

Comparative Analysis of the Financial Performance of Provincial Governments in Sulawesi for the 2012-2015 Period

Ika Putri Windyastuti¹, Willem JFA Tumbuan², Ivonne S. Saerang²

¹Postgraduate Student of Management Program, Faculty of Economics and Business, Sam Ratulangi University Manado, Indonesia

²Department of Management Program, Faculty of Economics and Business, Sam Ratulangi University Manado, Indonesia

Abstract:

The results of the calculation of the Degree Ratio of Fiscal Decentralization for the Provincial Government (Pemprov) of North Sulawesi (Sulut) show a relatively good trend compared to most provinces in Sulawesi. In the 2012-2015 range, the North Sulawesi Provincial Government was in the category of Sufficient financial capability (2012-2013) and rose to the Medium category (2014-2015). Gorontalo Province, in the span of the same year, in the Ratio of Degrees of Fiscal Decentralization, was still in the Very Poor Regional Financial Capability Category in 2012 and Less in the following years. The Province of Central Sulawesi (Sulteng) shows an up and down trend in the Degree Ratio of Fiscal Decentralization. In 2012, Central Sulawesi was included in the Poor category in its ability to increase local revenue to finance development. In 2013 the province managed to move up to the Enough category (31.07%) and decreased by a level in 2014 and returned to the Enough category in 2015 with a ratio of 30.78%. Southeast Sulawesi Province, in the 2012-2015 period, was in the same category in its ability to increase local revenue to finance development. Southeast Sulawesi is in the Less category with the highest achievement in 2015 at a ratio of 27.68%. South Sulawesi Province (Sulsel) is the province that has the best Fiscal Decentralization Degree Ratio performance relative to other provinces in Sulawesi. In 2012, the performance of South Sulawesi's Fiscal Decentralization Degree Ratio stood at 49.59% in the Medium category and increased in the 2013-2015 range which remained in the Good category. This is the only province that has a Fiscal Decentralization Ratio with a Good category.

The level of dependence of the Province of South Sulawesi on external assistance is very low and vice versa. The South Sulawesi Regional Financial Independence Ratio also proves the high level of community participation in regional development.

Keywords:

Financial Performance, Ratio, Decentralization, Fiscal

INTRODUCTION

Mamesah in Halim (2004) argues that state finances are all rights and obligations that can be valued in money, as well as everything in the form of money or goods that can be used as state assets related to the implementation of these rights and obligations. This regional wealth is not owned or controlled by a higher state or region, as well as other parties in accordance with the provisions and applicable laws and regulations.

Local government as a public institution in government, development and community activities requires sources of funds or capital to be able to finance government expenditures (government expenditure) on public goods and services. This task is closely related to the government's budget policy which includes revenues and expenditures. According to Halim (2004), to see the financial performance of local governments can be measured using financial ratios, namely as follows:

1. Ratio of degrees of decentralization of regional finance

This ratio shows the level of authority and responsibility given by the central government to local governments to carry out development.

2. Regional financial dependency ratio

The higher the resulting ratio, the greater the level of dependence of the local government on the central government and/or provincial government.

3. Regional financial independence ratio

The ratio of regional financial independence (fiscal autonomy) shows the ability of local governments to finance their own government activities, development and in accordance with the targets set for services to the public who have paid taxes and levies as a source of revenue needed by the region. Regional financial independence is indicated by the size of the regional original income compared to regional income originating from other sources, such as central government assistance or loans. The higher the independence ratio, the lower the level of regional dependence on external assistance, and vice versa.

4. Regional financial management effectiveness ratio.

The ratio of the effectiveness of local revenue shows the local government in mobilizing the revenue of local revenue in accordance with the target. The ability to obtain local revenue is categorized as effective if this ratio reaches a minimum of 1 or 100%.

2.1.5 Regional Financial Capability

Regional capacity is meant in terms of how far the region can explore its own financial sources to finance its needs without having to always depend on central government assistance. The ability of regions to be able to finance their regional finances can be seen, among other things, from the increasing amount of regional original income, compared to balancing funds, the greater the PAD, the smaller the dependence on the center and the use of budget surpluses for spending allocations, especially spending on general infrastructure development rather than financing expenditures for regional treasury account.

