

ANALYSIS OF FACTORS AFFECTING FINANCIAL PERFORMANCE MADIUN DISTRICT GOVERNMENT

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Abstract— Study this aim for knowing influence decentralization fiscal independence _ financing and efficiency use budget to to performance finance Regency Madison.

This research is an associative research which aims to determine the relationship between two or more variables. Variable in study this covers variable free and variable bound. Variable free covers decentralization fiscal independence _ financing and efficiency use budget whereas variable bound is performance finance. Study implemented by the government Regency Madison. data in study this is time series data, namely financial data government Regency Madiun in 2013 to _ with year 2020.

Data collection techniques with use documentation whereas data analysis using analysis multiple linear regression. Before conducted analysis of linear regression data first formerly normality test and assumption test were carried out classic.

Findings study show there is influence in a manner significant partial and simultaneous_in a manner simultaneous decentralization fiscal independence _ financing and efficiency use budget to performance finance Regency Madison.

keywords— income _ original regions, fiscal decentralization, efficiency budget and performance finance

I. INTRODUCTION

Constitution Number 32 of 2004 concerning Regional Government, and Law Number 33 of 2004 concerning Balance Finance Between the Central Government and Local Government provide more many authority to area in operate function government, law the is base juridical for development autonomy area in Indonesia. Giving autonomy to area in essence aim for give authority to every area for organize and manage house the stairs myself, use increase efficiency and effectiveness maintenance government in framework service to community and implementation development.

Autonomy regional and decentralized fiscal is instrument used _ in maintenance country development for well-being society. effort for reach destination the done on a level closest government_with society, that is Local Government, so expected policy fiscal area will truly in accordance with aspirations, needs, and priorities area.

System decentralization in Indonesia began apply since issued Constitution Number 22 of 1999 and Law Improved number 25 of 1999 Becomes Constitution Number 32 of 2004 concerning Local Government and Law Invite Number 33 of 2004 concerning Balance Finance Between Central and Regional Governments. Implementation autonomy area this raises various problem because area have different capacities and capabilities_good from side finances, availability infrastructure and capacity source power human. Difference ability this cause exists local government that has progress rapidly and there are also local governments

that do experience decline so that must helped aspect financed by the government center.

Government area demanded for can more independent in manage acceptance designated area _ for the restructuring process development area. Autonomy area is one _ form of government programs made _ with goal to get complete problem area in manage information regional, create government area is at in position more well, for mobilize source power in a manner independent as well as for achievement destination development area. this _ no free from ability area in manage finance the area.

independence financing in Constitution Number 32 of 2004, explained that independence finance area means government could to do financing and accountability finance yourself, carry out alone in framework principle decentralization. Whereas according to Halim (2012), independence finance area show ability Local Government in finance activity governance, development and service to society that has pay taxes and levies as the necessary resources area.

Phenomena that occur in society is increasing demands Public to maintenance good governance (good governance government), has push government center and government area for apply accountability public. According to Mardiasmo (2016), accountability could interpreted as form obligation take responsibility success or failure implementation mission organization in reach goals and objectives that have been set before, through an implementation of accountability media in a manner periodic. this _ show results performance finance area.

Since enactment autonomy area in a manner effective, a lot changes that occurred in the Indonesian state that became highlight that is characteristic significant and fundamental. Change paradigm government, from centralized (centralized) to decentralized (autonomy area) very influence dynamics administration government area for realize good governance. Besides it, bring consequence for area in form accountability on allocation of funds with method effective and efficient. With allocation of funds well, then will implications for development area could walk as expected.

Increase reception or source fiscal something area, government area must have strength for interesting levies and taxes and government center must share part reception the tax with government area. Policy this in accordance with Law No. 33 of 2004 concerning Balance Finance Central Government and Local Government, then system management finance area carried out by the government area that alone, with condition management finance must conducted in a manner professional, efficient, transparent and responsible answer. this _ give discretion for area for dig potency local and upgrade performance finance in framework realize independence area.

