

ANALYSIS OF REGIONAL FINANCIAL PERFORMANCE THROUGH THE INDEPENDENCE RATIO, EFFECTIVENESS RATIO, AND GROWTH RATIO IN THE DISTRICT SOUTH BANGKA

Abstract

One of the positive effects of the implementation of regional autonomy is the proliferation of provinces or regencies / cities that is most common throughout Indonesia. One area resulting from the expansion is South Bangka Regency. As a new Regency that grew up in the era of regional autonomy, South Bangka Regency has a license to own its own area. The purpose of this research is to find out the Regional Government Financial Performance of South Bangka Regency. The data collection method used is documentation. While the method of analysis uses descriptive quantitative methods using financial ratios. The Financial Performance of South Bangka Regency Government in 2014-2018 when seen from the ratio of Regional Financial Independence is 7.10%. Regional Financial Effectiveness Ratio of 111.12% which means very effective. Regional Financial Ratio 40.00% is at medium level.

Keywords: *performance analysis, independence ratio, effectiveness ratio, growth ratio, Southern Bangka government.*

1. Introduction

Regional financial performance or the ability of a region is one measure that can be used to see the ability of a region to carry out regional autonomy (Sudaryo, 2017: 9). Financial performance analysis is carried out to assess past performance by conducting various analyzes in order to obtain a financial position that represents the reality and potential performance that will continue. With regional autonomy, the government is given the flexibility to manage resources and is accountable to the community. In line with the implementation of regional autonomy, a decentralization system is needed that is transparent, effective and efficient and can be accounted for to the wider community. Performance measurement for the public interest can be used as an evaluation and restoring performance by comparing the work scheme and its implementation. In addition, it can also be used as a benchmark for improving local government performance in the next period. Performance measurement can use the analysis of regional financial ratios against the report on the calculation of the regional income and expenditure budget which consists of regional financial independence ratios, effectiveness and efficiency ratios of local revenue, activity ratios, and growth ratios (Halim, 2004: 150). The central government gives authority to a wide-ranging autonomous regional government as a form of accelerating the realization of community welfare through improved services, empowerment and community participation in improving regional welfare.

The APBD is an operational financial plan for a region that describes regional revenue and is an expense to finance routine expenses and development expenditures used to finance regional development activities and projects. Regional financial management can be compiled in the form of financial performance reports. The performance report is a summary that explains briefly and completely the performance achievements compiled based on the work

plan stipulated in the framework of implementing the Regional Budget (APBD). The performance report is a mandate of Government Regulation Number 8 of 2006 concerning Financial Reporting and Performance of Government Agencies and further Presidential Regulation Number 29 of 2014 concerning Government Agency Performance Accountability System (SAKIP) (LAKIP South Bangka Regency, 2016: 1). This research was conducted in the South Bangka Regency area due to the inadequate analysis of financial performance in that area. Regional Original Income (PAD) which continues to increase from 2014-2018 is expected to make the region more independent in terms of regional revenue, however, when viewed from the ratio of financial independence / total income, the level of independence of the South Bangka Regency Government is not yet known. Although it has not achieved regional financial independence, the Government of South Bangka Regency has shown good development with increasing and decreasing financial independence ratios from 2014 to 2018. South Bangka because it still shows problems in its financial statements.

Table 1. Realization of the 2014-2018 South Bangka Regency budget (in thousands of Rupiah)

NO	URAIAN	TAHUN				
		2014	2015	2016	2017	2018
A	PENDAPATAN	656.453.091.252,00	752.450.542.977,01	776.531.238.760,00	778.569.266.887,25	885.625.219.259,08
1	Pendapatan Asli Daerah	28.997.944.181,72	38.734.336.288,88	46.255.276.506,46	84.767.727.750,31	89.427.844.387,14
2	Pendapatan Transfer	584.048.152.087,00	646.774.188.878,00	651.897.357.701,00	595.046.389.147,00	738.846.713.280,84
3	Lain-lain Pendapatan yg. sah	43.587.894.173,54	-	-	-	85.350.660.785,00
B	BELANJA	633.142.219.885,10	682.202.968.396,91	712.478.044.862,00	666.278.186.589,20	785.971.644.899,63
1	Belanja Operasi	437.219.280.451,10	456.486.984.507,51	509.896.445.902,00	515.180.371.109,00	566.825.128.476,63
2	Belanja Modal	196.129.864.484,00	245.755.981.650,40	202.136.889.980,00	174.750.750.989,20	229.146.316.423,00
3	Belanja Tak Terduga	11.095.000,00	-	241.788.000,00	345.246.290,00	-
4	Transfer	-	71.447.675.757,50	87.580.806.207,00	89.865.716.743,00	89.212.357.697,00
	Surplus/Defisit	23.210.871.406,96	90.237.583.580,12	62.053.194.907,99	88.691.098.518,03	89.653.773.380,38

