

Jurnal Bisnis dan Akuntansi 2020

by

Submission date: 07-Apr-2021 11:22AM (UTC+0700)

Submission ID: 1552514451

File name: 2020_juni_jurnal_bisnis_dan_akuntansi_juni_2020.pdf (589.49K)

Word count: 5948

Character count: 31024

2

1

MEASUREMENT OF REGIONAL GOVERNMENT FINANCIAL PERFORMANCE IN INDONESIA

REDIYANTO PUTRA¹
RAHMA RINA WIJAYANTI²
ORYZA ARDHIARISCA³

Accounting Departement, Universitas Negeri Surabaya, Jl. Rektorat Unesa, Lidah Wetan, Lakarsantri, Surabaya,
Indonesia¹

Public Sector Accounting Program Study, Politeknik Negeri Jember, Lingkungan Panji, Tegalgede, Sumbersari,
Jember, Indonesia^{2,3}

rediputra.rp@gmail.com, rahmarina11@gmail.com, oryza_risca@polije.ac.id

1

Abstract: This study aims to determine the financial performance of all local governments in Indonesia. This study uses financial data from all the districts/cities and provinces in Indonesia from 2013 to 2015. The data collection techniques used in this study is documentation. This research used descriptive and quantitative analysis methods. The results of the study show that the government's financial performance in Indonesia has been effective but inefficient. This is evident from the ratio of the financial effectiveness ratio of local governments in Indonesia in 2013-2015 in the range of 102-121%, but the ratio of financial efficiency of local governments in Indonesia in 2013 to 2015 was in the range of 99% -104%. Financial performance that is not optimal from this local government is because during 2013-2015 the contribution of taxes and regional retribution on Regional Original Income was low so that in the end it caused the level of income received by the regional government to be not too large.

Keywords: Regional government financial performance, regional retribution, regional taxes, regional revenue

Abstrak: Penelitian ini bertujuan untuk mengetahui kinerja keuangan semua pemerintah daerah di Indonesia. Penelitian ini menggunakan data keuangan dari semua kabupaten / kota dan provinsi di Indonesia dari 2013 hingga 2015. Teknik pengumpulan data yang digunakan dalam penelitian ini adalah dokumentasi. Penelitian ini menggunakan metode analisis deskriptif dan kuantitatif. Hasil penelitian menunjukkan bahwa kinerja keuangan pemerintah di Indonesia telah efektif tetapi tidak efisien. Ini terlihat dari rasio rasio efektivitas keuangan pemerintah daerah di Indonesia pada 2013-2015 pada kisaran 102-121%, tetapi rasio efisiensi keuangan pemerintah daerah di Indonesia pada 2013 hingga 2015 berada di kisaran 99 % -104%. Kinerja keuangan yang tidak optimal dari pemerintah daerah ini adalah karena selama 2013-2015 kontribusi pajak dan retribusi daerah terhadap Pendapatan Asli Daerah rendah sehingga pada akhirnya menyebabkan tingkat pendapatan yang diterima oleh pemerintah daerah menjadi tidak terlalu besar. .

Kata kunci: Kinerja keuangan pemerintah daerah, retribusi daerah, pajak daerah, pendapatan daerah

INTRODUCTION

Financial management in Indonesia at this time has become not centralized in the central government, but can also be managed autonomously by local governments. Regional governments in Indonesia currently have the authority to implement the principle of autonomy in carrying out their duties and responsibilities. According to Law Number 23 of 2014 concerning Regional Government explains that regional government is "the implementation of government affairs by the region and the regional people's representative council according to the principle of autonomy and assistance tasks with the principle of broadest autonomy in the system and principles of the Unitary State of the Republic of Indonesia as referred to in The 1945 Constitution of the Republic of Indonesia." The granting of authority to the regions to carry out governmental affairs also ultimately has an impact on financial management systems that are no longer centralized.

Financial management carried out by local governments must be by following the concept of value for money. The concept of value for money is a concept that is used to determine the maximum level of use of owned resources to get the benefits of goods and services provided to the public (Eze, 2015). The concept of value for money consists of three elements, namely economical, efficient, and effectiveness. Economists emphasize the careful use of resources, efficiency emphasizes the relationship between the comparison of inputs and outputs produced, and effectiveness emphasizes the relationship between outputs and outcomes. The purpose of applying the concept of value for money in financial management by local governments is to create good performance in financial terms and also

achieve the objectives of the implementation of the targeted government.

