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ANALYSIS OF FINANCIAL RATIOS TO MEASURE LOCAL GOVERNMENT PERFORMANCE IN LOMBOK EAST DISTRICT

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ABSTRACT

The local government is an institution that has an obligation to carry out development plans and services to the community, so the regional government must inform its regional accountability report to be assessed by the community whether the local government has been able to carry out its duties optimally or not. The tool used to analyze the performance of local governments in managing their regional finances is to apply financial ratio analysis to the budget and realization of the planned APBD. The research method used in this study is a descriptive analysis method through a ratio calculation approach. This research method aims to be able to provide an overview of the financial performance of the local government of East Lombok Regency from 20018-2021. The results showed that the effectiveness ratio was very effective with a total percentage of 95.71, the independence ratio showed an indicator that was less effective with a total percentage of 16.14, the ratio of financial performance activity showed an average percentage value in operating costs amounted to 109.29 and capital costs amounted to 14.41 and the expenditure growth ratio was still categorized as unfavorable because the total operating expenditure was greater than the total capital expenditure. Where operating expenditures amounted to 26.96 and total capital expenditures amounted to 3.34.

Keywords: Financial Ratios, APBD, Financial Performance

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INTRODUCTION

The implementation of decentralization can have an impact on regional financial management, in the implementation of decentralization there is a transfer of authority from the central government to regional governments in managing and managing their own regional finances. In order for the implementation of regional financial management to be carried out properly and correctly in accordance with the regulations that have been made, therefore the rules have been determined by the central government in Law Number 32 of 2004 concerning regional government article 155 which states: 1. Implementation of all regional government affairs is given authority to regulate or manage its own affairs and will be given a budget from the central government. 2. All programs from the regional government will be financed from the regional budget and expenditure revenues. 3. The program for the implementation of government activities as referred to in paragraph (1) is carried out by dividing it from the funding program for the implementation of government activities referred to in paragraph (2). Except for this, in the implementation of regional government activities, an allocation of funds is given to be used to finance various kinds of duties and responsibilities. In accordance with Law Number 32 of 2004 discussing regional government article 157 which states: Sources of regional revenue or income consist of: a. regional original receipt; b. transfer funds from the center; and c. other forms of acceptance from the legal area.

Through the implementation of government regulations, it is desired that the East Lombok district in carrying out its main tasks and functions be able to bring about increased welfare for its people. The local government is obliged to work in accordance with the expectations of the community and the existing laws and regulations, so that the government's work program described in the form of the APBD needs to go through a procedure for absorbing community expectations, guided by the most basic problems and actual issues and changes that are developing in the midst of the community itself, consistently based on existing planning documents.

The programs that have been prepared and will be implemented must be in accordance with the development goals that have been made and determined by the government on assumptions, such as the need for consideration of macroeconomic developments and changes in the main points of fiscal policies implemented by

regional governments. The implementation of the APBD which is explained in the form of various program activities, in the activities of obtaining performance improvement in terms of regional financial management, especially those related to regional spending most importantly in the financial administration section which can improve the preparation of financial reports on the implementation of regional budgets and in line with standards and forms that have been agreed upon and stipulated from laws and regulations that have been applied openly and can be accounted for. In the activities that have been carried out in an effort to create public financial accountability, the government must therefore apply the principles of regional financial management and supervise the performance of the regional finances so that accountability can be created in East Lombok Regency.

The regional government is an institution that is given the authority to carry out development and service government activities, so the regional government must inform its regional financial accountability report to be assessed by the community whether the regional government is capable of carrying out its duties optimally or not. The tool used to analyze the performance of local governments in managing their regional finances is to apply financial ratio analysis to the budget and realization of the planned APBD. Seeing the background that has been explained, we must conduct this research to find out and at the same time be able to provide information to the public about financial reports and the performance of the government in being accountable for all programs that have been implemented.

Formulation of the problem

In this study, there is a formulation of the problem that will discuss the form of regional financial management in East Lombok Regency in 2018-2021 and what form of ratio is used in analyzing the financial performance of the local government.

