

Financial Performance Analysis of the Regional Government of Enrekang Regency for Fisical Tears 2018-2020

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Abstract

This research is a quantitative descriptive study conducted at the Enrekang Regency Government with the title *Financial Performance Analysis of the Enrekang Regency Government for the 2018–2020 Fiscal Year*. The purpose of this study is to determine and analyze the financial performance of the local government of Enrekang Regency over the last three years (2018–2020), using data from the Budget Realization Report of the Enrekang Regency Government for the 2018–2020 Fiscal Year. The analytical tools used in this research include the Regional Financial Independence Ratio, the Effectiveness and Efficiency Ratio of Regional Original Income, the Activity Ratio, the Growth Ratio, the Decentralization Ratio, and the Regional Financial Dependence Ratio. The results show that the financial performance of the Enrekang Regency Government is characterized by: (1) a low Regional Financial Independence Ratio, averaging 30.77%; (2) an ineffective Effectiveness Ratio, averaging 57.33%; (3) a very efficient Efficiency Ratio, averaging 3.4%; (4) poor capital expenditure performance with an average of 20.51% and good operational expenditure performance with an average of 79.17%; (5) low income growth, averaging 17.17%, and low expenditure growth, averaging 3.67%; and (6) a Decentralization Ratio that, in general, indicates that decentralization has not yet been effectively implemented.

Keywords: Financial Performance, Budget, Revenue, Financial Management.

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INTRODUCTION

In order to realize the goals and aspirations of the people, it is imperative for the government to implement the principles of Good Governance. The effective enforcement of regional autonomy has brought about significant and fundamental transformations within the Indonesian state. This development was marked by the enactment of Law No. 32 of 2004 concerning Regional Government and Law No. 33 of 2004 concerning the Financial Balance between the Central and Regional Governments. The administration of government at the regional level has been influenced by a paradigm shift from centralized governance to regional autonomy, aimed at establishing a government characterized by sound governance practices. As a consequence, regional administrations are required to ensure accountability in the allocation of financial resources, managing them efficiently and effectively. Through

the optimal utilization of these funds, it is expected that regional development will progress in accordance with the desired objectives.

Financial statements serve as a primary tool of governmental accountability, functioning as a form of responsibility and a source of financial information for stakeholders such as investors, creditors, and the general public. Central financial institutions adopt and utilize financial accountability systems to control financial management (Kelly & John, 2000).

According to Kluvers (2010), accountability is a form of activity involving the disclosure and responsibility of financial reports concerning the activities carried out by the relevant parties in order to achieve the intended objectives. In Indonesia, accountability reports are presented in the form of the State Budget (APBN) and the Regional Budget (APBD), which is used by district-level governments as an annual accountability report to the central government, the public, and creditors. Based on the APBN/APBD reports, parliament, investors, creditors, and other concerned parties can easily assess the government's performance. However, it must be acknowledged that in Indonesia, public sector financial and budget reports are not yet widely perceived as having strategic political and managerial dimensions that could support the government in promoting its programs—even though parliament and the public closely monitor and evaluate government performance (Harun, 2009).

The financial performance of a regional government refers to the region's capacity to generate, manage, and utilize its own-source revenues to support the functioning of government, public service delivery, and regional development, without relying entirely on the central government. It also entails having the autonomy to use available funds for the benefit of the local community, within the limits set by applicable laws and regulations.

Table 1: Budget Realization of Enrekang Regency for the Years 2018–2020 (in Thousands of Rupiah)

N O	Description	Years		
		2018	2019	2020
A Revenue				
1	Local Own-Source Revenue	10.843.118.014,0 0	73.239.444.538,35	78.247.324.549,96
2	Transfer Revenue	916.237.210.284	949.009.843.554,2 3	984.948.051.316,1 0
3	Other Legitimate Revenues	31.748.197.986,0 0	42.388.327.915,00	37.967.050.000,00
B BExpenditure				
1	Operational Expenditure	690.870.509.277, 60	713.251.271.965,4 2	699.977.483.025,3 7
2	Capital Expenditure	160.111.439.072	163.397.969.835,0 0	224.033.079.623,8 0

3	Unexpected Expenditure	230.399.818,18	183.444.100,00	8.450.600.961,36
4	Financial Aid Transfers	155.273.276.917	173.785.804.000,0 0	168.885.957.185,0 0
	Surplus/Deficit	7.543.116.489,45	(14.020.125.511,1 6)	(184.694.929,47)

