

Has The Evaluation of The Expansion of Nias City Been Successful?

Sahala Purba^{α 1}

* Email: sahala824@gmail.com

^α Universitas Methodist Indonesia, Jl. Hang Tuah
No.8, Madras Hulu, Medan Polonia, Medan,
South Sumatera 20151

Riwayat artikel:

- Received on 9 March 2025
- Revised on 26 July 2025
- Accepted on 26 July 2025
- Available online on 28 July 2025

This study evaluates the development performance of Nias Regency, North Sumatra Province, based on an analysis of local government financial statements. Using a quantitative descriptive approach, the research covers financial data from 2013–2021, including the Budget Realization Report, Balance Sheet, and Local Own-Source Revenue (LOSR). Data were collected through documentation and analyzed using financial proportion techniques across eight indicators: Regional Financial Autonomy, Regional Financial Independence, Fiscal Decentralization, LOSR Effectiveness, LOSR Efficiency, Regional Tax Effectiveness, and Regional-Owned Enterprise (ROE) Contribution. The results show that South Nias Regency underperformed in Regional Financial Independence and LOSR Effectiveness; North Nias in LOSR Efficiency and Regional Tax Effectiveness; and West Nias in Regional Financial Autonomy and LOSR Effectiveness. Gunungsitoli City showed weakness only in ROE Contribution. Overall, the findings suggest that despite certain shortcomings at the regency level, the central government has been largely successful in fostering development in Nias.

Keyword: Financial Information Analysis; Financial Performance; Nias Regency Development

JEL Classification : H71, H72, H77

Kajian Ekonomi & Keuangan

<http://fiskal.depkeu.go.id/ejournal/index.php/kek>

1. INTRODUCTION

For almost two decades the Republic of Indonesia has implemented democratic reform and democratization in all aspects of state life; At the same time, there is also an explosion of people's demands at the local level who want public service approaches and public welfare efforts to be carried out optimally, effectively and efficiently. This requires the readiness of democratic local elites to respond to the demands that exist in their respective regions, as well as the Nias Islands region in North Sumatra Province.

In short, it can be said that changes in government in Nias follow changes in regional government that apply nationally. Villages/sub-districts are the lowest level of government, in Nias Regency (when it had not yet expanded into 5 districts/cities) there were 657 villages/sub-districts. These villages/sub-districts emerged because of community associations according to local law, which previously each existed independently without any higher level of government covering some or all of the villages/sub-districts. From the beginning of independence until 1967 there was another level of government between sub-districts and villages called *Öri* which included several villages. Indeed, this *öri* has long been formed because of an association of several villages regarding parties, while village government issues are directly regulated by each village. *Öri* as one of the levels of government in the Nias Level II Region was abolished in 1965 by Governor's Decree on 26 July 1965 Number: 22/V/GSU without stating clear reasons. This is an example of the condition of Nias during the centralized New Order era. The emergence of the two New Order legal products, namely Law Number 5 of 1974 concerning the Principles of Government in Regions and Law Number 5 of 1979 concerning Village Government ignored the cultural, ethnic and racial diversity of the Indonesian nation, and instead uprooted people from cultural roots and each other. As a result, the Nias people are separated from the values and social order which are very influential in the lives of the *Ono Niha* (Nias people).

Efforts to expand the Nias Islands Province began with elite ideas. Initially, the elites who had a role in this matter consisted of government elites and non-government elites. The dynamics that occurred at the elite level in the effort to fight for the expansion of the Nias Islands Province began during the leadership of the Regent of Nias, namely Binahati B. Baeha, S.H. There are several factors that are urgent and become the background or rationale for making the Nias Islands a level I government administrative area, namely: a. potential and characteristic conditions of the region as an archipelagic area; b. backwardness and development gaps; c. geographical location far from the center of provincial government; d. the geographical location of the Nias Islands which is on a route prone to natural disasters; e. the position of the Nias Islands in the Regional/National Constellation; and f. aspects of Defense and Security of the Republic of Indonesia.

The central government has decided two laws (RI Law No. 23 of 2014 concerning Regional Government, 2014) and (RI Law No. 33 of 2004 concerning Financial Balance Between the Central Government and Regional Government, 2004). With the ratification of Law Number 23 of 2014, regional governments can optimize the natural resources they have, followed by the presence of qualified human resources which will be able to improve the welfare and peace of local communities through the development of optimal infrastructure and public services, with this centralization occurring then in control. carried out by regional stakeholders can be more flexible compared to centralization, regional governments have been given the responsibility to be more effective in carrying out regional administration activities themselves (Dora in the journal (Siswanto & Maylani, 2022)).

Regional autonomy stakeholders are asked to carry out government programs that are more effective and efficient in using regional budgets in a timely and targeted manner. By realizing this effectiveness and efficiency, it is hoped that regional government activity programs can be realized. With this regional autonomy, it is hoped that regional government stakeholders can optimize the natural resources that exist in their respective regions, the regional government's relationship with the central government is very high, this means that regional governments are not really working to explore the natural potential that exists in their regions, this can be seen from the government's financial reports, the majority of which are not independent very high. One of the successes of regional stakeholders in regional development is when the area being developed can grow in accordance with predetermined regulations (Susilawati et al., 2018)

Regional expansion is expected to increase regional financial independence in transferring the potential of natural resources they have, but up to now there are still many regions that are expanded and regions that are not expanded that cannot exercise financial independence, this means that regional stakeholders cannot transfer the natural potential that exists in surrounding areas and also cannot bring in foreign investors to invest in their respective regions, so that with the weak regional independence, regional government stakeholders only ask for donations from the center to cover their operational expenses, this is supported by researchers who carried out by (Siswanto & Maylani 2022), (Nugraeni et al., 2022), (Marliani, 2022), (Mulyaningsih & Sunaningsih, 2022), (Hakim & Rosidah, 2021), (Nalle et al., 2021), (Drastiana & Himmati, 2021), (Setianingrum & Haryanto, 2020), (Zukhri, 2020), (Purbandari, 2019), (Susanto, 2019), (Farida & Nugraha, 2019), (Sartika, 2019), (Tanan & Duri, 2018), (Susilawati et al., 2018), (Saputra & Fernando, 2017) and (Hariyanti et al., 2017) which state that the level of regional financial independence is still very low, but according to (Melmambessy, 2022) the independence ratio is in the medium category but according to (Amanda et al., 2021) there was a decline in 2 years and an increase in the next 2 years.

