

Research Article

Analysis of Regional Financial Performance in the Implementation of Regional Autonomy in Buru Regency

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Abstract

The Buru Regency Government, as the party tasked with administering government, development, and public services, is required to report on regional financial accountability as the basis for assessing its financial performance. The purpose of this study is to assess regional financial performance using ratios from 2020 to 2024, consisting of: Regional Fiscal Independence; Effectiveness of PAD Management; Effectiveness of Regional Taxes; Degree of Fiscal Decentralization; Fiscal Dependency; and Growth of Regional Government Finance in Buru Regency. Using secondary data sourced from the Ministry of Finance website, this study concludes that the financial performance of the Buru Regency Government consists of: 1) the regional fiscal autonomy ratio is still very low with an instructive relationship pattern, indicating that the local government is not yet capable of financing its own government activities, development, and services to the community, and the local government still needs intervention from the central government; 2) the fiscal decentralization ratio indicates that the local government's ability to increase its own revenue (PAD) to finance its own development is still very limited; 3) the local tax effectiveness ratio and local revenue (PAD) indicate that the local government is less effective in realizing tax revenue and local revenue (PAD) from the set targets and real potential; 4) The fiscal dependency ratio shows that the Buru Regency local government is still highly dependent on assistance from the central and provincial governments compared to its own regional revenue; 5) The PAD growth ratio shows that the local government is poor/negative in maintaining and increasing PAD.

Keywords

Regional Financial Performance, Fiscal Independence, Fiscal Decentralization, Effectiveness of Local Revenue and Taxes, Fiscal Dependence, Revenue Growth

1. Introduction

The main characteristic that indicates an autonomous region's ability to exercise autonomy lies in its financial capacity to fund the administration of its local government with a decreasing level of dependence on the central government. Therefore, it is hoped that PAD can become the largest part in mobilizing funds for regional administration. To see the region's ability to carry out regional autonomy, one of the ways

is to measure it through regional financial performance. Abdul Halim [1] states that one of the tools for analyzing the performance of regional governments in managing their regional finances is by conducting a financial analysis of the Regional Revenue and Expenditure Budget (APBD) that has been determined and implemented.

According to Mardiasmo [2], "performance measurement

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is very important for assessing the accountability of organizations in producing better public services.” Therefore, the financial performance of local governments is important for local governments and external parties. Financial performance is one measure that can be used to ensure the ability of regions to implement financial regulations properly and correctly in order to maintain desired services, where higher ratings are a requirement that must be met in order for external parties to decide to invest in the region. To assess the performance of local governments in managing their finances, one method is to conduct a financial ratio analysis of local government financial reports. The results of the financial ratio analysis are then used as a benchmark for assessment [3], namely: 1) The financial independence of the region in funding government operations; 2) Efficiency and effectiveness in realizing regional revenue; 3) The extent of the local government's activities in spending regional revenue; 4) The contribution of each revenue source to the formation of regional revenue; 5) The growth/development of revenue and expenditure over a certain period of time.

The Buru Regency Government, as the party tasked with administering government, development, and community services, is required to report on regional financial accountability as a basis for assessing its financial performance. To that end, it is necessary to analyze financial ratios in regional government financial reports in order to comprehensively assess regional government financial performance through analysis of ratios of independence, fiscal decentralization, effectiveness, fiscal dependence, and growth.

2. Literature Review

2.1. Regional Financial Performance

Definition of Regional Financial Performance According to Armstrong and Barong [4], financial performance refers to the management of regional finances or organization with strategic objectives and contributing to the economy and management of resources or wealth of a region to achieve the objectives desired by that region. Local governments, as the parties entrusted with the task of running the government, development, and social services for the community, are required to submit financial accountability reports for their regions to be evaluated on whether the local government has successfully carried out its duties or not.