Source: Regional Financial and Asset Management Agency, Enrekang Regency Government (2022)

Based on the table above, it can be explained that the management of the revenue and expenditure budget of the Enrekang Regency Government for the fiscal years 2018–2020 experienced fluctuations. This resulted in a budget surplus in 2018 amounting to Rp7,543,116,489.45, followed by a budget deficit in 2019 of Rp14,020,125,511.16, and a smaller deficit in 2020 of Rp184,694,929.47. The regional revenue of Enrekang Regency was predominantly derived from transfer revenues, while other legitimate revenues remained relatively small in proportion to the total revenue. From the expenditure aspect, which consists of operational expenditure, capital expenditure, unexpected expenditure, and financial aid transfers, operational expenditure accounted for the largest portion. The realization of these four types of expenditures tended to vary from year to year.

Indra Bastian (2001: 337) states that performance indicators are measures used to assess the level of achievement of the means and objectives that have been established, while adhering to the elements of performance indicators. The elements of performance indicators consist of five components:

1. Input indicators refer to all resources, including funds, sources of funding, human resources, and information, required to carry out activities in order to achieve the expected results.
2. Output indicators represent the tangible products or services generated from completed activities.
3. Outcome indicators are the results of activities that can be directly perceived or received by other parties or the public in the medium term.
4. Benefit indicators refer to the direct advantages experienced by the public or other stakeholders as a result of the government's or an organization's work.
5. Impact indicators reflect the broader effects or influence arising from the activities that have been undertaken.

The use of financial ratio analysis as a tool for financial evaluation has been widely applied in commercial organizations. The benefit of applying financial ratio analysis to regional government financial reports is that it enables an assessment of the financial performance of the respective regional government. Moreover, it can serve as a reference for improving both performance and regional revenue in future periods (Kurniati, 2012). According to Khalad et al. (2011), there are several benefits of financial ratio analysis, including: evaluating performance and setting performance benchmarks, forecasting future conditions, and assessing an organization's creditworthiness and profitability. The results of such analysis are

then used as benchmarks to assess a region's financial independence in financing the implementation of regional autonomy, to measure the effectiveness of locally-generated revenue (PAD) realization, to assess revenue efficiency, to evaluate the level of revenue obtained and the level of expenditure incurred in each period, to determine the government's economic efficiency in utilizing its expenditure funds for specific activities, and to identify the contribution of each component to the region's locally generated revenue (PAD). Based on the background described above, the problem formulation of this study is: How has the financial performance of the Enrekang Regency Government evolved over the past three years (2018–2020)?

METODOLOGY

This study employs a quantitative approach aimed at testing theories, establishing facts, identifying relationships between variables, providing statistical descriptions, making estimations, and drawing conclusions based on the results obtained. The type of data used is quantitative data, specifically the Budget Realization Reports of the Enrekang Regency Government for Fiscal Years 2018–2020.

The analytical method used is a descriptive quantitative approach, which aims to address problems related to quantitative measurement (in terms of amounts and figures). This research analyzes data measured in numerical units, utilizing secondary data sourced from the Budget Realization Reports. The calculations applied in this study include; Regional Financial Independence Ratio, Effectiveness Ratio of Locally Generated Revenue, Efficiency Ratio of Locally Generated Revenue, Activity Rasio, Growth Rasio, Decentralization Rasio, Regional Financial Dependency Rasio.

RESULT AND DISCUSSION

a. Regional Financial Independence Rasio

The higher the financial independence ratio, the greater the public's participation in paying regional taxes and levies, which are the main components of locally-generated revenue

Table 2. Financial Management Independence of Enrekang Regency for Fiscal Years 2018–2020

Year	Locally-Generated Revenue	Transfer Revenue	Percentage (%)
2018	66.043.333.304,00	916.237.210.284,00	7,21
2019	73.239.444.538,35	949.009.834.554,23	7,72
2020	78.247.324.549,96	984.948.051.316,10	7,94
Average			7,62

Source: Budget Realization Report (LRA) of Enrekang Regency (processed data), 2022

Over the three-year period, the financial independence ratio of Enrekang Regency averaged 7.62%, which categorizes it within the range of very low fiscal

autonomy. This illustrates that the contribution of Locally-Generated Revenue (Pendapatan Asli Daerah/PAD) to the total regional income (APBD) is significantly limited when compared to the substantial share derived from central and provincial government transfers. Such a condition indicates that the Enrekang Regency Government remains heavily dependent on external fiscal support and has yet to demonstrate sufficient capacity to independently finance its regional development programs.