The majority of regional financial dependence is still very high on the central government, regional stakeholders do not want to work hard in diverting the natural potential in their surroundings, because regional stakeholders think that if the funds are insufficient they can be requested from the central government, as a result the regional government will make less effort in increasing revenue native to the region and there is no funding for stakeholders if the original regional income does not increase, as a result of this lack of funding, this results in very high regional financial dependence on the center, as a result our country has more and more debt to cover the APBN and APBD, this is in line with research conducted by (Melmambessy, 2022), (Siswanto & Maylani, 2022), (Marliani, 2022), (Nalle et al., 2021), (Sakinah & Satriawan, 2021), (Zukhri, 2020), (Susilawati et al., 2018), (Saputra & Fernando, 2017) and (Tanan & Duri, 2018) which state that regional financial dependence is still very high on the central government. However, this is different from research conducted by (Widiyaningsih & Prihatiningsih, 2021) which states that regional financial dependence on the center has begun to improve. The degree of fiscal decentralized which states that the degree of decentralization is still in the medium to low category for several districts and cities in the provinces in Indonesia, the reason is that regional stakeholders are not serious enough to divert the natural potential that exists in their respective districts and cities, so they do not can optimize the achievement of LOSR, this is in line with research conducted by (Siswanto & Maylani, 2022), (Sakinah & Satriawan, 2021) and (Susilawati et al., 2018) which states that the degree of fiscal decentralization is still in the sufficient category, but different from and (Nalle et al., 2021) (Zukhri, 2020), (Saputra & Fernando, 2017) which revealed that the degree of fiscal decentralization is in the moderate to sufficient group and but the least good thing is the results of research conducted by (Melmambessy, 2022), (Harahap, 2020), (Tanan & Duri, 2018) and (Hariyanti et al., 2017), which stated less to very low.

In terms of LOSR effectiveness, the majority of regional governments have been effective in realizing the budgeted regional original income, this is because the regional government only raised a small portion, meaning that the LOSR budget created does not optimally reflect the natural potential that exists within the regional government environment, so that with the seriousness of regional stakeholders will be able to explore the natural potential around their respective regions to increase their LOSR and the results will be for the welfare of local communities, this is what makes the effectiveness of LOSR always effective because the budget increase is only small year after year, this research is also in line with research conducted by (Siswanto & Maylani, 2022), (Marliani, 2022), (Sakinah & Satriawan, 2021), (Hakim & Rosidah, 2021), (Farida & Nugraha, 2019) and (Susanto, 2019) which stated that the effectiveness LOSR has been included in the effective group, but according to (Melmambessy, 2022), (Mulyaningsih & Sunaningsih, 2022), (Nugraeni et al., 2022) (Setianingrum & Haryanto, 2020), (Tanan & Duri, 2018) and (Saputra & Fernando, 2017) which states that the effectiveness of LOSR is included in the very effective group, and some are even included in the ineffective category according to researchers (Drastiana & Himmati, 2021) and (Amanda et al., 2021).

LOSR efficiency: In general, local governments carry out LOSR efficiency, which means that the costs incurred to obtain LOSR are relatively smaller compared to the LOSR receipts. If you look at this ratio, many local governments have succeeded in implementing LOSR efficiency, but the biggest obstacle is LOSR receipts. never greater than transfer income, if regional governments in Indonesia can achieve original income greater than transfer income, then we can be sure that our country can be categorized as a developed country, but this is very difficult to implement because of the lack of seriousness of regional stakeholders in transferring its natural potential, the problem of LOSR efficiency is that many researchers state that LOSR efficiency is very efficient and efficiently carried out by (Siswanto & Maylani, 2022), (Mulyaningsih & Sunaningsih, 2022), (Marliani, 2022), (Drastiana & Himmati, 2021), (Hakim & Rosidah, 2021), (Moridu, 2021), (Tanan & Duri, 2018), (Taras & Artini, 2017) and (Susilawati et al., 2018) but different from research conducted by (Amanda et al., 2021), (Susanto, 2019), (Farida & Nugraha, 2019) and (Saputra & Fernando, 2017) which state that LOSR efficiency is still in the inefficient category. The regional tax effectiveness ratio is the ability of regional governments to collect their respective regional taxes in accordance with the targets set by the regional government initially. If seen from the facts in the field, many regional governments have been effective in collecting regional taxes in accordance with what has been determined. estimated, this is in line with the authors made by (Yakub et al., 2022), (Siswanto & Maylani, 2022) and (Taras & Artini, 2017) who stated that regional governments have been effective in collecting regional taxes.

The regional tax efficiency ratio is that the costs incurred in collecting regional taxes are smaller compared to regional tax revenues, this is very good for regional governments if this can be implemented in their government, with this efficiency they will be able to use regional taxes for the benefit of the local community in the fields of education, health and infrastructure, the welfare of the local community will be achieved. From the results of previous research, many have stated that the regional tax efficiency ratio is very efficient as carried out by research (Siswanto & Maylani, 2022) and (Taras & Artini, 2017).

The degree of contribution of ROE, the final spearhead of LOSR is by optimizing the natural potential that exists around the local government area by forming ROE, the more ROE that are formed are expected to be able to contribute their LOSR, but the reality on the ground is that there are still many local governments that are not yet optimal in running ROE so it can be seen that the dividends obtained from ROE profits are on average very small, as a result the LOSR is also very small, this is what makes local governments not optimal in exploring the natural potential that exists around their respective regions, this is in line with research conducted by (Siswanto & Maylani, 2022) which states that the degree of ROE contribution is still in the quite good category, but this is in contrast to research conducted by (Tanan & Duri, 2018) which

states that the contribution of ROE to Jayapura city is still in a small group, whereas according to (Widiyaningsih & Prihatiningsih, 2021) that the degree of contribution of ROE to the City of Surakarta is considered good.

The use of this research is to evaluate whether the development of Nias district which has been carried out by the Central Government has been successful or not if viewed from the analysis of financial reports with 8 measurement proportions over 8 years of observation, and as an evaluation to the local community of the performance of regional leaders and representative councils. regional people during those 8 years.

The difference in this research is that this research has never been studied in terms of evaluating district development that occurred in Indonesia, the financial reports were analyzed for 8 (eight) years (2013-2020) and the measurements used 8 proportions.

2. LITERATURE REVIEW

Proportion of Regional Financial Autonomy

The proportion of regional financial autonomy is a proportion that can be used to evaluate regional government financial autonomy in the context of spending on infrastructure, public services and other government activities. The proportion of regional financial autonomy in total LOSR relative to regional income is correctly shown to be sourced from other income such as transfer income. The higher the value of the proportion of regional financial autonomy means the higher the regional financial autonomy (Abdul Halim, 2012).

Proportion of Regional Financial Independence

The proportion of regional financial independence is obtained by comparing the total income from balancing funds received by the regional government, with gross regional original income (Mahmudi, 2016). It is hoped that the proportion of regional financial independence will be small, so that autonomous regions will become more independent in obtaining income from respective regions for their respective regional operational expenditures.

Proportion of Fiscal Decentralization Measures

The proportion of the fiscal decentralization principle uses indicators of the extent of authority and responsibility given to regional governments to manage and maximize regional revenues. The measure of decentralization is one of the financial benefits that can be used to increase the level of competence and responsibility of local governments in implementing infrastructure development. This proportion is the amount of LOSR's contribution to total regional original income. The higher the LOSR contribution, the higher the regional government's capability in realizing decentralization (Bisma & Susanto, 2010).

