

Analysis of Regency and City Government Financial Reports in Provinsi Nusa Tenggara Barat

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ABSTRACT

This research aims to analyze the financial condition of district and city governments in West Nusa Tenggara Province for the 2017-2021 period using analysis of financial flexibility ratios, financial independence ratios, and solvency ratios. The type of research used is descriptive quantitative. The research results show that for the group of district and city governments in West Nusa Tenggara Province in the 2017-2021 period that showed the best conditions in the short-term financial solvency dimension was the Bima City Government; the dimension of long-term financial solvency is the Bima Regency Government; the budget solvency dimension is the North Lombok Regency Government; the operational solvency dimension is the North Lombok Regency Government; the dimension of financial independence is the Mataram City Government; the financial flexibility dimension is the West Sumbawa Regency Government; the dimension of service solvency is the West Sumbawa Regency Government.

INTRODUCTION

The enactment of Law Number 23 of 2014 and Law Number 33 of 2004, which are the basis for regional autonomy, means that regional governments have the freedom to regulate and manage resources in their regions effectively and efficiently. One aspect of regional autonomy authority is the decentralization of financial management. This means that local governments have the right to manage income, expenditure, and funding. With the implementation of regional autonomy, the central government hopes to improve community welfare and regional progress. However, at the same time, regional governments are required to have greater financial independence (Mahmudi, 2019).

As regional autonomy progresses, it is hoped that the role of regional government in West Nusa Tenggara will be better in understanding and overcoming various real challenges. West Nusa Tenggara Province, which is currently divided into eight districts and two cities, has cultural and geographical diversity and has certain socio-economic challenges. Regional governments and the community certainly hope for things such as high and quality economic growth. Therefore, regional governments continue to strive to carry out their activities and programs to increase economic growth and the quality of life of the community.

Measuring the financial condition of regional governments can show the financial capabilities and weaknesses of regional governments in managing and exploring the resources available in their regions. This measurement of regional financial conditions is also used to assess regional financial independence, measure the efficiency and effectiveness of asset use, measure the ability to manage regional revenues and see regional financial growth and development in a certain period. This can help as a consideration in decision-making and resource management for better results in the following years.

A deeper understanding of local government financial conditions can provide a better view of the efficiency and effectiveness of the use of public budgets and regional resources. Bearing in mind that there are still various limitations that regional governments often face in carrying out development programs and managing regional resources. There are several ways to measure regional financial conditions, one of which is by using financial ratio analysis which is developed based on financial data sourced from financial reports. Analysis of regional government financial reports using financial ratio analysis needs to be carried out to adjust the principles of regional financial management that are transparent, accountable, and value for money (Patarai, 2018).

This research is a replication of several previous studies in analyzing regional government financial reports using regional financial ratio analysis. Previous research conducted in districts and cities in East Kalimantan was measured using the independence ratio, effectiveness ratio, efficiency ratio, and harmony ratio (Handayani et al., 2019). There is also research conducted on district and city governments in West Java, this research uses analysis of the fiscal decentralization ratio, financial dependency ratio, regional original

income effectiveness ratio, and capital expenditure ratio (Zulkarnain, 2020). Similar research was also carried out in districts and cities in Central Java Province using analysis of the fiscal decentralization ratio, independence ratio, local revenue effectiveness ratio, harmony ratio, growth ratio, and liquidity ratio (Setianingrum et al., 2020). Other research conducted on district and city governments in Jambi Province used analysis of the financial capacity index, financial independence ratio, and regional dependency ratio (Setiawan et al., 2021). Research was also conducted on district and city governments in North Sumatra, the research used analysis of financial independence ratios, financial dependency ratios, regional original income effectiveness ratios, regional income growth analysis, and regional tax effectiveness ratios (Siregar et al., 2021). Research conducted at BPKAD West Lombok Regency used analysis of the independence ratio, effectiveness ratio of local original income, efficiency ratio of local original income, harmony ratio, and growth ratio (Cahyadi, 2022). And there is similar research conducted in Mataram City, this research uses analysis of effectiveness ratios, efficiency ratios, independence ratios, activity ratios, and growth ratios (Susanto, 2019) and there is also research using analysis of regional financial independence ratios, fiscal decentralization ratios, PAD effectiveness ratio, regional financial efficiency ratio, spending harmony ratio, growth ratio, and solvency ratio (Wulandari et al., 2023). Similar research was also conducted in West Sumbawa Regency using economic ratio analysis, efficiency ratio, and effectiveness ratio (Sutama et al., 2022). Research conducted in Bima Regency used effectiveness ratio analysis, regional financial independence ratio, degree of decentralization ratio, and activity ratio (Digdowiseiso et al., 2023). The difference between this research and previous research lies in the research object and the ratio analysis used. The objects of this research are all districts and cities in West Nusa Tenggara Province and use analysis of financial flexibility ratios, financial independence ratios, and solvency ratios.