The actual conditions in financial management by local governments in Indonesia until the end of 2018 are still not optimal. The Indonesian Minister of Finance stated that the level of regional dependence on transfer funds to regions and village funds was still very high nationally at 80.1% and the contribution of regional own-source revenue was still around 12.87% (Nugraha, 2019). This shows that financial management in local government is still not going well and is not fully by following the concept of value for money. According to the Minister of Finance this condition can occur due to four reasons, namely (1) the high degree of centralization in taxation, (2) the low source of income from the region, (3) competition between local governments in the area of regional taxation, (4) misperception of increase in general allocation funds (Nugraha, 2019).

Explanation of the existence of conditions that have not been maximized by financial management by local governments in Indonesia made a motivation for this research. This study aims to measure the financial performance of local governments based on the three reasons stated by the Minister of Finance regarding the financial dependence of local governments in Indonesia this time.

This research is based on the results of research conducted by Ruliana (2015) and Hikmah (2017). Ruliana (2015) conducted income independence testing at the Provincial Government of East Kalimantan, while Hikmah (2017) tested the contribution of local taxes and levies in Batam City. This study will merge the two studies to measure the financial performance of local governments at the district/city and provincial levels in Indonesia from 2013 to 2017.

The results of this study are expected to be a reference for academics in conducting

Further research with a similar theme. Also, the results of this study can be a reference for the government for evaluation materials to improve performance in financial management in the future.

METHOD

This research explores local governments both districts/cities and provinces in Indonesia. The data used in this study are secondary data related to the financial performance of local governments from 2013 to 2017. The selection of the 2013 to 2017 period is due to the most recent period in the last five years. The research data was collected using the documentation method. The research data was obtained from the website of the Ministry of Finance of the Republic of Indonesia (www.kemkeu.go.id).

This research uses descriptive research method with a quantitative approach. The quantitative approach used in this study was used because this study had numerical data. The descriptive method in this study is used to obtain a clearer and more detailed picture of a condition from data or information that has been collected previously. Thus, descriptive explanations of the data can ultimately be used to answer predetermined research problems. Descriptive data on this study is based on calculations which are then matched to the guidelines used for decision making.

Explanation and description of the data in this study are based on the results of calculations regarding the regional financial performance that has been done. The several regional financial performance calculations performed in this study include the following matters:

Contribution of Original Regional Revenue to Regional Revenue

Regional original income is important because it is a routine income obtained by the region based on laws that have been made by the region. Law No. 33 of 2004 concerning financial balance between the central government and regional governments explained in article 2 paragraph 1 that the Regional Original Revenue (PAD) is intended to give authority to the regional government to fund the implementation of regional autonomy by following the regional potential to realize decentralization (Law No. 33, 2004). The measurement of the level of contribution of local revenue to regional income is as follows (Halim, 2007):

$$= \frac{\text{Revenue Realization of PAD}}{\text{Realization of Regional Revenue}} \times 100\%$$

The level of contribution of Local Own Revenue to regional income is also referred to as the decentralized ratio of fiscal autonomy. The degree of fiscal autonomy is the level of the region's ability to increase local revenue, so it has a large development capability (Radianto & Elia, 1997). This level of contribution has the following criteria (Halim, 2007):

- a) More than 50% = Very Good
- b) 40% up to 50% = Good
- c) 20% to 40% = Good Enough
- d) 10% to 20% = Not Good
- e) Less than 10% = Not Good

Contribution of Local Taxes on Regional Original Revenue

Local tax is one source of income for the province or district/city. Law No. 28 of 2009 concerning Regional Taxes and Regional Levies article 1 paragraph 10 states that local taxes are mandatory contributions to regions that are owed by compulsory personal or corporate taxpayers based on the Law by not receiving direct compensation and used to meet regional

needs in order prosperity of the people(Law No. 28, 2009). This study measures the contribution of local taxes on local own-source revenue measured as follows (Handoko, 2013):

$$= \frac{\text{Local Tax Realization}}{\text{PAD Realization}} \times 100\%$$

Analysis of the contribution of local taxes is used as a basis for knowing how much the level of contribution of local taxes on the original income of a region. The greater the contribution of local taxes, the higher the level of regional mobility. Therefore, the contribution of local taxes to local revenue is also called the regional mobility ratio. This level of contribution has the following criteria (Halim, 2007):