Proportion of Effectiveness of Original Regional Income

The Proportion of Effectiveness of Original Regional Income is an explanation of regional governments in producing programmed original regional income with a fixed budget based on the actual capacity of each region. The Proportion of Effectiveness is intended to discuss the effectiveness of regional financial programs implemented by regional stakeholders. The Proportion of LOSR Effectiveness states that the regional government's capability in managing LOSR income is in accordance with what was budgeted (Mahmudi, 2016).

Efficiency Proportion of Original Regional Income

The Proportion of LOSR Efficiency needs to be calculated to measure the amount of costs incurred by regional governments in obtaining original regional income by maximally diverting the natural potential in the surrounding area. This proportion is calculated by comparing the costs incurred by the regional government to obtain LOSR with the realization of LOSR (Mahmudi, 2016). The smaller this proportion value, the more efficient the regional government is in generating its own regional income (Abdul Halim, 2012).

Proportion of Regional Fiscus Effectiveness

The effectiveness of the regional fiscal is how effective local stakeholders are in collecting local taxes that have been budgeted compared to the budget made, good governance is when all programs that have been determined initially can be achieved as desired. Effectiveness is a comparison of realization with budget. realization of the realization of the consequences of an activity or program on residents while output is the result achieved from a program of activities and policies (Mahsun, 2019). Analysis of the effectiveness of regional fiscus is an analysis that reflects the capabilities of local governments in the target/budget set based on the real potential of the region (Abdul Halim, 2012). The higher this proportion, the better it is for local government.

Proportion of Regional Fiscus Efficiency

The efficiency of regional fiscus refers to the way they operate, it can be said that production efficiency when producing products with effective use of resources and resources, efficiency is the comparison of production and import. Output is the implementation of expenditure for regional revenue generation and input is the implementation of regional revenue (Mahsun, 2019). The efficiency of the tax authorities is evaluated in the regional tax authorities, if the achieved rate is less than 10%, the efficiency of the local tax authorities is achieved.

Proportion of ROE Contribution Size

ROE is an economic entity based on Article 1(40) (RU No. 23 of 2014 concerning Regional Government, 2014) and Article 1(1) (PP, 2017), all or most of its capital is owned by the regions. This proportion is useful to know how much local businesses contribute to supporting local income. This proportion is calculated by juxtaposing regional income from regional wealth management divided by total Regional Original Revenue (Mahmudi, 2016).

3. RESEARCH METHOD

Using a quantitative descriptive approach, this research examines financial reports audited by the North Sumatra BPK between 2013 and 2020. Using documentation procedures, data collection methods. The scale of the financial data obtained is determined in the following phase. The information is then checked according to the underlying theory and expressed in terms or images that can explain financial performance (Taras & Artini, 2017). Understanding issues and opportunities in financial information requires analyzing that information (Mahsun, 2019). The aim of the financial performance analysis carried out in this research is to produce data on the financial performance of the Samosir Regency regional government which can be used to make choices and evaluate its financial performance during the 2013–2020 period. Regional Financial Autonomy Level, Regional Financial Independence Level, Fiscal Decentralization Level, LOSR Effectiveness Level, LOSR Efficiency Level, Regional Fiscus Effectiveness Level, Regional Fiscus Efficiency Level, and ROE Contribution Size Level are the scales used in this research. The Samosir Regency Financial Report from 2013 to 2020 is the data source for this research.

The benchmarks for this financial report analysis are:

TABLE 1. Level of Autonomy

| Benchmarks | | |
|------------|-------------------|-----------------------|
| Levels (%) | Monetary Capacity | Relationship Patterns |
| 0% - 25% | Very Low | Instructive |
| 25% - 50% | Low | Constructive |
| 50% - 75% | Medium | Parchival |
| 75% - 100% | High | Delegative |

The scale of regional financial autonomy increases along with increasing regional financial autonomy. (Abdul Halim, 2012)

TABLE 2. Level of Regional Financial Dependency

| Benchmarks | |
|----------------|-------------------|
| Dependency (%) | Monetary Capacity |
| 0% - 25% | Very Low |
| 25% - 50% | Low |
| 50% - 75% | Medium |
| 75% - 100% | High |

The higher the level, the higher the regional government's dependence on the central government. (Mahmudi, 2016)

TABLE3. Level of Fiscal Decentralization

| Benchmarks | |
|------------|-------------|
| Levels | Information |
| 0 -10% | Very Low |
| 10 - 30% | Low |
| 31- 40% | Fair |
| 41 - 50% | High |
| >50% | Very High |

The ability of local governments to adopt decentralization increases with the contribution of LOSR (Bisma & Susanto, 2010).

TABLE 4. LOSR Effectiveness Level

| Benchmarks | |
|------------------------|-------------------|
| Effectiveness Rate (%) | Monetary Capacity |
| >100 | Highly Effective |
| 100 | Effective |
| 90 - 99 | Quite Effective |
| 75 - 89 | Less Effective |
| < 75 | Ineffective |

LOSR Effectiveness Level measures the ability of regional officials to mobilize LOSR revenues in accordance with their objectives (Mahmudi, 2016)

TABLE 5. LOSR Efficiency Level

| Benchmarks | |
|------------------------|-------------------|
| Effectiveness Rate (%) | Monetary Capacity |
| < 10% | Highly Effective |
| 10% - 20% | Effective |
| 21% - 30% | Quite Effective |
| 31% - 40% | Less Effective |
| > 40% | Ineffective |

Regional administrators are more effective in collecting local revenue when this scale value is smaller (Abdul Halim, 2012).

TABLE 6. Level of Regional Fiscal Effectiveness

| Benchmarks | |
|------------------------|-------------------|
| Effectiveness Rate (%) | Monetary Capacity |
| >100 | Highly Effective |
| 100 | Effective |
| 90 - 99 | Quite Effective |
| 75 - 89 | Less Effective |
| < 75 | Ineffective |

The capacity of local governments to mobilize LOSR revenues in accordance with their budgets increases with increasing levels. (Mahmudi, 2016)

TABLE 7. Regional Fiscal Efficiency Level

| Benchmarks | |
|----------------|-------------------|
| Efficiency (%) | Monetary Capacity |
| < 10% | Highly Effective |
| 10% - 20% | Effective |
| 21% - 30% | Quite Effective |
| 31% - 40% | Less Effective |
| > 40% | Ineffective |

It can be said that the performance of autonomous regional administrators is better or more efficient if their performance is 10% or less below average. (Mahsun, 2019)