This regional financial capacity can be reflected in the implementation of programs and activities as reflected in the APBD. The APBD reflects the implementation of development through the realization of regional revenues (Balancing Funds, PAD), Regional Expenditures and Regional Financing. The APBD is essentially a policy instrument that is used as a tool to improve public services and the welfare of the people in the regions. Conceptually, the relationship pattern between the central and regional governments must be carried out in accordance with the regional financial capacity in financing the implementation of government and development, although the measurement of regional financial capacity will cause differences. PAD should ideally be the main source of regional income. Other sources of income may fluctuate and tend to be outside the control of regional authorities. Through

the authority they have, the regions are expected to be able to increase PAD, while still paying attention to economic aspects, efficiency, and neutrality. PAD performance is measured by measuring Growth, Elasticity, and Share (www.perliban.bappenas.go.id). The combination of indexation and the three measures is the Financial Capability Index (IKK) which is also used in assessing regional performance in input management.

2.1.6 Locally-generated revenue

Based on Law Number 33 of 2004 concerning Financial Balance between the Center and the Regions Article 1 paragraph 18 that "Regional original income, hereinafter referred to as PAD, is income obtained by the region which is collected based on regional regulations in accordance with statutory regulations". Regional Original Revenue (PAD) is regional income sourced from regional taxes, regional levies, results of separated regional wealth management, and other legitimate regional original income, which aims to provide flexibility to regions in exploring funding in the implementation of autonomy. regions to realize the principle of decentralization (Explanation of Law No.33 of 2004).

PAD can give its own color to the level of autonomy of a region, because this type of income can be used freely by the region. PAD is a regional financial source that is excavated in the region concerned, consisting of regional tax proceeds, regional levies, proceeds from regionally owned companies and the results of the management of other separated regional assets, as well as other legitimate Regional Original Income.

regions to the central government. The same research was also conducted by Frediyanto (2010) regarding the Analysis of Financial Capability of Districts/Cities in Central Java Province Before and After Regional Autonomy Policy which results that there is a significant difference in regional revenue between before and after regional autonomy, except for the ratio of PAD. These results indicate that after regional autonomy, local governments are trying to increase PAD revenues through increased tax and levy revenues. However, an increase in PAD revenue does not automatically increase the contribution of PAD in the APBD.

RESEARCH METHODS

The type of data used in this study is secondary data, which is data taken from the Budget Realization Report (LRA) issued by each Government.govern the province of Sulawesi. Population and Sample The population of this study is the Regional Government of Sulawesi Island and the sample is the Government of each province on the island of Sulawesi, totaling six Provincial Governments, namely the Provincial Governments of North Sulawesi, Gorontalo, Central Sulawesi, Southeast Sulawesi, West Sulawesi, and South Sulawesi. . Based on the existing problems, this research is a quantitative descriptive research that is doing calculations on the financial data obtained to solve existing problems in accordance with the research objectives. This study is intended to determine the Financial Performance. The documents used are in the form of special data, which are obtained from the respective provincial government offices as well as downloaded publication data from the Internet. In accordance with the research conducted, the data analysis technique used is descriptive quantitative, namely performing calculations on the financial data obtained to solve existing problems in accordance with the research objectives. The benchmarks that will be used in this

analytical technique are: Ratio of Degrees of Fiscal Decentralization Degree of Fiscal Decentralization or Regional Fiscal Autonomy is the ability of local governments to increase local revenue to finance development. The degree of Fiscal Decentralization, especially the PAD component compared to the TPD, according to the research results of the UGM Fisipol Team using an interval scale as shown in the following:

Table 3.1 Interval scale Fiscal Decentralization Degree Ratio

Fiscal Decentralization Degree Interval Scale. %	Regional Financial Capability
10.01 – 20.00	Very less
20.01 – 30.00	Less
30.01 – 40.00	Enough
40.01 – 50.00	Medium
> 50.00	Good
100.01 – 200.00	Very good

Source: Anita Wulandari (2001: 22)

