

EVALUATION OF COMMUNITY FINANCIAL PERFORMANCE AND WELFARE LEVEL OF MAKASSAR CITY

Baso R

STIE Wira Bhakti Makassar

ABSTRACT

This study aims to determine 1) the significance of the average difference in the financial performance of Makassar City Government in the period of IAS and DIA period, and 2) the significance of the difference in the average welfare of society in Makassar in the period of IAS and the periode DIA

This research was conducted in Makassar, using secondary data, analytical technique used is the technique of analysis of difference test two average to variable of local financial performance include independency ratio, effectiveness ratio, efficiency ratio and expediency harmony ratio, and variable of society prosperity include indicator of income per capita, educational level and life expectancy of the community between the IAS period and the DIA period.

The result of the research on the variable of regional finance performance shows that there is no significant difference of average of Makassar City government's financial performance in the period of IAS and the of DIA. While the results of research on the variable welfare community shows that there are significant differences in the average welfare of Makassar City periode IAS and The period of DIA in terms of income per capita, the number of people who received education and life expectancy level.

Keywords: *Financial Independence, Effectiveness, Efficiency, Harmony Expenditure, Income Per Capita, Level of Education and Life Expectancy*

INTRODUCTION

In Law No. 33 of 2004 concerning central and regional financial balancing affirms that the financial balance between the central government and regional governments is a system of government financing within the framework of a unitary state, which includes proportional, democratic, fair and transparent financial distribution between the central and regional governments

with regard to potential , the conditions and needs of the region are in line with the obligations and division of authority and procedures for the administration of such authority including financial management and supervision.

Regional leaders play a very strategic role in managing and advancing the regions they lead. However great the potential of an area, it will not be optimal if the Regent / Mayor does not know how

to manage it. Furthermore, the authority of regional financial management is carried out by each Head of the Regional Financial Management Task Force as an official of the APBD manager and carried out by the Head of the Regional Work Unit (SKPD) as the official of the regional budget / goods user. The system and procedures for administration and accounting, reporting, and regional financial accountability have changed since the government implemented PP No. 41 of 2006 and Permendagri No. 13 of 2006, in lieu of PP No. 105 of 2000 and Kepmendagri No. 29 of 2002 concerning guidelines for the management, accountability and supervision of regional finances.

Application of PP No. 41 of 2006 and Permendagri No. 13 of 2006 concerning guidelines for regional financial management is expected to further improve the efficiency and effectiveness of the system, procedures for administration and accounting, reporting, and accountability of regional finance so as to improve the welfare of the people in the region. The essence of

regional autonomy is the effort to empower the regions in making regional decisions more freely and responsible for managing the resources owned in accordance with the interests, priorities, and potential of the region itself. The full implementation of regional autonomy has logical consequences in the form of implementing governance and regional development based on sound financial management. Therefore, a good regional financial management system is needed in order to manage APBD funds in a transparent, efficient, effective and accountable manner.

In this regard, an analysis of the financial performance of the district government is very important, the results of the analysis can be used as important information, especially for making policies in managing regional finances and assessing whether the district government has managed its finances well, and has a positive impact. towards community welfare. Analysis of financial performance in the APBD is done by comparing the results achieved from one

period to the previous period, so that it can be known how the trends occur.

STUDY OF LITERATURE

Financial factors are one of the important things in measuring the level of regional capability in carrying out its autonomy. It is the regional financial situation that determines the form and variety to be carried out by the regional government. Usman (1998), said that one of the important criteria for knowing in real terms, the ability of the region to regulate its own household is the ability to "self supporting" in the financial sector. Halim (2007), revealed that the ability of local governments in managing regional finances is outlined in the Regional Budget (APBD) which directly or indirectly reflects the ability of local governments to finance the implementation of governmental tasks, development and social services.

Local government financial reports as a form of accountability for APBD implementation must be prepared / produced from a reliable local government accounting system, which

can be done manually or using a computer application. However, considering that there are still very few regional human resources who specialize in accounting, especially public sector financial accounting, it would be more appropriate to use a comprehensive and tested computer application system. This will minimize the errors of the accounting process and improve the quality of the financial statements produced. The quality characteristics of good financial statements include relevant, reliable, complete and comprehensive, and comparable. As a concrete effort to realize transparency and accountability in state / regional financial management is the submission of government financial accountability reports that meet the principles of timely and reliable (reliable) as well as prepared by following government accounting standards (SAP) that have been generally accepted.