Based on the table above, it is known that the 2014-2018 Budget Surplus / Deficit in Bangka Selatan Regency in general tends to fluctuate. Revenues for 2014-2015 increased by 80%, in 2015-2016 decreased by 30%, in 2016 - 2017 increased by another 20%, and in 2017- 2018 decreased by 35%. Therefore, a study entitled "Analysis of Regional Financial Performance through the Ratio of Independence, Effectiveness Ratio, and Growth Ratio in South Bangka Regency" was conducted.

2. Literature Review

2.1 Accounting

Accounting is an information system that can be accounted for in providing financial-related reports to parties in need and providing information about the company's economic condition. According to Kieso and Weygandt (2016) Accounting is an information system that starts from classifying, recording and communicating all economic events from organizations or companies to parties who have an interest in the information. Meanwhile, according to Bahri (2016), accounting is an art in a transaction that has occurred by recording, summarizing, categorizing and reporting. The purpose of this is to improve the quality of a financial report for the better so that it is useful for information users in making decisions. From the above understanding it can be concluded that accounting is the process or activity of creating financial reports and useful information for users who need both external and internal parties regarding the activities of a company and are able to reduce errors that have occurred (Mulyadi, 2013).

2.2 Regional Financial Performance

According to Bastian (2013: 274) performance is a description of the achievement of the implementation of an activity / program / policy in realizing the goals, objectives, mission and vision of the organization. According to Yani (2009: 347), regional finance is all rights and obligations in the framework of implementing regional government which can be valued in money, including all forms of wealth related to the rights and obligations of the region. The scope of regional finance according to Yani (2009: 357) includes: a. Regional rights to collect local taxes and levies and make loans; b. Regional obligations to carry out government affairs and pay third party bills; c. Regional revenue; d. Regional expenditure; e. Regional assets that are managed by themselves or by other parties in the form of money, securities, accounts receivable, goods, and other rights that can be valued in money, including assets separated from regional companies; f. The assets of other parties controlled by the regional government in the context of carrying out regional government tasks and / or public interests. Based on the two opinions above, it can be concluded that the financial performance of the regional government is the ability of a region to explore and manage regional financial sources in fulfilling its needs in order to support the running of the government system, services to the community and regional development without fully depending on the central government and having flexibility in using funds for the benefit of regional communities within the boundaries determined by statutory regulations (Syamsi, 1988: 199).

2.3 Agency Theory

The concept of agency theory according to Anthony and Govindarajan in Siagian (2011: 10) is a relationship or contract between the principal and agent. The principal employs an agent to perform tasks for the interests of the principal, including delegating authorization for decision making from the principal to the agent. Meanwhile, according to R.A Supriyono (2018: 63) agency theory is the contractual relationship between the principal and the agent. Where this relationship is carried out in the form of granting authority by the principal to the agent regarding the best decision-making for the principal by prioritizing the interest in optimizing corporate profits and minimizing the burden, including tax burdens, by avoiding tax. However, in practice the agency relationship sometimes creates problems between managers and shareholders, therefore there must be an appropriate contract to align the interests of principals and agents.

2.4 Stewardship Theory

Stewardship theory (Donaldson and Davis, 1991), which describes a situation where management is not motivated by individual goals but aimed at their main outcome goals for the benefit of the organization. This theory assumes that there is a strong relationship between satisfaction and organizational success. Where the maximization of the utility of this group will ultimately assume the interests of individuals in the group of organizations. Stewardship theory can be applied to the accounting research of public sector organizations such as government organizations and other non-profit organizations. Since its early development, accounting for public sector organizations has been prepared to meet the information needs for the relationship between stewards and principles.

2.5 Definition of Independence Ratio, Effectiveness Ratio, and Growth Ratio

2.5.1 Independence Ratio

According to Halim (2014: 25) the scope of regional finance consists of “regional finances that are managed directly and separated regional assets. Regional finances that are managed directly are the Regional Revenue and Expenditure Budget (APBD) and regional inventory items. Separated regional finances include Regional Owned Enterprises (BUMD) “. The independence of regional finances shows that local governments are able to self-finance government activities, development and services to people who have paid taxes and levies as a necessary source of income. An indicator of a region's financial independence is the ratio of Regional Original Income to Balancing Funds and loans, thus PAD and Balancing Funds are a source of regional expenditure that has a positive effect on regional government spending (Gusti and Gede, 2014).

