected quality and quantity. Mardiasmo (2018) explains that economy is assessed by comparing actual input

expenditure with the budgeted input value. This ratio provides an indication of whether an institution has exercised expenditure control and avoided unnecessary use of public resources.

A program is generally considered economical when the economic ratio is below 100%, indicating that actual expenditure is lower than the amount initially budgeted. A ratio approaching 100% indicates that expenditure is close to the allocated budget, whereas a ratio exceeding 100% indicates that actual expenditure has surpassed the budgeted amount. Therefore, the economic dimension primarily reflects the prudence of government institutions in acquiring and utilizing inputs within the resources that have been allocated.

However, economic performance should not be interpreted independently from efficiency and effectiveness. Lower expenditure does not automatically indicate superior public sector performance if the reduction in expenditure results in insufficient outputs or failure to achieve program objectives. Consequently, the economic ratio represents the first dimension of VfM and needs to be interpreted alongside the efficiency and effectiveness ratios.

Efficiency Ratio

The efficiency ratio assesses the relationship between the outputs generated and the inputs utilized in the implementation of a program. Efficiency emphasizes the ability of an organization to transform available resources into outputs optimally, with the objective of achieving the maximum possible output from the resources employed. In public sector management, efficiency is therefore concerned with the productivity of resource utilization rather than expenditure reduction alone.

Mardiasmo (2018) states that efficiency is achieved when the efficiency ratio exceeds 100%, indicating that the output generated is relatively higher than the input resources utilized. A higher ratio reflects a greater capacity to produce outputs from the resources available. Conversely, a ratio below 100% indicates that the relationship between resources utilized and outputs generated has not yet reached the expected level of efficiency.

The efficiency dimension is particularly important in evaluating public programs because the realization of a budget does not necessarily demonstrate that resources have been utilized productively. An institution may spend its budget within the allocated amount while producing relatively limited outputs. Therefore, efficiency analysis enables the evaluation to move beyond the question of how much was spent toward examining what was produced from the resources utilized.

Effectiveness Ratio

The effectiveness ratio measures the extent to which the outputs or results achieved correspond to the objectives and targets established by an organization. Unlike the economic and efficiency dimensions, which primarily focus on resource utilization and the transformation of inputs into outputs, effectiveness emphasizes the achievement of intended program objectives.

According to Mahmudi (2019), effectiveness represents the relationship between outputs and organizational objectives. A program is considered effective when its effectiveness ratio reaches or exceeds 100%, indicating that the realized performance has met or surpassed the predetermined target. Conversely, a ratio below 100% indicates that the achievement has not yet reached the established target.

Effectiveness is a critical dimension of public sector performance because the successful absorption or efficient utilization of a budget does not necessarily mean that a program has achieved its intended objectives. Anggraeni et al. (2023) emphasize that effectiveness measurement is important for determining the success of government program implementation in producing the expected results, rather than merely assessing budget realization. Thus, effectiveness provides an outcome-oriented perspective in evaluating public programs.

In the context of slum settlement alleviation, effectiveness can be understood through the extent to which program implementation contributes to the achievement of predetermined settlement improvement targets. Consequently, the effectiveness ratio provides an important basis for determining whether the resources allocated and activities undertaken have translated into measurable performance achievements.

Overall, the three VfM dimensions—economy, efficiency, and effectiveness—provide complementary perspectives for evaluating public sector performance. Economy assesses whether inputs are obtained and utilized at an appropriate cost, efficiency examines the productivity of resource utilization in generating outputs, and effectiveness evaluates the achievement of predetermined objectives. The integration of these three dimensions with performance accountability enables a more comprehensive assessment of whether public resources have been managed responsibly and whether government programs have generated results consistent with their intended objectives.