4. RESULT AND ANALYSIS

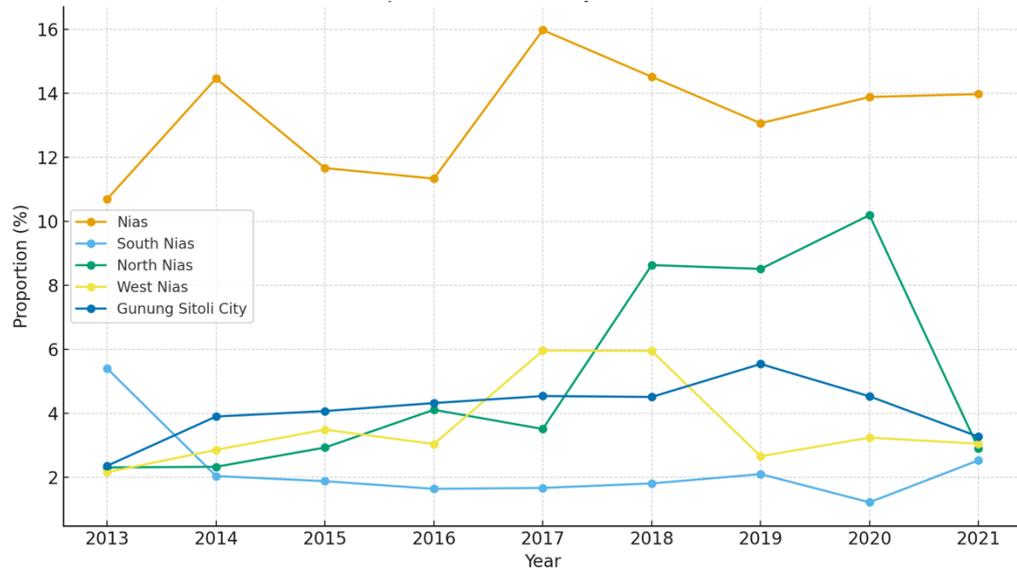
Proportion of Autonomy

This Autonomy Proportion is to measure how big the contribution to the realization of total LOSR is compared to the transfer income obtained by each parent district (Nias) as well as the results of the development of Nias district each year, to see whether the results of the development of Nias district carried out by the central government are successful or not. The benchmark is that when the average ratio of the proportion of autonomy is close to or better than the parent district, it means that the government has succeeded in developing the parent district, but on the other hand, if the ratio is much different from the parent district, it can be said that the central government has failed in developing the parent district.

If you look at table 1, the average proportion of autonomy during 2013 - 2021 shows that the ratio for the parent district for the 8 years was 13.28%, still in the very low category with an instructive relationship pattern, while the average ratio for development districts is not much

different from main ratio, but what is being evaluated by the central government is South Nias Regency where the average ratio for 9 years is only 2.25%. It could be said that the central government has failed to develop South Nias Regency if viewed in terms of the proportion of autonomy.

FIGURE I. Proportion of Autonomy



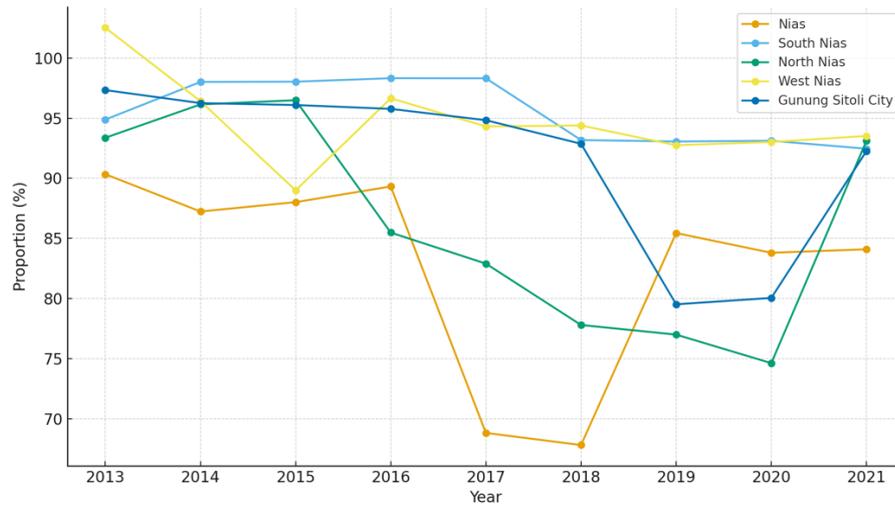
Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

Proportion of regional financial independence

The proportion of regional financial independence is used to analyze the extent of regional financial independence by comparing transfer income with regional income. If the ratio is large, this means that the regional government is very dependent on the central government to fund the operations of its government. The central government is successful in carrying out development if the ratio of the parent district is not much different from the ratio of the development district or the ratio of the development district is below the ratio of the parent district, and vice versa then the district development is categorized as not being successful.

From the observation results, it can be seen in table 2, where the average ratio of the proportion of regional financial insufficiency over 9 years for the parent district is 82.77%, which is in the High category, while for the development districts it is close to the parent ratio, except for South Nias Regency, the ratio is 95.49 % and West Nias at 94.08%, which means that the development of South and West Nias Regencies has failed to be carried out by the central government, because the level of non-independence of these districts is very high.

FIGURE 2. Proportion of Region Financial Independence

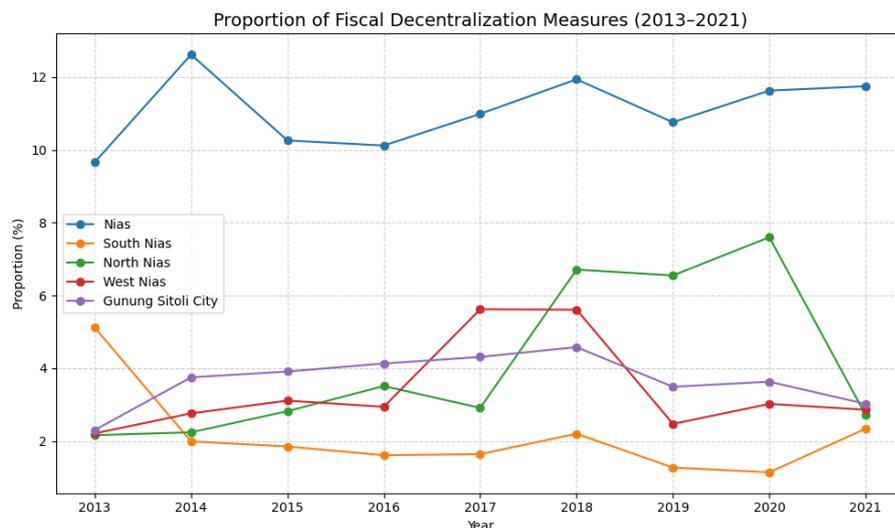


Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

Proportion of Fiscus Decentralization Measures

This proportion measures the size of the decentralization of the fiscus in generating original regional income by measuring original regional income with regional income. The higher the ratio, the more optimal regional stakeholders are in obtaining original regional income (Mahmudi, 2016). From the results of the observations, it can be seen in table 3, where the average proportion ratio of the size of decentralization of the fiscus for 9 years (2013-2021) for parent districts is 10.89%, which is in the low category, while for development districts it is still far from the ratio for parent districts, development districts that far from the ratio of the parent district, namely South Nias Regency, which is 2.15%, from these results it can be said that South Nias Regency has failed to develop in terms of the proportion of the size of the decentralized fiscus.