- a) More than 50% = Very Good
- b) 40% up to 50% = Good
- c) 20% to 40% = Good Enough
- d) 10% to 20% = Not Good
- e) Less than 10% = Not Good

Contribution of Regional Retribution on Regional Original Revenue

Local user fees are a source of revenue other than local taxes which also have a high percentage of local own-source revenues. Law No. 28 of 2009 concerning Regional Taxes and Regional Levies in article 1 paragraph 64 explains that local user fees are levies imposed by the region for certain services or permits that have been provided/given to individuals or entities(Law No. 28, 2009). The contribution of fees to local revenue also determines the level of development capability possessed by a local government. Measurement of the level of contribution from local retribution on local original income in this study is measured as follows (Halim, 2007):

$$= \frac{\text{Realization Retribution Revenue}}{\text{PAD Realization}} \times 100\%$$

The results of the calculation of the level of contributions are then classified according to

existing criteria. Some criteria of the level of commitment are as follows (Halim, 2007):

- a. More than 50% = Very Good
- b. 40% up to 50% = Good
- c. 20% to 40% = Good Enough
- d. 10% to 20% = Not Good
- e. Less than 10% = Not Good

Efficiency Level

The level of efficiency is important for all sectors of the economy. This is because efficiency is an important condition for sustainable economic development, responsible public administration, and the provision of fair public goods and services (Florina, 2017). The level of efficiency of local government finances in this study was measured using the following formula (Mardiasmo, 2016):

$$= \frac{\text{Costs incurred to get income}}{\text{Total Revenue Received}} \times 100\%$$

A local government is said to be efficient or not in obtaining revenue determined from the criteria for financial performance evaluation and as follows (Ministry of Internal Affairs, 1996):

- a. More than 100% = Inefficient
- b. 90% up to 100% = Less Efficient
- c. 80% up to 90% = Fairly Efficient
- d. 60% up to 80% = Efficient
- e. Less than 60 = Very Efficient

Level of Effectiveness

The level of effectiveness is also an important requirement for an assessment of the financial performance of local governments. This is because the level of effectiveness is a form of evidence of success in achieving targets or goals by using available resources (Mandl et al, 2008). The level of effectiveness of local government finances in this study was measured using the following formula (Mahmudi, 2010).

$$\frac{\text{Revenue Realization}}{\text{Income Target}} \times 100\%$$

A local government is said to be effective or not in obtaining revenue determined from the criteria for financial performance evaluation and as follows (Ministry of Internal Affairs, 1996):

- a. More than 100% = Very Effective
- b. 90% up to 100% = Effective
- c. 80% up to 90% = Effective enough
- d. 60% to 80% = Less Effective
- e. Less than 60 = Not Effective

RESULTS

Financial Description of Local Government

This research measures the local government in Indonesia. The regional government here includes the regency/city regional government and the provincial government. Observations in this study were conducted from 2013 to 2017. The table below provides a brief description of the number of local governments used in this study.

Table 1 Number of Local Governments Observed

	Number
Provincial Governments in Indonesia	34
Provincial Governments with incomplete data	(1)
Regency / City Governments in Indonesia	514
Regencies / cities with incomplete data	(5)

The above table shows that there are 1 provincial government and 5 district/city governments that were not included in the observation of this study. The provincial government which was not included in this observation was North Kalimantan, while the district/city government that was not included in the observation was the district/city government contained in North Kalimantan Province. 4 Districts in North Kalimantan that were not included in the observation were Bulungan District, Malinau District, Nunukan Regency, and Tana Tidung Regency, while 1 City that was not included in the observation was Tarakan City. Provincial and district/city governments in North Kalimantan were not included in the observation because there were no 2013 and 2014 financial data found, so they had to be excluded from observation.

The results of research related to the financial performance of local governments in Indonesia during 2013-2017 have been briefly explained in the table. This table provides an overview of the average, highest value, and lowest value of the total realization of local taxes, regional levies, regional own-source revenues, regional revenues, and regional expenditures during 2013-2017.