Research purposes

This study aims to measure the financial performance of the East Lombok Regency government from 2018-2021 through calculating the ratio to the APBD.

LITERATURE REVIEW

The implementation of decentralization as stipulated in law number 33 of 2004 which discusses transfer funds from the central government to regional governments explains that the delegation, assignment and assignment of regional government affairs in a clear and responsible manner must be accompanied by the arrangement, distribution and use of national resources in an efficient manner. fair funds. As a decentralized area, governance and public services can be organized in accordance with accountability, transparency and participation. In order for the implementation of funding from the government to run efficiently and effectively and to prevent problems or the lack of availability of funds in a sector of government, therefore it is regulated in the funding of government implementation.

The implementation of governmental authority which is the responsibility of the Government is financed from the APBN, whether the central authority is focused on the Governor or assigned to the Regional and/or Village Government or other designations in the framework of Co-Administration while the administration of government which is the authority of the Regions is financed from the APBD. Sources of funding for the implementation of Regional Government consist of Local Own Revenue, Balancing Funds, Regional Loans, and Other Legal Revenues.

Previous Research

The various previous studies that have been carried out and will be summarized in the explanation below;

a. As for the research conducted by Susanto Hery with the title "Financial Ratio Analysis to Measure the Financial Performance of the Mataram City Government". The results of the study show that the efficiency ratio is included in the inefficient indicator, the effective ratio is included in the efficient category, the regional financial management ratio of the city of Mataram is still very low and the regional income ratio is included in the poor indicator.
b. There is research conducted by Feby Randaria Ramdhani with the title "Analysis of Independence and the Effectiveness of Regional Financial Management in the City of Mataram". The results show that the ratio of regional financial independence is very low, the effectiveness ratio is still effective, the growth trend

has increased every year and the effectiveness ratio has also increased every year.

c. According to research conducted by D sartika in 2016 with the title "Analysis of Pad Effectiveness Ratios, Pad Independence Ratios and Pad Efficiency Ratios in Realization Reports of Regional Revenue and Expenditure Budgets in Sukabumi District". The results of the study describe the regional financial performance of Sukabumi district assessed from the average effectiveness ratio included in the very effective indicator, the independence ratio entered into the instructive indicator and the efficiency ratio entered into the very effective indicator.

Regional Original Income (Pad)

Regional Own Revenue (PAD) is income that is obtained by regions from sources in their own territory, which are collected based on Regional Regulations (PERDA). PAD is expected to be a source of financing for development and implementation of government. Regional authority to collect PAD resources has been regulated in Law Number 18 of 1997 which has been refined in Law Number 34 of 2000, then Law Number 28 of 2009. This law describes the freedom of the region to explore various sources. potential to obtain financing from their own region to be able to increase their PAD.

As for those included in the Regional Original Income (PAD), namely;

1. Local taxes
2. Regional fees
3. Proceeds of segregated wealth
4. Legitimate regional original revenue

Balancing Fund

Balancing funds are revenues originating from the State Revenue and Expenditure Budget (APBN) originating from central government transfers and allocated to support the implementation of all matters that fall under the authority and obligations of regional governments to provide the infrastructure needed by the community within the region itself.

As for what is included in the Balancing Fund, namely;

1. Non-tax profit sharing (BHBP) and tax sharing (BHP)
2. Tax sharing

3. Profit sharing of natural resources
4. General allocation fund
5. Special allocation funds

Financial statements

Financial reports are reports that explain financial conditions and various types of transactions that have been carried out by an agency or institution. The financial report describes the design and realization of the program that will be implemented by the government so that the government can assess whether it is in accordance with the targets that have been made or not. From these financial reports the government can also take an overview regarding what economic, social and political policies need to be implemented later in order to achieve financial reports and create better regional development than the previous year.