Law No. 17 of 2003 concerning state finance, PP. 58/2005 and Permendagri No. 13/2006. All of these regulations require the form and content of the accountability report for the

implementation of the APBN / APBD to be prepared and presented in accordance with SAP stipulated by government regulations. The financial statements are prepared to provide relevant information regarding the financial position and all transactions carried out by a reporting entity during one reporting period. The financial statements are mainly used to compare the realization of income, expenditure, transfer, and financing with a predetermined budget, assess financial conditions, evaluate the effectiveness and efficiency of a reporting entity, and help determine compliance with laws and regulations. The role of government financial reports includes accountability, management, transparency, intergenerational balance.

A performance measurement system that aims to help public managers to assess the achievement of a strategy through a measuring instrument is very necessary. Performance measurement systems can be used as organizational control tools. The measurement of the financial performance of the local government is carried out to fulfill three

objectives (Mardiasmo, 2002: 121) which is to improve government performance, help allocate resources and make decisions and realize public accountability and improve institutional communication. The implementation of regional autonomy is certainly not easy, because it involves the problem of the ability of the region itself to finance the administration of government affairs and the implementation of development in an effort to improve the welfare of the community, the problem of regional capacity means the problem of how the region can obtain and increase the sources of regional income to carry out its government activities.

The regional government as the party assigned to run the government, development and community service must report regional financial accountability as a basis for evaluating its financial performance. One of the tools to analyze the performance of local governments in managing their regional finances is by analyzing the financial ratios of the APBD that have been established and implemented (Halim,

2007). In the framework of transparent, honest, democratic, effective, efficient and accountable regional financial management, financial ratio analysis of regional expenditure income needs to be implemented.

Community Welfare Indicator

Although not all aspects of human development can be measured through the calculation of the HDI, given the very broad dimensions of human development, but at least IPM can describe the results of the implementation of human development according to three basic indicators of human capacity, namely; degree of health, quality of education and access to economic resources in the form of equal distribution of people's purchasing power. In measuring public welfare, the United Nations development program (UNDP) through its serial publications since the early 1990s measures the welfare of society more comprehensively by using per capita income levels, education levels and life expectancy constructed into the Human Development Index or HDI.

Per capita income or GRDP is measured based on the prevailing prices in the community divided by the total population in the middle of the year, in thousands of rupiah. The total value added produced by the economic sectors within one year. The level of public education is measured by the number of people who complete formal education bench for the total population in a particular area, in percent units. Life expectancy is the average age of the community achieved in a certain area, in units of years.

Previous research

Nirwana Dkk (2010) Evaluation of financial performance and level of community welfare in Bengkalis regency government results of his research found that there were significant differences in the average financial independence ratio of Bengkalis Regency Government between Period I and Period II and there were no significant differences in average effectiveness ratios, efficiency and harmony of Bengkalis Regency Local Revenue (PAD) between Period I and Period II. Community Welfare Level, the

results there are significant differences in the average Human Development Index (HDI), Life Expectancy, Average length of school, literacy rate, decent living standard of Bengkalis Regency between Period I and Period II.

Indah et al. (2012) conducted an analysis of the influence of regional financial management based on regional income, regional expenditure and regional financing on Pangkep Regency Economic Performance simultaneously and partially. The results showed that regional financial management based on regional income, regional expenditure and regional financing simultaneously had a positive and significant effect on the regional economic performance of Pangkep Regency.

Kusreni, et al (2009) in the "APBD Policy and Community Welfare in South Sulawesi Province", conducted a study of 22 districts / cities in South Sulawesi Province based on panel data during the 2003-2007 period. Variables used include PAD and Revenue Sharing (fiscal capacity), regional capital expenditure and regional financing to the dependent

variable of HDI (community welfare). From the estimation of the variables above obtained some results relating to the research that will be conducted between (i) fiscal capacity (PAD and DBH) have a significant positive effect on welfare (HDI), (ii) fiscal capacity has a greater effect than capital expenditure allocation towards welfare.