Over a span of three years, the financial independence ratio of Enrekang Regency averaged 7.62%, which places it in the category of very low fiscal independence. This indicates that the contribution of Locally-Generated Revenue (Pendapatan Asli Daerah/PAD) to the total regional income (APBD) remains minimal when compared to the proportion of income derived from intergovernmental transfers provided by the central and provincial governments. This condition reflects the high level of fiscal dependence and the limited capacity of the Enrekang Regency Government to finance regional development independently.

Based on the above explanation, it can be concluded that for three consecutive years, the financial independence of the Enrekang Regency Government has remained very limited, with the ratio falling within the 25%–50% interval. This places Enrekang in the "less capable" category and indicates an instructive relationship pattern, in which financial control is predominantly held by the central government. This low level of fiscal independence has a direct impact on the region's weak capacity to finance governmental operations and development without external support.

Overall, the financial independence of the Regional Financial and Asset Management Agency (BPKAD) of Enrekang Regency remains low, reflecting a high dependency on external funding sources. One of the main contributing factors is the suboptimal utilization of existing Locally-Generated Revenue (PAD) potential. In addition, the low level of public awareness and participation in paying taxes and user charges further diminishes the contribution of PAD, rendering it unreliable as a source to support development expenditure. Significant disparities in the amount of loans and central government assistance also widen the gap between local revenue and intergovernmental transfers.

To address this issue, the regional government needs to take strategic steps to explore and optimize all sources of locally-generated revenue (PAD) available. Strong support in the form of initiative, innovation, and commitment from local authorities is essential to improve the financial independence ratio in the future. This will enable Enrekang Regency to become more self-reliant in managing and financing its own regional development

b. Efficiency Ratio of Locally Generated Revenue

1. Effectiveness Rasio

This ratio illustrates the local government's ability to realize the planned locally-generated revenue (PAD) compared to the targets set based on the region's revenue potential.

Table 3. Effectiveness of Regional Financial Management in Enrekang Regency for Fiscal Years 2018–2020

Year	Actual Local Revenue (PAD) Realization	PAD Revenue Target	Percentage (%)
2018	66.043.333.304,23	129.615.126.867,00	50,95
2019	73.239.444.538,35	134.973.760.140,00	54,26
2020	78.247.324.549,96	118.959.749.845,00	66,78
Average			57,33

Source: Enrekang Regency Budget Realization Report (processed data), 2022

This table indicates that the development of the effectiveness ratio of the Enrekang Regency Government during the 2018–2020 fiscal years falls into the "ineffective" category, with an average achievement of 57.33%. In 2018, the effectiveness ratio was recorded at 50.95%, where the target for Local Own-Source Revenue (PAD) exceeded the actual revenue realized. In 2019, the ratio experienced a slight increase to 54.26%, but a similar condition persisted – PAD realization still did not meet the established target. Then, in 2020, the ratio rose again to 66.78%; however, the PAD target remained unmet, indicating that effectiveness was still not optimal.

Although there is a year-to-year increasing trend, the average effectiveness ratio of only 57.33% indicates that the performance of the Enrekang Regency Government in realizing Local Own-Source Revenue (PAD) during the period remains in the ineffective category. This suggests that the local government has not yet been able to optimize the potential of PAD as planned in the Regional Revenue and Expenditure Budget (APBD).

From the analysis of the effectiveness ratio, in general, the region's capacity in carrying out its fiscal responsibilities falls into the "ineffective" category, as the ratio remains below the ideal threshold of 75%. A higher effectiveness ratio reflects a stronger ability of the region to manage its revenue, while a lower ratio indicates ineffective financial management. Therefore, the calculated effectiveness ratios suggest that the fiscal performance of Enrekang Regency during the 2018–2020 period was relatively unstable.

This instability is caused by the local government's lack of capability in controlling the planning and realization of revenue from regional taxes and retributions within the regional budget (APBD). The actual revenue received tends to be lower than the predetermined targets. This indicates that revenue management is still not optimal.

The main factor contributing to the ineffective financial performance of the Enrekang Regency Government, as reflected in the effectiveness ratio, is that the actual revenue realization remains below the planned budget targets. The decline in this ratio indicates that the Enrekang Regency Government has not yet demonstrated effective financial performance in increasing regional revenue. Existing data also reveal that efforts to generate regional income

have not met expectations, due to low revenue realization and suboptimal expenditure execution.