If we see that the components of the financial statements have special sections, which according to Law Number 24 of 2005 describes government accounting standards, where the intended government accounting standards are as follows;

1. Report on the realization of the provincial, district and city APBD budgets
2. Balance sheet
3. Statement of incoming or outgoing cash flow
4. Various kinds of notes on the financial statements that have been made

Analysis of regional financial performance is basically seen from three different components where each component has a special record and has an interrelationship between one component and another. The three components are;

1. Revenue analysis, in which revenue analysis describes the income of a regional government in exploring various potential sources so as to be able to increase revenue from the regional government itself,
2. Expenditure analysis, where the expenditure analysis describes the amount of costs that need to be incurred by a government in carrying out public services.
3. Budget analysis, where the budget analysis contains revenue and expenditure targets from a regional government that are estimated for the coming year.

We can see how the financial performance of the local government by using the calculation of financial ratio analysis which includes;

1. Effectiveness Ratio

The effectiveness ratio describes the relationship between the level of success of an activity in the public sector so that an activity can be said to be effective if the activity is able to have a major influence on the ability of the local government to organize and provide services to the community which are predetermined targets. The effectiveness ratio is a level of achievement of the implementation of activities or achievements that have been achieved by the regional government which can be assessed by comparing the realization of revenue with the budgeted income obtained, in units of percent.

Table 1 Performance Criteria for Regional Financial Management

Percentage of Financial Performance Criteria

Over 100 % Very effective

90%-100% Effective

80a%-90% Moderately effective

60%-80% Less effective

Less than 60 % Not effective

Source: Research and Development Team of Depdagri Fisipol UGM in Susanto (2014)

2. Independence Ratio

The regional independence ratio shows the level of independence of a regional government in financing all programs that will be carried out both in terms of development and services that will be provided to the community. The independence ratio is calculated by dividing the total PAD by the regional expenditure expressed in percent units.

Table 2 Criteria for Regional Financial Independence

Percentage of PAD Regional Financial Independence

0.00-10.00 Very Less

10.00-20.00 Less

20.01-30.00 Medium

30.01-40.00 Enough

40.01-50.00 Good

>50.00 Very Good

Source: Research and Development Team of Depdagri Fisipol UGM in Susanto (2014)

3. Activity Ratio

The activity ratio shows the allocation of funds made by the regional government to prioritize all programs that have been designed which are contained in development spending and operational spending with the maximum. If the higher development spending is used to provide the facilities and infrastructure needed by the community's economy, then this will increase the percentage of spending and reduce the percentage of operational spending and vice versa.

4. Growth Ratio

The growth ratio is used to calculate how large the capacity of the local government is to increase and maintain the success that has been obtained from year to year, so that there is better growth than before. By knowing the growth for each component of sources of income and expenditure, it can be used to look back at all the potential possessed by each region so that later in its management it can be more optimal and can be expected as a means of increasing PAD.

RESEARCH METHOD

Types of research

The type of research used by researchers is descriptive quantitative research where in this study researchers will interpret a result of data analysis and draw a conclusion from the data analysis.

Research Objects and Locations

The target of this research is the budget and realization of the East Lombok Regency APBD from 2018-2021. The location of this research is located in East Lombok Regency, where in this study the researchers did not go directly into the field because they used secondary data to support this research.

Data Types and Sources

The type of data used in this research is secondary data, this secondary data is data sourced from third parties or parties that have collected the data and published it. In this study, the data source came from the Ministry of Finance of the Republic of Indonesia with a period from 2018-2020.

Data collection technique

The data collection technique in this study was a documentation technique where the data obtained from the documentation technique came from the Ministry of Finance of the Republic of Indonesia with a period from 2018-2020.

Data analysis technique

The data analysis technique used in this study is financial ratio analysis where in this financial ratio analysis we can measure the performance of local governments from time to time, by comparing the targets and realization of an APBD in local governments.

The financial ratio analysis technique will be explained in the description below;

Effectiveness Ratio

The effectiveness ratio is a level of achievement of the implementation of activities or achievements that have been achieved by the regional government which can be assessed by comparing the realization of revenue with the budgeted income obtained, in units of percent.

Effectiveness ratio is measured by;

$$Rasio\ Efektivitas\ n\ \frac{Realisasi\ Pendapatan}{Anggaran\ Pendapan}\ x\ 100\%$$

Independence Ratio

The independence ratio is calculated by dividing the total PAD by the regional expenditure expressed in percent units.