The use of ratio analysis in the public sector, particularly in relation to the APBD, has not been widely implemented, so that theoretically there is no unanimous agreement on the name and measurement criteria. However, in the context of transparent, honest, democratic, effective, efficient, and accountable regional financial management, ratio analysis of the APBD differs from that of private companies [3]. Financial ratio analysis of the APBD is conducted by comparing the results achieved in one period with those of the previous period, thereby identifying the prevailing trends. Additionally,

it can be performed by comparing the financial ratios of a specific local government with those of other local governments that are geographically close or have relatively similar potential, to assess the financial position of the local government in question relative to others.

The parties concerned with the financial ratios in the APBD are:

a. DPRD (Regional Representative Council)

The DPRD is the body that grants authority to the regional government to manage regional financial reports.

b. Executive Body

The executive body is the governing body that receives authority for managing regional finances from the DPRD, such as the Governor, Regent, Mayor, and other regional government leaders.

c. Financial Supervisory Agency

The financial supervisory body is the body that oversees the management of regional finances by the regional government. This body includes the Inspectorate General, the Financial and Development Supervisory Agency (BPKB), and the financial audit agency.

d. Investors, Creditors, and Donors

These are government agencies or organizations, financial institutions, or other entities, both domestic and foreign, that provide financial resources to the regional government.

e. Economic Analysts and Regional Observers

Economic analysts and regional observers are parties who pay attention to the activities carried out by local governments, such as educational institutions, scientists, researchers, and others.

f. The People

The people here are groups of citizens who pay attention to government activities, especially those who receive products and services from local governments.

g. Central Government

The central government is the local government's financial report to assess the accountability of the Governor as the representative of the government [5].

2.2. Local Revenue

Based on Law No. 33 of 2004 [6] concerning Financial Balance between the Central Government and Local Governments, Article 1, point 18, which states that “Local own-source revenue, hereinafter referred to as PAD, is revenue obtained by local governments that is collected based on local regulations in accordance with laws and regulations.” Regional financial policies are naturally directed toward supporting the increase of local revenue as the primary source of regional income that can be used by regions in implementing regional governance and development in accordance with their needs to reduce dependence on funds from the central government (subsidies). Thus, efforts to increase local revenue should be viewed from a broader perspective, not only in terms of each region but also in relation to the unity of

the Indonesian economy. Regional revenues regulated under Article 157 of Law No. 32 of 2004 [7] on revenues include:

a. Legitimate Local Revenue: 1) Local Revenue; 2) Local Tax Revenue; 3) Local Retribution Revenue; 4) Revenue from Local-Owned Companies and Separate Local Asset Management Revenue; 5) Other Legitimate Local Revenue; 6) Balance Funds; 7) Local Loans; and 8) Other legitimate local government revenue.

b. Revenue derived from government grants, consisting of: 1) Government contributions; 2) Other contributions regulated by legislation; 3) Other legitimate revenue.

3. Materials and Methods

1) Approach, Place, and Time of Research

This study uses qualitative research with a descriptive method through an inductive approach, because in this study the author will describe and analyze the problems according to the circumstances so as to support the phenomena occurring in Buru Regency. The location of this study is the Buru Regency Government, over a period of 5 years, from 2020 to 2024.

2) Types and Sources of Data

The type of data used in this study is quantitative data, which is data that can be measured or calculated directly, in the form of information expressed as numbers or figures. The data sources used in this study are secondary data, which are data obtained from other parties, including informants or research subjects, as well as documentary data, which are formed from literature reviews, files, written notes, and charts related to the research. The data required for this study in-

cludes: the Budget Implementation Report (LRA) of Buru Regency, obtained from the Directorate General of Fiscal Balance available on the website www.djpk.depkeu.go.id [8], as well as other data required in relation to the analysis method used.