Based on the description above, the problem formulation of this research is "What is the financial condition of the Regency and City Governments in West Nusa Tenggara Province from 2017 to 2021?". This research aims to identify and analyze the regional financial condition of Regency and City Governments in West Nusa Tenggara Province from 2017 to 2021. It is hoped that this research can provide an overview of the financial condition of regional governments and can increase the transparency and accountability of district government financial reports. and cities in West Nusa Tenggara Province.

THEORETICAL REVIEW

Regional Government Financial Reports

According to Government Regulation Number 12 of 2019, Government Financial Reports are the result of the consolidation of SKPD financial reports as accounting entities. Regional government as a public sector entity has a role in presenting financial reports as a form of implementing public accountability. Regional government financial reports consist of at least one budget Realization Report, Report on Changes in Excess Budget Balance, Balance Sheet,

Operational Report, Cash Flow Report, Equity Change Report, and Notes to Financial Reports.

Accounting and financial reports are defined as a process of collecting, processing, and communicating information that is useful for decision-making and for assessing organizational performance. Therefore, information needs in the public sector are more varied, information is not limited to financial information produced from the organization's accounting system. Non-monetary information such as service performance must also be considered in decision-making (Yuesti et al., 2020).

Regional Government Financial Conditions

Regional financial condition can be interpreted as the financial ability of a region to regulate and manage regional finances based on the ability to fulfill obligations, to take into account unexpected events. One tool for measuring regional conditions can be seen from the results of calculating financial ratios on Regional Government Financial Reports. One aspect that can be used to analyze regional financial performance is by using regional financial performance ratios shape

1. Ability to fulfill short-term obligations, hereinafter referred to as short-term solvency;
2. Ability to fulfill long-term obligations, hereinafter referred to as long-term solvency;
3. Ability to fulfill duties and functions, hereinafter referred to as operational solvency;
4. Ability to implement promised programs and activities, hereinafter referred to as budget solvency;
5. Ability to overcome unexpected events in the future, hereinafter referred to as financial flexibility;
6. Ability to exercise financial rights effectively and efficiently, hereinafter referred to as financial independence;
7. Ability to provide services to the community, hereinafter referred to as service solvency.

These dimensions and indicators are more comprehensive in revealing aspects of local government financial conditions. The ratios developed are based on the availability of information in local government financial reports. These financial reports are prepared based on Government Accounting Standards which must be followed by regional governments in Indonesia.

METHODOLOGY

This research uses quantitative descriptive research methods. The quantitative descriptive research method is research that involves data analysis by describing or presenting data collected using research stages with a quantitative approach. The type of data used in this research is secondary data in the form of Audit Results Report documents on Regional Government Financial Reports (LHP LKPD) for Regencies and Cities in West Nusa Tenggara Province for the 2017-2021 Fiscal Year and data on the population of districts and cities in West Nusa Tenggara Province for 2017-2021. The Audit Result

Report Document on Regional Government Financial Reports was obtained from the office of the West Nusa Tenggara Province Representative Financial Audit Agency and population data was obtained from the BPS NTB website (ntb.bps.go.id).

The analysis of local government financial reports used in this research is financial ratio analysis according to Ritonga (2023). Seven dimensions can describe the financial condition of regional governments by the financial reports prepared by Regional Governments in Indonesia. These dimensions are short-term solvency, long-term solvency, budget solvency, operational solvency, financial independence, financial flexibility, and service solvency.