Independence ratio is measured by;

$$Rasio\ Kemandirian\ \frac{Pendapatan\ Asli\ Daerah}{Bantuan\ Pemerintah\ Pusat\ (Provinsi)}\ x\ 100\%$$

Activity Ratio

The activity ratio gives an illustration. If the higher the development spending used to provide the facilities and infrastructure needed by the community's economy, then this will increase the percentage of expenditure and decrease the percentage of operational expenditure and vice versa.

Ratio of Routine Spending Activity to APBD;

$$Total\ Belanja\ Rutin\ \frac{Total\ Belanja\ Rutin}{Total\ APBD}\ x\ 100\%$$

Total APBD Development Spending Activity;

$$Total\ Belanja\ Pembangunan\ \frac{Total\ Belanja\ Pembangunan}{Total\ APBD}\ x\ 100\%$$

Growth Ratio

The growth ratio is used to calculate how large the capacity of the local government is to increase and maintain the success that has been obtained from year to year, so that there is better growth than before.

The Growth Ratio can be calculated using the formula below;

$$Persentase\ Pertumbuhan\ PAD\ \frac{PAD\ Tahun\ Ini}{PAD\ Tahun\ Sebelumnya}\ x\ 100\%$$

$$Persentase\ Pertmbuhan\ Total\ Pendapatan\ \frac{Pendapatan\ Tahun\ Ini}{Pendapatan\ Tahun\ Sebelumnya}\ x\ 100\%$$

RESULT AND DISCUSSION

On the target data and realization of the East Lombok Regency Regional Revenue and Expenditure Budget that we have obtained from 20178-2021 where this data comes from the Ministry of Finance of the Republic of Indonesia. In the results and discussion of this we will begin to analyze the financial performance of the local government of East Lombok Regency through ratio calculations and be able to interpret the results of the ratio calculation.

1. Effectiveness Ratio

The effectiveness ratio describes the relationship between the level of success of activities in the public sector in organizing and providing services to the community which are predetermined targets where the regional government involved in this study is the East Lombok Regency government. If the results of the calculation of the Effectiveness Ratio show 100%, then the local government is included in the very effective indicator. The results of calculating the effectiveness ratio of East Lombok Regency can be seen in the table below.

Table 3 Effectiveness Ratio of Regional Financial Performance in East Lombok Regency for 2018-2021

Tahun	Realisasi Penerimaan	Target Penerimaan	Persentase(%)
2018	261,72 M	295,16 M	88,67
2019	298,62 M	294,93 M	98,19
2020	328,11 M	322,94 M	101,60
2021	386,85 M	409,83 M	94,39
Rata-Rata	318,825 M	330,175 M	95,71

Data source: processed data (2022)

The table above shows the results of calculating the ratio of the effectiveness of the East Lombok district's financial performance from 2017-2018. The interpretation of the results of these calculations is;

A. In 2018 the East Lombok regency revenue target was 295.16 billion and the realization of this revenue was 261.72 billion so that the percentage of the target and realization of the revenue was 88.67, which means that the regional government of East Lombok Regency in managing its revenue is included in a sufficient indicator effective because it is between 80% -90%.
B. In 2019 the East Lombok regency revenue target was 294.93 billion and the realization of this revenue amounted to 298.62 billion so that the percentage of the target and realization of the revenue was 98.19, which means that the regional government of East Lombok Regency in the effectiveness of managing its revenue is included in effective indicator because it is between 90% -100%. Where this year there was a better increase than the previous year, we can see that the percentage in 2018 was 88.67 and the percentage in 2019 was 98.19, which means the effectiveness of financial performance in 2018 < 2019
C. In 2020 the East Lombok regency revenue target is 322.94 billion and the realization of this revenue is 328.11 billion so that the percentage of the target and realization of the revenue is 101.60, which means that the regional government of East Lombok Regency in the effectiveness of managing its revenue is included in a very effective indicator because it is at the level of 100% and above. Where this year there was a better increase than the previous year, we can see that the percentage in 2019 was 98.19 and the percentage in 2020 was 101.60, which means the effectiveness of financial performance in 2019 <2020
D. In 2021 the East Lombok regency revenue target is 409.83 billion and the realization of this revenue is 385.85 billion so that the percentage of the target and