3) Data Analysis Method

The analysis method used is descriptive statistics, which is a method that describes the state of the research object based on quantitative data presented in the form of tabulation and visualization in the form of graphs, with simple statistical measures such as total, average, growth, percentage (%), proportion, and ratio applied as analysis tools. This quantitative data analysis method uses numerical data and emphasizes the research process of measuring objective results using descriptive statistical analysis. The stages of data analysis to be carried out in this study include:

3.1. Regional Financial Independence Ratio

Regional financial independence (fiscal autonomy) indicates the ability of regional governments to independently finance government activities, development, and services to the community that have paid taxes and levies as sources of revenue needed by the region.

$$\text{Independence Ratio} = \frac{\text{Local Revenue}}{\text{Central Transfers} + \text{Provincial} + \text{Loan}} \times 100$$

The management of effective and efficient regional independence ratios can be examined in intervals as shown in Table 1.

Table 1. Performance Achievement Categories [9]

PAD Against Central and Provincial Transfers and Loans	Independence	Relationship Pattern
0 – 25%	Very Low	Instructive
26% - 50%	Low	Consultative
51% - 75%	Moderate	Participatory
76% - 100%	High	Delegative

- 1) Instructional relationship pattern, where local governments receive more guidance and instructions from the central government, resulting in a very low level of independence. Regions with this pattern are categorized as regions that are unable to administer regional autonomy affairs.
- 2) Consultative relationship pattern, where the central government's guidance and intervention begin to decrease as the capacity of local governments improves.

- Regions with this pattern are categorized as regions that are approaching the ability to manage their own affairs.
- 3) Participatory relationship pattern, where guidance from the central government continues to decrease as the level of autonomy of local governments increases. Regions with this pattern are categorized as regions that are close to being able to carry out their autonomous affairs.
- 4) Delegative relationship pattern, where there is no longer any intervention from the central government because

the local government is already independent, and regions with this pattern are categorized as regions that are able to carry out their autonomous affairs.

3.2. Analysis of the Degree of Decentralization Ratio

The degree of decentralization is one of the financial ratios that can be used to indicate the level of authority and respon-

sibility given by the central government to local governments to carry out development. According to Mahmudi [10], this ratio shows the degree of contribution of PAD to total regional revenue. The higher the contribution of PAD, the higher the ability of the region to implement decentralization. This ratio is calculated using the following formula.

$$\text{Degree of Fiscal Decentralization} = \frac{\text{Local Revenue (PAD)}}{\text{Total Regional Revenue}} \times 100$$

Table 2. Categories of Fiscal Decentralization [11].

Degree of Decentralization	Local Financial Capacity
0.00 – 10.00%	Extremely Deficient
10.01 – 20.00%	Insufficient
20.01 – 30.00%	Moderate
30.01 – 40.00%	Fair
40.01 – 50.00%	Good
>50.00%	Very Good

3.3. Ratio of Local Revenue and Local Tax

The formula for calculating the ratio of local source revenue and local tax is as follows:

$$\text{PAD Effectiveness Ratio} = \frac{\text{Realization of Local Revenue}}{\text{Target Local Revenue based on Real Regional Potential}} \times 100$$

$$\text{Local Tax Effectiveness Ratio} = \frac{\text{Realization of Local Tax Revenue}}{\text{Local Tax Revenue Target}} \times 100$$

Table 3. Effective PAD and Local Tax Ratio Interval Scale.

Percentage (%)	Category
> 100%	Very Effective
100%	Effective
90% - 99%	Fairly Effective
75% - 89%	Less Effective
< 75%	Not Effective

Source: Mahmudi, 2016

3.4. Regional Dependency Ratio

The regional financial dependency ratio can be calculated using the following formula:

$$\text{Dependency Ratio} = \frac{\text{Transfer Income}}{\text{Total Regional Revenue}} \times 100$$

The criteria for assessing regional financial dependence can be seen in Table 4.

Table 4. Categories of Regional Financial Dependence Ratios [11].

Percentage %	Category
0,00 – 10,00	Very Low
10,00 – 20,00	Low
20,01 – 30,00	Moderate
30,01 – 40,00	Fair
40,01 – 50,00	High
>50,00	Very High

can be calculated using the following formula:

3.5. Growth of Local Revenue (PAD)

According to Mahmudi [10], the local financial growth ratio is a ratio that measures the extent of the local government's ability to maintain and improve its achievements from one period to the next. The growth ratio

$$\text{Growth Ratio} = \frac{\text{PAD year } t - \text{PAD year } (t-1)}{\text{PAD year } (t-1)} \times 100$$

Indicators of growth ratios can be seen in Table 5.

