

FINANCIAL PERFORMANCE ANALYSIS OF BANYUWANGI REGIONAL GOVERNMENTS FOR 2016-2020 FINANCIAL YEAR

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ABSTRACT

This study aims to analyze the financial performance of the Banyuwangi Regency Government in 2016 to 2020 using financial ratio analysis. Financial ratio analysis is a comparison between two numbers whose data is taken from elements of financial statements. The financial ratio analysis used is the ratio of the degree of decentralization, the ratio of regional financial dependence, the ratio of regional financial independence, the effectiveness and efficiency ratio of regional original income (PAD), the compatibility ratio, and the growth ratio.

This research design uses a qualitative descriptive which describes and describes the results of the financial ratio analysis of the Banyuwangi Regency Government. In this study, the population and samples taken were the 2016 - 2020 Banyuwangi Regional Government Financial Reports. The sampling technique used was purposive sampling. Data were obtained by means of observation, documentation, and literature study.

The results showed that the regional financial performance of the Regional Financial and Asset Management Agency of Banyuwangi Regency 2016 - 2020 in the ratio analysis of the degree of decentralization in 2016 - 2020 showed less. In the analysis of the ratio of regional financial dependence in 2016 - 2020 is very high. In the analysis of the ratio of regional financial independence in 2016 - 2020 it is very low. In the analysis of the effectiveness ratio of regional original income (PAD) 2016 is very effective, 2017 is less effective, 2018 is not effective, 2019 is quite effective, and 2020 is less effective. In the 2016 – 2020 PAD efficiency analysis, it is very efficient. In the analysis of the compatibility ratio for 2016 - 2020, it shows that the amount of funds owned by the Banyuwangi Regency Government is still more dominantly used for operational expenditure needs of 75.51% while operating expenditure is 23.80%. The analysis of the growth ratio in 2016 - 2020 is fluctuating, because the growth of regional original income (PAD) in Banyuwangi Regency tends to decrease, while the expenditure growth ratio tends to decrease every year, both growth in operating expenditures and growth in capital expenditures.

Key words : Financial Statemants, Financial Performance, Analysis of the Ratio