The degree of Fiscal Decentralization can be calculated using the following formula:

$$DDF = PAD_t / TPD_t \times 100\%$$

Information :

DDF = Degree of Fiscal Decentralization

PAD_t = Total Regional Original Income in year t

TPD_t = Total Regional Income in year t

2. Independence Ratio

The Regional Financial Independence Ratio (RKKD) shows the level of ability of a region in self-financing government activities, development and services to the community who have paid taxes and levies as a source of income needed by the region. The independence ratio formula according to Mahsun (2009) is as follows:

$$RKKD = PAD / \text{Transfer Income} \times 100\%$$

Table 3.2 Relationship Pattern and Regional Capacity Level

KemamMs Finance	Kemandirian (%)	Relationship Pattern
Very Low	0% - 25%	Instructive
Low	25% - 50%	Consultative
Medium	50% - 75%	Participatory
High	75% - 100%	Delegative

Source: Anita Wulandari (2001: 22)

The higher the Regional Financial Independence Ratio means that the level of regional dependence on external assistance is getting lower and vice versa. The Regional Financial Independence Ratio also describes the level of community participation in regional development. The higher the Regional Financial Independence Ratio, the higher the community's participation in paying regional taxes and levies which are the main components of regional original income. The higher the community pays local taxes and levies, the higher the level of community welfare.

3. PAD Effectiveness Ratio

The PAD Effectiveness Ratio describes the local government's ability to realize the planned PAD compared to the target set based on the real potential of the region. The higher the PAD Effectiveness Ratio, the better the performance of the local government.

$$\text{PAD Effectiveness Ratio} = \text{Realized PAD} / \text{PAD Budget} \times 100\%$$

The criteria for PAD Effectiveness Ratio according to Mahsun (2009), are:

- a) If the obtained value is less than 100% ($x < 100\%$) it means it is not effective
- b) If the obtained value is equal to 100% ($x = 100\%$) it means that the effectiveness is balanced.
- c) If the obtained value is more than 100% ($x > 100\%$) means effective.

4. Regional Financial Efficiency Ratio

Regional Financial Efficiency Ratio (REKD) illustrates the comparison between the amount of costs incurred to obtain income and the realization of income received. The performance of local government in collecting revenue is categorized as efficient if the ratio achieved is less than 1 (one) or below 100%. The smaller the efficiency ratio means the better government performance. The formula used to calculate this ratio is:

$$\text{REKD} = \text{Regional Expenditure Realization} / \text{Regional Revenue Realization} \times 100\%$$

Table 3.3 Criteria for Financial Performance Efficiency

Efficiency Percentage	Efficiency Criteria
100% and above	Not efficient
90%-100%	Less Efficient
80%-90%	Quite Efficient
60%-80%	Efficient
Less than 60%	Very Efficient

Source: Abdul Halim (2007:234)

5. Compatibility Ratio

The Harmony Ratio describes how the regional government prioritizes the allocation of its funds on operating expenditures and capital expenditures optimally. The higher the percentage of funds allocated for operating expenses means that the percentage of capital expenditure used to provide economic infrastructure for the community tends to be smaller. In simple terms, the compatibility ratio can be formulated as follows (Abdul Halim 2007:236):

$$\text{Operational Expenditure Ratio} = \text{Total Operational Expenditure} / \text{Total Regional Expenditure}$$

x 100%

Capital Expenditure Ratio = Total Capital Expenditure / Total Regional Expenditure x 100%

There is no definite benchmark as to the ideal size of the Operating Expenditure Ratio and the Capital Expenditure Ratio to Regional Expenditure, because it is strongly influenced by the dynamics of development activities and the amount of investment needed to achieve the targeted growth.

RESULTS AND DISCUSSION

4.1 Description of Research Object

4.1.1 North Sulawesi Provincial Government

North Sulawesi Province, an area located in the northernmost part of the island of Sulawesi. North Sulawesi is a province whose capital city is Manado. Based on data from the 2010 population census, the total population in North Sulawesi Province is 2,270,059 people with the details of 1,159,903 males and 1,110,693 females.