FIGURE 3. Proportion of Fiscus Decentralization Measures



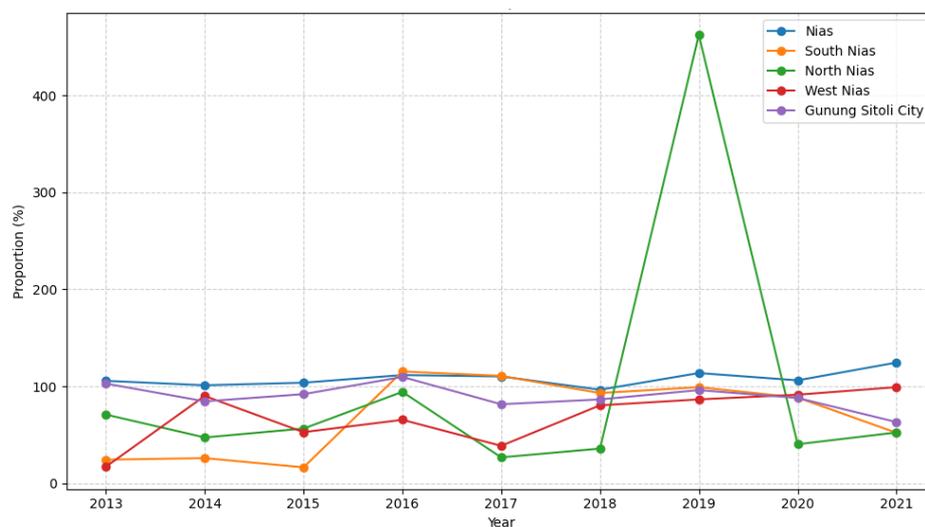
Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

LOSR Effectiveness Proportion

The Proportion of LOSR Effectiveness reflects the regional government's capability in realizing original regional income which is programmed with targets set based on the real potential of the region. The Proportion of LOSR Effectiveness states that the regional government's capability in mobilizing LOSR income is in accordance with the target (Mahmudi, 2016).

From the observation results, it can be seen in table 4, where the average ratio of the proportion of LOSR effectiveness for 9 years (2013-2021) for the parent district is 107.97%, while for North Nias and Gunung Sitoli districts the ratio is still quite effective and close to the ratio for the parent district. West Nias Regency's ratio is less effective, except for South Nias Regency, the ratio is 69.47%, which means that the development of South Nias Regency has failed to be carried out by the central government, because the level of LOSR Effectiveness Proportion for the district is not effective.

FIGURE 4. LOSR Effectiveness Proportion

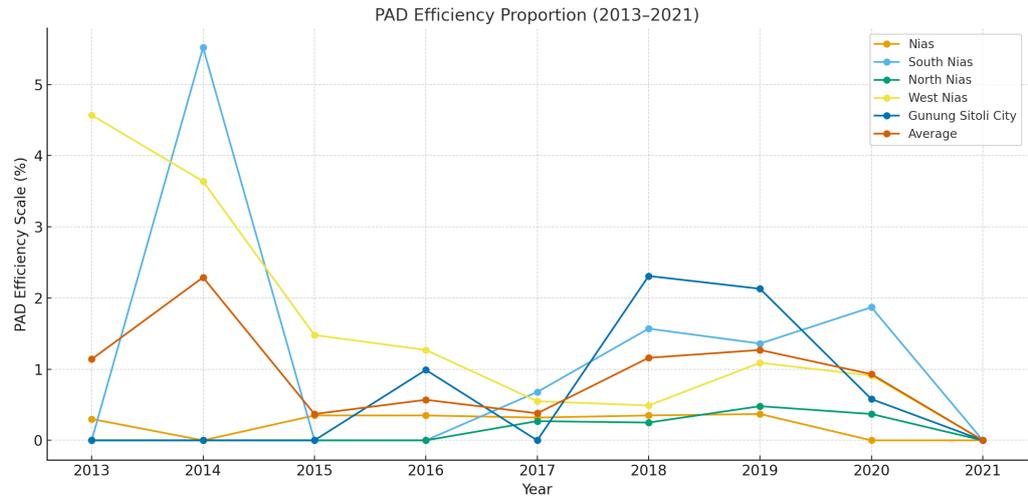


Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

LOSR Efficiency Proportion

This LOSR Efficiency Proportion is used to measure how efficient government stakeholders are in collecting LOSR acquisition costs compared to the realization of LOSR obtained in that period. The smaller the ratio, the more efficient government stakeholders are in financing LOSR acquisition. From the observation results, it can be seen in table 4 where the average proportion ratio of LOSR efficiency in the parent district for 9 years (2013-2021) is an average of 0.23%, which is in the very efficient category, while for development districts it is close to the ratio in the parent district, whereas there are lower ratios such as South Nias, where the average ratio for 9 years is 0.15%, while the higher average ratio of the parent district is West Nias district at 1.56% which is in the very efficient category, so In this case it can be said that the development of the parent district was successfully carried out by the central government if viewed in terms of the proportion of LOSR efficiency.

FIGURE 5. Efficiency Proportion

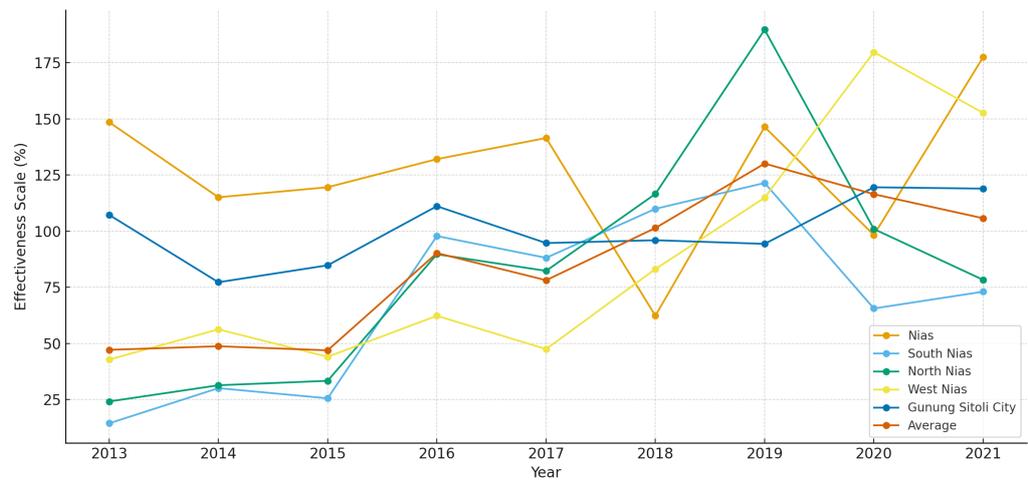


Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

Proportion of Regional Fiscus Effectiveness

Analysis of the effectiveness of regional tax authorities, namely analyzing the capabilities of regional governments in obtaining original regional income by comparing the realization of regional tax authorities with the regional tax authorities' budget (Abdul Halim, 2012). From the results of the observations, it can be seen in table 6, where the average proportion ratio of the effectiveness of the regional tax authorities in the parent district for 9 years (2013-2021) was 137.68%, which is in the very effective category, while the others are still below the ratio in the parent district, but the difference is not very different from the average ratio of the parent district, except for South Nias Regency where the average ratio is 69.55%, which is in the ineffective category. If viewed from the proportion of regional tax authorities' effectiveness, the development of South Nias Regency has failed to be carried out by the central government.