Table 5. Growth Ratio Categories.

Percentage (%)	Category
0% - 50%	Good/Positive
< 0%	Not Good/Negative

3. Create Tables and Describe Data from the Financial Ratio Calculations

Results

1) Regional Financial Independence Ratio

Table 6. Results of Fiscal Independence Ratio Calculations and Analysis.

Year	Realization PAD	Central	Inter-regional Loans	Loan	Total Transfers	Fiscal Independence	Criteria Independence	Relationship Pattern
2020	9,32	855,54	17,17	0	872,71	1,07%	Very Low	Instructive
2021	11,04	769,8	17,22	0	787,02	1,40%	Very Low	Instructive
2022	23,80	778,20	67,50	8,32	854,02	2,79%	Very Low	Instructive
2023	12,57	715,82	24,05	6,88	746,75	1,68%	Very Low	Instructive
2024	6,01	426	15,31	0	441,31	1,36%	Very Low	Instructive

Source: EXEL Data Processing Results, 2025

Based on the table above, when measured using the interval scale of regional relationships and capability levels, Buru Regency has an interval scale of 0-25 percent, indicating very low financial capability and an instructive relationship pattern from 2020 to 2024. An instructive relationship pattern means that the central government still plays a dominant role in financing the region. The highest percentage of finan-

cial independence ratio was recorded in 2022 at 2.79%, with this increase attributed to the significant rise in the realization of local revenue compared to other years. The percentage of the financial independence ratio of Buru Regency's local government from 2020 to 2024 shows fluctuating trends.

2) Decentralization Degree Ratio

Table 7. Data and Categorization of Fiscal Decentralization Degree Calculations.

Year	Local Revenue Realization	Total Revenue	Degree of Fiscal Decentralization	Criteria Degree of Decentralization
2020	9,32	925,43	1,01%	Very Low
2021	11,04	850,33	1,30%	Very Low
2022	23,80	838,59	2,84%	Very Low
2023	12,57	777,46	1,62%	Very Low
2024	6,01	450,23	1,33%	Very Low

Source: EXEL Data Processing Results, 2025

The level of fiscal decentralization of the Buru Regency local government is still classified as very low. This indicates that the level of authority and responsibility granted by the central government to the local government is relatively low. The fiscal decentralization categorization in Buru Regency is very low, indicating the limited capacity of the local government to increase its own revenue, which consists of local taxes, local fees, local business profits, and other legitimate local revenue sources.

3) PAD and Local Tax Effectiveness Ratio

The effectiveness ratio is a ratio that describes the ability of local governments to realize planned local revenue and taxes compared to targets set based on the real potential of the region. The results of the research and calculation of the effectiveness ratio of PAD and local tax management in Buru Regency over the last 5 years, namely 2020-2024, are shown in the following table.

Table 8. Results of the Analysis of the Effectiveness Ratio of Local Taxes and PAD.

Year	Local Tax		Local Revenue	
	Ratio	Effectiveness	Ratio Effectiveness	Effectiveness Ratio Criteria
	Effectiveness	Ratio Criteria		
2020	61,93%	Ineffective	55,52%	Ineffective
2021	126,17%	Very Effective	76,33%	Less Effective
2022	103,74%	Very Effective	71,93%	Not Effective
2023	78,37%	Less Effective	77,04%	Less Effective
2024	30,20%	Not Effective	18,26%	Not Effective

Source: Data processed, 2025

Based on the table above, the criteria for local tax effectiveness and PAD effectiveness vary greatly due to fluctuations in local tax effectiveness and PAD effectiveness ratios. The local tax effectiveness ratio in Buru Regency was categorized as highly effective in 2021 and 2022, with a percentage exceeding 100 percent. This is because the realization of local tax revenue consistently exceeds the planned targets. If the ratio obtained exceeds 100%, it is categorized as highly effective, meaning that the tax revenue collected consistently exceeds the planned targets. This

indicates that the financial performance of the local government of Buru Regency is very good. However, this category does not apply to the PAD effectiveness ratio in 2020, 2023, and 2024. The PAD effectiveness ratio from 2020 to 2024 has a percentage value below 100%, thus falling into the ineffective and less effective categories.