2.5.2 Effectiveness Ratio

According to Ravianto (2014: 11), the definition of effectiveness is how well the work is done, the extent to which people produce outputs as expected. That is, if a job can be completed in accordance with the plan, both in time, cost, and quality, it can be said to be effective.

2.5.3 Growth Ratio

The growth ratio measures the company's ability to maintain its economic position in economic growth and in industry or products. According to Kasmir (2012: 107) the growth ratio is a ratio that describes the company's ability to maintain its economic position amidst economic growth and its business sector.

3. Research Method

3.1 Location

This research was conducted in South Bangka Regency. The place of this research is located in the Regional Government of South Bangka Regency. Because the data I get is that the budget realization in South Bangka Regional Government is still fluctuating.

3.2 Research Type

Descriptive method is a method of examining the status of a group of people, an object, a condition, a system of thought or a class of events at present. The purpose of this descriptive research is to systematically, factually and accurately describe, describe, or paint the facts. The facts, properties and relationships between the phenomena being investigated. Usually, descriptive research is not designed to test hypotheses, but rather to provide information about the physical, social, behavioral, economic, or psychological characteristics of an object. This research approach is quantitative where the quantitative approach is a test of data in the form of numbers in the form of financial reports and financial ratios to support the variables studied. So, this type of research is descriptive quantitative, that is, calculating the financial data obtained to solve existing problems in accordance with the research objectives then analyze and describe them so as to answer the problems of the research objectives.

3.3 Research Object

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by the researcher for study and then draw conclusions. This research was conducted to determine and analyze the regional financial performance and the object of research is the report on the target and realization of regional revenues in 2014-2018 at the Regional Financial Agency (BAKEUDA) office of South Bangka Regency.

3.4 Data Collection Method

Documentation can be in the form of writings, drawings or monumental works of a person. The data used in this research is secondary data. This secondary data is obtained from the Financial Results Report of the Regional Government of South Bangka Regency for the 2014-2018 period. To obtain the necessary data and information, the collection of data and information uses documentary techniques by searching for documents related to research. Documents in this research can be in the form of pictures and other documents that can help speed up the research process.

3.5 Data Analysis

The technique of analyzing data is carried out by using local government financial reports based on financial performance indicators, namely the independence ratio, effectiveness ratio and regional financial growth ratio.

3.5.1 Regional Financial Performance

The financial ratio tool used is a ratio analysis developed based on financial data sourced from the Regional Budget. a. RKKD regional financial independence ratio shows the level of capability of a region in self-financing government activities, development and services to people who have paid taxes and levies as a source of revenue needed by the region. Regional Financial Independence Ratio that comes from other sources (Transfer Income), among others, tax sharing, non-tax revenue sharing for natural resources, general allocation funds and special loan allocations. The formula used to calculate the independence ratio is:

$$\text{RKKD} = \frac{\text{PAD}}{\text{Pendapatan Transfer}} \times 100\%$$

Source: Halim, 2014

b. The effectiveness ratio illustrates the ability of the local government to realize the planned local revenue compared to the target set based on the real potential of the region. Regional capability is categorized as effective if the ratio achieved reaches a minimum of 1 (one) or 100 percent.

$$\text{Rasio Efektivitas} = \frac{\text{Realisasi PAD}}{\text{Anggaran PAD}} \times 100\%$$

Source: Halim, 2014

c. The growth ratio measures how much the ability of local governments to maintain and increase the success achieved from period to period. The growth ratio is said to be good, if every year it has positive growth or has increased.

$$\text{Rasio Pertumbuhan} = \frac{RpXn - RpXn - 1}{RpXn - 1} \times 100\%$$

Source: Halim, 2014

4. Findings and Discussions

4.1 Findings

4.1.1 Independence Ratio

$$\text{a. Year 2014 RKKD} = \frac{PAD}{\text{Transfer Revenue}} \times 100\%$$

$$= \frac{\text{Rp. 28.907.044.191,71}}{\text{Rp. 584.048.152.907,00}} \times 100\%$$

The independency ratio for the Basel Regional Government Financial Performance in 2014 is 49.5%, which means it is at a moderate level.

