

## ABSTRACT

Yuyun Faridah. 2013, THESIS. Title: "Municipal Financial Management Performance Measurement on Gresik Regency Government Using Value for Money Approach"  
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Keywords : Performance, Municipal Finance, Value For Money

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Decentralization system (municipal autonomy) opens the way for the municipal government to manage the municipal financial which is oriented on public importance. Measuring the performance using a value for money approach can be performed to measure the accountability of municipal government in managing its financial. The purpose of this study is to investigate the performance of Local Government of Gresik Regency's financial management using a Value For Money approach.

The research uses the realization of the Revenue Budget and Region Expenditure (*APBD*) in 2007 until 2011 as the data. The analysis techniques are descriptive quantitative analysis using the value for money method that is done by measuring the economic, efficiency, and effectiveness level.

The economic aspect in average during 2007 to 2011 shows that the government of Gresik regency is not economical because the measurement result is over 100 percent that is 106.72 percent. In contrast, the efficiency aspect in average during 2007 to 2011 shows that Gresik regency government is quite efficient because the measurement result is almost 100 percent that is 99.88 percent. On the other hand, the effectiveness aspect in average during 2007 to 2011 shows that Gresik regency government is at a very effective criterion since the measurement result is greater than 100 percent that is 110.47 percent. Therefore, it can be concluded that the performance of the financial management of Gresik Regency Government during the last five years shows a good but less economical performance in terms of efficiency and effectiveness.