RESEARCH METHOD

This study employed a qualitative descriptive approach to describe and examine in depth the implementation of the Value for Money (VfM) concept in budget performance and performance accountability at the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati. A qualitative approach was selected because the study seeks to understand the phenomenon within its institutional and operational context through the examination of official documents and empirical information obtained from relevant parties (Sugiyono, 2019). This approach is also widely applied in public sector research that emphasizes accountability, performance evaluation, and the efficient utilization of public resources (Anggraeni et al., 2023).

The qualitative descriptive design enables the study to integrate quantitative information contained in budget and performance documents with contextual interpretation of institutional practices. Accordingly, the study does not merely calculate the VfM ratios but also interprets their meaning in relation to the performance targets, program implementation, and accountability mechanisms established by the institution.

Research Setting and Scope

The research was conducted at the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati, which was selected because of its strategic role in managing public resources for settlement development and improving the quality of residential environments. The research focused on the achievement of strategic performance indicators reported in the Government Agency Performance Report (Laporan Kinerja Instansi Pemerintah/LKjIP) and other supporting documents relevant to the implementation of the VfM principle.

The scope of the study was limited to performance accountability and the effectiveness of program implementation, particularly in relation to the principles of economy, efficiency, and effectiveness. The study did not examine financial aspects in detail, the performance of other organizational units outside the institution, or a comprehensive evaluation of local government policies. This delimitation was established to ensure that the analysis remained focused on the relationship between budget utilization, program performance, and institutional accountability.

Data Sources

The study utilized both primary and secondary data. Primary data were obtained through interviews with relevant parties within the institution who were considered to have knowledge of budget management, program implementation, and performance accountability. These interviews were used to obtain contextual information concerning the implementation of the VfM principles and the factors underlying the achievement of program performance.

Secondary data were obtained from official institutional documents, including the Government Agency Performance Report (LKjIP), budget realization reports, and other relevant internal documents. These documents provided information regarding budget allocation, budget realization, performance targets, and actual program achievements. The use of documentary data also enabled the researchers to examine the consistency between planned performance, resource utilization, and realized outcomes.

Data Collection Techniques

Data were collected through documentary analysis and in-depth interviews. Documentary analysis was conducted by systematically reviewing LKjIP, budget realization reports, and other relevant performance and planning documents. The analysis focused on identifying information related to budget inputs, program outputs, performance targets, and realized achievements required for the assessment of VfM.

In-depth interviews were conducted with relevant institutional stakeholders to obtain a deeper understanding of how the principles of economy, efficiency, and effectiveness were implemented in practice. The interviews also served to contextualize the findings obtained from the documentary analysis and to identify potential explanations for discrepancies between planned targets and actual performance.

To strengthen the credibility of the findings, data triangulation was employed by comparing information obtained from different data sources and collection techniques.

The triangulation process was intended to examine the consistency between documentary evidence and information obtained through interviews, thereby strengthening the validity and reliability of the findings (Creswell & Creswell, 2018).

Data Analysis

Data were analyzed using a qualitative descriptive analysis based on the three principal dimensions of the VfM framework: economy, efficiency, and effectiveness. The analysis involved organizing relevant information from the collected documents and interviews, calculating the respective performance ratios, and subsequently interpreting the results within the institutional and programmatic context.

According to Mardiasmo (2018) and Mahmudi (2019), VfM analysis evaluates public sector performance by examining the relationship among inputs, outputs, and outcomes to determine the extent to which the utilization of public resources generates optimal benefits for society. In this study, the three VfM dimensions were analyzed as follows:

1. Economy was assessed by comparing actual input expenditure with the budgeted input expenditure to determine the extent to which resources were acquired and utilized economically.
2. Efficiency was assessed by examining the relationship between the outputs generated and the inputs utilized, thereby determining the extent to which the institution transformed available resources into program outputs.
3. Effectiveness was assessed by comparing the actual achievement of program performance with the predetermined targets to determine the extent to which program implementation achieved its intended objectives.