FIGURE 6. Proportion of Region Fiscus Effectiveness

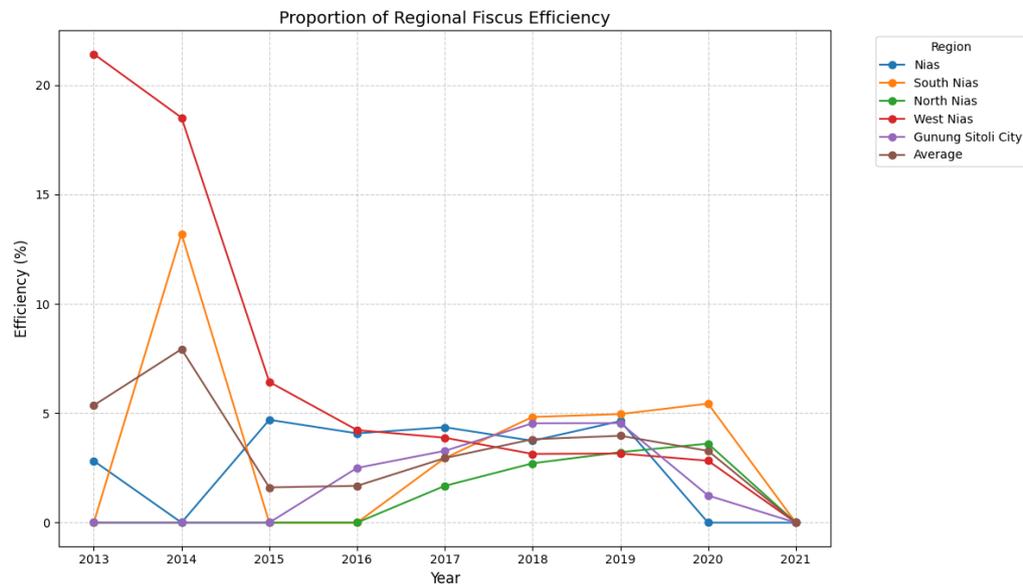


Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

Proportion of Regional Fiscus Efficiency

The performance of the regional government in carrying out collection costs is compared with the realization of the regional fiscus, the smaller the proportion, the more efficient the district is in carrying out the realization of the regional fiscus. From the results of the observations, it can be seen in table 7, where the average ratio of the efficiency proportion of regional tax authorities for 9 years (2013-2021) for the parent district is 2.71%, which is in the very efficient category, while for the development district it is close to the average ratio for the parent district. , there is even an average ratio that is smaller than the parent district such as North Nias at 1.25% and Gunung Sitoli at 1.79%, while other development districts are still close to the parent district's ratio, except for West Nias district where the average ratio for 9 years amounting to 7.07% is in the Very Efficient category, from this result the development of the parent district was successfully carried out by the central government if viewed in terms of the proportion of regional tax authorities' efficiency.

FIGURE 7. Proportion of Region Fiscus Efficiency

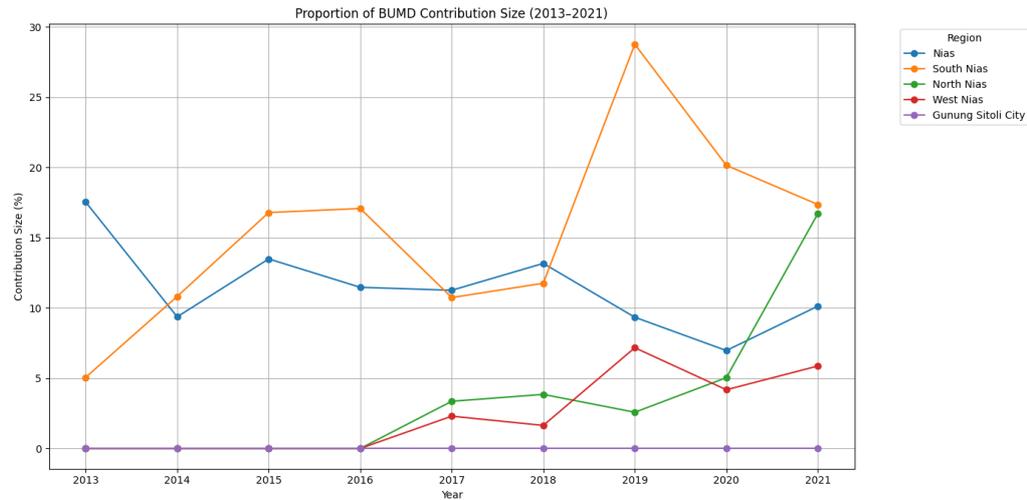


Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

Proportion of ROE Contribution Size

This proportion is useful for evaluating how much ROE profits can contribute to regional income by comparing ROE profits with LOSR realization (Mahmudi, 2016). From the observation results, it can be seen in table 8, where the average ratio of the proportion of ROE contribution sizes for 9 years (2013-2021) for the parent district is 11.42%, while for development districts the average ratio is higher than for parent districts such as South Nias Regency, amounted to 15.39%, while the others were still below the parent district's ratio, namely North Nias Regency with an average ratio of 3.51% and West Nias Regency with an average ratio of 2.32% and the smallest was Gunungsitoli City where the average -the average ratio is 0.00%, this needs to be reviewed, because Gunungsitoli City is the gateway to the Nias Islands which has a strategic role as a growth pole (core) for other autonomous regions (hinterlands) on the Nias Islands, so in this case the government The center has failed in developing Gunungsitoli City as a center for various activities and goals of interest to many people in Nias.

FIGURE 8. Proportion of ROE Contribution Size



Source: Nias Regency Government Financial Information, North Sumatra BPK Audit Results, 2023

In terms of the Autonomy proportion, the only development district that experienced development failure was West Nias Regency where the average ratio over 9 years was only 2.25%, while the parent district was 13.28%, meaning that the central government failed in developing West Nias district, where in financing development, government services and programs is still very low compared to other districts.

In the Proportion of Financial Insufficiency over 9 years, the only districts that experienced failure were South Nias Regency, the ratio was 95.49% and West Nias Regency was 94.73%, while for the parent district it was 82.77%, this means South Nias and West Nias Regencies has a high level of lack of independence compared to other districts, meaning that in this case the central government has failed to develop this district.

For the proportion of Fiscus Decentralization Measures for 9 years, there is 1 (one) district that has experienced development, namely South Nias District, where the average ratio is 2.15% compared to the average main ratio of 10.89%, meaning that this district in outsmarting and maximizing income is still categorized as very low. So in terms of development the central government has failed to expand this district if viewed from this proportion.