Based on data from djbk.kemenkeu.go.id Revenue Original District Region Madiun in 2016 amounted to Rp. 163.64 billion, at in 2017 amounted to Rp. 241.94 billion, in year 2018 of Rp. 219.04 billion, in 2019 amounted to IDR 229.21 billion while in 2020 it is IDR 258.21 billion. the data show that Income Original District Region Madison experience fluctuating. Expected every year Income Asli Daerah experience improvement.

Research conducted by Harteti, Darwanis, Abdullah, (2014) shows decentralization fiscal take effect to performance finance area. Shopping area take effect to performance finance area. Decentralization fiscal and spending area in a manner together take effect to performance finance area. Policy autonomy area give opportunity for change paradigm redevelopment more put forward achievement growth Becomes even distribution with principle prioritize justice and balance.

II. RESEARCH METHODS

Type study this is study associative. According to Sugiyono (2017), research associative/relationship is purposeful research_for knowing connection Among two variable or more and it works for explain, predict, and control something symptom or events. data in study is Budget data District Revenue and Expenditure _ Madison 2013-2020 years. Data collection was carried out at the Directorate site General Balance Finance which already BPK audited at www.djpk.kemenkeu.go.id with method opens on the site google write down www.djpk.kemenkeu.go.id then look for rubric income original area .

Variable in study there is two variable free and one variable bound. Variable Independent, that is variable to

be because happening or affected variable dependent. Variable in study this decentralization fiscal independence_financing and efficiency use budget.

Inner data type study this is secondary data. Whereas technique deep data collection study this use documentation. Data analysis technique using multiple linear regression analysis. Before carrying out multiple linear regression analysis, the normality test and classical assumption test were first performed.

II. RESULTS AND DISCUSSION

Normality Test

Normality test _ in this study using statistical tests Kolmogorov-Smirnov (KS). Normality test results could seen as following:

Table 1
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residuals
Asymp. Sig. (2-tailed)	0.508

Based on table above_could is known that score significant unstandardized residuals of 0.508 more big of $\alpha = 0.05$, that is variable in study this normally distributed.

Multicollinearity Test

Multicollinearity test used for knowing there is or nope linear relationship between variable independent in the regression model. In this discussion, a multicollinearity test will be carried out by looking at the Variance Inflation Factor (VIF) value in the regression model.

Table 2
Coefficients

Model		Collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	decentralization fiscal	0.165	6,079
	independence financing	0.168	5,957
	efficiency budget	0.550	1,817

From table 2 can is known that VIF value for decentralization fiscal of 6.079, independence financing of 5.957 and efficiency budget of 1.817. According to Ghozali (2016), for knowing there is nope multicollinearity is with see VIF (Variance Inflation Factor) value. If tolerance

value > 0.10 or same with VIF value < 10, means no occur multicollinearity. With thereby could concluded that in the regression model no found exists problem multicollinearity.

Assumption Test Classic Autocorrelation

Autocorrelation test used for knowing there is hope the correlation that occurs between residuals at one observation with another observation on the regression model. A must requirement fulfilled is no exists autocorrelation in the regression model. The results of the classic assumption test of autocorrelation are as follows.

Table 3
Summary Models

Model	Durbin-Watson
1	2,255

Based on table above _ could is known Durbin-Watson value of 2,255. Whereas du value of 2.286 and 4-du of 1.713. Because DW lies between du and 4-du, it can be concluded that in the multiple linear regression model no found exists autocorrelation.

Heteroscedasticity Test

Heteroscedasticity test aim test is in the regression model occur inequality the variance of the residual one observation to another observation. Heteroscedasticity test results with spearman's rho correlation test can seen in the table following this.

Table 4
Correlations

Variable	Unstandardized Residuals
Decentralization fiscal	0.736
Independence financing	0.911
Efficiency budget	0.955

Based on the table above, it can be seen that the correlation between fiscal decentralization and the Unstandardized residual is 0.736, for financial independence is 0.911 and budget efficiency is 0.955. The significance value of the Unstandardized residual correlation of the three variables is more than 0.05, so it can be concluded that the regression model is not Heteroscedasticity problem was found.