$$\text{b. Year 2015 RKKD} = \frac{PAD}{\text{Transfer Revenue}} \times 100\%$$

$$= \frac{\text{Rp. 38.734.330.398,88}}{\text{Rp. 646.774.188.978,00}} \times 100\%$$

The independency ratio for the Basel Regional Government's Financial Performance in 2015 is 59.8%, which means it is at a moderate level.

$$\text{c. Year 2016 RKKD} = \frac{PAD}{\text{Transfer Revenue}} \times 100\%$$

$$= \frac{\text{Rp. 46.255.276.506,46}}{\text{Rp. 651.697.357.701,00}} \times 100\%$$

The independency ratio for the 2016 Regional Government of Basel Government Financial Performance is 71.0%, which means it is at a moderate level.

$$\begin{aligned} \text{d. Year 2017 RKKD} &= \frac{PAD}{Transfer Revenue} \times 100\% \\ &= \frac{Rp. 84.707.727.750,31}{Rp. 595.946.369.147,00} \times 100\% \end{aligned}$$

The independence ratio for the Basel Regional Government's Financial Performance in 2017 is 14.21%, which means it is at a high level.

$$\begin{aligned} \text{e. Year 2018 RKKD} &= \frac{PAD}{Transfer Revenue} \times 100\% \\ &= \frac{Rp. 49.427.844.307,14}{Rp. 730.846.713.269,84} \times 100\% \end{aligned}$$

The independence ratio for the Basel Regional Government's Financial Performance in 2018 is 67.6%, which means it is at a moderate level.

4.1.2 Effectiveness Ratio

$$\begin{aligned} \text{a. Year 2014 Effectiveness Ratio} &= \frac{PAD Realization}{PAD Budget} \times 100\% \\ &= \frac{Rp. 30.357.519.634,00}{Rp. 28.907.044.191,72} \times 100\% \end{aligned}$$

The Effectiveness Ratio for the 2014 Regional Government of Basel Government Financial Performance was 95.22%, which means that it is quite effective.

$$\text{b. Year 2015 Effectiveness Ratio} = \frac{PAD Realization}{PAD Budget} \times 100\%$$

$$= \frac{\text{Rp. 39.397.867.381,00}}{\text{Rp. 38.734.330.398,88}} \times 100\%$$

The Baseline Effectiveness Ratio for Regional Government Financial Performance in 2015 is 98.31%, which means that it is quite effective.

c. Year 2016 Effectiveness Ratio = $\frac{PAD \text{ Realization}}{PAD \text{ Budget}} \times 100\%$

$$= \frac{\text{Rp. 58.344.896.378,00}}{\text{Rp. 46.255.276.506,46}} \times 100\%$$

The Baseline Effectiveness Ratio for Regional Government Financial Performance in 2016 was 79.27%, which means that it is less effective.

d. Year 2017 Effectiveness Ratio = $\frac{PAD \text{ Realization}}{PAD \text{ Budget}} \times 100\%$

$$= \frac{\text{Rp. 76.226.319.322,00}}{\text{Rp. 84.707.727.750,31}} \times 100\%$$

The Effectiveness Ratio for the Financial Performance of the Basel Regional Government in 2017 was 111.12%, which means that it is very effective.

e. Year 2018 Effectiveness Ratio = $\frac{PAD \text{ Realization}}{PAD \text{ Budget}} \times 100\%$

$$= \frac{\text{Rp. 46.214.022.196,61}}{\text{Rp. 49.427.844.307,14}} \times 100\%$$

The Effectiveness Ratio for the Financial Performance of the Basel Regional Government in 2018 is 106.95% which means that it is very effective.

4.1.3 Growth Ratio

$$\text{a. Year 2014 Growth Ratio} = \frac{RpX_n - RpX_{n-1}}{RpX_{n-1}} \times 100\%$$

$$= \frac{Rp. 23.210.871.416,96}{Rp. 88.529.278.251} \times 100\%$$

The Growth Ratio for the Regional Government of Basel Financial Performance in 2014 was 40.00% which means that it is very effective.

$$\text{b. Year 2015 Growth Ratio} = \frac{RpX_n - RpX_{n-1}}{RpX_{n-1}} \times 100\%$$

$$= \frac{Rp. 90.237.583.940,12}{Rp. 23.210.871.416,96} \times 100\%$$

The Growth Ratio for the Basel Regional Government's Financial Performance in 2015 was 25.00% which means it is very moderate.