Table 2. Regional Financial Descriptions for 2013-2017

Information	Realization of Regional Original Income (Millions of Rupiah)				
	Regional Tax	Regional Retribution	Local Original Revenue	Regional Revenue	Regional Expenditure
Average	4.482.524	316.258	6.061.269	27.347.414	26.917.324
Max	36.500.782	1.750.633	43.901.488	116.985.895	116.850.008
Min	16.1667	26.263	263.457	4.380.039	4.301.871

The table above shows that the average amount of local government tax realization in Indonesia from 2013 to 2017 amounted to Rp 4.482 trillion. The highest amount of tax realization from 2013 to 2017 occurred in the DKI Jakarta regional government in 2017 amounting to Rp 36.5 trillion, while the lowest realization of local tax from 2013 to 2017 occurred in the West Sulawesi regional government in 2013 which amounted to Rp 16,16 billion.

The table above shows that the average amount of regional retribution in Indonesia from 2013 to 2017 amounted to Rp 316,258 billion. The highest amount of regional retribution from 2013 to 2017 occurred in the East Java regional government in 2015 amounting to Rp 1.75 Trillion, while the lowest regional retribution from 2013 to 2017 occurred in Gorontalo local government in 2014 which amounted to Rp 26, 26 billion.

The table above shows that the average amount of realization of local original revenue in Indonesia from 2013 to 2017 was IDR 6.061 Trillion. The highest amount of local original revenue from 2013 to 2017 occurred in the regional government of DKI Jakarta in 2017 amounting to Rp 43.9 trillion, while the lowest realization of local original revenue from 2013 to 2017 occurred in the West Sulawesi regional government in 2013 which amounted to Rp 263,457 Billion.

The table above shows that the average amount of realization of regional revenue in Indonesia from 2013 to 2017 was IDR 27,347 Trillion. The highest amount of regional revenue from 2013 to 2017 occurred in the West Java regional government in 2017 which was IDR 116,985 Trillion, while the lowest regional revenue from 2013 to 2017 occurred in the West Sulawesi regional government in 2013 which was IDR 4.38 Trillion.

The table above shows that the average amount of realization of regional expenditure in Indonesia from 2013 to 2017 was IDR 26,917 Trillion. The highest amount of regional expenditure from 2013 to 2017 occurred in the West Java regional government in 2017 which was IDR 116.85 trillion, while the lowest regional expenditure realization from 2013 to 2017 occurred in the West

Sulawesi regional government in 2013 which was IDR 4,301 Trillion.

Contribution of PAD to Regional Revenue (Fiscal Autonomy Decentralization)

The first measurement of the level of performance is related to the level of contribution of local revenue to regional income. This measurement is carried out to find out the decentralized level of fiscal autonomy of a local government. Decentralization of fiscal autonomy is an important key to the freedom of local governments to act in carrying out their duties and responsibilities independently (Psycharis et al, 2015). The results of the study related to the measurement of the level of the contribution of local revenue to regional income are presented in the following figure

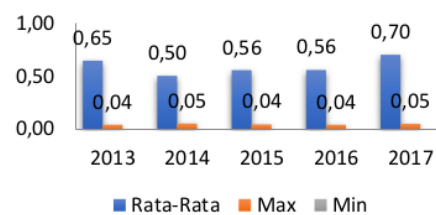


Figure 1 Decentralization Rate of Fiscal Autonomy in Indonesia 2013-2017

The figure above shows that the level of contribution of regional own-source revenue to regional income (decentralized fiscal autonomy) in Indonesia from 2013 to 2017 averaged between 17% and 20%. This implies that the overall level of contribution of original regional income to regional income (decentralized fiscal autonomy) of local governments in Indonesia from 2013 to 2017 is still in the poor category. The level of contribution of local revenue to regional income that is not good this will have an impact on the difficulty of local governments to meet their needs. Fiscal decentralization will determine the ability of local governments to meet expenditures from the main sources of revenue of local governments for the development and increase of power (Psycharis et al, 2015).

The figure above shows that the highest level of contribution of local revenue to regional income (decentralized fiscal autonomy) from local governments is 50% to 70% owned by the DKI Jakarta government in 2013, 2015, 2016, and 2017 and Bali regional government in 2014. Based on this figure, the decentralized level of fiscal autonomy of the regional governments of DKI Jakarta and Bali has good and very good ability to meet expenditures from the main income sources they have.

