Financial Ratio Analysis for Regional Autonomy and Performance Assessment in Temanggung Regency Regional Government

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Abstract. Regional government financial performance refers to the level of achievement of work results in the field of government finance, which includes the amount received and spent by the regional government throughout the budget period using financial indicators established by policies or regulations. This research aimed to determine regional financial performance in Temanggung Regency for the 2018-2022 budget year through ratio analysis: PAD Effectiveness Ratio, Regional Financial Efficiency Ratio, Compatibility Ratio, Body Ratio, and Regional Financial Independence Ratio. This descriptive quantitative study is based on secondary data obtained from the Temanggung Regency Bappenda website and processed using a regional financial ratio analysis technique. The research results show that operational spending continues to receive more funding than capital and infrastructure spending. Budget funding and spending have declined since the majority of the funds have been used to pay operational spending operations, leaving people's interests unfulfilled. According to the data obtained, autonomy is also inadequate, with Temangung Regency classified as Instructive, which means it continues to rely on transfers from central government finances to conduct its government.

Keywords: Regional Government Performance, Regional Financial Ratios.

1 Introduction

The development of Indonesian regional autonomy began with the collapse of the New Order regime in 1998. Previously, the main ideas and notions of regional autonomy had been contained in the 1945 Constitution regarding unitarist values and the basic values of territorial decentralization (Article 18 of the 1945 Constitution, 1945) but only recently ran optimally after the start of the Reformation period in 1999 which brought new changes to government in Indonesia, including in terms of regional autonomy. According to [1] regional autonomy is derived from the Greek words autos, meaning alone, and nomos, meaning law or rule, hence autonomos can be defined as self-regulation, self-governing, or self-governing.

Regional autonomy is built on three essential principles: the principle of decentralisation, which is the delegation of governance by the central government to regional governments based on the principle of autonomy (Article 1 point 8 of Law 23/2014 jo. Law 1/2022, 2022) [2]. The principle of deconcentration refers to the delegation of part of the central government's authority to regional governments. For example, the central government delegates its authority to the governor as a

representative of the central government, or to the head of a vertical agency in a specific region, such as the governor or regent, who is responsible for general government affairs (Article 1 number 9 Law 23/2014 jo. Law 1/2022) [3].

The principle of assistance duties is the delegation of power from the central government to autonomous regions to carry out some of the government affairs under the authority of the central government or to district/city regional governments to carry out some of the government affairs under the authority of provincial regions (Article 1 point 11 of Law 23/2014 jo. Law 1/2022, 2014/2022) [4].

In Indonesia, regional autonomy is implemented by (Law No. 22 of 1999 concerning Regional Government, 1999), which regulates authority delegation and budgetary balance between the Central and Regional Governments. According to (Law No. 25 of 1999, 1999), which was revised in 2004 (Law No. 32 of 2004, 2004) and (Law No. 33 of 2004, 2004), the financial balance between the central and regional governments is regulated through income transfers in the form of general allocation funds, special allocation funds, and balancing funds [5],[6].

According to (Article 23 of the 1945 Constitution, 1945), regulates the State Revenue and Expenditure Budget (APBN), which is further explained in Amendment IV Article 23. According to (Law No. 33 of 2004, 2004), the source of income is Regional Original Income, which can take the form of taxes, regional levies, regional-owned enterprises, or other legitimate regional original income [7]. In addition to Regional Original Income, regional income includes balancing monies from the central government, such as Profit Sharing Funds, General Allocation Funds, and Special Allocation Funds [8].

This study focuses on determining the success of the Regional Autonomy principle through financial elements examined using financial ratios in public sector accounting. The scope of the research was carried out in Temanggung Regency using financial report data from the Budget Realisation Report, which the author saw and processed through the Temanggung Regency website source.