North Sulawesi Province has 15 city districts, namely Bolaang Mongondow Regency, South Bolaang Mongondow Regency, East Bolaang Mongondow Regency, North Bolaang Mongondow Regency, Sangihe Islands Regency, Siau Islands Regency Tagulandang Biaro, Talaud Islands Regency, Minahasa Regency, South Minahasa Regency, Minahasa Regency Southeast, North Minahasa Regency, Bitung City, Kotamobagu City, Manado City and Tomohon City.

4.1.2 Gorontalo Provincial Government

Gorontalo is a province in Indonesia. Previously, the Gorontalo peninsula (Hulontalo) was an area of Gorontalo Regency and Gorontalo Municipality in North Sulawesi. Along with the emergence of regional expansion regarding regional autonomy in the Reformation Era, this province was then formed based on Law Number 38 of 2000, dated December 22, 2000 and became the 32nd Province in Indonesia. The capital city of Gorontalo Province is Gorontalo City (often also known as Hulontalo City) which is known as the "City of the Porch of Medina".

In 2013, Gorontalo Province as a whole had 77 sub-districts and 735 villages/kelurahan. This data will continue to change in line with the plan for the expansion of new autonomous regions (DOB) in Gorontalo Province which is predicted to be completed in 2020.

4.1.3 Central Sulawesi Provincial Government

Central Sulawesi is a province in the central part of Sulawesi Island, Indonesia. The provincial capital is Palu City. The area is 61,841.29 km², and the population is 2,831,283 people (2014). Central Sulawesi has the largest area among all the provinces on the island of Sulawesi, and has the second largest population on the island of Sulawesi after the province of South Sulawesi. The current governor is Longki Djanggola along with Sudarto for a second term.

Central Sulawesi Province consists of 13 regencies and 1 city, 147 sub-districts, 170 sub-districts, and 1,839 villages. This province has a land area of 61,841.29 km² (BPS 2015), with a population of 2,831,283 people (BPS 2014), with a population density of 46 people/km².

4.1.4 Southeast Sulawesi Provincial Government

Southeast Sulawesi is a province in Indonesia whose capital is Kendari. Southeast Sulawesi Province is located in the Southeastern Peninsula of Sulawesi Island, geographically located in the southern part of the equator between 02°45' - 06°15' South Latitude and 120°45' - 124°30' East Longitude and has a land area of 38,140 km². (3,814,000 ha) and waters (sea) covering an area of 110,000 km² (11,000,000 ha). Southeast Sulawesi consisted of 15 districts and 2 cities in 2015 based on data published by the Ministry of Home Affairs of the Republic of Indonesia.

4.1.5 West Sulawesi Provincial Government

West Sulawesi is a province resulting from the division of the province of South Sulawesi. The province which was formed on October 5, 2004 is based on Law no. 26 of 2004. The capital city is Mamuju. Its area is about 16,796.19 km². The ethnic groups in this province consist of the Mandar (49.15%), Toraja (13.95%), Bugis (10.79%), Javanese (5.38%), Makassar (1.59%) and other ethnic groups (19.15%). Administratively, West Sulawesi Province consists of 6 regencies.

4.1.6 South Sulawesi Provincial Government

South Sulawesi is a province in Indonesia located in the southern part of Sulawesi. The capital city is Makassar, formerly called Ujungpandang. South Sulawesi Province is located at 0°12' - 8° South Latitude and 116°48' - 122°36' East Longitude. Its area is 45,764.53 km². The province is bordered by Central Sulawesi and West Sulawesi in the north, Bone Bay and Southeast Sulawesi in the east, Makassar Strait in the west and the Flores Sea in the south. 5 years after independence, the government issued Law Number 21 of 1950, which became the legal basis for the establishment of the Administrative Province of Sulawesi. 10 years later, the government issued Law Number 47 of 1960 which authorized the formation of South and Southeast Sulawesi. 4 years after that, through Law No. 13/1964, the government separated Southeast Sulawesi from South Sulawesi.