The figure above shows that the smallest level of contribution of local revenue to regional income (decentralized fiscal autonomy) from local governments is 4% to 5% owned by the West Papua government in 2013 to 2017 and the regional governments of Papua in 2013, 2014 and 2017. Based on this figure, the decentralized level of fiscal autonomy of the regional governments of West Papua and Papua has an inadequate ability to meet expenditures from the main income sources they have.

4 Level of Regional Tax Contribution to PAD (Regional Mobility)

The next measurement of the level of the financial performance of local governments is related to the contribution of local taxes on local own-source revenues (regional mobility). Measurement of the level of local tax contribution aims to determine the level of financial independence of local governments in Indonesia. The results of the measurement of the level of local tax contribution to local own-source revenue in this study are presented briefly in the following figure:

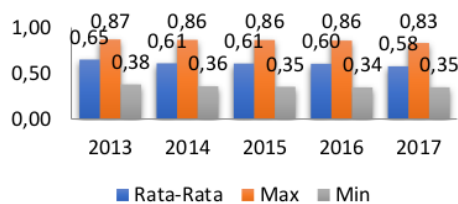


Figure 2 Regional Mobility Levels in Indonesia 2013-2017

The figure above shows that the average level of local tax contribution to local own revenue from 2013 to 2017 ranges from 58% to 65%. This shows that local taxes have a very important contribution to ensure the level of financial independence and development in local governments. Based on the results of research conducted shows that the level of tax contribution to local original income in local governments in Indonesia from 2013 to 2017 has very good criteria. Thus, the local government should maximize regional revenues from local taxes.

The figure above also shows that the highest level of local tax contribution to local revenue from 2013 to 2017 is in the range of 83% to 87%. The highest local tax contribution is entirely owned by the regional government of DKI Jakarta. This indicates that the original regional revenue in DKI Jakarta is mostly derived from local taxes, so the DKI Jakarta regional government needs to optimize its local tax revenue. Also, the results of this study also indicate that the level of contribution of local taxes to local original income owned by the regional government of DKI Jakarta has very good criteria.

The last figure also shows that the lowest level of local tax contribution to regional own-source revenue from 2013 to 2017 is in the range of 34% - 38%. The lowest level of local tax contribution was owned by the North Maluku regional government in 2013 and the Aceh regional government for 2014 to 2017. These results indicate that the original regional income from the Aceh and North Maluku local governments from 2013 to 2017 came more from revenue sources other than local taxes. This is because the level of contribution from the two regions is not too large. The results of this study also show that the lowest level of local tax contribution is owned by the North Maluku regional government and the regional government of Aceh which is included in the category quite well, so that the regional government of North Maluku and Aceh needs to increase and optimize their local tax revenue in the following years. In order to create financial independence and better development.

Level of Contribution of Regional Retribution to PAD

The next performance measurement is the measurement of the level of contribution of regional levies to the region's original income. This measurement is carried out because regional retirement is the main source of income besides taxes from the local government. The purpose of measuring the level of contribution to fees for PAD is that fees are a major component in addition to local taxes which are the main source of regional revenue to meet local government needs and provide services to the community (Muharsono et al, 2016). The results of the measurement of the level of contribution of regional levies to local revenue to local governments in Indonesia from 2013 to 2017 are summarized in the following figure.

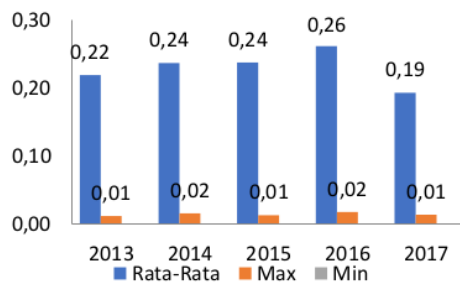


Figure 3 Level of Contribution of Regional Retribution Against PAD

The figure above shows that the average level of contribution of local user fees to local own-source revenues from local governments in Indonesia from 2013 to 2017 ranged from 5% to 10%. This indicates that the role of local user fees as the main source of income other than the tax for local governments for 2013 to 2017 is still included in the unfavorable criteria. Thus, local governments in Indonesia are expected to be able to optimize revenue from local user fees in the coming year. It is intended that local governments in Indonesia not only rely on revenue from local taxes alone to create financial independence and development in the regions.