Multiple Linear Regression Analysis

Results analysis multiple linear regression shown in the table 5 following.

Table 5
Coefficients

Model	Unstandardized Coefficients	t value count	Sig. Value	Calculate d F value	Sig. Value
(Constant)	46,787			8.106	0,036
fiscal decentralization	-5,540	-2,183	0.094		
financial independence	3,975	3,046	0.038		
budget efficiency	0,461	4,430	0.011		
Adjusted R Square = 0.753					

Based on table 5, then the model equation the resulting linear regression in study this are :

$$Y = 46.787 - 5.540 X_1 + 3.975 X_2 + 0.461 X_3$$

- 1) The constant value is 46,787, meaning if variable decentralization fiscal, variable independence financing and the budget efficiency variable is ignored in analysis, then financial performance of 46.787.
- 2) Coefficient value regression decentralization fiscal decentralization of -5.540, meaning that if fiscal decentralization increases, financial performance will also decrease by 5.540 with the record that the variables of financial independence and budget efficiency remain constant.
- 3) Coefficient value regression independence financing of 3,975, that is if financial independence increases, financial performance will decrease of 3,975 with a record of fiscal decentralization and budget efficiency variables permanent.
- 4) The value of b 3 is 0.461, meaning that if the efficiency of the budget increases, financial performance will increase by 0.461 better with a variable record of fiscal decentralization and financial independence remains.

Hypothesis test

1. Test t (Partial)

The t test is used to test the significance of the effect of each independent variable on the dependent variable. Based on table 5 could explained hypothesis test results in a manner Partial following this.

- a. The influence of fiscal decentralization on financial performance

The results of the hypothesis test show that the value t count for variable decentralization fiscal of -5,540 more big from t table = -2,776 with level significant 0.094 or 9.4% then means no there is significant influence decentralization fiscal to performance finance government Regency Madison.

b. Influence between independence financing on financial performance

The results of the hypothesis test show that the value t count for variable independence financing as big 3,046 more big from t table = 2.776 with level significant 0.038 or 3.8% then means there is significant influence independence financing to performance finance government Regency Madison.

c. The influence of budget efficiency on financial performance

The results of the hypothesis test show that the value t count for variable budget efficiency as big 4,430 more big from t table = 2,776 with level significant 0.011 or 1.1% then means there is significant influence budget efficiency to performance finance government Regency Madison.

2. F Test / Simultaneous Test

Be seen that the calculated F value is 8.106. While the value of the F table at a significant 0.005 is 0.036. Because of value F count is greater than the value F table at 95% confidence level, so could concluded that simultaneously the independent variable (decentralization fiscal independence financing and efficiency budget) effect on performance finance government Regency Madison in a real or significant way.

This can also be seen and the significance level (α) set in this research is 5% (0.05), while the effect of the three independent variables (X) simultaneously on the performance variable finance government Madison year is $0.036 < \alpha(0.05)$, then H_0 is rejected and H_a is accepted, meaning decentralization fiscal independence financing and efficiency budget simultaneously significant effect on performance finance government Regency Madison 2013-2020 years.

Analysis is Coefficient of Determination (R^2)

Based on table 5, got explained that score coefficient determination (Adjusted R Square) is obtained is 0.753. It means that variation from ri third variable free, that is decentralization fiscal independence financing and efficiency budget give contribution performance finance government Regency Madison of 75.3% while the other 24.7%. could explained by other variables that are not including in research.

IV. CONCLUSION

Based on data analysis, can concluded results study as following.

Variable decentralization fiscal no take effect significant to performance finance government Regency Madison

Variable independence financing take effect positive and significant to performance finance government Regency Madison.

Variable efficiency use budget take effect positive and significant to performance finance government Regency Madison.

There is influence significant in a manner simultaneous decentralization fiscal independence financing and efficiency use budget to performance finance government Regency Madison.

Variation variable decentralization fiscal independence financing and efficiency budget give contribution to performance finance government Regency Madison of 75.3% while the other 24.7%. explained other variables that are not including in research.

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