realization of the revenue is 94.39, which means that the regional government of East Lombok Regency is included in the effectiveness of managing its revenue. an effective indicator because it is at the level of 90% -100% and above. Where this year there was a decrease from the previous year, we can see that from the percentage in 2020 it was 101.60 and the percentage in 2021 was 93.39, which means the effectiveness of financial performance in 2020 > 2021

So the results of the calculation above show the ratio of the effectiveness of the financial performance of East Lombok Regency, where the average value in 2018-2021 is 95.71, which means it is already included in a very effective indicator because it is between 90% -100%. So increasing the effectiveness of financial ratios in 2018-2021 needs to be maintained or increased by the local government of East Lombok Regency.

2. Independence Ratio

The regional independence ratio shows the level of independence of a regional government in financing all programs that will be carried out both in terms of development and services that will be provided to the community. The higher the results of the calculation of the independence ratio, this shows that the regional governments are increasingly independent of their financial performance, which means that the level of dependence on balancing funds is also decreasing.

Table 4 Ratio of Regional Financial Performance Independence for East Lombok Regency in 2018-2021

Tahun	Pendapatan Asli Daerah	Bantuan Pemerintah Provinsi/Pusat	Persentase(%)
2018	261,72 M	2.061,55 M	12,69
2019	289,62 M	2.174,11 M	13,32
2020	328,11 M	1.959,26 M	16,75
2021	386,85 M	2.079,95 M	18,59
Rata-Rata	316,575 M	2.068,71 M	29,94

Data source: processed data (2022)

The table above shows the results of calculating the financial performance independence ratio of East Lombok district from 2018-2021, the interpretation of the results of these calculations is;

A. In 2018 the income of the East Lombok district was 398.09 M and assistance from the provincial/central government amounted to 2,061.55 Bn so that the

percentage of local revenue with assistance from the province/central was 12.69, which means that the local government of East Lombok Regency is independent regional finance is included in the indicators that are less independent because it is between 10.00% -20.00%, which means that the level of dependence of local government finances is still high on assistance from the province/or center.

B. In 2019 the income of the East Lombok district was 289.62 billion and assistance from the provincial/central government amounted to 2,174.11 billion so that the percentage of local revenue with assistance from the province/central was 13.32, which means that the local government of East Lombok Regency is independent regional finance is included in the indicators that are less independent because it is between 10.00% -20.00%, which means that the level of dependence of local government finances is still high on assistance from the province/or center. However, there has been an increase in the level of independence in the regional financial management of East Lombok Regency. We can see that from the percentage of independence in 2018 amounting to 12.69 and in 2019 amounting to 13.32, which means regional financial independence in 2018 > 2019.

C. In 2020 the income of the East Lombok district is 328.11 billion and assistance from the provincial/central government is 1,959.26 billion so that the percentage of local revenue with assistance from the province/central is 16.75, which means that the local government of East Lombok Regency is independent regional finance is included in the indicators that are less independent because it is between 10.00% -20.00%, which means that the level of dependence of local government finances is still high on assistance from the province/or center. However, there has been an increase in the level of independence in regional financial management in East Lombok Regency. We can see that from the percentage of independence in 2019 amounting to 13.32 and in 2020 amounting to 16.75, which means regional financial independence in 2019 < 2020.

D. In 2021 the income of the East Lombok regency is 386.85 billion and assistance from the provincial/central government is 2,079.95 billion so that the percentage of local revenue with assistance from the province/central is 18.59, which means that the local government of East Lombok Regency is

independent regional finance is included in the indicators that are less independent because it is between 10.00% -20.00%, which means that the level of dependence of local government finances is still high on assistance from the province/or center. However, there has been an increase in the level of independence in regional financial management in East Lombok Regency. We can see that from the percentage in 2020 it was 16.75 and in 2021 it was 18.59, which means regional financial independence in 2020 < 2021.

