

PERFORMANCE ANALYSIS OF REALIZATION OF REGIONAL INCOME AND EXPENDITURE BUDGET (APBD) REVIEWED FROM FINANCIAL RATIO

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Abstract. This study aims to determine the financial performance of the NTB provincial government by using financial statement analysis of the NTB provincial revenue and expenditure budget for the 2010-2017 fiscal year. The type of research used in this research is comparative descriptive. The processed money data is a summary of the regional income and expenditure budget for the 2010-2017 fiscal year obtained from the regional financial and asset management agency. The results of the study show that: 1) regional growth and spending are good; 2) the level of independence of the NTB province is classified as participatory; 3) the level of effectiveness of the province of NTB is quite effective; 4) the efficiency level of the province of NTB is classified as very efficient; 5) the degree of fiscal decentralization is quite sufficient; 6) the allocation of funds for operating expenditures is prioritized over capital expenditures. Based on the calculation results, it can be concluded that the financial performance of the province of NTB is quite effective and very efficient. Thus, government management must be willing to increase and maximize PAD for the following years.

Keywords: Management, Ratio, Effective, Efficient.

1. Introduction

The progress of a competent state is supported by many factors. The budget is one of the main parts in running a government wheel. The occurrence of turmoil, dissatisfaction or lack of budget transparency and public trust is very dependent on the condition of the budget and public trust is very dependent on transparent budget conditions, clarity, fairness and realization of a budget in the work program of government agencies.

The management of financial accounting has become the government's obligation to regulate the definition, measurement, recognition, assessment and or disclosure of event transactions in accordance with Public Accounting Standards (SAP). The provincial/district/city government budget realization report is issued twice in a semiannual and annual budget year.

The regional government performance indicator is the existence of real results in the form of regional original revenue (PAD). The original income of this area is one part of the indicators of the success of the development of a region. The budget realization report is an inseparable part of efforts to manage local government finances. Achievements in the budget realization report based on timeliness are the main thing. But often the problem is mostly obstacles in achieving the target.

In order for the discussion to be more focused, the problem is limited to what factors affect the realization of the Regional Revenue and Expenditure Budget in the Province of NTB. In connection with the problems posed, this study aims to determine the Realization Performance of the Regional Revenue and Expenditure Budget (APBD) in terms of Financial Ratios in the Province of NTB. The benefits of this research are academically as a condition for Lecturer's workload, theoretical benefits as depth and application of theory related to regional finance and practically as an additional insight into the world of work.

2. Theoretical Basis

Definition of Financial Statements

According to Hariadi (2010; 155), financial statements are structured reports regarding the financial position and transactions carried out by reporting entities. The general objective of preparing financial statements is to present information on financial position, budget realization, cash flow, and financial performance. Meanwhile, according to Mulyadi (2011: 21), financial statements are basically the result of an accounting process that can be used as a tool to communicate financial data to interested parties, as a material consideration in decision making.

Understanding Budget

According to Hariadi (2010:7) Budget is a statement regarding the estimated performance to be achieved during a certain period expressed in financial measures. Meanwhile, according to Nafarin (2012:21) the budget is a written plan regarding the activities of an organization which is stated qualitatively and is generally expressed in units of money or within a certain period of time.

Definition of Realization

According to Mariasmo (2009:21) realization is the process of making real, embodiment, real implementation. Meanwhile, according to Nordiawan (2010: 115), realization is a process that must be realized to become a reality and real implementation so that realization can be in accordance with the desired expectations.

Definition of Budget Realization Report (LRA)

According to Hariadi (2010), the budget realization report is a report that describes the comparison between the revenue and expenditure budget with its realization in a certain period that shows compliance with regulations and or statutory provisions. Meanwhile, according to Siregar, the budget realization report is a report that presents an overview of the sources, allocation and use of cash resources managed by the government in a period.

3. Methods

Types of research

This research is descriptive comparative, because this study aims to get a picture, describe and report a state of an object or an event and compare it from year to year (Sugiyono, 2010).

Research sites

The research was conducted on the regional financial and asset management agency of the NTB provincial government located at JL. Pejangik No. 12 Mataram.

Data and Data Sources

The data used in this research is secondary data. The data is a report on the realization of the regional government's revenue and expenditure budget for the NTB provincial government for the 2010-2017 fiscal year. The data was obtained from the regional financial and asset management agency of the NTB provincial government through the website bpkad.ntbprov.go.id.

4. Results and Discussion

To find out whether the government's financial performance is good or not, the measurement of financial performance must be carried out. The data used to measure the financial performance of the NTB provincial government is the report on the realization of the provincial regional income and expenditure budget for 2010-2017. The analysis of the financial performance of the NTB province is an assessment of the level of progress in achieving the implementation of the work/activities of the NTB province in the financial sector. The ratios used are growth ratio, financial independence ratio, financial dependency ratio, PAD effectiveness ratio, financial efficiency ratio, degree of decentralization ratio and regional expenditure efficiency ratio.

The financial performance of the NTB provincial government when viewed from the ratio of growth in the regional budget of revenue and expenditure, namely the ratio of revenue growth experienced positive growth with an average of 19.36% while the ratio of expenditure growth also experienced positive growth, the average growth was; operating expenses 22, 21% capital expenditures 50.41% unexpected expenditures 315, 12% transfers 20.34%, if viewed from the financial independence ratio, it is classified as moderate with an average value of 61%. Central government assistance is always increasing and the amount is much greater than the local revenue. In this case, it can be said that the central government's intervention in regional financial affairs has been greatly reduced. The financial performance of the NTB provincial government when viewed from the PAD effectiveness ratio is an average of 94.48% which is quite effective, because the results of the calculation of the PAD effectiveness ratio show a figure of less than 100%. And the financial performance of the NTB provincial government when viewed from the efficiency ratio during 2010-2017 was an average of 2.46% and classified as very efficient. Because the smaller the result of the efficiency ratio, the better the government's performance will be. while the performance when viewed from the ratio of the degree of decentralization for an average of 36.72%. This means that the central government gives sufficient authority and responsibility to the NTB provincial government. the results of the compatibility ratio show that most of the funds owned by local governments are still prioritized for operating expenditure needs so that the capital expenditure ratio is relatively small.

5. Conclusions

Based on the results of data analysis that has been carried out, the following conclusions can be drawn:

1. The financial performance of the NTB provincial government when viewed from the ratio of income and expenditure growth is good and has positive growth although the value fluctuates every year.
2. The financial performance of the NTB provincial government when viewed from the independence ratio is classified as moderate with a participatory relationship pattern (close to being able to carry out autonomous affairs, because the government's role is able to carry out autonomous affairs, the role of the central government is decreasing) with an average value of 61%.
3. The financial performance of the NTB provincial government when viewed from the PAD effectiveness ratio is already good. the effectiveness of the financial performance of the NTB provincial government is quite effective with an average value of 94.48%

4. The financial performance of the NTB provincial government in terms of efficiency ratios is very good. the level of financial efficiency of the province of NTB is classified as very efficient with an average value of 2.46%
5. The financial performance of the NTB provincial government when viewed from the ratio of the degree of decentralization is good and good. the effectiveness of the financial performance of the province of NTB is quite adequate with an average value of 36.72%.
6. The results of the calculation of the compatibility ratio show that the value of the operating expenditure ratio is greater than the capital expenditure ratio.

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