A region can be said to be independent if it is able to carry out regional development using the resources owned by the region itself, one of which is financial resources. Increasing regional independence is closely related to the region's ability to generate Regional Original Income (PAD). The higher the regional capacity to produce PAD, the greater the regional discretion to use PAD in accordance with regional aspirations, needs and development priorities. However, Temanggung Regency is one of the regions that cannot be said to be independent, especially from a financial perspective, where this can be seen in the high regional fiscal dependence and dependence on central government policies. Until 2023, the implementation of regional government in Temanggung Regency will still rely on financial resources sourced from balanced funds from the central government and regional governments, not yet on the strength of Regional Original Income (PAD). This high fiscal dependence greatly influences the regional development planning process right through to its implementation. Based on these reasons, the Temanggung district government was taken as the object of observation for this research

2   Theoretical basis

2.1   Financial Reports of Regional Government

The need for clear reporting on government economic or financial performance for both internal and external users of financial reports encouraged the government to issue a Government Regulation (Government Regulation No. 24 of 2005, 2005) concerning Government Accounting Standards, which was updated in 2010 (Government Regulation No. 71 of 2010, 2010) [9]. This Government Regulation establishes guidelines for creating financial reports using a conceptual framework of financial report reliability and relevance. According to this government regulation, government financial reports consist of seven components: the Balance Sheet Report, which contains a summary of the general ledger balance in the form of assets, liabilities, and equity; the Operational Report, which is the performance of income and expenses during one reporting period; and the Equity Change Report, which is a report on changes or movements in government equity holdings [10] [11] [12].

The excess budget balance report follows, which provides a brief explanation of how the remaining balance from the previous budget year was used to create the budget balance for the current period. The Budget Realisation Report is a cash-based component in financial accounting standards that shows how income and spending are budgeted and realised [13]. Notes to Financial Reports include descriptive notes that reveal technical issues that demand more disclosure and explanation.

The budget realisation report includes the following components:

1. Income

    Income refers to revenues or inflows into regional treasuries that raise the equity of funds in the appropriate budget period, which are the Regional Government's rights and are not meant to be repaid. Revenue categories are as follows:

    a. Regional Original Income, is all revenue originating from original regional economic sources.
    b. Balancing funds, are funds sourced from the receipt of state budget revenues allocated to regions to finance their financial needs.
    c. Other legitimate income is income derived from aid funds or balancing funds provided by the central government to replace losses or budget inefficiencies on the path to realisation.

2. Expenditures

    Expenditures are cash withdrawals that lower fund owners' equity throughout the relevant fiscal year; the budget aims to ensure that the payments are not repaid.

    a. Regional apparatus expenditure is defined as expenditure whose advantages are perceived directly by the apparatus rather than by the community, such as the provision of official vehicles, buildings, or structures.
    b. Public service spending refers to expenditure that provides direct benefits to the community by developing infrastructure and facilities.
    c. Profit sharing spending and financial assistance.

3.   Financing

Financing comprises of Financing Expenditures, which are cash outflows that must be reimbursed, and Financing Receipts, which will be received back in the current fiscal year or the following fiscal year. The budget is intended to manage and cover deficits or utilise budget surpluses; financing can be classified as:

a.   Sources of regional revenue consisted of Investment, Capital Investment, and provision of liabilities.

b.   Sources of regional expenditure consisted of donations, and balancing funds given to other regions.

2.2   Financial Performance of Regional Government

Financial performance is a measure of a government's success in carrying out its tasks and functions, offering responsibility to external and internal parties in the form of efficiency, management, and the allocation of appropriate finances [14]. These benchmarks can be seen through financial report analysis [15] which is the use of financial reports to analyze financial condition and performance as well as assess future financial performance.

2.3   Ratio Analysis

Financial ratio analysis is a useful financial report analysis technique that is also included in the basic study of financial reports. Ratio analysis is a vertical analysis method that involves comparing the components of an entity's or organization's financial statements in percentage form to a reference, such as total revenue or total assets of the company [15].