Therefore, the primary concern for the government should be how to optimally utilize the potential of regional revenue in order to improve public services and enhance community welfare. In general, this condition reflects the limitations of the Enrekang Regency Government in developing performance-based budgeting instruments, which ideally should promote both effectiveness and efficiency in regional financial management.

2. Rasio Efisiensi

The smaller the efficiency ratio, the better the financial performance of the regional government. This indicates that the amount of expenditure incurred to generate revenue is relatively low compared to the actual revenue received.

Table 4. Efficiency of Regional Financial Management in Enrekang Regency, Fiscal Year 2018–2020

Year	Cost of Collecting Local Revenue (PAD)	Realized Local Revenue (PAD)	Percentage (%)
2018	2.326.636.832,00	66.043.333.304,23	3,52
2019	2.465.072.917,00	73.239.444.538,35	3,37
2020	2.592.368.944,00	78.247.324.549,96	3,31
Average			3,4

Source: Regional Government Budget Realization Report (LRA) of Enrekang Regency, processed data (2022)

Based on the explanation above, it is shown that the efficiency ratio of the Enrekang Regency Government was 3.52% in 2018, 3.37% in 2019, and 3.31% in 2020. Based on these calculations, it can be concluded that during the 2018–2020 fiscal years, the efficiency ratio of regional financial management was classified as highly efficient, with an average achievement of 3.4%. This figure indicates a consistently decreasing efficiency trend, which means that the use of budget to generate revenue has become increasingly efficient.

The financial performance of the Enrekang Regency Government for the years 2018–2020, when viewed from the efficiency ratio, demonstrates a very positive achievement. With an efficiency ratio consistently below 60%, the regional government is considered capable of collecting local revenue (PAD) at a relatively low cost. This indicates that with minimal expenditure, the government is still able to generate optimal results in the form of increased regional income.

This achievement reflects the regional government's effective and efficient performance in managing revenue sources. Moreover, it also indicates that the process of collecting local revenue (PAD) has been carried out in a targeted manner without placing an excessive burden on the budget,

thereby having a positive impact on the overall management of regional finances.

c. Activity Rasio

This achievement reflects the regional government's effective and efficient performance in managing revenue sources. Moreover, it also indicates that the process of collecting local revenue (PAD) has been carried out in a targeted manner without placing an excessive burden on the budget, thereby having a positive impact on the overall management of regional finances.

Table 5. Activity Ratio of Financial Management in Enrekang Regency Fiscal Year 2018–2020

Year	Total Regional Expenditure	Expenditure		Expenditure Activity Ratio (%)	
		Operational	Capital	Operational	Capital
2018	851.212.348.168,18	690.870.509.277,60	160.111.439.072,00	81,16	18,81
2019	876.831.685.900,42	713.251.271.985,42	163.396.959.835,00	81,34	18,63
2020	930.398.784.438,53	697.915.103.852,37	224.033.079.623,80	75,01	24,08
Average				79,17	20,51

Source: Enrekang Regency Budget Realization Report (processed data), 2022

Based on the table above, the expenditure activity ratio of the Enrekang Regency Government shows that the operational expenditure component averages 79.17%, which is categorized as good, while capital expenditure stands at only 20.51%, which is considered unfavorable. This figure indicates that operational spending is significantly higher than capital spending. This condition reflects that the Enrekang Regency Government prioritizes budget allocation for operational activities – such as employee salaries and departmental operations – rather than for investments in infrastructure development or public facilities.

The financial performance of the Enrekang Regency Government for the years 2018–2020, when viewed from the perspective of the financial management activity ratio, shows a dominance in operational expenditures with an average of 79.17%, while capital expenditures only reached 20.51%. This indicates that budget allocation has been more focused on routine government spending rather than on asset development or long-term investments that would directly benefit the public.

From the explanation above, it can be concluded that most of the funds owned by the regional government are still prioritized for operational expenditures, resulting in a relatively small portion allocated to capital expenditures. This dominance of operational spending is mainly due to the high demand for personnel expenses and the operational needs of autonomous agencies. Thus, it is evident that

the regional government's expenditures are still more inclined toward routine governmental activities rather than toward investments in regional development.

