

ABSTRACT

Kesuma Dhana Novia: "Analysis of Financial Statements in Assessing Financial Performance of West Bandung Regency Government for Fiscal Year 2015-2017"

The use of financial statement analysis can also be used in local government financial statements. Analysis of local government financial statements is more often used for work evaluation by the House of Representatives. The use of financial statement analysis can be done in every region including West Bandung Regency. West Bandung Regency for the past few years has been the talk of the people thanks to the program of the Regent of West Bandung Regency who built and beautified Purwakarta Regency. But there are problems relating to the financial performance of the Government of West Bandung Regency. In 2015- 2017 West Bandung Regency experienced problems such as the level of independence of Local Original Revenue (PAD) always decreased, capital expenditure in West Bandung Regency always decreased and ineffective PAD revenue.

This study aims to determine the Financial Performance of West Bandung Regency Government for Fiscal Year 2015-2017 based on the Independence Ratio, based on the PAD Effectiveness Ratio, based on the PAD Efficiency Ratio, based on the Ratio of Operational Expenditures to Capital Expenditures, and based on the Ratio of Regional Expenditure Development to Regional Revenues.

Analyzing the financial statements of West Bandung Regency is one way to start the financial performance of the West Bandung Regency Government within a certain time. Certain techniques are needed so that the results of the analysis can be useful for users of financial statements and decision makers. The technique most often used is financial ratios to financial statements. In this study, researchers used the financial independence ratio of the region, the ratio of effectiveness of PAD, efficiency ratio, harmony ratio and growth ratio.

This research uses quantitative descriptive methods. This research was conducted at the Regional Asset Finance Agency (BKAD) of West Bandung Regency. In collecting data researchers used the method of observation, interviews and documentation. The analysis technique used is descriptive statistics using the formula: Independence Ratio, PAD Effectiveness Ratio, PAD Efficiency Ratio, Ratio of Operational Expenditures to Capital Expenditures, and Expenditures and Expenditures Development.

The results of the analysis show that West Bandung Regency Government Financial Performance based on Ratio (1) Independence shows that West Bandung Regency is very independent because in 2015-2017 it is at an interval of 23% while in 2016 it is 22% so West Bandung Regency still relies on the central government, (2) the effectiveness of PAD can be said to be very ineffective because it is at intervals below 75%, (3) PAD efficiency shows highly efficient results in sequence at 2%, 2,075%, and 2.67%, (4) harmony between operational expenditure and expenditure capital shows that the Government of West Bandung Regency is more inclined to allocate funds for operational expenditure compared to capital expenditure, and (5) the development of expenditure and revenue of West Bandung Regency shows that expenditure has fluctuated changes and income has always increased.

Keywords: *Regional Financial Performance, Independence Ratio, PAD Effectiveness Ratio, PAD Efficiency Ratio, Harmony Ratio and Developmental Ratio.*