Table 1 Dimensions and Ratio Analysis

Dimensio n	Ratio Analysis o
Short Term Solvency	$\text{Rasio A} = \frac{(\text{Cash and Cash Equivalent} + \text{Short Term Investments})}{\text{Current liabilities}}$
	$\text{Rasio B} = \frac{(\text{Cash and Cash Equivalent} + \text{Short Term Investments} + \text{Receivable})}{\text{Current liabilities}}$
	$\text{Rasio C} = \frac{\text{Smooth activity}}{\text{current liabilities}}$
Long Term Solvency	$\text{Rasio A} = \frac{\text{Total Assets}}{\text{Total Liabilities}}$
	$\text{Rasio B} = \frac{\text{Total Assets}}{\text{Long – term obligation}}$
Budget Solvency	$\text{Rasio A} = \frac{(\text{Total Income} - \text{DAK})}{(\text{Total Capital Expenditures})}$
	$\text{Rasio B} = \frac{(\text{Total Income} - \text{DAK})}{\text{Operational Expenditures}}$
	$\text{Rasio C} = \frac{(\text{Total Income} - \text{DAK})}{\text{Employee Shopping}}$
	$\text{Rasio D} = \frac{\text{Total income}}{\text{total Shopping}}$

	$\text{Rasio A} = \frac{(\text{Total Income LO} - \text{DAK Income LO})}{\text{Total Expense}}$
Solvabilitas Operasional	$\text{Rasio B} = \frac{(\text{Total Pendapatan LO} - \text{Pendapatan DAK LO})}{\text{Beban Operasional}}$
	$\text{Rasio C} = \frac{(\text{Total LO Income} - \text{Lo DAK Income})}{\text{Employee Expenses}}$
	$\text{Rasio D} = \frac{\text{Total LO Income}}{\text{Total Expenses}}$

	$\text{Rasio A} = \frac{\text{Total Regional Original Income}}{\text{Total Income}}$
Financial autonomy	$\text{Rasio B} = \frac{\text{Total Regional Original Income}}{\text{Total Shopping}}$

	$\text{Rasio A} = \frac{(\text{Total Employee Income} - \text{DAK} - \text{Expenditures})}{(\text{Loan Principal installments} - \text{Interest Expenditures})}$
Financial Flexibility	$\text{Rasio B} = \frac{(\text{Total Income} - \text{DAK})}{\text{Total Amoun of debt}}$
	$\text{Rasio C} = \frac{(\text{Total Employee Income} - \text{DAK} - \text{Expenditures})}{\text{Tota Amout of Debt}}$
	$\text{Rasio D} = \frac{(\text{Total Employee Income} - \text{DAK} - \text{Expenditures})}{\text{Total Long Term Debt}}$

	$\text{Rasio A} = \frac{\text{Total Equity}}{\text{Total Population}}$
Service Solvency	$\text{Rasio B} = \frac{\text{Total assets}}{\text{Total Population}}$
	$\text{Rasio C} = \frac{\text{Total Shopping}}{\text{Total Population}}$

Calculations for each dimension are carried out in several stages.
 Stage 1: Calculate financial ratios according to those listed in Table 1
 Stage 2: Calculating the ratio index

The index of each ratio is calculated by the formula:

$$\text{Indeks Rasio}_n = \frac{(\text{Actual Value} - \text{Lowest Value})}{(\text{Highest Value} - \text{Lowest Value})}$$

Stage 3: Calculating the dimension index

The index of each dimension is calculated by the formula:

$$\text{Indeks Dimensi}_{on} = \frac{(\text{Ratio Index} + \text{Ratio Index} + \dots + \text{Ratio Index})}{\text{Total Dimension Ratio}}$$

RESULTS AND DISCUSSION

Based on the Financial Reports of the Regency and City Regional Governments in West Nusa Tenggara Province, calculations were made for seven-dimensional indicators of regional government financial condition based on financial solvency theory.

Dimensions of Short-Term Financial Solvency

The short-term financial solvency dimension shows the ability of local governments to fulfill their financial obligations that are due in less than or equal to 12 months. The financial report used in this dimension is the Balance Sheet. The balance sheet shows information about current assets and current liabilities which is a reference in this dimension.