$$\text{c. Year 2016 Growth Ratio} = \frac{RpX_n - RpX_{n-1}}{RpX_{n-1}} \times 100\%$$

$$= \frac{Rp. 62.053.194.907,99}{Rp. 90.237.583.940,12} \times 100\%$$

The 2016 Growth Ratio for Local Government Financial Performance was 20.00%, which means it is very low.

$$\text{d. Year 2016 Growth Ratio} = \frac{RpX_n - RpX_{n-1}}{RpX_{n-1}} \times 100\%$$

$$= \frac{Rp. 88.091.098.518,03}{Rp. 62.053.194.907,99} \times 100\%$$

The Growth Ratio for the Financial Performance of the Regional Government of Basel in 2017 is 80.00% which means it is very high.

$$\begin{aligned}
 \text{e. Year 2016 Growth Ratio} &= \frac{RpX_n - RpX_{n-1}}{RpX_{n-1}} \times 100\% \\
 &= \frac{Rp. 69.653.773.380,35}{Rp. 88.091.098.518,03} \times 100\%
 \end{aligned}$$

The Growth Ratio for the Financial Performance of the Basel Regional Government in 2018 is -40.00% which means that it is very low.

4.2 Discussion

Analysis of the Financial Performance of the Regional Government of South Bangka Regency in this study is an assessment process regarding the level of progress in the achievement of the implementation of work / activities of the South Bangka Regency Government in the financial sector for the period 2014-2018. The ratios used by researchers in analyzing the financial performance of the Regional Government of South Bangka Regency in this study are, the Independence Ratio, the Effectiveness Ratio, and the Growth Ratio.

4.2.1 Regional Financial Independence Ratio

Regional Financial Independence Ratio shows the level of ability of a region to self-finance government activities, development and services to people who have paid taxes and levies as a source of revenue needed by the region. The results of the calculation of the regional financial independence ratio of the Provincial Government show an unstable percentage because the existing data shows that it is still experiencing ups and downs. This is due to the various factors of regional revenue revenue each year. Regional Financial Independence Ratio of the Regional Government of South Bangka Regency for the 2014- 2018 is shown in table 4.1.

Table 4.1 Regional financial independence ratio of regional government of South Bangka Regency for the period of 2014-2018

Tahun Anggaran	Pendapatan Asli Daerah (Rp)	Pendapatan Transfer (Rp)	RKRD (%)	Keterangan
2014	28.907.044.191,72	584.048.152.907,00	4,95	Sedang
2015	38.734.330.398,88	646.774.188.978,00	5,98	Sedang

2016	46.255.276.506,46	651.697.357.701,00	7,10	Sedang
2017	84.707.727.750,31	595.946.369.147,00	14,21	Tinggi
2018	49.427.844.307,14	730.846.713.269,84	6,76	Sedang

Source: BPKPD West Sulawesi Province, 2017

According to the description above, it can be concluded that the Regional Financial Independence Ratio for five years in the South Bangka Regency Government has an average independence that is still classified as moderate and in the category of less financial capacity with an Instructive relationship pattern, namely the role of the central government is still very dominant compared to local governments, this can be seen of the Regional Financial Independence Ratio it is still classified in the 50% - 75% interval. The Ratio of Independence which is still causing the regional financial capacity of South Bangka Regency to finance government implementation and regional development is still very dependent on assistance from the central government. So the overall independence of the South Bangka Government's Government can be said to be moderate, this illustrates that the level of regional dependence on external funding sources is still very high.

4.2.2 Regional Original Income Effectiveness Ratio

The effectiveness ratio describes the ability of the regional government to realize the planned PAD compared to the target set based on the real potential of the region. The higher the effectiveness ratio, the better the local government performance. The Regional Original Revenue Effectiveness Ratio of the South Bangka Regency Government for the 2014-2018 Period is shown in Table 3.

Table 4.2 Regional Original Revenue Effectiveness Ratio of Regional Government of South Bangka Regency for the 2014-2018 Period

Tahun Anggaran	Anggaran PAD (Rp)	Realisasi PAD (Rp)	RE (%)	Keterangan
2014	30.357.519.634,00	28.907.044.191,72	95,22	Cukup efektif
2015	39.397.867.381,00	38.734.330.398,88	98,31	Cukup efektif
2016	58.344.896.378,00	46.255.276.506,46	79,27	Kurang efektif
2017	76.226.319.322,00	84.707.727.750,31	111,12	Sangat efektif
2018	46.214.022.196,61	49.427.844.307,14	106,95	Sangat efektif