4) Regional Dependency Ratio

The results of research and calculations of the financial independence ratio of Buru Regency in the last 5 years, namely 2020-2024, are shown in the following table:

Table 9. Data Calculation and Analysis of Regional Dependency Ratio Results.

Year	Transfer Revenue			Total Transfer	Total Revenue	Fiscal Dependency	Dependency Criteria Fiscal
	Central	Inter-regional	Loans				
2020	855,54	17,17	0	872,71	94,30%	925,43	Very High
2021	769,8	17,22	0	787,02	92,55%	850,33	Very High
2022	778,20	67,50	8,32	854,02	101,84%	838,59	Very High
2023	715,82	24,05	6,88	746,75	96,05%	777,46	Very High
2024	426	15,31	0	441,31	98,02%	450,23	Very High

Source: EXEL Data Processing Results, 2025

The higher the regional financial dependency ratio, the greater the level of dependency of the regional government on the central government and/or provincial government. The results of the fiscal dependency level calculations for Buru Regency from 2020 to 2024 were then categorized into regional fiscal dependency classifications to assess the regional fiscal dependency position. The regional fiscal dependency classification refers to the regional fiscal dependency scale established by the Research and Development Team of the Ministry of Home Affairs, as shown in the table. The table of fiscal dependency analysis results shows that the fiscal dependency ratio in Buru

Regency ranges from 92.55 percent to 101.84 percent. This result indicates that the local government's financial dependency on central government finances/revenues in the APBD is very high.

5) Growth of Local Revenue (PAD)

Based on the table of PAD growth analysis results, it can be seen that the PAD growth category in Buru Regency is classified as poor or negative because the growth ratio percentage is below 50 percent. The trend of the PAD growth ratio fluctuated throughout 2020 to 2024. In fact, some PAD growth ratios have experienced negative growth, specifically -31.90 percent in 2022 and -70.98 percent in 2024.

Table 10. Data, Calculation Results, and Categorization of PAD Growth Ratios.

Year	PAD Year t	PAD Year t-1	Ratio PAD Growth	PAD Growth Category
2020	33.75	28.04	20.36%	Not good/negative
2021	34.95	33.75	3.56%	Not good/negative
2022	23.80	34.95	-31.90%	Not good/negative
2023	30.70	23.80	28.99%	Not good/negative
2024	8.91	30.70	-70.98%	Not good/negative

Source: EXEL Data Processing Results, 2025

Discussion

The financial ratios used in analyzing financial performance are the Regional Independence Ratio, Fiscal Decentralization Degree Ratio, PAD Effectiveness Ratio,

Regional Tax Effectiveness Ratio, Regional Dependency Ratio, and Growth Ratio. The results of the ratio analysis can be summarized through the average ratios as shown in [Table 11](#) below.

Table 11. Summary Table of Regional Financial Performance Ratios for Buru Regency.

No.	Financial Performance Ratio	Average Ratio	Performance Category
1.	Fiscal Independence	1,66%	Very Low/Instructive
2.	Degree of Fiscal Decentralization	1,62%	Very poor
3.	Effectiveness of Local Taxes	80,08%	Ineffective
	Effectiveness of Local Revenue	59,81%	Ineffective
4.	Fiscal Dependency	96,55%	Very High
5.	Local Revenue Growth	-9,99%	Poor/Negative

Source: Data analysis results, 2025

The summary of the calculation of the government's financial performance ratio above can be explained as follows:

1) Fiscal Autonomy of the Region

The fiscal autonomy ratio of Buru Regency for the period 2020-2024 falls into the very low category, with an average autonomy percentage of only 1.66%, indicating that the local government is not yet sufficiently capable of funding its own government activities, development, and public services. The local government still requires assistance from the central government. The low independence ratio reflects the low level of community participation in developing the region, as evidenced by community participation in paying taxes and local fees, which are components of the Local Revenue Fund (PAD).