Ratio analysis in government financial reporting employs various ratios, including the Regional Original Revenue Effectiveness Ratio, Regional Financial Efficiency Ratio, Compatibility Ratio, Growth Ratio, and Regional Financial Independence Ratio.

2.4   Effectiveness Ratio of Regional Original Income

Regional Original Income Effectiveness Ratio measures the performance and capabilities of local governments in achieving Regional Original Income that fulfils budgeting and realisation targets [16]. The effectiveness ratio of local original income can be calculated using the following formula:

$$\text{Effectiveness Ratio of Regional Original Income} = \frac{\text{Realization of Regional Original Income}}{\text{Regional Original Revenue Budget}} \times 100$$

The following are the criteria for assessing the effectiveness ratio of local original income:

Table 1. Criteria for the Effectiveness of Original Regional Revenue

Percentage (%)	Category
>100%	Very effective
100%	Effective
90%-99%	Quite effective
75%-89%	Less effective
<75%	Ineffective

Source: (Mahmudi, 2016)

2.5   Efficiency Ratio

The regional financial efficiency ratio compares the total realisation of regional expenditures to the entire regional income generated. This comparison allows us to measure the efficiency of employing regional income versus expenditure. The formula for the regional financial efficiency ratio is as follows:

$$\text{Regional Financial Efficiency Ratio} = \frac{\text{Realization of Regional Expenditures}}{\text{Realization of Regional Income}} \times 100$$

Table 2. Criteria for Regional Financial Performance Efficiency

Efficiency Criteria	Efficiency Percentage
>100%	Not efficient
100%	Efficient Balanced
<100%	Efficient

Source (Mahsun, 2016)

2.6   Compatibility Ratio

According to [17] the Compatibility Ratio is an indicator for measuring local government in prioritizing the allocation of funds. In this article, the authors used the Compatibility Ratio, which is calculated by comparing capital and operational expenditure activities to total expenditure, to estimate the distribution of money for satisfying regional expenditure.

The Operational Expenditure Ratio [17] is expenditure for daily regional government activities that provide short-term benefits. Operational expenditure consists of four expenditures, namely; Employee Expenditures, Goods and Services Expenditures, Grant Expenditures, and Social Assistance Expenditures. In measuring the Compatibility ratio, it compares Total Operational Expenditure compared to the Total Expenditure. Operational Expenditure is expenditure allocated for the benefit of one budget year, meaning it is short-term and routine or recurring. Operational expenditure dominates total regional expenditure, including 60%-90%. This figure is relative according to the region's ability to generate income [18]. The formula for the Operating Expenditure Ratio is as follows:

$$\text{Operating Expenditure Ratio} = \frac{\text{Total Operating Expenditure}}{\text{Total Regional Expenditure}} \times 100$$

The next step is capital expenditure. According to [19] capital expenditure is the cost of acquiring fixed assets and other assets that will be used for more than one accounting period. Capital Expenditures include the acquisition of land, buildings, and constructions, as well as intangible assets. In general, capital expenditure accounts for between % and 20% of total regional expenditure [20]. Capital Expenditure Ratio Formula is as follows:

$$\text{Capital Expenditure Ratio} = \frac{\text{Total Capital Expenditures}}{\text{Total Regional Expenditure}} \times 100$$

Capital spending is used and managed to the needs and administration of the regional government.

2.7   Growth Ratio

The Growth Ratio indicates whether the relevant budget year increased or decreased compared to the prior year. In measuring the potential that researchers are concerned with, the financial performance ratios employed differ depending on the components of income sources and expenditures used [17].

$$\text{Capital Expenditure Ratio} = \frac{p_n - p_0}{p_0} \times 100$$

p_n =   Total   Regional   Income/Regional   Original   Income   /Capital Expenditure/Operational Expenditure calculated in the nth year.

p_0 =   Total   Regional   Income/Regional   Original   Income   /Capital Expenditure/Operational Expenditure calculated in year 0 (year before n).