4.2 Data Analysis Results

4.2.1 Result of Fiscal Decentralization Degree Ratio Calculation

Table 4.1 Table of Fiscal Decentralization Degree Ratio

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	34.53%	38.46%	40.47%	40.06%	38.38%
Gorontalo	19.21%	20.29%	22.96%	21.30%	20.94%
Central Sulawesi	29.81%	31.07%	28.19%	30.78%	29.96%
Southeast Sulawesi	25.74%	25.97%	25.49%	27.68%	26.22%
West Sulawesi	14.63%	14.58%	16.58%	18.91%	16.08%
South Sulawesi	49.59%	52.59%	55.04%	52.65%	52.47%

Source: Data Processing Results

The results of the calculation of the Degree Ratio of Fiscal Decentralization for the Provincial Government (Pemprov) of North Sulawesi (Sulut) show a relatively good trend compared to most provinces in Sulawesi. In the 2012-2015 range, the North Sulawesi Provincial Government was in the category of Sufficient financial capability (2012-2013) and rose to the Medium category (2014-2015). Gorontalo Province, in the span of the same year, in the Ratio of Degrees of Fiscal Decentralization, was still in the Very Poor Regional Financial Capability Category in 2012 and Less in the following years. The Province of Central Sulawesi (Sulteng) shows an up and down trend in the Degree Ratio of Fiscal Decentralization. In 2012, Central Sulawesi was included in the Poor category in its ability to increase local revenue to finance development. In 2013 the province managed to move up to the Enough category (31.07%) and decreased by a level in 2014 and returned to the Enough category in 2015 with a ratio of 30.78%. Southeast Sulawesi Province, in the 2012-2015 period, was in the same category in its ability to increase local revenue to finance development. Southeast Sulawesi is in the Less category with the highest achievement in 2015 at a ratio of 27.68%. South Sulawesi Province (Sulsel) is the province that has the best Fiscal Decentralization Degree Ratio performance relative to other provinces in Sulawesi. In 2012, the performance of South Sulawesi's Fiscal Decentralization Degree Ratio stood at 49.59% in the Medium category and increased in the 2013-2015 range which remained in the Good category. This is the only province that has a Fiscal Decentralization Ratio with a Good category.

4.2.2 Independent Ratio Calculation Results

Table 4.2 Independence Ratio Table

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	52.77%	77.40%	85.94%	86.33%	75.61%
Gorontalo	28.12%	29.54%	34.54%	32.35%	31.14%
Central Sulawesi	55.25%	57.11%	51.05%	57.00%	55.10%
Southeast Sulawesi	44.46%	35.22%	35.83%	38.77%	38.57%
West Sulawesi	20.92%	19.68%	23.00%	28.24%	22.96%
South Sulawesi	98.44%	111.43%	197.80%	111.50%	129.79%

Source: Data Processing Results

North Sulawesi Province shows financial capability which shows a positive trend in the range of Medium – High level in the last 4 years. The range of relationship patterns shown is Participatory to Delegative. In 2012, the North Sulawesi Provincial Government's Independence Ratio was at Medium capacity with a Participatory relationship pattern, however, in the following 3 years, North Sulawesi was in the category of high financial ability and had a Delegative relationship pattern. This means that the level of North Sulawesi's dependence on external parties is getting lower from year to year.

Gorontalo Province shows an upward trend in its Independence Ratio in the 2012-2015 range. However, the category of financial ability to be independent is still in the Low category. This can be seen in the range of Gorontalo's Independence ratio, which is at 28.12% (2012) to 34.54% (2014) where both of these numbers are still below 50%.

Central Sulawesi Province is in the category of Medium financial capability in the last 4 years. In 2012-2015, Central Sulawesi's self-reliance ratio was in the range of 51.05% to the highest of 57.11%. On the other hand, Southeast Sulawesi Province experienced a downward trend in its independence ratio. In 2012, the province's independence ratio stood at 44.46% and decreased to 38.77 in 2015. However, its financial capacity is still in the Low category, with a consultative relationship pattern.