Decta (2013) analyzes the effect of PAD and Balancing Funds on the district / city Human Development Index in East Java. PAD and Balancing Funds are the main variables associated with capital expenditure, while economic growth is a control variable based on a theoretical study of the UNDP Human Development Report in 1996. The results of the estimation of the study indicate that the ratio of PAD and DAK to capital expenditure and economic growth has a significant positive effect on HDI while DAU variable has a significant negative effect. Meanwhile the DBH ratio to capital expenditure is the only variable that does not significantly affect the HDI. Economic growth becomes a variable

with the most dominant influence on HDI.

Fambayun (2014) examined the analysis of regional financial performance and the level of regional independence in Magetan district (fiscal year 2009-2013). Based on the results of the analysis and discussion that have been described, the average financial management performance and the level of independence of the Magetan regency region based on financial ratio analysis is good.

Tarmizi (2014) in his research on the analysis of the financial performance of the regional government of Bandar Lampung city before and after obtaining WTP Opinion. Based on the results of the analysis of the financial performance of the City Government of Bandar Lampung in the fiscal year 2008 - 2012, it can be concluded as follows: Financial Performance of the Regional Government of Bandar Lampung City after WTP Opinion is different from before WTP Opinion which means the Regional Government Financial Performance of Bandar Lampung City after WTP

Opinion is more both before WTP Opinion.

Batafor (2011) in his research on financial performance and level of community welfare in Lembata district - NTT Province. The results of the study on the variables of regional financial performance showed that there were significant differences in the improvement of public welfare in period I and period II, and 3) the level of life expectancy of the community increased in period II compared to period I.

Conceptual Framework

The object of this research is Makassar City Government. In this study looked at the terms of the Regional Budget and Expenditure Revenues (APBD) and the level of community welfare. In the Regional Revenue and Expenditure Budget (APBD), the researchers read the regional financial statements, namely the Budget Realization Report (LRA). In the budget realization report, researchers analyzed financial statements using financial ratio analysis. The analytical tool used in this study is the Regional Financial

Independence Ratio, PAD Efficiency Ratio, PAD Effectiveness Ratio, shopping compatibility ratio. By using the four tools of the ratio analysis, researchers can find out the extent of the financial performance of the Makassar City Government, and the level of community welfare seen from the amount of direct and indirect expenditure that will affect the level of community welfare can be measured by the amount of income per capita, education level and life expectancy the community.

RESEARCH METHODS

This study is a case study research on regional financial management by analyzing the district government's financial performance by using indicators of independence ratios, effectiveness, efficiency and shopping harmony, and analysis of the level of community welfare with per capita income indicators, education levels and life expectancy of Makassar city people from IAS period 2009-2010 and DIA period 2014-2015. All calculation data are analyzed using two average difference test analysis to

find out whether there are significant differences for each research variable. This research was conducted in the city of Makassar, which administratively entered the province of South Sulawesi. The variables analyzed consist of two variables, namely the first variable of financial performance by using regional financial independence ratios, effectiveness ratios, efficiency ratios and shopping compatibility ratios. While the second variable is the variable welfare of the people by using per capita income indicators, education level indicators and life expectancy indicators. Data Analysis Technique was carried out by using two average difference test analysis techniques to determine the development of variables analyzed 2 (two) years of the leadership period of Ilham Arief Sirajuddin namely in 2009-2010 and 2 (two) years of the leadership period Moh. Ramdhan Pomanta, 2014-2015.

RESEARCH RESULTS AND DISCUSSION

Hypothesis Testing

The following will be presented the results of data processing which is the basis of the description of the results of research on financial performance variables and community welfare variables. The data that was successfully collected was then processed using two different average test hypothesis statistical techniques by comparing the average of each research variable in the IAS period (2009 - 2010) and the DIA period (2014-2015).