The Growth Ratio is the highest level of income-related indicators, such as Total Regional Income (TPD), Regional Original Income, and Capital Expenditures on Operational Expenditures that show positive growth. This means that the area can continue to grow. On the other hand, the smaller the Capital Expenditure and the higher the Operational Expenditure, the negative growth indicating that the region has been unable to increase its growth [21].

2.8 Independence Ratio

The Financial Independence Ratio (RKKD) estimates a region's ability to fund its own government activities, development, and community services using Regional Original Income rather than Transfer Income [22]. The Growth Ratio Formula is as follows:

$$\text{Financial Independence Ratio} = \frac{\text{Regional Original Income}}{\text{Income Transfer}} \times 100$$

The higher the Regional Financial Independence Ratio, the less reliant the region is on outside assistance and the greater the amount of community involvement in regional development, and vice versa. The table below shows the guidelines and patterns of regional village relations in terms of financial aspects:

Table 3. Relationship Patterns and Regional Capacity Levels

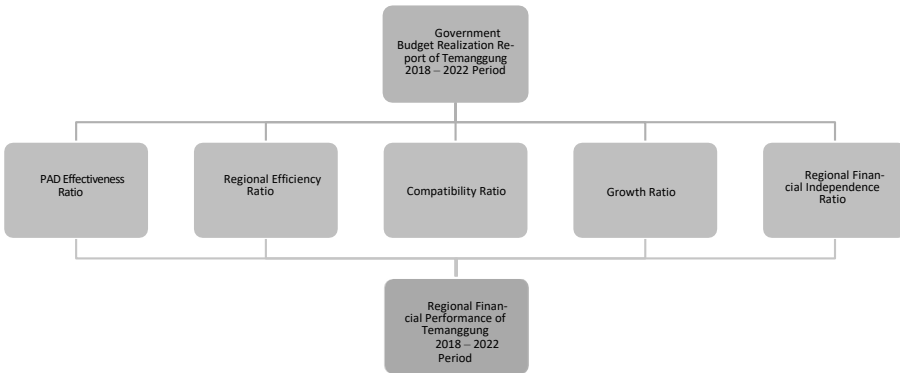| Financial Capabilities	Independence (%)	Relationship Patterns
Very low	0% - 25%	Instructive
Low	25% -50%	Constructive
Moderate	50% - 75%	Participative
High	65% - 100%	Delegative

Source: (Permendagri No. 37 Year 2014, 2014) with modifications

Interpretation:
1. Instructive relationship pattern, the role of central government dominates regional government (regions are less capable of implementing regional autonomy)
2. In the pattern of constructive relations, the central government's involvement has begun to decrease and it is assumed to be slightly more capable of implementing regional autonomy.
3. Participatory relationship pattern, the role of the central government has begun to decrease, and it is independent and able to carry out regional autonomy affairs.
4. Delegative relationship pattern, there is no central government interference, and regions are assumed to be truly capable and independent in carrying out all regional autonomy matters.

2.9   Research Thinking Framework

Figure 1. Thinking Framework

Government Budget Realization Report of Temanggung 2018 – 2022 Period

PAD Effectiveness Ratio | Regional Efficiency Ratio | Compatibility Ratio | Growth Ratio | Regional Financial Independence Ratio

Regional Financial Performance of Temanggung 2018 – 2022 Period

3   Research methods

This study used a qualitative descriptive method, which entailed discussing financial data that had been processed in calculation and ratios before being compiled into tables that the authors would explain [23]. The purpose of this study was to determine Temanggung Regency's level of performance and success in carrying out its Regional Autonomy authority, which was measured using the following five ratios: PAD Effectiveness Ratio, Regional Financial Efficiency Ratio, Compatibility Ratio, Growth Ratio, and Regional Financial Independence Ratio.

3.1   Research Subjects and Objects

The subject of this research is the Temanggung Regency Government's financial performance, and the purpose of the research is the Temanggung Regency Budget Realisation Report for the fiscal year 2018-2022.