In terms of the proportion of LOSR effectiveness over 9 years, West Nias district with a ratio of 69.12% and South Nias with a ratio of 69.47% experienced development failure because the average ratio was not close to the average ratio of the parent district of 108.09% in the very category. effectively, this means that the development districts have not been able to realize the programmed regional original income with targets set based on the real potential in each development district's area. If viewed from this proportion, it means that the central government has not succeeded in developing the parent district.

In the proportion of LOSR efficiency measurements, there is only one district whose average ratio is far from the parent district, namely South Nias district where the average ratio is 0.23%, which is in the efficient category. This means that the development district in collecting LOSR is in the efficient category. If viewed from this proportion, it means that the central government has succeeded in developing the parent district.

In measuring the Proportion of Regional Fiscus Effectiveness, South Nias district experienced failure in this proportion, because the average ratio for 9 years was 69.55%, which was in the ineffective category compared to the average ratio of its parent district of 126.78%, which was in the category very effective, this means that South Nias Regency is not effective in obtaining local revenue, and this is one of the central government's failures in developing the district if viewed from this measurement.

In the proportion of regional fiscus efficiency over 9 years, all development districts have experienced success because the average ratio is close to the average ratio of the parent district of 2.70%, which is in the very efficient category, this means that the development districts in carrying out regional fiscus collections are very efficient. If you look at it from this proportion, it means that the central government has succeeded in developing the parent district.

For the size proportion of ROE contributions, there is 1 (one) district that is experiencing development, namely South Nias District, where the average ratio is 15.39% compared to the average main ratio of 11.42%, except for North Nias and West Nias districts. the ratio of receiving ROE donations is very small, and for the city of Gunung Sitoli the ratio of receiving ROE donations is 0%, in this case the Regency Governments of North Nias, West Nias and Gunung Sitoli have failed to utilize ROE to increase their LOSR income, even though the Regency has tourist attractions in North Sumatra.

If you use SWOT (Strength, Weakness, Opportunity, Threat) analysis, of the 8 ratios that have been analyzed, the strength of the government's financial performance in Nias district (main district) is the fiscus effectiveness ratio with an average ratio of 126.78%. This is since the regional government of Nias district was able to realize the planned Fiskus compared to the targets set. The weakness in the government's financial performance in Nias district (main district) is the non-independence ratio with an average ratio of 108.09%. This is because local governments have many obstacles that must be faced in administration and implementation in the form of creativity, innovation and synergy. The opportunity for government financial performance in Nias district (main district) is the LOSR effectiveness ratio with an average ratio of 82.77%. This is because Nias district has a variety of natural resource and tourism potential, where through tourism the district government receives additional LOSR through levies which can make a significant contribution to improving community welfare. The challenge (threat) for the government's financial performance in Nias district (main district) is the LOSR efficiency ratio with an average ratio of 0.23%. This is because additional LOSR through levies obtained by the government is not used in an appropriate manner so that it can turn into a threat to the district.

If you use SWOT (Strength, Weakness, Opportunity, Threat) analysis, of the 8 ratios that have been analyzed, the strength of the government's financial performance in South Nias district is the tax authorities' effectiveness ratio with an average ratio of 69.55%. This is because the regional government of Nias district can realize the planned LOSR compared to the target set. The weakness in the government's financial performance in South Nias district is the non-independence ratio with an average ratio of 69.47%. This is because local governments have many obstacles that must be faced in administration and implementation in the form of creativity, innovation and synergy. The opportunity for government financial performance in South Nias district is the LOSR effectiveness ratio with an average ratio of 95.49%. This is because South Nias district offers tourism, culture and marine resources. The development of well-managed tourist attractions has the potential to increase LOSR through regional levies. The challenge (threat) for the government's financial performance in South Nias district is the LOSR efficiency ratio with an average ratio of 1.22%. This is because additional LOSR through levies obtained by the government is not used in an appropriate manner so that it can turn into a threat to the district.

If you use SWOT analysis (Strength, Weakness, Opportunity, Threat), of the 8 ratios that have been analyzed, the strength of the government's financial performance in North Nias district is the LOSR effectiveness ratio with an average ratio of 95.15%. This is due to the transfer of fiscal authority from the central government to autonomous regions and these regions can finance activities carried out using LOSR. The weakness in the government's financial performance in North Nias district is the non-independence ratio with an average ratio of 86.33%. This is because local governments receive more funds from the central government and use them than funds generated from LOSR. The opportunity for government financial performance in North Nias district is the Fiskus effectiveness ratio with an average ratio of 82.93%. This is because North Nias district is almost able to realize the fiscus budget that has been budgeted. The threat to the government's financial performance in North Nias district is the LOSR efficiency ratio with an average ratio of 0.15%. This is because additional LOSR through levies obtained by the government is not used in an appropriate manner so that it can turn into a threat to the district.

If you use SWOT (Strength, Weakness, Opportunity, Threat) analysis, of the 8 ratios that have been analyzed, the strength of the government's financial performance in West Nias district is the tax authorities' effectiveness ratio with an average ratio of 87.02%. This is because the West Nias district government was able to realize the planned Fiskus compared to the targets set. The weakness in the government's financial performance in West Nias district is the non-independence ratio with an average ratio of 94.73%. This is because local governments have many obstacles that must be faced in administration and implementation in the form of creativity, innovation and synergy. The opportunity for government financial performance in West Nias district is the LOSR effectiveness ratio with an average ratio of 69.12%. This is because West Nias district offers tourism, culture and marine resources. The development of well-managed tourist attractions has the potential to increase LOSR through regional levies. The challenge (threat) for the government's financial performance in West Nias district is the LOSR efficiency ratio with an average ratio of 1.56%. This is because additional LOSR through levies obtained by the government is not used in an appropriate manner so that it can turn into a threat to the district.

If you use SWOT analysis (Strength, Weakness, Opportunity, Threat), of the 8 ratios that have been analyzed, the strength of the government's financial performance in the city of Gunungsitoli is the tax authorities' effectiveness ratio with an average ratio of 100.41%. This is because the regional government of the city of Gunungsitoli can realize the planned Fiskus compared to the targets set. The weakness in the government's financial performance in the city of Gunungsitoli is the ROE Contribution Size Scale with an average ratio of 0.00%. This is because the city of Gunungsitoli is unable to manage its existing natural resources, so it is unable to contribute to providing ROE contributions. The opportunity for government financial performance in the city of Gunungsitoli is the LOSR effectiveness ratio with an average ratio of 89.32%. This is because the city of Gunungsitoli offers tourism and culture. The development of well-managed tourist attractions has the potential to increase LOSR through regional levies. The challenge (threat) for the government's financial performance in the city of Gunungsitoli is the LOSR efficiency ratio with an average ratio of 0.67%. This is because additional LOSR through levies obtained by the government is not used in an appropriate manner so that it can turn into a threat to the district.