The low level of financial independence in Buru Regency is due to the low level of local revenue from Buru Regency and the high level of external transfer income. The local revenue of Buru Regency is still far below expectations and is unable to independently finance the implementation of local government tasks. PAD, as a manifestation of the region's ability to develop local resources, is very low. This can be seen based on the calculation of external revenue sources, which consist of assistance from the central or provincial government plus loans. Given these facts, it can be concluded that, to date, PAD has not been able to make a significant contribution annually and remains unable to achieve self-reliance.

The low independence ratio means that the financial capacity of Buru Regency to fund the implementation of government and development is still highly dependent on revenue from the central government. Regions with this pattern are categorized as regions that are unable to carry out

regional autonomy. Regional autonomy can be realized if it is accompanied by good financial autonomy, which means that there is fiscal independence in a region.

2) Degree of Fiscal Decentralization

The fiscal decentralization ratio of the Buru Regency local government for 2020-2024 shows that the local government's ability to increase its own revenue to finance regional development is still very low, with an average percentage of 1.62%. Therefore, it can be concluded that Buru Regency is categorized as having a very low capacity to finance the implementation of government development activities and public services, and it has a high financial dependence on the central government to fund its governmental affairs. In this ratio, it can be seen that Local Revenue (PAD) serves as the primary indicator used as a benchmark; however, here the focus is on the region's ability to increase Local Revenue (PAD) to fund government operations. The low amount of Local Revenue (PAD) indicates the region's limited capacity to realize such revenue. Therefore, Buru Regency is still severely lacking in funding for the implementation of government development activities and public services.

Decentralization can be understood as the extent to which authority is held by local governments to make their own decisions that bind certain policies within the scope of local government [12]. The importance of granting authority to local governments (regions) lies in their greater efficiency in production activities and the provision of public goods. Therefore, it is essential for the local government of Buru Regency to enhance PAD sources, as the degree of fiscal decentralization is crucial for economic reasons, including improving the provision of public goods, which in turn will stimulate economic growth in the region. From the above description, it can be concluded that all the problems causing

low local revenue (PAD) are inseparable from the condition of the region itself, and the problem in Buru Regency is the lack of local revenue sources, resulting in low local revenue levels. This has a significant impact on the region's ability to increase local revenue to fund regional autonomy in Buru Regency.

3) Effectiveness of Local Taxes and Effectiveness of PAD

The Local Tax Effectiveness Ratio of Buru Regency for 2020-2024 shows that the local government is ineffective (80.08%) in realizing local tax revenue from the set target. Meanwhile, the PAD Effectiveness Ratio for Buru Regency in the same period indicates that the local government is ineffective in realizing PAD from the set targets based on the region's actual potential, with an average of 59.81%. This is because local taxes, which contribute significantly to local taxes and local revenue each year, are not realized in accordance with the targets budgeted by the local government. Thus, it can be concluded that the financial performance of the Buru Regency government is still poor in realizing tax revenue and local revenue (PAD) as planned. This can occur due to the high effectiveness ratio determined by the comparison between the realization and the target of taxes and Local Original Revenue. This aligns with Mardiasmo's [2] opinion, who stated that the local financial effectiveness ratio indicates the local government's ability to mobilize Local Original Revenue (PAD) in accordance with the targeted amount.