3.2   Research Data Collection Techniques

The research was carried out by collecting data obtained through secondary data sourced from the official Temanggung Regency government website Temanggungkab.go.id and bappenda.temanggungkab.go.id.

3.3   Data Analysis and Processing Techniques

The analysis technique used qualitative descriptive analysis, namely putting out calculations on financial data that are measured by analytical procedures:
a. Regional Original Income Effectiveness Ratio
b. Regional Financial Efficiency Ratio
c. Compatibility Ratio
d. Growth Ratio
e. Regional Financial Independence Ratio

Data was processed in Microsoft Excel using associated concepts and formulas. The outcomes of the calculation are presented in table style according to the rules for writing scientific articles.

4   Results and Discussion

Temanggung Regency is a province in Central Java that stretches 34,357 km north to south and 43,437 km east to west. The Temanggung Regency territory borders Kendal Regency and Semarang Regency in the north; Semarang Regency and Magelang Regency in the east; Magelang Regency to the south; and Wonosobo Regency to the west (temanggungkab.go.id, 2023).

Geoeconomically, the Temanggung Regency area is traversed by three central routes of economic activity, namely, Semarang 77 km, Yogyakarta 64 km, and Purwokerto 134 km. The population of Temanggung Regency in 2020 was 790,174 people, with a balanced ratio of 397,451 men and 392,723 women, with a population density of 908 people per km^2.

4.1   Data Analysis

Regional Original Income Effectiveness Ratio

Regional Original Income Effectiveness Ratio measures the performance and capabilities of local governments in achieving Regional Original Income that fulfils

budgeting and realisation targets [24]. The Effectiveness Ratio of Original Regional Revenue can be calculated using the following formula:

$$\text{Regional Original Income Effectiveness Ratio} = \frac{\text{Realisation of Regional Original Income}}{\text{Regional Original Income Budget}} \times 100$$

Calculation results of the regional original income effectiveness ratio:

Table 4. Calculation of the PAD Effectiveness Ratio of Temanggung Regency in the 2018 – 2022 Fiscal Year

Fiscal year	PAD Budget (IDR)	PAD Realisation (IDR)	Realisation /Budget (%)	Criteria
2018	261,511,805,053.00	252,019,934,778.00	96.37	Quite Effective
2019	260,464,334,440.00	278,313,775,793.00	106.85	Very effective
2020	251,969,585,751.00	307,488,084,365.00	122.03	Very effective
2021	271,757,079,716.00	363,128,342,571.00	133.62	Very effective
2022	305,939,643,656.00	308,705,886,109.00	100.90	Very effective

Source: (bappenda: temanggungkab.go.id, 2023)

Based on the 2018-2022 Original Regional Revenue Effectiveness Ratio calculation table, the results are fluctuating, with an average of very effective results, particularly after the 2018 fiscal year, when the Regional Original Revenue ratio can reach more than 100%, indicating that the budget design and implementation went well.

Regional Financial Efficiency Ratio

The Regional Financial Efficiency Ratio (REKD) compares the overall realisation of regional expenditures to the entire regional income. This comparison allows us to measure the effectiveness of using regional income in contrast to expenditures. The Regional Financial Efficiency Ratio (REKD) is calculated using the following formula:

$$\text{Regional Financial Efficiency Ratio} = \frac{\text{Realisation of Regional Expenditures}}{\text{Realisation of Regional Income}} \times 100$$

According to the Regional Financial Efficiency Ratio table, Temanggung Regency was efficient during the 2018-2022 budget year; however, in the 2022 budget

year, the REKD exceeded 100, indicating that total spending realisation was greater than income realisation. The writer of Temangung Regency's financial report for the fiscal year 2022 discovered that the increase in the 2022 REKD was caused by an increase in spending activities, particularly operational and capital expenditures, as well as a decrease in the realisation of Regional Original Income in the form of taxes and other legitimate income, which decreased from the previous fiscal year.