The figure above shows that the level of contribution of regional levies to local own-source

revenue from local governments in Indonesia from 2013 to 2017 is highest at 19% to 26%. The level of contribution of the largest regional levies was owned by East Nusa Tenggara in 2013 and North Maluku from 2014 to 2017. Based on these results it shows that the regional government of East Nusa Tenggara and North Maluku have a level of contribution of regional levies to the original local revenue from local governments that pretty good. Thus, the regional governments of East Nusa Tenggara and North Maluku can not only rely on local taxes as the region's main revenue but also regional levies to create financial independence and regional development.

The figure above shows that the lowest level of contribution from local user fees to local government revenues in local governments in Indonesia from 2013 to 2017 ranged from 1% to 2%. The smallest level of contribution of regional user fees to PAD was owned by the DKI Jakarta regional government from 2013 to 2017. This shows that the level of contribution of regional user fees to local government revenue in the DKI Jakarta regional government from 2013 to 2017 is not good. This shows that the DKI Jakarta regional government has not maximally collected regional income from the main sources stipulated in Law 28 of 2009 concerning Regional Taxes and Regional Retribution. The DKI Jakarta Government does have a high level of local tax contribution to the PAD of 83% -87%, so the level of contribution to the PAD should be maximized as well. It is intended that the level of decentralization of DKI Jakarta's fiscal autonomy becomes even better. Thus, the region government of DKI Jakarta in the following year is expected to be able to increase and optimize regional retribution revenue, so that the level of contribution of regional levies to local revenue is better.

Level of Regional Financial Efficiency

The next measurement of financial performance is related to the level of regional financial efficiency. This level of efficiency is related to how much the total costs incurred to generate an income for a region. Efficiency in the public sector is

related to the utilization and management of local government resources wisely and appropriately for the use of providing services for the interests and welfare of the people (Mbaya et al., 2014). The results of the measurement of the level of financial efficiency of local governments in Indonesia from 2013 to 2017 in this study are as follows

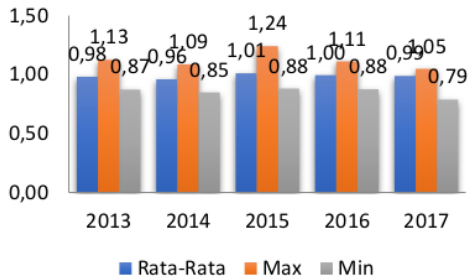


Figure 4 Regional Financial Efficiency Level 2013-2017

The figure above shows that the average level of efficiency of local government finances in Indonesia from 2013 to 2017 is 96% to 101%. This shows that the comparison between the total costs incurred by the regional government and the revenue received by the local government from 2013 to 2017 was on average 96% to 101%. These results indicate that the financial performance of local governments in Indonesia from 2013 to 2017 is less efficient because the total costs incurred when compared with the revenue obtained is still large.

The figure also shows that the ratio between the total costs incurred by the local government and the highest income received is 105% -124%. This shows that the costs incurred by local governments are 5% -24% higher than the revenues received by local governments. This condition occurred in the East Kalimantan regional government in 2013, Riau Islands in 2014, and Riau in 2015-2017. This indicates that the financial performance of the three regional governments in 2013-2017 was inefficient. Thus, the three regional governments in the following year are expected to be able to maximize the use of their resources so that the income received can be far greater when compared to the costs incurred.

The picture also shows the level of comparison between the smallest total costs incurred by the local government and the revenue obtained which ranges from 79% -88%. These conditions occurred in the West Papua regional government in 2013, Bengkulu in 2014 and 2015, DKI Jakarta in 2016 and 2017. Thus, the West Papua regional government in 2013, Bengkulu in 2014 and 2015, DKI Jakarta in 2016 and 2017 can be said to be quite efficient in managing regional finances. The local government is expected in the following years is expected to further improve the efficiency of their regional financial management to provide and provide maximum services to the community, so that the income received will be even higher.