Table 1 Short-Term Financial Solvency Dimension Index

DISTRICT/CITY	Short Term Solvency Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,04	0,84	0,78	1,00	0,41
Kab. Dompu	0,01	0,04	0,18	0,13	0,11
Kab. Lombok Barat	0,00	0,00	0,00	0,02	0,02
Kab. Lombok Tengah	0,03	0,04	0,04	0,06	0,03
Kab. Lombok Timur	0,02	0,05	0,10	0,00	0,00
Kab. Lombok Utara	0,01	0,04	0,06	0,05	0,02
Kab. Sumbawa Barat	0,02	0,56	0,47	0,16	0,95
Kab. Sumbawa	1,00	0,31	0,87	0,08	0,03
Kota Bima	0,32	1,00	0,90	0,32	0,98
Kota Mataram	0,01	0,02	0,03	0,03	0,03

Table 1 above shows that in 2017, the Sumbawa Regency Government with an index of 1.00 was the best regional government in the short-term financial solvency dimension compared to other districts or cities for the district and city government group in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the Bima City government with an index of 1.00 was the best regional government in the short-term financial solvency dimension compared to other districts or cities for the group of district and city governments in West

Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the Bima City government with an index of 0.90 was the best regional government in the short-term financial solvency dimension compared to other districts or cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the Bima Regency government with an index of 1.00 was the best regional government in the short-term financial solvency dimension compared to other districts or cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the Bima City government with an index of 0.98 is the best regional government in the short-term financial solvency dimension compared to other districts or cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the short-term financial solvency dimension index for the district and city government groups in West Nusa Tenggara Province shows that the Bima City Government is the best regional government with an average value of 0.70. Next in sequence is the regional government of Bima Regency with an average value of 0.61; Sumbawa Regency Government with an average value of 0.46; West Sumbawa Regency Government with an average value of 0.43; Dompu Regency Government with an average value of 0.09; Central Lombok Regency Government with an average value of 0.04; North Lombok Regency Government with an average value of 0.04; East Lombok Regency Government with an average value of 0.03; Mataram City Government with an average value of 0.02; and finally the West Lombok Regency Government with an average value of 0.01.

Dimensions of Long-Term Financial Solvency

The long-term financial solvency dimension indicates the financial capacity of local governments to pay off long-term financial obligations. This dimension shows that long-term obligations can only be met by local governments if they have sufficient assets funded from their resources. The greater the value for the long-term financial solvency ratio, the better the regional government's ability to fulfill its long-term obligations. And vice versa, if the ratio results are lower then the regional government's ability is less in fulfilling its long-term obligations.

Table 2 Long-Term Financial Solvency Dimension Index

DISTRICT/CITY	Long-Term Solvency Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,62	1,00	0,93	1,00	0,86
Kab. Dompu	0,53	0,63	0,65	0,69	0,66
Kab. Lombok Barat	0,01	0,49	0,62	0,01	0,03
Kab. Lombok Tengah	0,61	0,08	0,00	0,10	0,26
Kab. Lombok Timur	0,02	0,06	0,14	0,06	0,50
Kab. Lombok Utara	0,53	0,54	0,62	0,66	0,59
Kab. Sumbawa Barat	0,60	0,91	0,87	0,86	0,91
Kab. Sumbawa	1,00	0,88	1,00	0,72	0,66
Kota Bima	0,73	0,89	0,79	0,91	0,99
Kota Mataram	0,14	0,18	0,19	0,26	0,25

Table 2 above shows that in 2017 the Sumbawa Regency Government with an index of 1.00 was the best regional government in the dimension of long-term financial solvency compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the Bima Regency Government with an index of 1.00 was the best regional government in the long-term financial solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.06 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the Sumbawa Regency Government with an index of 1.00 was the best regional government in the long-term financial solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the Bima Regency Government with an index of 1.00 was the best regional government in the long-term financial solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the Bima City Government with an index of 0.99 is the best regional government in the long-term financial solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency

Government with an index of 0.03 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the long-term financial solvency dimension index for the district and city government groups in West Nusa Tenggara Province shows that the Bima Regency Government is the best regional government with an average value of 0.88. Next in sequence is the Bima City Government with an average value of 0.86; the Sumbawa Regency Government with an average value of 0.85; the West Sumbawa Regency Government with an average value of 0.83; Dompu Regency Government with an average value of 0.63; North Lombok Regency Government with an average value of 0.59; West Lombok Regency Government with an average value of 0.23; Central Lombok Regency Government with an average value of 0.21; Mataram City Government with an average value of 0.20; and finally the East Lombok Regency Government with an average value of 0.16.

Dimensions of Budget Solvency

The budget solvency dimension shows the ability of local governments to obtain revenues to fund their operations during one financial budget period. Thus, this dimension indicator must show the balance between regional government operational income and operational expenditure during one period. The higher the value of the budget solvency ratio, the more local government income is available to finance operational expenditure. This means that the growth in the value of this ratio indicates improving budget solvency conditions.