This also indicates the absence of a clear benchmark regarding the ideal proportion of capital expenditures within the budget structure, causing the government to remain focused on fulfilling operational spending needs. Moving forward, it is expected that the Enrekang Regency Government will prioritize public services by increasing capital expenditures that can directly improve infrastructure quality and public welfare. Essentially, regional budget funds are public funds and therefore must be utilized optimally for the benefit of the wider community.

d. Growth Rasio

The higher the percentage of Local Own-Source Revenue (PAD) growth, the greater the regional government's ability to sustain and improve the achievements attained in each fiscal year.

Table 6. Revenue Growth Ratio of Enrekang Regency Fiscal Year 2018–2020

Year	Local Own-Source Revenue (PAD)	Revenue Growth (%)
2017	99.669.276.952,37	-
2018	66.043.333.304,23	(33,78)
2019	73.239.444.538,35	10,89
2020	78.247.324.549,96	6,84
Average		(5,35)

Source: Enrekang Regency Budget Realization Report (processed data), 2022.

The regional revenue of Enrekang Regency for the fiscal years 2018–2020 is categorized as low, with an average growth rate of -5.35%. In 2018, revenue experienced a negative growth of 33.78%, with a decrease from the previous year amounting to IDR 33,625,943,648.14. In 2019, revenue increased by 10.89% compared to the previous year, equivalent to IDR 7,196,111,234.12. In 2020, revenue continued to grow by 6.84%, with an increase of IDR 5,007,880,011.61 from the previous year. This indicates that the revenue of Enrekang Regency experienced consistent growth over the three-year period from 2018 to 2020.

Table 7. Expenditure Growth Ratio of Enrekang Regency for Fiscal Years 2018–2020

Year	Expenditure (IDR)	Expenditure Growth (%)
2017	867.484.570.752,00	-
2018	851.212.348.168,18	(1,88)
2019	876.831.685.900,42	3,01
2020	930.398.784.438,53	6,11

Average	2,41
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Source: Source: Enrekang Regency Budget Realization Report (processed data), 2022

Based on the table presenting the calculated Expenditure Growth Ratio of the Enrekang Regency Government for the fiscal years 2018–2020, the growth is categorized as low, with an average rate of only 2.41%. In 2018, the regional expenditure experienced a contraction of -1.88%, equivalent to a decrease of approximately IDR 16,272,222,548. However, a modest recovery was observed in 2019, with a growth of 3.01%, followed by a more notable increase in 2020, reaching 6.11%. This represents a year-over-year increase of approximately IDR 53,567,098,538.08 compared to 2019.

From the perspective of revenue growth ratio, the financial performance of the Enrekang Regency Government during the 2018–2020 period is also considered low, with an average growth rate of only 17.17%. Similarly, the expenditure growth ratio averaged only 3.67% over the past three years. These two indicators reflect that both revenue and expenditure growth have not been sufficiently significant to drive the acceleration of regional development.

Based on the above calculations, it can be concluded that the revenue and expenditure growth of Enrekang Regency remains relatively low. In the context of regional development, this condition indicates that the local government has not yet optimized the efficiency of routine expenditure and has not been fully capable of directing its revenues toward strategic sectors that support the sustainable increase of locally-generated revenue (PAD).

Nevertheless, the Government of Enrekang Regency remains optimistic about continuously promoting regional economic growth. This optimism is primarily based on the contributions of several leading sectors such as agriculture, fisheries, plantations, forestry, as well as trade and services. The government's commitment to creating a conducive and open investment climate is also expected to attract investors to invest in Enrekang Regency. Through these strategic measures, it is hoped that in the future, both regional revenue and expenditure growth will improve, thereby strengthening the region's fiscal independence.

e. Decentralization Rasio

According to an article published by the Ministry of Finance (2011), if the Degree of Decentralization is above 50%, it indicates that the local government is capable of implementing decentralization.

Table 8. Degree of Decentralization of Enrekang Regency for Fiscal Years 2018-2020

Year	Local Revenue (PAD)	Own-Source Total Revenue	Degree of Decentralization (%)
2018	66.043.333.304,00	1.014.028.741.574,23	6,51
2019	73.239.444.538,35	1.064.637.616.007,58	6,88
2020	78.247.324.549,96	1.101.162.425.866,06	7,11

Average	6,83
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Source: Enrekang Regency LRA (processed data) 2022

The table above indicates that the Government of Enrekang Regency has not been able to optimally implement decentralization, as reflected by an average degree of decentralization of only 6.83% during the period from 2018 to 2020. This figure shows that the contribution of Local Own-Source Revenue (PAD) to the total regional revenue remains very low. This condition should be a special concern for the Government of Enrekang Regency to improve PAD by managing and utilizing all the potentials and resources available within the region.