Level of Effectiveness of Regional Finances

The last measurement of financial performance is related to the effectiveness of local government financial managers. This level of effectiveness aims to measure outputs with outcomes. The effectiveness of financial management is the ability of local governments to realize local original revenues that are planned with the targets set (Mahmudi, 2010). The amount of regional revenue realization that is greater than the target, the more effective regional financial management. The results of the measurement of the level of financial effectiveness of local governments in Indonesia from 2013 to 2017 in this study are as follows:

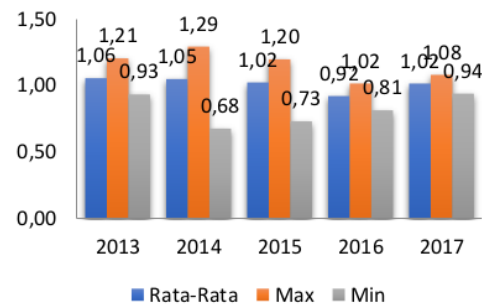


Figure 5 Level of Effectiveness of Regional Finance 2013-2017

The figure above shows that the average level of regional financial effectiveness from 2013 to 2017 is 92% to 106%. This shows that the level of effectiveness of regional finance in Indonesia from 2013 to 2017 is included in the category of effective and very effective. Thus, the results of this study indicate that local governments in Indonesia in 2013 to 2017 have a good ability in realizing regional revenues that are planned with the targets set.

The figure above also shows that the highest level of effectiveness of regional financial management from 2013 to 2017 ranged from 102% - 129%. The highest level of effectiveness of regional financial management from 2013 to 2017 occurred in the West Papua regional government in 2013, Banten in 2014 and 2017, Bengkulu in 2015, and South Kalimantan in 2016. Thus, regional financial management from 2013 to 2017 occurred in the West Papua regional government in 2013, Banten in 2014 and 2017, Bengkulu in 2015, and South Kalimantan in 2016 including the very effective categories.

The figure above also shows that the lowest level of effectiveness of regional financial management from 2013 to 2017 ranged from 68% - 94%. The lowest effectiveness level of regional financial management in North Sumatra regional government in 2013, DKI Jakarta from 2014 to 2016, and North Maluku in 2017. Thus, the lowest level of effectiveness in regional financial management in 2013-2017 is included in the sufficient category effective.

CONCLUSION

This study aims to measure the level of the financial performance of local governments at all levels of districts/cities and provinces in Indonesia in

REFERENCES:

- Eze, N., M. 2015. Value For Money Audit: An Accountability Tool In The Nigeria Public Sector. *International Journal of Economics, Commerce and Management*, 3(6), 1537-1544
- Florina, P. 2017. Elements on the Efficiency and Effectiveness of the Public Sector. *Economic Sciences Series*, 17(2), 313-319

2013-2017. The results of the research that has been done show that the financial management of local governments in Indonesia in 2013 to 2017 has been effective but not yet efficient. Also, the results of this study also indicate that the level of decentralization of fiscal autonomy in local governments is still not good. This is due to the low level of contribution of regional levies on regional own-source revenues. Even so, the level of mobility of local governments in Indonesia in 2013 to 2017 is good.

The results of this study imply that local governments in Indonesia, both districts/cities and provinces are to be able to increase the level of efficiency in regional financial management. This is because the more efficient management of regional finances will be able to reduce the level of waste in the use of funds in the area to collect revenue. In addition, local governments in Indonesia also need to increase the level of contribution of regional levies to regional own-source revenues in order to increase the level of decentralization of fiscal autonomy in the regions. Thus, local governments are not too dependent on local tax revenues and other legitimate revenues.

The results of this study can be accepted by still considering the existence of several limitations that are owned. These limitations need to be considered in future studies in order to produce even better results. The limitations of this study are that this study has not been able to find financial data for 2018 and this study has not tested the influence of what affects the financial performance of the local government deeper. Therefore, further research is expected to overcome the limitations that exist in this study.