Table 3 Budget Solvency Dimension Index

DISTRICT/CITY	Budget Solvency Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,22	0,20	0,60	0,65	0,72
Kab. Dompu	0,56	0,70	0,71	0,64	0,76
Kab. Lombok Barat	0,70	0,85	0,87	0,78	0,39
Kab. Lombok Tengah	0,55	0,68	0,64	0,72	0,13
Kab. Lombok Timur	0,35	0,42	0,07	0,19	0,18
Kab. Lombok Utara	0,81	0,96	0,83	0,94	0,89
Kab. Sumbawa Barat	0,74	0,83	0,74	0,81	0,70
Kab. Sumbawa	0,67	0,71	0,64	0,79	0,57
Kota Bima	0,84	0,32	0,25	0,09	0,26
Kota Mataram	0,35	0,52	0,48	0,42	0,46

In Table 3 above, it shows that in 2017 the Bima City Government with an index of 0.84 was the best regional government in the budget solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima Regency Government with an index of 0.22 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the North Lombok Regency Government with an index of 0.96 was the best regional government in the budget solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima Regency Government with an index of 0.20 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the West Lombok Regency Government with an index of 0.87 was the best regional government in the budget solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.07 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the North Lombok Regency Government with an index of 0.94 was the best regional government in the budget solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.09 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the North Lombok Regency Government with an index of 0.89 is the best regional government in the budget solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.13 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the budget solvency dimension index for the district and city government groups in West Nusa Tenggara Province shows that the North Lombok Regency Government is the best regional government with an average value of 0.89. Next in sequence is the West Sumbawa Regency Government with an average value of 0.77; West Lombok Regency Government with an average value of 0.72; Dompu Regency Government with an average value of 0.68; Sumbawa Regency Government average of 0.67; Central Lombok Regency Government with an average value of 0.55; Bima Regency Government with an average value of 0.48; Mataram City Government with an average value of 0.45; Bima City Government with an average score of 0.35; and finally the East Lombok Regency Government with an average value of 0.24.

Dimensions of Operational Solvency

The operational solvency dimension measures the ability of local governments to earn income to cover their operational expenses to carry out their duties and functions in serving the community during a period. The higher the value of the budget solvency ratio, the better the regional government's operational capability in carrying out its duties and functions serving the public.

Table 4 Operational Solvency Dimension Index

DISTRICT/CITY	Operational Solvency Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,28	0,42	0,23	0,53	0,74
Kab. Dompu	0,36	0,36	0,25	0,12	0,09
Kab. Lombok Barat	0,35	0,61	0,45	0,64	0,57
Kab. Lombok Tengah	0,33	0,01	0,11	0,46	0,29
Kab. Lombok Timur	0,28	0,48	0,20	0,40	0,28
Kab. Lombok Utara	0,46	0,97	1,00	0,43	0,53
Kab. Sumbawa Barat	0,45	0,63	0,16	0,29	0,55
Kab. Sumbawa	0,26	0,32	0,28	0,50	0,26
Kota Bima	0,80	0,14	0,17	0,37	0,36
Kota Mataram	0,02	0,59	0,41	0,83	0,79

Table 4 above shows that in 2017 the Bima City Government with an index of 0.80 was the best regional government in the operational solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Mataram City Government with an index of 0.02 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the North Lombok Regency Government with an index of 0.97 was the best regional government in the operational solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the North Lombok Regency Government with an index of 1.00 was the best regional government in the operational solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.11 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the Mataram City Government with an index of 0.83 was the best regional government in the operational solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Dompu Regency Government with an index of 0.12 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the operational solvency dimension index for the district and city government groups in West Nusa Tenggara Province shows that the North Lombok Regency Government is the best regional government with an average value of 0.68. Next in sequence is the Mataram City Government with an average value of 0.53; West Lombok

Regency Government with an average value of 0.52; Bima Regency Government with an average value of 0.44; West Sumbawa Regency Government average of 0.42; Bima City Government with an average value of 0.37; East Lombok Regency Government average 0.33; Sumbawa Regency Government with an average value of 0.32; Central Lombok Regency Government with an average value of 0.24; and finally the Dompu Regency Government with an average value of 0.23.

Dimensions of Financial Independence

Financial independence is a condition where a regional government is not vulnerable to sources of funding from outside its control or influence, both from national and international sources. The higher the value of the financial independence ratio, the greater the contribution of local revenue in funding regional government activities. This reflects the improving condition of regional government financial independence.