This study uses two average difference tests (t-test) with the help of SPSS 16.00 for Windows, comparing financial performance variables and public welfare variables in the IAS period (2009 - 2010) and the DIA period (2014-2015) in the city government Makassar by using a significance value (α) of 5%. The results of testing the research hypothesis on the variable financial performance of the Makassar City government using the independence ratio concluded that the hypothesis (H0) was

rejected because the statistical test (t_0) obtained was 64.224 with a sig- (2tailed) value of 0.010, where the value was smaller compared to the value α is 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis 1) related to the independence measurement tool is accepted in the sense that there are significant differences in the average financial performance of the Makassar City government in the 2009-2010 IAS period with the DIA period 2014-2015.

By using the effectiveness ratio, the results of testing the research hypothesis on the variable financial performance of the Makassar City government shows that the hypothesis (H0) is accepted because the statistical test (t_0) obtained is 2,378 with a sig- (2tailed) value of 0.253, where the value is greater than the value of α is 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis 1) related to the effectiveness of the measurement tool is rejected in the sense that there is no significant difference in the average financial performance of the Makassar City

government in the 2009-2010 IAS period with the DIA period 2014-2015.

By using the efficiency ratio, the results of testing the research hypothesis on the variable financial performance of the Makassar City government shows that the hypothesis (H0) is accepted because the statistical test (t0) obtained is 1.003 with a sig- (2tailed) value of 0.499, where the value is greater than the value of α is 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis 1) related to the efficiency measurement tool is rejected in the sense that there is no significant difference in the average financial performance of the Makassar City government in the 2009-2010 IAS period with the 2014-2015 DIA period.

By using the shopping compatibility ratio, the results of the research hypothesis testing on the financial performance variable of the Makassar City government show that the hypothesis (H0) is accepted because the statistical test (t0) obtained is 1.785 with a sig- (2tailed) value of 0.352, where the value is greater than with an α value of

0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis 1) related to the shopping harmony measurement tool is rejected in the sense that there is no significant difference in the average financial performance of the Makassar City government in the 2009-2010 IAS period with the DIA period 2014-2015.

While the results of the research hypothesis testing the Makassar City community welfare variables using per capita income indicators show that the hypothesis (H0) is accepted because the statistical test (t0) obtained is -0.856 with a sig- (2tailed) value of 0.549, where the value is greater than with an α value of 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis II) related to the per capita income measurement tool is rejected in the sense that there is no significant difference in the average welfare of the city of Makassar in the 2009-2010 IAS period with the DIA period 2014-2015

By using education level indicators, the results of the research hypothesis testing of the Makassar City community

welfare variables showed that the hypothesis (H0) was accepted because the statistical test (t0) obtained was -1.239 with a sig- (2tailed) value of 0.432, where the value was greater than with an α value of 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis II) related to the measuring instrument of education level is rejected in the sense that there is no significant difference in the average welfare of the people of Makassar City in the 2009-2010 IAS period with the DIA period 2014-2015

By using the indicator of life expectancy level, the results of the research hypothesis testing on the welfare variable of Makassar City shows that the hypothesis (H0) is accepted because the statistical test (t0) obtained is -5,500 with a sig- (2tailed) value of 0.114, where the value is greater when compared with the α value of 0.05 (Appendix 14). These results indicate that the research hypothesis (hypothesis II) related to the expectation of age is rejected in the sense that there is no significant difference in the average welfare of the city of

Makassar in the 2009-2010 IAS period with the DIA period 2014-2015.

Discussion

Based on the results of the research described above and related to previous theories and research, the following will discuss the results of research on "Evaluation of financial performance and public welfare in Makassar City.

Financial performance Level of Independence

Analysis of the level of financial independence of the Makassar city government during the IAS period (Ilham Arief Sirajuddin) in 2009-2010 and DIA (Danny Pomanto) in 2014-2015 aimed to find out the pattern of relations between the central government and district / city governments that could show the level of independence of the Makassar City government in implementing regional autonomy and assessing the financial performance of the Makassar City Government in implementing its financial performance in accordance with the pattern of relations and the level of regional capability.