Table 5. The Regional Financial Efficiency Ratios Calculation of Temanggung Regency in the 2018-2022 Fiscal Year

Fiscal year	Income Realization (IDR)	Expenditures Realisation (IDR)	REKD (%)	Criteria
2018	1,731,235,867,161.00	1,327,852,634,858.00	76.70	Efficient
2019	1,878,383,823,682.00	1,459,984,620,331.00	77.73	Efficient
2020	1,830,848,453,347.00	1,783,204,949,098.00	97.40	Efficient
2021	1,971,005,990,029.00	1,877,969,167,294.00	95.28	Efficient
2022	1,895,483,914,078.00	1,958,748,409,806.00	103.34	Not efficient

Source: (bappenda.temanggung.go.id, 2023)

Compatibility Ratio

The Compatibility Ratio is measured through the Operating Expenditure and Capital Expenditure variables as follows:

$$\text{Operating Expenditure Ratio} = \frac{\text{Total Operating Expenditures}}{\text{Total Regional Expenditures}} \times 100$$

$$\text{Capital Expenditure Ratio} = \frac{\text{Capital Expenditure Ratio}}{\text{Total Regional Expenditure}} \times 100$$

The Operational Expenditure Ratio of Temanggung Regency fluctuated between 2018 and 2022. The COVID-19 pandemic caused a decrease in 2019, with the majority of Regional Revenue and Expenditure Budget money being used to combat the virus. Then the trend experienced a decline throughout 2019-2022, indicating a decrease in spending allocations post Operational Expenditures.

Temanggung Regency's Capital Expenditure Ratio in 2018-2022 also experienced fluctuations. A significant decrease occurred in the 2020 fiscal year which was of course caused by the Covid-19 factor. The Regional Revenue and Expenditure Budget was allocated primarily to tackle Covid-19. However, after 2021 the Capital Expenditure budget increased, and the author traced Temanggung Regency's financial

reports in 2021. This increase was allocated to Capital Expenditures for Equipment and Machinery, Capital Expenditures and Buildings, Capital Expenditures for Roads, Irrigation and Networks, and Capital Expenditures for Other Assets. This implies that Temanggung Regency has raised its capital expenditure.

The Operational Expenditure Ratio remains bigger than the Capital Expenditure Ratio, indicating that Temangung Regency continues to allocate Expenditure Funds primarily to the Operational Expenditure Post.

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Table 6. Calculation of the Compatibility Ratio of Temanggung Regency in the 2018-2022 Fiscal Year (Operational Expenditures)

Fiscal year	Operational Expenditures (IDR)	Total Expenditures (IDR)	Operating Expenditure Ratio	Increase / Decrease
2018	1,141,920,041,338.00	1,327,852,634,858.00	86.00%	
2019	1,236,735,432,764.00	1,459,984,620,331.00	84.71%	-0.01
2020	1,214,876,493,815.00	1,783,204,949,098.00	68.13%	-0.17
2021	1,232,194,234,987.00	1,877,969,167,294.00	65.61%	-0.03
2022	1,295,686,749,508.00	1,958,748,409,806.00	66.15%	0.01

Source: (bappenda.temanggungkab.go.id, 2023)

Table 7. Calculation of the Compatibility Ratio of Temanggung Regency in the 2018-2019 Fiscal Year (Capital Expenditure)

Fiscal year	Capital Expenditures (IDR)	Total Expenditures (IDR)	Capital Expenditure Ratio (%)	Increase/ Decrease
2018	185,771,793,520.00	1,327,852,634,858.00	13.99%	
2019	223,249,187,567.00	1,459,984,620,331.00	15.29%	1.30%
2020	102,083,054,523.00	1,783,204,949,098.00	5.72%	-9.57%
2021	235,995,614,408.00	1,877,969,167,294.00	12.57%	6.84%
2022	247,089,139,440.00	1,958,748,409,806.00	12.61%	0.05%

Source: (bappenda.temanggungkab.go.id, 2023)