The results of the three ratio analyses were subsequently interpreted qualitatively by comparing actual performance achievements with the targets established in the LKjIP. This interpretive process was intended to provide a more comprehensive assessment of institutional performance rather than relying solely on numerical ratios. The findings were then examined in relation to the performance accountability of the institution, particularly in terms of the consistency between budget utilization, program implementation, and achievement of predetermined performance objectives.

RESULTS AND DISCUSSION

Economic Ratio Analysis

The economic ratio of the slum settlement alleviation program implemented by the Housing and Settlement Area Office of Pati Regency in 2024 was calculated using the following formula:

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

$$\text{Economic Ratio} = \frac{\text{Rp198.204.910}}{\text{Rp199.000.000,00}} \times 100\% = 99,6\%$$

Based on data obtained from the Performance Accountability Report of Government Agencies (LKjIP) of the Housing and Settlement Area Office of Pati Regency, the comparison between budget realization and the allocated budget resulted in an average economic ratio of 99.6% in 2024. Mardiasmo (2018) defines economy as the comparison between actual input and budgeted input. An activity is considered economical when the economic ratio is below 100%.

The economic ratio of 99.6% indicates that the implementation of the program remained within the economical category, suggesting that public funds were utilized without unnecessary expenditure. This finding is consistent with Ramlah et al. (2024), who found that most programs implemented by the Makassar City Tourism Office were categorized as economical because their budget realization was lower than the amount initially planned.

This finding is further supported by an interview with informant AQ, who explained: "Regarding the budget, we try to use the funds as efficiently as possible. Before the activities begin, everything has already been planned to avoid unnecessary expenditure. Sometimes the realization is slightly lower than the initial budget because some costs turn out to be lower than estimated. However, this does not mean that the program was not implemented. All activities were still carried out, so the use of funds can be considered economical."

AQ further stated: "The budget for the program last year was managed carefully and adjusted to field requirements. Efficiency was achieved in several activities, particularly through adjustments to material and service prices that were lower than initially estimated. Consequently, budget realization was slightly below the planned amount. Nevertheless, the targets were achieved without being reduced, while the lower realization resulted in savings."

Based on the economic ratio analysis and interview findings, the implementation of the slum settlement alleviation program can be considered to have been carried out in accordance with the established targets.

Efficiency Ratio Analysis

The efficiency ratio of the slum settlement alleviation program implemented by the Housing and Settlement Area Office of Pati Regency in 2024 was calculated using the formula:

$$\text{Efficiency Ratio} = \frac{\text{Output}}{\text{Input}} \times 100\%$$

$$\text{Efficiency Ratio} = \frac{1264}{99,60} \times 100\% = 1269\%$$

Based on the results of the data analysis, the efficiency ratio reached 1269%. This ratio was obtained by comparing the output, represented by the performance achievement of the slum settlement alleviation program implemented by the Housing and Settlement

Area Office of Pati Regency in 2024, with the input, represented by the budget achievement for the same program.

Mardiasmo (2018) states that efficiency is achieved when the efficiency ratio exceeds 100%, indicating that the output generated by a program is higher than the input utilized. This finding can be compared with Hakiki et al. (2023), who found that several activities at the North Lombok Transportation Office were categorized as efficient, although they had not fully achieved their intended targets. Similarly, Mahmuda (2024) found that efficiency indicators in government activities at the South Buton Regency Manpower and Transmigration Office demonstrated relatively good performance, although several activities still required further optimization.

Based on the findings, the average efficiency ratio of 1269% indicates that the program had not been implemented efficiently in terms of the utilization of available resources. This finding suggests that the financing structure of the program had not yet supported the achievement of work results proportionate to the inputs utilized. Mahmuda (2024) states that an activity is considered efficient when its efficiency ratio is $\leq 100\%$.

The quantitative findings are supported by an interview with informant SO, who stated: "The 2024 program was implemented as optimally as possible using the available resources. Although the budget was not fully absorbed and its utilization was not yet optimal, the achievement of activities still exceeded the planned target. We also carried out supervision to ensure that the activities were implemented without unnecessary expenditure."