The financial performance of the Enrekang Regency Government, viewed from the Decentralization Ratio, indicates that with an average degree of decentralization of 6.83%, the region has yet to independently implement decentralization. In other words, fiscal autonomy remains very weak, and the local government has not been sufficiently successful in maximizing revenue from local sources.

Kondisi ini menegaskan bahwa Pemerintah Kabupaten Enrekang masih bergantung pada pendapatan transfer dari pemerintah pusat dan provinsi, karena PAD yang dihasilkan masih kecil dan belum mampu menopang pembiayaan pemerintahan serta pembangunan daerah. Salah satu faktor penyebabnya adalah rendahnya kesadaran dan partisipasi masyarakat dalam membayar pajak dan retribusi, sehingga PAD tidak mampu memberikan kontribusi yang signifikan.

Therefore, going forward, the Government of Enrekang Regency needs to take a more serious approach in developing and exploring regional potentials, both those that already exist and those that have not yet been fully utilized. This step is crucial to increase Local Own-Source Revenue (PAD) as a form of fiscal independence, so that the implementation of decentralization can run more effectively and regional development can be sustainably driven without relying too heavily on assistance from the central or provincial governments.

f. Regional Financial Dependency Rasio

The higher this ratio, the greater the level of dependence of the Regional Government on the Central Government or the Provincial Government.

Table 9: Regional Financial Dependency Ratio of Enrekang Regency Fiscal Year 2018-2020

Year	Transfer Revenue	Total Revenue	Regional Financial Dependency (%)
2018	916.237.210.284,00	1.014.028.741.574,23	90,36
2019	949.009.834.554,23	1.064.637.616.007,58	89,14
2020	984.948.051.316,10	1.101.162.425.866,06	89,45
Average			89,65

Source: LRA Kabupaten Enrekang (processed data) 2022

Based on the table of the regional financial dependency ratio, it is evident that the level of dependency of the Enrekang Regency Government on transfer revenue is

very high, with an average dependency of 89.65% during the 2018–2020 period. This figure indicates that the majority of the region's revenue still comes from transfers from the Central Government, Provincial Government, or other Regional Governments, rather than from the region's own-source revenue (PAD).

When viewed from the financial performance of the Enrekang Regency Government during the 2018 to 2020 period through the Regional Financial Dependency Ratio, it can generally be categorized that the level of dependency is very high. This indicates that transfer revenues still play a very dominant role in the region's revenue structure, while the contribution of locally generated revenue (PAD) has not yet been sufficient to independently support regional financing.

This high level of dependency is also influenced by the limited flexibility of local governments in exploring new sources of revenue, as they must adhere to the provisions of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies. This regulation restricts the authority of local governments to innovate and expand their tax base, thereby affecting the region's fiscal capacity particularly for regions that lack adequate natural resources.

Therefore, it is necessary to improve the formulation of regional revenue policies, particularly through the development of taxes and levies that are aligned and harmonized with central government tax policies. This is essential to significantly increase regional income especially locally generated revenue (PAD), so that it can become a reliable source of funding for development and reduce dependence on transfer funds from the central government.

CONCLUSION

Based on the results of data analysis and the discussion conducted, the following conclusions can be drawn: (1) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, as seen from the Regional Financial Independence Ratio, is generally categorized as low, (2) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, based on the Effectiveness Ratio, can be categorized as ineffective, (3) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, based on the Efficiency Ratio, is categorized as highly efficient, (4) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, based on the Activity Ratio of financial management, indicates that operating expenditure is categorized as good, whereas capital expenditure is categorized as poor, (5) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, as seen from the Revenue Growth Ratio, is generally categorized as low, (6) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, as seen from the Expenditure Growth Ratio, is also generally categorized as low, (7) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, as seen from the Degree of Fiscal Decentralization, indicates that decentralization has not yet been effectively implemented. This reflects the fact that the contribution of Locally Generated

Revenue (PAD) to the total revenue remains very low, and (8) The Financial Performance of the Regional Government of Enrekang Regency for the fiscal years 2018–2020, as seen from the Regional Financial Dependency Ratio, generally shows that the majority of the total revenue is derived from transfer funds.

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