Growth Ratio

The Growth Ratio indicates whether the relevant budget year increased or decreased compared to the prior year. The diversity of financial performance ratios used varies

across each component of income and expenditure sources in evaluating potential is the concern of the researchers [19].

$$\text{Capital Expenditure Ratio} \quad = \quad \frac{p_n - p_0}{p_0} \quad \text{x } 100$$

Growth Ratio calculation results:

Table 8. Calculation of the Growth Ratio of Temanggung Regency in the 2018-2022 Fiscal Year

Description (in millions of Rupiah)	Year					Average
	2018	2019	2020	2021	2022	
Regional Original Income	252,019	278,313	307,488	363,128	308,705	
Growth of Regional Original Income		10.43%	10.48%	18.10%	-14.99%	8.01%
Total income	1,731,235	1,878,383	1,830,848	1,971,005	1,895,483	
Income Growth		8%	-3%	8%	-4%	3.26%
Operational Expenditures	1,141,920	1,236,735	1,214,876	1,232,194	1,295,686	
Growth in Operating Expenditures		8%	-2%	1%	5%	4.37%
Capital Expenditures	185,771	223,249	102,083	235,995	247,089	
Capital Expenditure Growth		20%	-54%	131%	5%	33.93%

Source: (bappenda.temanggungkab.go.id, 2023)

According to the calculations presented in the Temanggung Regency Growth Ratio table for the 2018-2022 fiscal year, Regional Original Income increased by an average of 8.01%, but in the 2022 fiscal year, the Growth of Regional Original Income decreased by -14.99%, indicating a decline in Regional Original Income in 2022. The author investigates the cause of the decline in Regional Original Income in 2022, which is attributed to a significant decrease in the Miscellaneous account of legitimate Regional Original Income of 80 billion rupiah, resulting in a difference of approximately 55 billion in Regional Original Income in 2022 compared to the previous year's area in 2021.

Income growth fluctuated for approximately five years, from 2018 to 2022. The decrease in income in 2020 discovered by the authors in Temanggung Regency's 2020 financial report was caused by a decrease in the receipt of Transfer Income, Balancing Fund Income, and Grant Income, whereas the increase in the 2021 budget year was

caused by an increase in the Regional Original Income component in the form of tax. Operating Expenditure decreased, while Capital Expenditure increased on average, however, there was a significant rise in Capital Expenditure.

Independence Ratio

The Financial Independence Ratio (RKKD) estimates a region's ability to fund its own government activities, development, and community services using Regional Original Income rather than Transfer Income (25). The Growth Ratio formula is as follows:

$$RKKD = \frac{\text{Regional Original Income}}{\text{Income Transfer}} \times 100$$

Calculation of Independence Ratio:

Table 9. Calculation of the Temanggung Regional Financial Independence Ratio in the 2018-2022 Fiscal Year

Fiscal year	Realisation of PAD (IDR)	Income Transfer (IDR)	PAD / Transfer (%)	Relationship Patterns
2018	252,019,934,778.00	1,416,329,069,258.00	17.79	Instructive
2019	278,313,775,793.00	1,530,401,293,306.00	18.19	Instructive
2020	307,488,084,365.00	1,451,581,978,982.00	21.18	Instructive
2021	363,128,342,571.00	1,537,846,595,458.00	23.61	Instructive
2022	308,705,886,109.00	1,585,778,027,969.00	19.47	Instructive

Source: (bappenda.temanggungkab.go.id, 2023)

5.   Conclusion

Operational spending continues to receive more funding than capital and infrastructure spending. According to the authors' assumptions, the proportion of funds spent on normal daily operational activities is higher. Regional development and progress are supported by development allocations from Regional Revenue and Expenditure. Budget funding and spending have declined since the majority of the funds have been used to pay operational spending operations, leaving people's interests unfulfilled.

According to the data obtained, autonomy is also inadequate, with Temangung Regency classified as Instructive, which means it continues to rely on transfers from central government finances to conduct its government.

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