The interview findings indicate that the efficiency indicator may not fully capture the complexity of program implementation within government institutions. The inconsistency between the present findings and those reported in previous studies suggests that the achievement of efficiency may also be influenced by factors beyond the ratio indicator itself.

Effectiveness Ratio Analysis

The effectiveness ratio of the slum settlement alleviation program implemented by the Housing and Settlement Area Office of Pati Regency in 2024 was calculated using the formula:

$$\text{Effectiveness Ratio} = \frac{\text{Outcome}}{\text{Output}} \times 100\%$$

$$\text{Effectiveness Ratio} = \frac{0,87}{11} \times 100\% = 7,90\%$$

The calculation resulted in an effectiveness ratio of 7.90%. This value was derived by comparing the outcome, represented by the percentage of actual performance achievement of the slum settlement alleviation program in 2024, with the output, represented by the percentage of the targeted performance achievement of the program.

According to Mahmudi (2019), a program is considered effective when its effectiveness ratio reaches or exceeds 100%. Conversely, a ratio below 100% indicates

that the program has not achieved the established target. Anggraeni et al. (2023) emphasize that effectiveness measurement is important for assessing the extent to which government programs achieve their intended outcomes rather than merely evaluating budget realization.

The effectiveness ratio of 7.90% indicates that the actual achievement of the program remained substantially below the established target. Therefore, based on the effectiveness measurement applied in this study, the slum settlement alleviation program implemented in 2024 had not yet achieved the expected level of effectiveness.

The low effectiveness ratio is further explained by the interview findings. Informant SO stated: "Indeed, last year the results were not yet optimal because some activities were postponed due to budget adjustments, while some activities were also eliminated. As a result, some targets could not be fully realized."

The informant further explained that weather conditions and limited implementation time also affected the achievement of program outcomes: "Some activities that were supposed to be completed in the third quarter could only be started toward the end of the year due to extreme weather conditions and delays in material delivery. As a result, implementation in the field could not be maximized, which ultimately affected the performance achievement."

These findings indicate that the low effectiveness ratio was not solely attributable to weaknesses in program planning but was also associated with external and technical constraints, including budget adjustments, delays in implementation, and field-level obstacles. Thus, although the program had been planned, the actual performance achievement remained below the established target.

The findings suggest that the Housing and Settlement Area Office of Pati Regency needs to strengthen program planning, inter-agency coordination, and the timeliness of implementation to improve the achievement of program targets.

Performance Accountability and Implications for Good Governance

The implementation of the value for money concept at the Housing and Settlement Area Office of Pati Regency is closely related to the principle of public accountability. The preparation of the Performance Accountability Report of Government Agencies (LKjIP) provides a mechanism for reporting government performance and budget utilization transparently to the public.

This practice is consistent with the principles of good governance as reflected in Government Regulation No. 8 of 2006 concerning Financial Reporting and Performance of Government Agencies. Mardiasmo (2020) emphasizes that public sector accountability extends beyond administrative compliance to include the ability of government institutions to demonstrate tangible outcomes from the utilization of public resources.

Accordingly, the application of the value for money concept can function as an instrument for evaluating the extent to which public resources are managed in relation to program performance and development objectives. It also provides a basis for

strengthening transparency and accountability in local government financial management.

The importance of performance accountability was confirmed by informant AQ: "We strongly emphasize the importance of accountability at every stage of an activity, from planning and implementation to reporting. All activities financed through the regional budget (APBD) must be accountable, both administratively and in terms of tangible results in the field. The performance report we prepare in the form of LKjIP is not merely a formal document but also evidence of transparency to the public and supervisory authorities."

The informant further explained that the preparation of the LKjIP involves various divisions within the institution to ensure that the reported information accurately reflects actual program conditions: "In preparing the LKjIP, we involve all divisions so that the reported results are accurate and can reflect actual conditions. We want the report not only to contain figures but also to explain the impact of the programs we have implemented, such as reducing slum areas or improving housing quality."