So the results of the calculation above show the financial performance independence ratio of East Lombok Regency, where the average value in 2018-2021 is 29.94, which means it is included in the indicator that is being independent because it is between 20.00% -30.00%, which means the level of dependency of local government finances still exists, but not too high and not too low, on assistance from the province/or center. so that they have not been able to fund their programs independently, therefore the local government must really carry out an evaluation to see potential sources of income that can increase the amount of PAD from the previous year.

3. Activity Ratio

The Activity Ratio shows the total percentage of development spending and operational spending on local governments. If the higher development spending is used to provide the facilities and infrastructure needed by the community, then this will increase the percentage of development spending and reduce the percentage of operational spending and vice versa.

Table 5 Regional Financial Performance Activity Ratio of East Lombok Regency in 2017-2018

Tahun	APBD	Belanja		Rasio Aktifitas Belanja (%)	
		Operasi	Modal	Operasi	Modal
2018	2.497,17 M	2.643,33 M	376,74 M	105,85	15,09
2019	2.765, 62 M	3.016,78 M	463,87 M	109,08	16,77
2020	2.596,08 M	3.048,93 M	283,38 M	117,44	10,92
2021	2.732,61 M	2.864 M	406,73 M	104,80	14,88
Rata-Rata	2.647,87 M	2.45,04 M	382,68 M	109,29	14,41

Data source: processed data (2022)

The table above shows the results of calculating the activity ratio for the

financial performance of the East Lombok district from 2018-2021, while the interpretation of the results of the calculation is;

A. In 2018 it shows that the percentage of operating costs is 105.85 and capital costs are 15.09, which means that this year the government is prioritizing operating expenditures over capital expenditures
B. In 2019, the total percentage of capital costs was 109.08 and capital costs was 16.77, which means that the allocation of funds for operating expenditures is far greater than capital expenditures. However, in 2018-2019 operational spending increased from 105.85 to 109.08, while capital expenditure also increased from 2018-2019, from 15.06 to 16.77.
C. In 2020, the percentage of capital costs is 104.80 and capital costs are 14.88, which means that the allocation of funds for operating expenditures is far greater than capital expenditures. However, in 2019-2020 operational expenditure has increased, from 109.08 to 117.44, while capital expenditure has also decreased from 2019-2020, which amounted from 16.77 to 10.92.
D. In 2021, the total percentage for capital costs is 117.44 and capital costs is 10.92, which means that the allocation for operating expenditure is far greater than capital expenditure. However, in 2020-2021 operational expenditure has decreased, namely from 117.44 to 104.80, while capital expenditure has increased from 2020-2021, which amounted from 10.92 to 14.88.

So the results of the calculation above show the ratio of activity to financial performance in East Lombok Regency, where the average percentage value in the 2018-2021 period for operating costs is 109.29 and capital costs is 14.41. In this situation, it can give us an explanation that the East Lombok Regency government is more concerned with the allocation of more funds to operating expenditures, which shows that the higher the operating expenditures, the lower the provision of community infrastructure and public services in capital expenditures.

4. Growth Ratio

The growth ratio shows how a region can maintain APBD growth in the years to come, so that by measuring the level of growth in financial performance it can be used as a policy tool in prioritizing what is really needed to support growth in a region. If the higher the Regional Original Income, the greater the ability of the region to increase or maintain its growth, this is a success achieved for the regional

government itself.