The results showed that the financial independence of the Makassar City government in the period of DIA (2014-2015) increased compared to the IAS period (2009-2010), the difference in improvement was significant to the financial performance between the IAS period (2009-2010) and the DIA period (2014- 2015). An increase in the financial independence of the Makassar City government shows that the government has sought to continue to increase local revenue (PAD) owned compared to the previous period, as evidenced by the realiation report of the Makassar City APBD in the DIA period, the average regional income continues to increase such as tax collection regions, regional retributions, the distribution of profits of existing bank financial institutions, contributions of third parties (investors who invest their capital) or come from other legitimate local revenue.

The results also show that the pattern of relations between the Makassar city government and the central and provincial governments during the IAS period and the period of the DIA can be

classified into a consultative relationship pattern, in this pattern the direction (intervention) of the central government has begun to decrease due to the ability of the local government has begun to increase. This effort continues to be carried out by the Makassar city government to reduce the level of dependence on funding sources originating from the central and provincial governments and able to carry out the functions of regional autonomy properly.

The results of this study also indicate that PAD plays an important role in increasing regional financial independence. This is in agreement with Dwirandra (2008), in relation to the granting of autonomy to regions in planning, exploring, managing and using regional finances in accordance with regional conditions. PAD can be seen as an indicator to reduce the dependence of district / city governments on the center which in principle the greater the PAD in the APBD will show the smaller regional dependence on the central and provincial governments.

The results of this study are also consistent with the research conducted by Azwar (2013) which examined the performance of regional finance and people's welfare in the era of fiscal decentralization in South Sulawesi, stating that on average the financial management of the government of South Sulawesi during 2008 - 2012 was categorized as very effective with an Independence ratio of 5.01%.

In addition, the results of Lidia Mariani's (2012) study show that: 1). There is no difference in the government's financial performance in the aspect of fiscal decentralization after regional expansion. 2). There are differences in the government's financial performance in aspects of fiscal efforts after the expansion of regions. 3). There are differences in the financial performance of the government in the aspect of independence of financing after the division of regions. 4). As well as there is no difference in the government's financial performance in the aspect of efficient use of the budget after the expansion of the region.

Effectiveness Level

The level of effectiveness of regional finances is used to measure effectiveness in realizing district / city government revenues and is the level of achievement of the implementation of an activity or achievement achieved by the Makassar City government. The results showed that the level of effectiveness of the Makassar city government finances in the period of DIA decreased compared to the IAS period, but the difference in decline was not significant to the differences in the financial performance of the IAS period and the period of DIA. With a decrease in effectiveness in the DIA period, this means that in the period of DIA, the Makassar City Government has not succeeded in effectively realizing regional income and non-regional income effectively such as the central and provincial government balancing funds through general allocation funds, special allocation funds, and other financial assistance. . Realized revenue is less than the amount that has been budgeted by the city government to obtain income.

Nevertheless, it can be said that the effectiveness of the Makassar City government revenue realization only applies in the realization of non-regional income. From the APBD calculation report both in the IAS period and in the DIA period, the total realization of local revenue is far less or not proportional compared to the amount of non-PAD revenues realized. Thus it can be said that the Makassar city government is more likely to use funding from outside parties than to utilize the original sources of income in Makassar City.

The results of this study are also consistent with the research conducted by Azwar (2013) which examined the performance of regional finance and people's welfare in the era of fiscal decentralization in South Sulawesi, stating that on average the financial management of the government of South Sulawesi during 2008 - 2012 was categorized as very effective with an effectiveness ratio of 105%.

The results of this study are in accordance with Dewa's research (2010) which examines the evaluation of the

regional financial performance of the West Nusa Tenggara Provincial Government in the Budget Year 2003-2007. Based on the analysis of regional financial performance, generally found performance evaluations that are not optimal in the implementation of regional autonomy, this is indicated by financial performance indicators which include; Regional financial dependence is very high on the central government so that the level of regional independence is very lacking. fiscal decentralization is sufficient given the very high financial dependence on the central government. the effectiveness of APBD management is very effective with a 104% ratio.

