

ABSTRACT

Good regional government financial performance is the main key to the success of regional autonomy. This is proven by the assessment of the Regional Revenue and Expenditure Budget. The ability of regional governments to manage their finances can be measured through analysis of regional financial performance, such as the regional financial independence ratio, the degree of decentralization ratio, the regional financial dependence ratio, the effectiveness and efficiency ratio of regional original income, and the activity ratio.

This study aims to determine the effect of Regional Original Income and General Allocation Funds on Regional Government Financial Performance in all districts/cities in Central Java Province, either simultaneously or partially. This study uses data from the APBD Realization Report for all districts/cities in Central Java Province from 2017 to 2023 which is sourced from the official website of the DJPK Ministry of Finance of the Republic of Indonesia.

This research method uses qualitative methods. The sampling technique used was purposive sampling based on certain criteria. The sample in this study consisted of 35 Districts/Cities in Central Java Province. Data collection techniques using documentation and library studies. The analytical method used is panel data regression using Eviews 12 software.

The results showed that the Regional Original Income and General Allocation Funds simultaneously had an effect on financial performance as proxy for independence. The results of the study partially show that local revenue has an effect on financial performance which is proxied by independence and the General Allocation Fund has no effect on financial performance. This research is expected to increase knowledge and insight regarding the factors that can affect the financial performance of local governments.

Keywords: *Financial Performance, General Allocation Fund, Regional Original Income.*