Furthermore, AQ emphasized that transparency and public accountability constitute important foundations for maintaining public trust: "When discussing accountability, we not only comply with the existing regulations, but we also ensure that the budget used actually provides benefits. We are aware that people today are increasingly critical. Therefore, our responsibility is to openly and transparently communicate our performance results objectively."

The interview findings demonstrate that the implementation of value for money at the Housing and Settlement Area Office of Pati Regency is not limited to the measurement of financial performance. It also encompasses transparency, accountability, and the communication of program outcomes to the public. In this context, performance accountability represents an important component of good governance because it connects the management of public resources with the reporting of government performance.

Thus, performance accountability should not be viewed merely as an administrative obligation but as an integral component of transparent and accountable local government management. The implementation of value for money, supported by transparent performance reporting through the LKjIP, provides a framework for assessing the relationship between public resource utilization and the achievement of government programs.

CONCLUSION

Based on the findings, the implementation of the Value for Money (VfM) concept at the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati in 2024 demonstrates that budget management was economical, although performance across the three VfM dimensions was not yet optimal. The economic ratio of 99.6% indicates that budget realization remained below the predetermined allocation. This finding reflects the

institution's efforts to control expenditure and adjust budget utilization to actual program requirements without necessarily reducing the implementation of planned activities.

The efficiency ratio of 1269% requires cautious interpretation because the numerical result and the classification applied in the analysis indicate different interpretations. While the ratio exceeds 100% under the efficiency criterion presented by Mardiasmo (2018), the analysis classified the program as not yet efficient. The finding therefore indicates the need for more consistent measurement and interpretation of the relationship between program inputs and outputs. Meanwhile, the effectiveness ratio of 7.90% demonstrates that the achievement of predetermined performance targets remained substantially below the expected level. The low effectiveness was associated with budget adjustments, delays in implementation, extreme weather conditions, material delivery delays, and limited implementation time.

In terms of performance accountability, the findings indicate that the institution has established accountability through the preparation of the LKjIP and the involvement of relevant organizational divisions in the reporting process. LKjIP functions not only as a formal administrative report but also as a mechanism for communicating performance, resource utilization, and program impacts to relevant stakeholders. This reflects an institutional commitment to transparency and public accountability and supports the implementation of good governance.

Overall, the findings demonstrate that economical budget management does not automatically guarantee efficient resource utilization or effective achievement of program targets. The integration of VfM analysis and performance accountability is therefore important to provide a more comprehensive assessment of public sector performance. For the Dinas Perumahan dan Kawasan Permukiman Kabupaten Pati, improving the alignment between planning, resource allocation, implementation, monitoring, and performance reporting is necessary to ensure that budgetary prudence is accompanied by stronger program outputs and achievement of predetermined objectives.

Suggestions for Future Research

Future research can develop this study in several directions. First, further studies should examine the measurement structure and operational definitions of the efficiency ratio in greater detail. The 1269% result and its classification in the present study indicate the importance of establishing consistent formulas, indicators, and interpretation criteria so that the numerical results accurately represent the efficiency of public resource utilization.

Second, future research could use a longitudinal approach by comparing VfM performance across several years. A multi-year analysis would provide a more comprehensive understanding of whether changes in economy, efficiency, and effectiveness represent temporary conditions or longer-term patterns in slum settlement management.

Third, future studies could expand the analysis by incorporating additional performance dimensions, such as equity, equality, service quality, or community-level

outcomes. This would complement the conventional VfM dimensions and provide a broader assessment of whether slum settlement programs generate benefits that are distributed appropriately among the targeted communities.

Finally, future research could involve more diverse stakeholders, including beneficiaries, community representatives, contractors or implementing partners, and other relevant government agencies. Their perspectives could provide additional evidence regarding the actual impacts of slum settlement alleviation programs and help explain the gap between budget utilization, program outputs, and achieved outcomes.

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