Efficiency Level

The level of efficiency is intended to assess the achievement of the implementation of an activity or achievement achieved by the city government of Makassar which is measured by comparing the realization of regional expenditure with a predetermined budget. The results of this study explain that the level of efficiency of Makassar city government financial

management in the IAS period is not efficient compared to the level of financial management efficiency in the DIA period, but the difference in the level of financial management efficiency is not significant to the financial performance between the IAS period and the DIA period. Decreasing the level of financial efficiency of the Makassar city government in the period of the DIA occurs because the realization of the Makassar city government budget increases against the total regional budget that has been set in other words, the Makassar city government tends to use the entire existing budget.

The results of this study indicate that the level of efficiency of the financial management of the Makassar city government is still very lacking and impressed by the waste by not heeding the principle of saving and efficiency of the regional budget. In addition, the Makassar city government also has a tendency to always want to spend the allocated budget in the APBD,

The results of this study are also consistent with the research conducted by

Azwar (2013) who examined the performance of regional finances and people's welfare in the era of fiscal decentralization in South Sulawesi, stating that on average the financial management of the South Sulawesi government during 2008-2012 was categorized as efficient with effectiveness ratio 97.53%.

However, the results of this study are contrary to the research of Joko Pramono (2012) who examined the financial financial ratios of the Surakarta City Government in 2010 and 2011 to determine the level of efficiency and effectiveness of the Surakarta City Government to assess the financial performance of local governments. The results of his research showed that the average level of efficiency of the management of the APBD of the Surakarta city government was categorized as very efficient with an efficiency ratio of 27.95% in 2010 and in 2011 of 14.15%.

The Level of Shopping Harmony

The level of harmony in shopping illustrates how the Makassar city

government prioritizes the allocation of funds to optimal public service spending so that its utilization can be felt directly by all of its people. The results of this study indicate that the level of harmony of the Makassar city government spending in the period of DIA has decreased compared to the IAS period, but this decline occurred in 2014 due to unexpected planned expenditure posts, in 2015 again experienced an increase, so the decline was not meaningful to differences in financial performance between the IAS period and the DIA period.

The increasing level of harmony between Makassar city government spending in the period of DIA is caused by the low overall regional expenditure such as indirect expenditure which includes personnel expenditure, interest expenditure, subsidy spending, grant expenditure, social assistance spending, profit sharing spending to provinces / districts / cities / villages and this unexpected expenditure is much lower than direct expenditure which includes personnel expenditure, goods and

services expenditure and capital expenditure. The city government of Makassar has indeed had a high commitment from the beginning to strive to improve the welfare of the community, as evidenced by the increasing allocation of funds through the APBD for spending on public services (direct spending) whose benefits will be felt by the entire city of Makassar.

The results of this study are in line with the researcher Ema Nirwana, et al. ((2012) the average harmony ratio of Public Service Expenditure Period I is higher than the average Direct Expenditure Ratio Period II, although this needs to get appreciation from the people of Bengkalis Regency because indirectly the Bengkalis Regency Government prioritizes APBD funds for spending on public services / direct shopping.

The results of this study are not in line with researcher Joko Pramono (2012) who examined the financial financial ratios of the Surakarta City Government in 2010 and 2011 to determine the level of efficiency and effectiveness of the Surakarta City Government to assess the

financial performance of local governments that the ratio of expenditure to APBD is 90.24% (2010) and 86.90% (2011), the ratio of capital expenditure to APBD was 9.65% (2010) and 13.07% (2011).

Public Welfare

Income Per Capita

Per capita income is the acquisition of gross domestic income divided by the total population in Makassar City. If the average level of income per capita in the city of Makassar is calculated, the IAS period is Rp. 52,26447786 while in the period of DIA Rp. 65,83785479. Thus it can be said that the income per capita of the city of Makassar is increasing in the period of DIA compared to the period of IAS. the results of this study indicate that there is no significant difference in the welfare of the people in the city of Makassar in the period of DIA with the IAS period, and it can be concluded that the increase is not meaningful to the difference in the welfare of the community in the city of Makassar between the IAS period and the period of the DIA. Increased income per capita in

Makassar City is clearly influenced by gross regional domestic income derived from the existing productive economic sectors. Increasing income per capita in Makassar City also explains that every community can have access to economic resources in the form of equal income and purchasing power and community participation in productive economic activities so that people can earn enough income with decent purchasing power.