Source: Kepmendagri No. 690.900.327 in 1996

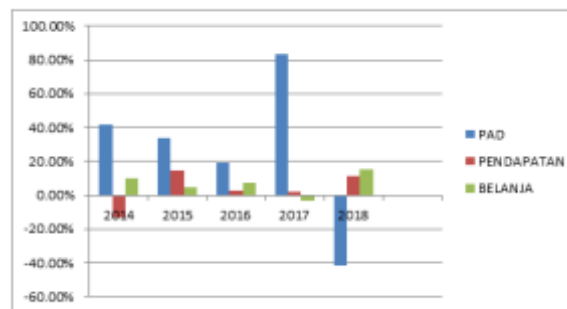
Based on the calculations in table 4.2, it can be seen that the effectiveness of the Regional Government of South Bangka Regency Financial PAD in 2014 was 95.22%, 2015 was

98.31%, 2016 was 79.27%, 2017 was 111.12%, and in 2018 amounted to 106.95%. The effectiveness of the financial performance of South Bangka Regency for 2014 and 2015 was quite effective because its effectiveness was 90% -100%. For 2016 the effectiveness was less effective because the value obtained was still below 100% and for 2017 & 2018 it was effective because the value obtained was more than 100%. According to the description and calculation results in table 4.2, the Effectiveness of Financial Performance in South Bangka Regency has been very effective because the average effectiveness is > 100%. This is due to the fact that revenues from the local tax and retribution sector exceed what has been previously budgeted.

4.2.3 Growth Ratio

According to Sofyan (2013: 309), the growth ratio (growth ratio) is a growth ratio that describes the percentage of growth of company posts from year to year. The Regional Government Growth Ratio of Bangka Selatan Regency for the 2014-2018 Period is shown in Graph Figure 2.

Figure 2. Growth of the South Bangka Regency in the 2014-2018 period



Source: Doc. BPKAD, 2013 (data processed)

From the calculation of the growth ratio measures how much the ability of local governments to maintain and increase the success that has been achieved from period to period. Figure 2 shows that experienced low growth in 2014, 2017, and 2018. Figure 2 shows that the growth of Regional Original Income (PAD) in 2018 reached -41.64% with a low growth category. In 2014 the income reached -13.48% in the low category, lower than the high regional original income. In 2017, the growth in spending was low, reaching -31.1% compared to the growth in Regional Own-Owned Revenue and Revenue. However, if you look at the growth in Regional Original Revenue (PAD) from 2014 to 2018, it can be seen that there has been a fluctuation.

5. Conclusion

5.1 Conclusion

Based on the results of the data analysis conducted, the South Bangka Regency government:

1. The Financial Performance of the Regional Government of South Bangka Regency in 2014-2018 when viewed from the Level of Regional Financial Independence Ratio is classified as Medium. This indicates that the level of dependence of regions on external funding sources is still very high.
2. Regional Government Financial Performance of South Bangka Regency in 2014-2018 when viewed from the Level of Regional Revenue

Effectiveness Ratio. This indicates that the local government of South Bangka Regency is able to realize its regional revenue beyond the targeted budget. 3. Financial Performance of the Regional Government of South Bangka Regency in 2014-2018 when viewed from the growth ratio, it can be seen that there is fluctuation. This means that the ability of local governments to maintain and increase their success achieved from period to period is still unstable because there have been increases and decreases every year and there has been a significant decline in 2018. 4. It is known the reasons why the South Bangka Regional Government has not received the WTP title (unqualified), from the Regional Government financial reports (LKPD), namely: a) There are problems with asset management in 2015-2016 that have been investigated. b) There is a problem of mutation plus less asset tracking and management tracking and (BOS) where the capital expenditures that should be reported by the principal by the assets of the local government.

5.2 Research Limitation

Although researchers have tried to design and develop research in such a way, there are still some limitations in this study that still need further revision, including: 1. This research was conducted only on the government of South Bangka Regency, so it has not been seen as a whole the financial performance of the regional government at large. 2. This research is still limited to measurement tools / ratios, for further research it can be done to expand other measurement/ratio tools as a means of analyzing local government financial performance.

5.3 Suggestion

Based on the conclusions previously described, as a consideration for improving the financial performance of the South Bangka Regency Government in regional financial management, the researchers provide the following suggestions: 1. For the regional government, it is better if in preparing and realizing the APBD it is necessary to pay attention to financial ratios for the next period so that it can increase regional income, one of which is through optimizing the intensification and extensification of local tax and levies. 2. For further researchers, it is hoped that they can add other measurement / ratio tools as a means of analyzing local government financial performance and expanding the object of their research.

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