5. CONCLUSION AND FURTHER STUDY

The development of Nias Regency carried out by the Central Government has been successful. This can be seen from the analysis of regional government financial reports which look at 8 measurement proportions, only South Nias district has the lowest 5 measurement

proportions. compared to other development districts, while the other 3 districts each had a small number of failures. Of the 8 ratios that have been analyzed in Nias district, if reviewed using SWOT analysis, the strength is the fiscus effectiveness ratio, the weakness is the independence ratio, the opportunity is the effectiveness of LOSR, and the threat is LOSR efficiency. Meanwhile, in South Nias district, the strength is the fiscus effectiveness ratio, the weakness is the independence ratio, the opportunity is the effectiveness of LOSR, and the threat is the efficiency of LOSR. Then, in North Nias district, the strength is the effectiveness of LOSR, the weakness is the ratio of non-independence, the opportunity is the effectiveness of the tax authorities, and the threat is the efficiency of LOSR. Furthermore, West Nias district's strength is the fiscus effectiveness ratio, weakness is the independence ratio, opportunity is the effectiveness of LOSR, and threat is the efficiency of LOSR. And the city of Gunungsitoli's strength is the ratio of the effectiveness of the tax authorities, weakness is the size of the ROE contribution, opportunity is the effectiveness of LOSR, and threat is the efficiency of PAD.

6. REFERENCES

- Abdul Halim. (2012). *Akuntansi Sektor Publik Akuntansi Keuangan Daerah (4th ed.)*. Penerbit Salemba Empat.
- Bisma, & Susanto. (2010). Evaluasi Kinerja Keuangan Daerah Pemerintah Provinsi Nusa Tenggara Barat Tahun Anggaran 2003 – 2007. *Ganec Swara*, 4(3), 75–86.
- Harahap, P. R., & Nasution, M. D. (2019). Analisis Kemandirian dan Efektivitas Keuangan Pada Kinerja Pemerintah Kota Medan. *Jurnal Administrasi Bisnis*, 8(1), 9–14.
- Herdiana, D., & Andriana, N. (2020). Evaluasi Kinerja Pengelolaan Keuangan Daerah di Provinsi Sulawesi Tenggara. *Owner*, 4(1), 191–203. <https://doi.org/10.33395/owner.v4i1.222>
- Karina, A., & Noeryni, D. (2016). Evaluasi Kinerja Keuangan Daerah Pemerintah Provinsi DKI Jakarta. *Jurnal Ilmu Akuntansi*, 13(1), 1–22.
- Mahmudi. (2016). *Analisis laporan keuangan pemerintah daerah*. Yogyakarta : Unit Penerbit dan Percetakan Sekolah Tinggi Ilmu Manajemen YKPN, 2016.
- Mahsun, M. (2019). *Pengukuran Kinerja Sektor Publik 1-9*. Tangerang Selatan : Universitas Terbuka, 2019.
- Moridu, I. (2021). Efisiensi dan Efektivitas Penerimaan Pendapatan Asli Daerah Kabupaten Banggai. *Jurnal Sinar Manajemen*, 08(02), 90–97. [file:///C:/Users/user/Downloads/1643-Article Text-3266-1-10-20210807 \(2\).pdf](file:///C:/Users/user/Downloads/1643-Article%20Text-3266-1-10-20210807%20(2).pdf)
- Munandar, A. (2017). *Dampak Akurasi Penerapan Sistem Informasi Akuntansi dan Kepatuhan pada Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik terhadap Kualitas Laporan Keuangan di Badan Amil Zakat Nasional Kota Bandung*. Tesis.
- Nalle, F. W., Oki, K. K., & Sangaji, P. M. M. (2021). Analisis kemampuan keuangan daerah dalam rangka pelaksanaan otonomi daerah Provinsi Nusa Tenggara Timur. *Inovasi*, 17(1), 184–197.
- PP. (2017). *Peraturan Pemerintah Nomor 54 Tahun 2017 tentang Badan Usaha Milik Daerah*. <http://peraturan.go.id/peraturan/view.html?id=11e81db95b48b810c0bd303833303537>
- Purbandari, T. (2019). Analisis Rasio Kemandirian, Rasio Aktivitas, dan Rasio Pertumbuhan untuk Mewujudkan Efisiensi Anggaran (Studi pada Kabupaten Madiun). *Jurnal Pemerintahan, Pembangunan Dan Inovasi Daerah*, 1(1), 15–33.
- Sakinah, L., & Satriawan, B. (2021). Analisis Kapasitas Keuangan Daerah Empat Kabupaten Di Madura 2015-2019. *Buletin Ekonomika Pembangunan*, 2(2), 249–271.
- Saputra, B., & Fernando, R. (2017). Kontribusi Sumber-Sumber PAD Dalam Mendukung

- Kemandirian Keuangan Daerah di Kabupaten Sleman. *Jurnal Riset Akuntansi Dan Keuangan*, 5(3), 1515–1534.
- Siswanto, & Maylani, D. A. (2022). Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Pemerintah Daerah. *Nominal: Barometer Riset Akuntansi Dan Manajemen*, 11(1), 184–195.
- Susanto, H. (2019). Analisis Rasio Keuangan Untuk Mengukur Kinerja Keuangan Pemerintah Daerah Kota Mataram. *Distribusi - Journal of Management and Business*, 7(1), 81–92. <https://doi.org/10.29303/distribusi.v7i1.67>
- Susilawati, D., Kusumastuti Wardana, L., & Fajar Rahmawati, I. (2018). Menilai Kinerja Keuangan dengan Analisis Rasio Keuangan: Studi Kasus BKAD Sleman. *Jati: Jurnal Akuntansi Terapan Indonesia*, 1(2), 91–98. <https://doi.org/10.18196/jati.010210>
- Taras, T., & Artini, L. G. S. (2017). Analisis Pendapatan Asli Daerah (Pad) Dalam Upaya Pelaksanaan Otonomi Daerah Di Kabupaten Badung Bali. *E-Jurnal Manajemen Unud*, 6(5), 2360–2387.
- UU, R. (2014). *UU RI No. 23 Tahun 2014 Tentang Pemerintahan Daerah*. <https://hsgm.saglik.gov.tr/depo/birimler/saglikli-beslenme-hareketli-hayat-db/Yayinlar/kitaplar/diger-kitaplar/TBSA-Beslenme-Yayini.pdf>
- UU RI. (2004). *UU RI No. 33 Tahun 2004 Tentang Perimbangan Keuangan Antara Pemerintah Pusat Dan Pemerintahan Daerah*.
- Yakub, H., Wijaya, A., & Effendi, A. S. (2022). Analisis efektivitas dan efisiensi pajak daerah serta retribusi daerah dan kotribusinya terhadap pendapatan asli daerah. *Jurnal Ekonomi Dan Manajemen*, 19(1), 15–28. <https://doi.org/10.29264/jkin.v19i1.10789>
- Zukhri, N. (2020). Kinerja Keuangan Provinsi Kepulauan Bangka Belitung Ditinjau dari Derajat Kemandirian, Ketergantungan, dan Desentralisasi Fiskal. *Jurnal Perbendaharaan Keuangan Negara Dan Kebijakan Publik*, 5(2), 143–149. <https://doi.org/10.33105/itrev.v5i2.213>