West Sulawesi has a relatively low performance compared to other provinces. For 3 years, 2012-2014, its independence ratio showed financial ability in the Very Low category. In 2015, the province's ratio rose to the category of Low financial capability. On the other hand, South Sulawesi shows a contrasting Independence Ratio performance, which is at High financial capacity in the last 4 years. This is evidenced by the Independence Ratio above 100% for the last 4 years.

This shows that the level of dependence of the Province of South Sulawesi on external assistance is very low and vice versa. Financial Independence Ratio The South Sulawesi Region also proves the high level of community participation in regional development.

4.2.3 Results of Calculation of the Effectiveness Ratio of PAD

Table 4.3 Table of PAD Effectiveness Ratio

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	105.74%	102.85%	94.86%	92.97%	99.10%
Gorontalo	110.80%	109.10%	94.80%	85.60%	100.07%
Central Sulawesi	100.19%	101.45%	99.84%	92.92%	98.60%
Southeast Sulawesi	83.10%	101.76%	97.38%	126.68%	102.23%
West Sulawesi	99.53%	92.41%	105.88%	102.64%	100.12%
South Sulawesi	92.86%	96.93%	96.81%	94.68%	95.32%

Source: Data Processing Results

North Sulawesi Province has a declining trend of PAD Effectiveness Ratio in the last 4 years. In 2012 and 2013, the Province's PAD Effectiveness Ratio was in the Effective category, with a figure above 100% before dropping below 100% in 2014 and 2015. An average of 4 years indicates that the North Sulawesi PAD Effectiveness is declared Ineffective.

Ineffective PAD Effectiveness Ratio on average is also shown in two other provinces, such as Central Sulawesi and South Sulawesi. Central Sulawesi is experiencing a declining trend, after 2012-2013 it was above 100%, and South Sulawesi, which for the last 4 years, its PAD Effectiveness Ratio was below 100% so it was declared Ineffective.

Gorontalo Province, like Southeast Sulawesi and West Sulawesi, has a PAD Effectiveness Ratio which is above 100% on average for the last 4 years. This proves that these three provinces have a better ability of local governments to realize the planned PAD compared to the target set based on the real potential of the region.

4.2.4 Results of Calculation of Regional Financial Efficiency Ratio

Table 4.4 Table of Regional Financial Efficiency Ratio

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	96.52%	98.75%	95.95%	106.54%	99.44%
Gorontalo	94.83%	99.99%	100.24%	109.46%	101.13%
Central Sulawesi	103.40%	100.55%	108.58%	102.38%	103.73%
Southeast Sulawesi	95.01%	92.06%	95.88%	95.08%	94.51%
West Sulawesi	91.02%	110.99%	87.10%	94.08%	95.80%
South Sulawesi	91.67%	101.16%	81.75%	79.23%	88.45%

Source: Data Processing Results

Of the six provinces in Sulawesi, none have shown high efficiency in their financial performance. On average, the one with the most efficient ratio is South Sulawesi Province, which has a ratio of 88.46% and is in the Fairly Efficient category.

Southeast Sulawesi, West Sulawesi and North Sulawesi, all three are in the efficiency criteria of Less Efficient with an increasing trend of ratio figures, with the average number of the last 4 years in the range of 90-100%. Gorontalo and Central Sulawesi are the most Inefficient Provinces in terms of financial performance efficiency criteria with efficiency percentages above 100%.

4.2.5. Compatibility Ratio Calculation Results

4.2.5.1 Operating Expenditure Ratio

Table 4.5 Table of Operating Expenditure Ratio

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	69.01%	68.06%	64.02%	59.69%	65.20%
Gorontalo	47.39%	51.86%	71.27%	66.64%	59.29%
Central Sulawesi	48.15%	43.95%	76.14%	51.67%	54.98%
Southeast Sulawesi	81.72%	64.17%	63.77%	61.66%	67.83%
West Sulawesi	62.12%	50.94%	72.54%	69.65%	63.81%
South Sulawesi	74.07%	72.85%	84.95%	82.76%	78.66%

Source: Data Processing Results

North Sulawesi Province has a relatively stable range of Operating Expenditure Ratios in the last four years. Despite the downward trend since 2012, North Sulawesi's operating expenditures are in the range of 69.01% (2012) to 59.05% (2015) with an average of 65.20%. The same thing also happened to the performance of South Sulawesi Operations expenditure at a stable rate from 74.07% to the highest point in 2014 at 84.95% with an average of 78.66%. On the other hand, the other four provinces, Gorontalo, Central Sulawesi, Southeast

Sulawesi and West Sulawesi have quite volatile Operating Expenditure Ratios.

