

LOCAL GOVERNMENT FINANCIAL PERFORMANCE: THE ROLE OF POLITICAL MONITORING

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Abstract

This research is a quantitative research conducted to examine and prove the relationship of the influence of regional wealth, intergovernmental revenue and capital expenditure on the financial performance of local governments moderated by political monitoring. This study focuses on district/city local governments in Indonesia in the 2019 period. The sample in this study is 491 data samples selected by the purposive sampling method. The analytical technique used in this research is path analysis with SmartPLS 3.3.3 software and a significance level of 5%. Analysis of research data was carried out using Structural Equation Modeling (SEM). The results showed that: 1) regional wealth has an influence on the financial performance of local governments; 2) intergovernmental revenue has an influence on the financial performance of local governments; 3) capital expenditures have an influence on the financial performance of local governments; 4) political monitoring weakens the relationship of regional wealth to the financial performance of regional governments; 5) political monitoring does not moderate the relationship between intergovernmental revenue and local government financial performance and 6) political monitoring does not moderate the relationship between capital expenditures and local government financial performance.

Keywords: *Regional Wealth, Intergovernmental Revenue, Capital Expenditure, Political Monitoring, Local Government Financial Performance*

KINERJA KEUANGAN PEMERINTAH DAERAH: PERANAN *POLITICAL MONITORING*

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Abstrak

Penelitian ini merupakan penelitian kuantitatif yang dilakukan guna menguji serta membuktikan hubungan pengaruh kekayaan daerah, *intergovernmental revenue* dan belanja modal terhadap kinerja keuangan pemerintah daerah yang dimoderasikan oleh *political monitoring*. Penelitian ini berfokus kepada pemerintah daerah kabupaten/kota di Indonesia pada periode tahun 2019. Sampel pada penelitian yakni sebanyak 491 sampel data yang dipilih dengan metode *purposive sampling*. Teknik analisis yang digunakan pada penelitian yakni analisis jalur (*path analysis*) dengan software SmartPLS 3.3.3 dan tingkat signifikansi sebesar 5%. Analisis data penelitian dilakukan dengan menggunakan *Structural Equation Modelling* (SEM). Hasil penelitian didapatkan bahwa: 1) kekayaan daerah punya pengaruh kepada kinerja keuangan pemerintah daerah; 2) *intergovernmental revenue* punya pengaruh kepada kinerja keuangan pemerintah daerah; 3) belanja modal punya pengaruh kepada kinerja keuangan pemerintah daerah; 4) *political monitoring* melemahkan hubungan kekayaan daerah terhadap kinerja keuangan pemerintah daerah; 5) *political monitoring* tidak memoderasi hubungan *intergovernmental revenue* terhadap kinerja keuangan pemerintah daerah dan 6) *political monitoring* tidak memoderasi hubungan belanja modal terhadap kinerja keuangan pemerintah daerah.

Kata Kunci: Kekayaan Daerah, *Intergovernmental Revenue*, Belanja Modal, *Political Monitoring* dan Kinerja Keuangan Pemerintah Daerah