4) Regional Fiscal Dependency

The regional fiscal dependency ratio of Buru Regency for 2020-2024 shows that the local government of Buru Regency is still highly dependent on assistance from the central and provincial governments compared to its own regional revenue, with an average regional dependency percentage of 96.55%. Thus, it can be concluded that the implementation of regional autonomy in Buru Regency has not been successful since the implementation of regional autonomy in 2000. This is in line with Halim's [1] opinion that the main characteristics of a region capable of implementing autonomy are (1) regional financial capacity, which means that the region has the ability and authority to explore financial resources, manage and use its own finances to finance the administration of government; (2) dependence on central assistance must be minimized, therefore, PAD must be the largest source of finance, supported by central and regional financial balance policies. This is supported by Kuncoro [13], who states that the problem that often arises in relation to the implementation of regional autonomy and decentralization is how regions can overcome their dependence on the central government in terms of fiscal dependence for all regional development activities.

5) PAD Growth

The PAD growth ratio of the Buru Regency local government for 2020-2024 in maintaining and increasing PAD is poor or negative, as evidenced by the calculation of the revenue growth ratio, which shows a poor interval scale of -9.99%. This indicates that the performance of the Buru

Regency local government in the 2020-2024 fiscal year has experienced negative revenue growth. This means that the increase in local revenue in Buru Regency is lower than the inflation rate, so the local government must take alternative measures, such as implementing strict budget efficiency. If not, the financial performance of Buru Regency will deteriorate. Halim [1] also noted that if there is negative growth, it indicates a decline in revenue performance, and the causes of the decline must be identified.

Overall, the six regional financial ratios analyzed indicate that the financial performance of Buru Regency from 2020 to 2024 is still not good, so various efforts are needed to ensure that regional autonomy can be implemented effectively in the coming years. Revenue growth can be achieved through the following steps:

- a) Intensification, through efforts to: 1) Increase and renew regional tax and levy objects and subjects; 2) Re-examine regional taxes that have been cut to find possibilities for conversion into levies; 3) Intensify existing regional levies; 4) Improve inadequate collection facilities and infrastructure.
- b) Extensification, the exploration of new sources of revenue from local government revenue must be emphasized to avoid creating a high-cost economy. Fundamentally, the objective of increasing local government revenue through extensification is to enhance community economic activities. Therefore, extensification efforts should be directed toward preserving local potential so that it can be utilized sustainably.
- c) Improving services to the community. This is an important element, as the current paradigm in society is that the payment of taxes and levies is a right rather than an obligation of the community to the state. Therefore, it is necessary to re-examine the concept of what kind of services can provide satisfaction to the community.

4. Conclusion

Based on the discussion of financial performance analysis, it can be concluded that the implementation of regional autonomy has not been running well in Buru Regency, as seen from: a) Local fiscal autonomy is still very low, with an instructive relationship pattern indicating that the local government is not yet capable of financing its own government activities, development, and services to the community, and still requires intervention from the central government; b) The degree of fiscal decentralization shows that the local government's ability to increase its own revenue to finance its own development is still very low; c) The effectiveness of local taxes and local revenue shows that the local government is ineffective in realizing local tax revenue from the set targets; d) Fiscal dependence shows that the local government of Buru Regency is still highly dependent on assistance from the central and provincial governments

compared to its own revenue; e) PAD growth shows that the local government is poor/negative in maintaining and increasing PAD.

Based on the conclusions, the researcher suggests several recommendations for the local government of Buru Regency to improve its performance to a higher level, namely: a) expanding the revenue base; b) providing detailed information to the public about their obligations as taxpayers and local levy payers, as not all members of the public are aware of the details of the taxes and local levies they are required to pay; c) supervising parties involved in the collection of taxes and local levies to prevent fraud.

Abbreviations

APBD	Anggaran Pendapatan dan Belanja Daerah
DPRD	Dewan Perwakilan Rakyat Daerah
PAD	Pendapatan Asli Daerah
RREB	Regional Revenue and Expenditure Budget
RRC	Regional Representative Council
LR	Local Revenue

Author Contributions

Tri Wahyuningsih is the sole author. The author read and approved the final manuscript.

Conflicts of Interest

The author declares no conflict of interest regarding this manuscript.

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