Table 5 Financial Independence Dimension Index

KAB/KOTA	Financial Independence Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,29	0,08	0,09	0,10	0,11
Kab. Dompu	0,36	0,18	0,17	0,28	0,29
Kab. Lombok Barat	0,59	0,44	0,40	0,38	0,51
Kab. Lombok Tengah	0,47	0,22	0,20	0,23	0,06
Kab. Lombok Timur	0,47	0,24	0,22	0,34	0,36
Kab. Lombok Utara	0,55	0,51	0,43	0,35	0,22
Kab. Sumbawa Barat	0,37	0,02	0,05	0,37	0,34
Kab. Sumbawa	0,47	0,20	0,17	0,31	0,32
Kota Bima	0,00	0,00	0,00	0,00	0,00
Kota Mataram	1,00	1,00	1,00	1,00	1,00

Table 5 above shows that in 2017 the Mataram City Government with an index of 1.00 was the best regional government in the dimension of financial independence compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the Mataram City Government with an index of 1.00 was the best regional government in the dimension of financial independence compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the Mataram City Government with an index of 1.00 was the best regional government in the dimension of financial independence compared to other districts and cities for the group of district and city governments in

West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the Mataram City Government with an index of 1.00 was the best regional government in the dimension of financial independence compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the Mataram City Government with an index of 1.00 is the best regional government in the dimension of financial independence compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Bima City Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the financial independence dimension index for the district and city government groups in West Nusa Tenggara Province shows that the Mataram City Government is the best regional government with an average value of 1.00. Next in sequence is the West Lombok Regency Government with an average value of 0.46; North Lombok Regency Government with an average value of 0.41; East Lombok Regency Government with an average value of 0.33; Sumbawa Regency Government with an average value of 0.29; Dompu Regency Government with an average value of 0.26; Central Lombok Regency Government with an average value of 0.24; West Sumbawa Regency Government with an average value of 0.23; Bima Regency Government with an average value of 0.14; and finally the Bima City Government with an average value of 0.00.

Dimensions of Financial Flexibility

The financial flexibility dimension is a condition that shows the regional government's ability to balance revenue capacity and debt capacity for a certain period. The higher the value of the financial flexibility ratio, the better the local government's ability to deal with unexpected events.

Table 6 Financial Flexibility Dimension Index

DISTRICT/CITY	Financial Flexibility Dimensions Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,46	0,83	0,95	0,76	0,89
Kab. Dompu	0,62	0,64	0,66	0,69	0,68
Kab. Lombok Barat	0,12	0,25	0,39	0,00	0,01
Kab. Lombok Tengah	0,44	0,33	0,04	0,09	0,25
Kab. Lombok Timur	0,14	0,33	0,17	0,06	0,50
Kab. Lombok Utara	0,63	0,55	0,60	0,64	0,56
Kab. Sumbawa Barat	0,68	0,95	0,86	0,85	0,95
Kab. Sumbawa	1,00	0,89	1,00	0,69	0,64
Kota Bima	0,79	0,90	0,76	0,84	0,97

Kota Mataram	0,38	0,31	0,32	0,40	0,38
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Table 6 above shows that in 2017 the Sumbawa Regency Government with an index of 1.00 was the best regional government in the financial flexibility dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.12 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the West Sumbawa Regency Government with an index of 0.95 was the best regional government in the financial flexibility dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.25 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the Sumbawa Regency Government with an index of 1.00 was the best regional government in the financial flexibility dimension compared to other districts and cities for the district and city government group in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.04 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the West Sumbawa Regency Government with an index of 0.85 was the best regional government in the financial flexibility dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the Bima City Government with an index of 0.97 is the best regional government in the financial flexibility dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the West Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the financial flexibility dimension index for the district and city government groups in West Nusa Tenggara Province shows that the West Sumbawa Regency Government is the best regional government with an average value of 0.86. Next in sequence is the Bima City Government with an average value of 0.85; Sumbawa Regency Government with an average value of 0.84; Bima Regency Government with an average value of 0.78; Dompu Regency Government with an average value of 0.66; North Lombok Regency Government with an average value of 0.60; Mataram City Government with an average value of 0.36; East Lombok Regency Government with an average value of 0.24; Central Lombok Regency Government with an average value of 0.23; and finally the West Lombok Regency Government with an average value of 0.16.