4.2.5.2 Capital Expenditure Ratio

Table 4.6 Table of Capital Expenditure Ratio

Province	Year				
	2012	2013	2014	2015	RR
North Sulawesi	19.80%	14.13%	22.72%	28.12%	21.19%
Gorontalo	15.66%	17.60%	19.26%	24.46%	19.24%
Central Sulawesi	16.26%	16.57%	11.35%	14.98%	14.79%
Southeast Sulawesi	12.05%	23.76%	26.50%	29.09%	22.85%
West Sulawesi	15.82%	15.19%	21.75%	30.35%	20.78%
South Sulawesi	9.28%	9.95%	15.03%	17.24%	12.88%

Source: Data Processing Results

Table 4.5 above shows that the three provinces that have spent the most heavily on infrastructure provision in the last four years are Southeast Sulawesi, North Sulawesi and West Sulawesi. North Sulawesi experienced an upward trend in Capital Expenditure over the last four years, from 19.80% in 2012, to 28.12% in 2015. The same thing happened to the Provinces of Southeast Sulawesi and West Sulawesi, which experienced an upward trend in Capital Expenditure, where Southeast Sulawesi had the second highest percentage in 2015, which was 29.09% and West Sulawesi had the highest and drastic increase, from 15.82% in 2012 to 30.35% in 2015.

The provinces of Gorontalo, Central Sulawesi and South Sulawesi are the regions that are least aggressive in making capital expenditures. These three provinces have capital expenditure ratios below 20%. South Sulawesi has the lowest ratio in the last 4 years on average at 12.88%.

CONCLUSION

Based on the results of research and discussion, the researchers drew the following conclusions:

1. The results of the calculation of the Degree Ratio of Fiscal Decentralization for the last four years show that of the six provinces in Sulawesi, one province is classified as very poor (West Sulawesi), three provinces are classified as poor (Gorontalo, Central Sulawesi, and Southeast Sulawesi), one province is classified as moderate (Sulawesi North), and one Province classified as Good (South Sulawesi)
2. The results of the calculation of the Independence Ratio for the last four years show that of the six provinces in Sulawesi, one province (West Sulawesi) has very low financial independence, two provinces have low financial independence (Gorontalo and Southeast Sulawesi), one province has moderate financial independence. (Central Sulawesi) and two provinces (North Sulawesi and South Sulawesi) have high independence.
3. The results of the calculation of the PAD Effectiveness Ratio for the last four years show that of the six provinces in Sulawesi, three provinces (West Sulawesi, Southeast Sulawesi and Gorontalo) have PAD effectiveness classified as Effective and on the other

hand three other provinces (North Sulawesi, Sekatan Sulawesi and Central Sulawesi).) is classified as Ineffective

4. The results of the calculation of the Regional Financial Efficiency Ratio for the last four years show that of the six provinces in Sulawesi, three provinces (North Sulawesi, Southeast Sulawesi and West Sulawesi) are classified as Less Efficient efficiency criteria, the other two provinces (Gorontalo and Central Sulawesi) are classified as Efficient, and one province (South Sulawesi) is classified as efficient in managing its regional finances.

5. The results of the calculation of the Operational Expenditure Ratio for the last four years show that South Sulawesi Province has the largest portion of Operational Expenditure compared to other provinces in Sulawesi. The other three provinces (North Sulawesi, West Sulawesi and Southeast Sulawesi) are the provinces that have the second largest portion of Operational Expenditure, and Gorontalo and Central Sulawesi are the Provinces with the smallest portion of Operational Expenditure in Sulawesi. The results of the calculation of the Capital Expenditure Ratio for the last four years show that the provinces of North Sulawesi, Southeast Sulawesi and West Sulawesi are the provinces with the largest portion of Capital Expenditures. Gorontalo is the second largest province and Central Sulawesi and South Sulawesi provinces are the provinces that do the least amount of capital expenditure.