Table 6 Growth Ratio of Regional Financial Performance of East Lombok Regency in 2017-2018

Tahun	Rasio Pertumbuhan PAD (%)	Rasio Pertumbuhan Pendapatan (%)	Rasio Pertumbuhan Belanja Tidak Langsung (%)	Rasio Pertumbuhan Belanja Langsung (%)
2018	-34,26	0,19	23,21	1,78
2019	10,66	6,14	36,74	3,87
2020	23,89	-5,92	-63,02	-9,31
2021	17,90	11,25	110,92	17,05

Data source: processed data (2022)

The table above shows the results of calculating the growth ratio for the East Lombok district's financial performance from 2018-2021. The interpretation of the results of the calculation is;

A. In 2018 the growth ratio for indirect spending increased by 23.21 and the ratio for growth for indirect spending increased by 1.78.
B. In 2019 the growth ratio for indirect expenditure increased by 36.74 from 2018 which amounted to 23.21 and the ratio for growth for indirect expenditure increased by 3.87 from 2018 amounting to 1.78
C. In 2020 the ratio of growth in indirect expenditure decreased by -63.02 from 2019 amounting to 36.74 and the ratio of growth in indirect expenditure decreased by -9.31 from 2019 amounting to 3.87.
D. In 2021 the growth ratio for indirect spending increased by 23.21 from 2020 totaling -63.02 and the ratio for growth for indirect spending increased by 1.78 from 2020 totaling -9.31

So from the results of the interpretation above, indirect spending and direct spending continue to fluctuate from year to year.

5. Financial Performance Ratios

Financial performance ratios are used to measure the performance of local governments in implementing targets and achieving a realization of the APBD that has been designed.

Table 7 Calculation results of the East Lombok Regency Regional Financial Performance Ratio for 2018-2021 (in percentage)

Keterangan	Tahun Anggaran				Rata-Rata (%)
	2018	2019	2020	2021	
Rasio Efektifitas	88,67	98,19	101,60	94,39	95,71
Rasio Kemandirian	12,69	13,32	16,75	18,59	15,33
Rasio Aktifitas					
-Belanja Operasi	105,85	109,08	117,44	104,80	109,29
-Belanja Modal	15,09	16,77	10,92	14,88	57,66
Rasio Pertumbuhan					
-PAD	-34,26	10,66	23,89	17,90	4,54
-Pendapatan Daerah	0,19	6,14	-5,92	11,25	2,91
-Belanja Operasi	23,21	36,74	-63,02	110,92	26,96
-Belanja Modal	1,78	3,87	-9,31	17,05	3,34

The table above shows the results of calculating the financial performance ratios of the East Lombok district from 2018-2021 while the interpretation of the results of these calculations is;

A. The effectiveness ratio from 2018-2021 shows an average result of 95.71 which is included in the effective indicator because it is between 90%_100%.
B. The independence ratio from 2018-2021 shows an average result of 15.33 which is included in the indicator that is less independent, meaning that the local government of East Lombok Regency in the 2018-2021 period is still very dependent on transfers from the center or balancing funds.
C. The operating expenditure activity ratio from 2018-2021 shows an average result of 109.29 and capital expenditure of 57.66 where from these results the amount of funds allocated to operating expenditure is greater than capital expenditure during the 2018-2021 period.
D. The PAD growth ratio from 2018-2021 shows an average result of 4.54. The ratio of growth in operating expenditures from 2018-2021 shows an average result of 26.96 and the ratio of growth in capital expenditures from 2018-2021 shows an average result of 3.34. From these data, the amount of PAD growth is much smaller than the growth in operating and capital expenditures, which means that regional own-source revenues have not been able to finance expenditures from the regional governments themselves.

CONCLUSION AND SUGGESTION

Analysis of the financial performance of the Regional Government of East Lombok Regency through a financial ratio approach with targets and realization of the APBD, we can see that the effectiveness ratio is included in indicators that are already effective, the independence ratio is still very less independent, which means that the local government is very dependent on transfer funds from the central government, the activity ratio shows that the amount of operating expenditure is greater than capital expenditure and the average PAD growth ratio is still very low, in which the average regional original income is much lower than the average capital expenditure or operating expenditure so that we can conclude that the government have not been able to use their PAD to finance all the expenditure needed by the local government.

With the low acquisition of PAD in the period 2018-2011 the government can use this research as a reference to continuously increase regional PAD in the future by exploring natural resources or existing regional potential for development and from this it is hoped that it will be able to reduce regional financial dependence on the government good center. With an increase in PAD, local governments will be more flexible in allocating it for programs that will be implemented later.

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