Dimensions of Service Solvency

The service solvency dimension is a condition that shows the regional government's ability to provide and maintain the quality of public services. This ratio focuses on the facility resources or facilities owned by the regional government which are utilized for the benefit of services to the community.

Table 7 Service Solvency Dimension Index

DISTRICT/CITY	Service Solvency Dimension Index				
	2017	2018	2019	2020	2021
Kab. Bima	0,17	0,20	0,22	0,23	0,21
Kab. Dompu	0,27	0,30	0,36	0,41	0,36
Kab. Lombok Barat	0,05	0,05	0,07	0,09	0,08
Kab. Lombok Tengah	0,02	0,01	0,02	0,02	0,03
Kab. Lombok Timur	0,01	0,01	0,02	0,02	0,00
Kab. Lombok Utara	0,28	0,31	0,47	0,36	0,32
Kab. Sumbawa Barat	1,00	1,00	1,00	1,00	1,00
Kab. Sumbawa	0,26	0,27	0,33	0,28	0,24
Kota Bima	0,42	0,47	0,50	0,79	0,70
Kota Mataram	0,23	0,25	0,28	0,41	0,36

Table 7 above shows that in 2017 the West Sumbawa Regency Government with an index of 1.00 was the best regional government in the service solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2018, the West Sumbawa Regency Government with an index of 1.00 was the best regional government in the service solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.01 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2019, the West Sumbawa Regency Government with an index of 1.00 was the best regional government in the service solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the Central Lombok Regency Government with an index of 0.02 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2020, the West Sumbawa Regency Government with an index of 1.00 was the best regional government in the service solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.02 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

In 2021, the West Sumbawa Regency Government with an index of 1.00 is the best regional government in the service solvency dimension compared to other districts and cities for the group of district and city governments in West Nusa Tenggara Province. Meanwhile, the East Lombok Regency Government with an index of 0.00 is the weakest regional government in the group of district and city governments in West Nusa Tenggara Province.

Overall, in the period 2017 to 2021, the average value of the service solvency dimension index for the district and city government groups in West Nusa Tenggara Province shows that the West Sumbawa Regency Government is the best regional government with an average value of 1.00. Next in sequence is the Bima City Government with an average value of 0.58; North Lombok Regency Government with an average value of 0.35; Dompu Regency Government with an average value of 0.34; Mataram City Government with an average value of 0.31; Sumbawa Regency Government with an average value of 0.28; Bima Regency Government with an average value of 0.21; West Lombok Regency Government with an average value of 0.07; Central Lombok Regency Government with an average value of 0.02; and finally the East Lombok Regency Government with an average value of 0.01

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results and discussion, it can be concluded that:

1. The dimension of short-term financial solvency for groups of district and city governments in West Nusa Tenggara Province for the 2017-2021 period, Bima City Government is the best local government with an average value of 0.70.;
2. Dimensions of long-term financial solvency for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the Bima Regency Government is the best regional government with an average value of 0.88;
3. Dimensions of budget solvency for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the North Lombok Regency Government is the best regional government with an average value of 0.89;
4. Dimensions of operational solvency for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the North Lombok Regency Government is the best regional government with an average value of 0.68;
5. Dimensions of financial independence for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the Mataram City Government is the best regional government with an average score of 1.00;
6. Dimensions of financial flexibility for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the West Sumbawa Regency Government is the best regional government with an average value of 0.86;

7. Dimensions of service solvency for the district and city government groups in West Nusa Tenggara Province for the 2017-2021 period, the West Sumbawa Regency Government is the best regional government with an average value of 1.00;

For district and city regional governments in West Nusa Tenggara Province, it is necessary to optimize regional revenue management according to the potential to increase Original Regional Income by intensifying and intensifying taxes so that it can have a positive impact on the level of regional financial independence. Regional governments are also expected to continue to increase the proportion of the budget and realization of capital expenditure related to public facilities and infrastructure to support public services to the community.

FURTHER STUDY

This research is limited to districts and cities in West Nusa Tenggara Province. It is hoped that further research can be done in districts and cities in other provinces. In addition, the use of ratios in the service solvency dimension is limited to three ratios. It is hoped that further research can add other ratios such as the ratio to measure total fixed assets to population, the ratio to measure total public expenditure to population, and the ratio to measure total capital expenditure to total population. These ratios show the ability of local governments to provide public services to the community.

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