- 21 Handoko, P. S. 2013. Analisis Tingkat Efektivitas Pajak Daerah Sebagai Sumber Pendapatan Asli Daerah Kota Pontianak. *Jumal. Pontianak*.
- Halim, A. 2007. 24 *untansi Sektor Publik : Pengelolaan Keuangan Daerah edisi 3*. Jakarta: Salemba Empat
- Hikmah .2017. Analisis Kontribusi Pajak Daerah Dan Retribusi Daerah Terhadap Pendapatan Asli Daerah (PAD) Kota 14. *Journal of Government*, 2(2), 158-177
- Kementerian Dalam Negeri. 1996. Keputusan Dalam Negeri No. 690 900 327 tentang Pedoman Penilaian dan 17 Kinerja Keuangan.
- Mandl, U., Dierx, A., Ilzkovitz, F. 2008. *The Effectiveness and Efficiency of Public Spending*. Belgium: European Commission
- Mahmudi. 2010. *Manajemen Keuangan Daerah*. Jakarta: Erlangga
- 7 Ardiasmo. 2016. *Perpajakan Edisi Revisi 2016*. Yogyakarta: Penerbit Andi
- Mbaya, P.Y., Audu, R., A., & Aliyu, Mampaa. 2014. Administrative Efficiency as A Strategy For Improved Local Government Effectiveness In Borno State Nigeria. *Global Journal of Political Science and Administration*, 2(2), 9-23
- Muharsono, Muharsono, Hakim, A., Supriyono, B., Domai, T. 2016. Regional Regulation Of Local Revenue: A Study Of Improvement On Own Source Revenue Of Tulungagung Regency. *International Journal of Managemen 22 d Administrative Sciences (IJMAS)*, 3(9), 1-13
- Nugraha, Y. N. 2019. *Desentralisasi dan Ketergantungan Fiskal*. <https://news.detik.com/kolom/d-4406834/desentralisasi-dan-ketergantungan-fiskal-daerah> (diakses pada tanggl 18 Agustus 2019)
- Psycharis, Y., Rovolis, A., Tselios, V., & Pantazis, P. 2015. Economic Crisis and Regional Development in Greece. *Region at Development Journal*
- 6 dianto dan Elia. 1997. Otonomi Keuangan Daerah Tingkat II Suatu Studi Di Maluku. *Majalah Prisma. IX (3)*
- Republik Indonesia. Undang-Undang No. 33 Tahun 2004 tentang Perimbangan Keuangan Antara Pemerintah Pusat dan Pemerintah Daerah
- Republik Indonesia. 2009. Undang-Undang Nomor 28 Tahun 2009 tentang Pajak daerah dan Retribusi Daerah
- 9 epublik Indonesia. 2014. Undang-Undang Nomor 23 Tahun 2014 Tentang Pemerintah Daerah
- Ruliana, T .2015. Revenue Independence of East Kalimantan Province, Indonesian. *Journal of Asian Scientific Research*, 5(7), 340-348.

Jurnal Bisnis dan Akuntansi 2020

ORIGINALITY REPORT

17%

SIMILARITY INDEX

17%

INTERNET SOURCES

7%

PUBLICATIONS

6%

STUDENT PAPERS

PRIMARY SOURCES

1	garuda.ristekbrin.go.id Internet Source	5%
2	Submitted to Trisakti School of Management Student Paper	2%
3	www.ijicc.net Internet Source	1%
4	RB. Iwan Noor Suhasto, Nova Maulud Widodo, Sundaru Guntur Wibowo. "Effectiveness and Contribution of Regional Taxes for Regional Original Income in Ex-Karesidenan Madiun", Jurnal AKSI (Akuntansi dan Sistem Informasi), 2020 Publication	1%
5	journal.ummgl.ac.id Internet Source	1%
6	journal.stieamkop.ac.id Internet Source	1%
7	Submitted to University of the Western Cape Student Paper	1%

8	ojs.ukb.ac.id Internet Source	1%
9	jpas.ub.ac.id Internet Source	<1%
10	jakartamrt.co.id Internet Source	<1%
11	www.tandfonline.com Internet Source	<1%
12	Submitted to Erasmus University of Rotterdam Student Paper	<1%
13	repository.mercubuana.ac.id Internet Source	<1%
14	journal.umy.ac.id Internet Source	<1%
15	www.library.usd.ac.id Internet Source	<1%
16	Submitted to Swansea Metropolitan University Student Paper	<1%
17	Ernest Kissi, Isaac Offei, Emmanuel Boateng, Edward Badu. "Networking for knowledge capacity building of procurement professionals in Ghana", International Journal of Construction Supply Chain Management, 2016 Publication	<1%

18

Submitted to Universitas Brawijaya

Student Paper

<1%

19

aacc-asia.org

Internet Source

<1%

20

bapendik.unsoed.ac.id

Internet Source

<1%

21

core.ac.uk

Internet Source

<1%

22

ejournal.unib.ac.id

Internet Source

<1%

23

eprints.ums.ac.id

Internet Source

<1%

24

journal.uta45jakarta.ac.id

Internet Source

<1%

25

onlinesciencepublishing.com

Internet Source

<1%

Exclude quotes Off

Exclude matches < 17 words

Exclude bibliography Off