The results of this study reinforce the findings of Ni Nyoman Suryaningsih (2012) the effect of regional financial performance on the performance of regional development and community welfare. The results stated that the development of the welfare of the district / city community in Bali Province from 2001 to 2011 showed that per capita income had a relatively large influence on the increase public welfare.

Level of Education

The level of public education is measured by the number of people who completed formal education. In other words, the level of education provides an overview of the number of people in the

city of Makassar who can get into the world of education so that the impact is that they can get decent jobs and can improve the standard of living and welfare of the people. From the results of the study it can be said that the number of people who have experienced the world of education is increasing in the period of DIA compared to the IAS period, and it can be concluded that there is no significant difference in the welfare of the people in Makassar City during the IAS period and the period of HE. This means that the number of people who get education in school is increasing in the period of DIA compared to the previous period.

By obtaining adequate education, it will influence the improvement of basic human abilities such as having adequate knowledge and skills so that they can be used to enhance participation in productive economic activities, social politics and other aspects of life, as well as being able to improve the quality of human life as an object of development. . Therefore, a Makassar city government policy is needed that can encourage the

improvement of the quality of human resources in Makassar City.

Life Expectancy

The life expectancy of people in the city of Makassar can be interpreted as the average age of the community achieved during the years studied. The results showed that the life expectancy of the people in the city of Makassar was increasing in the period of DIA compared to the IAS period and it can be concluded that there was no significant difference in the increase in community welfare in Makassar City during the IAS period and the DIA period.

Life expectancy is identical to the health status of the citizens which is reflected through longevity and healthy life. The challenge of human development in Makassar City today is how to reduce poverty, investment in education and health. This step will be more meaningful for the people in Makassar City, because with the existence of health at low cost and facilities and access to education will greatly help to increase productivity and in turn increase the income and standard

of living of a more prosperous community

CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis and discussion of the financial performance of the Makassar City government by using the level of independence, the level of effectiveness, level of efficiency and level of shopping harmony can be summarized as follows: Judging from the aspect of financial independence of the Makassar City government, it was concluded that the average financial performance in the IAS period significantly different from the average financial performance in the DIA period. As well as the results of the calculation of the average level of financial independence of the Makassar City government in the period of DIA shows an increase compared to the IAS period. From the aspect of effectiveness of the Makassar City government finances that the average financial performance in the IAS period did not differ significantly from the average

financial performance in the DIA period. Although the results of the calculation of the average level of effectiveness of the Makassar City government finances in the DIA period indicate an increase compared to the IAS period. Judging from the financial efficiency aspects of the Makassar city government, that the average financial performance in the IAS period did not differ significantly from the average financial performance in the period of HE. The results of the calculation of the average level of financial efficiency of the Makassar city government in the period of DIA showed an increase compared to the IAS period. Judging from the aspect of shopping harmony of the Makassar city government, that the average financial performance in the IAS period did not differ significantly from the average financial performance in the DIA period. The results of the calculation of the average level of harmony between Makassar city government spending in the period of DIA shows an increase compared to the IAS period.

The results of research on the welfare of Makassar city people by using per capita income, education level and life expectancy can be summarized as follows: Judging from the aspect of income per capita of the people of Makassar city, that the average community welfare in the IAS period did not differ significantly to public welfare in the period of HE . The results of the calculation of the average income per capita of the people in the city of Makassar in the period of DIA showed an increase compared to the period of IAS. Judging from the aspect of the education level of the Makassar City community, that the average welfare of the people in the IAS period did not differ significantly to the average welfare of the community in the period of DIA. The results of the calculation of the average level of education of the people in Makassar City during the DIA period showed an increase compared to the IAS period. From the aspect of life expectancy in Makassar city, the average welfare of the people in the IAS period was significantly different from the average

welfare of the people in the period of DIA. The results of the calculation of the average life expectancy of the people in the city of Makassar in the period of DIA showed an increase compared to the IAS period.

Some suggestions that can be made in future research that are interested in conducting research on financial performance and the level of community welfare, should also make comparisons for all districts / cities in South Sulawesi Province, so that it can be seen more clearly about the description of financial performance and the level of community welfare. Other variables to be included in future research are non-financial performance variables.

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