BIBLIOGRAPHY

1. Afrendi, Ahmad Fajri. 2013. Analysis of the Relationship between PAD, Central Government Transfers with the Level of Regional Independence in Regional Governments in Bengkulu Province. Bengkulu : Faculty of Economics Unib
2. Anita Wulandari. 2001. Regional Financial Capability. Journal of Public Policy and Administration. Vol 5. No 2. PP. 11-22
3. Bastian, Indra, 2006, Public Sector Accounting: An Introduction, Jakarta: Erlangga.
4. Frediyanto, Yanuar. 2010. Analysis of District/City Financial Capability in Central Java Province Before and After Regional Autonomy Policy. Semarang : Faculty of Economics, Diponegoro University.
5. Halim, Abdul. 2001. Regional Financial Accounting. Jakarta: Salemba. Four.
6. Halim, Abdul. 2004. Regional Autonomy and Financial Management. Yogyakarta : UPP AMP YKPN
7. Halim, Abdul. 2007. Public Sector Accounting Regional Financial Accounting, Revised Edition, Jakarta, Salemba Empat
8. Lestari, FM 2012. Analysis of Regional Financial Management and Regional Independence in Central Bengkulu Regency. Bengkulu : Unib Repository
9. Mardiasmo. 2000. Regional Autonomy and Financial Management. Yogyakarta: Andi Offset
10. Permana, SE 2013. Financial Performance Analysis of Bengkulu City Government. Bengkulu : Unib Repository
11. Kankaew, K., Yapanto, LM, Waramontri, R., Arief, S., Hamsir, Sastrawati, N., & Espinoza-Maguiña, MR (2021). Supply chain management and logistics presentation:

- Mediation effect of competitive advantage. *Uncertain Supply Chain Management*, 9(2), 255–264. <https://doi.org/10.5267/j.uscm.2021.3.007>
12. Yapanto, LM, Tanipu, F., Paramata, AR, & Actors, E. (2020). THE EFFECTIVENESS OF FISHERY COOPERATIVE INSTITUTIONS. 17(25), 1329–1338.
 13. Lasut, RF, Mandey, SL, Jan, AH. (2021). Analysis of the Effect of Service Quality and Premium Amount on Collectibility Levels and Participant Satisfaction as Intervening Variables at BPJS Kesehatan Manado Branch. 633–646.
 14. Musa, FNH, Tumbel, A., & Wullur, M. (2021). Discipline Analysis Of Work, Motivation And Loyalty Towards Employee Performance (Case Study At Gorontalo State University). 449–462
 15. Setiaji, W. and Adi, PH2007. Map of Regional Financial Capability After Regional Autonomy: Is it Shifting? (Study in Regencies and Cities in Java – Bali). X Accounting Symposium, Makassar.
 16. Sugiyono. 2009. Quantitative and Qualitative Research Methods and R & D. Bandung: Alfabeta
 17. Suharsimi, Arikunto. 2006. Research Methods. Bandung: Gramedia
 18. Suyono, Salam. 2002. Analysis of Regional Financial Statements. Jakarta : Atmalib Atma Jaya
 19. Syafrizal, H. F, 2013, The Effect of Politicizing the Regional Revenue and Expenditure Budget (APBD) in Incumbent Regions on Java Island and Incumbent Regions Outside Java Island, Thesis, UNIB, Bengkulu.
 20. Law Number 17 of 2003 concerning State Finance
 21. Law Number 25 of 2004 concerning the National Development Planning System (SPPN)
 22. Law Number 32 of 2004 concerning Regional Government
 23. Law Number 33 of 2004 concerning Financial Balance between the Center and the Regions Article 1 paragraph 18
 24. Valentina, Miera. 2009. Analysis of Financial Performance Based on Budget Realization Report of Bengkulu Province Before and After the Implementation of Regional Autonomy. Bengkulu : Faculty of Economics, Bengkulu University.