

---

## **The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial Independence with Regional Asset Management as an Intervening Variable**



**Salehoddin**

Faculty of Economics and Business, Universitas Madura

---

**ABSTRACT:** This research aims to examine and analyze the influence of Regional Original Income on Regional Asset Management in the Pamekasan Regency Government, the influence of Balancing Funds on Regional Asset Management in the Pamekasan Regency Government, the influence of Regional Financing Revenue on Regional Asset Management in the Pamekasan Regency Government, and the influence of Regional Asset Management towards Regional Financial Independence in the Pamekasan Regency Government. The population includes 42 Regional Work Units with a total population of 295 people. Meanwhile, the total sample taken was 127 people. Data analysis in this research was carried out using the Structural Equation Model (SEM) method. The software used for structural analysis is SPSS AMOS 24. The research results show that Regional Original Income has a positive and significant effect on Regional Asset Management, Balancing Funds has a positive and significant effect on Regional Asset Management, Financing Revenue has a positive and significant effect on Regional Asset Management, and Regional Asset Management has a positive and significant effect on Regional Financial Independence.

**KEYWORDS:** Regional Original Income, Balancing Funds, Regional Financing Revenue, Regional Asset Management. Regional Financial Independence.

---

### **INTRODUCTION**

The implementation of regional autonomy gave birth to fiscal decentralization with independent local government planning and regional financial management. Regional autonomy is how the central government provides independence for its regions in finance (Tanjung et al., 2021). With its fiscal autonomy, the government can do the creativity of public services by developing adequate infrastructure facilities that become the community's needs in each region. In the implementation of regional autonomy, each part is allowed to explore the sources of regional income. The provincial revenues collected do not incur high costs and do not impede the mobility of the population, traffic of goods/services between regions, and export/import activities. The latest literature explains that the convergence of regional incomes is getting a lot of attention from policymakers by following economic relations and globalization (Yaya et al., 2020). Regional revenue management is a local government strategy to conduct asset management in terms of allocation and realization. In terms of asset management, the local government can allocate capital expenditures to produce quality and optimal assets in providing services to the community. An example of (Fang, 2020) is that the statistic GDP of regional economic income will be obtained from the level of per capita income of the region. (Hlobil & van Leuvensteijn, 2020) Explained that asset management will run well if followed by investment advice as a basis in determining future decisions. Asset management objectives in the future are directed to ensure the sustainable capacity development of local government. It is required to develop or optimize the utilization of regional assets to increase provincial revenues, which will be used to finance activities to achieve optimal fulfillment of requirements for the service of duties and functions of its agencies to the community. In addition to regional revenues and balancing funds, financing receipts are also important to asset management and regional financial independence. Balance funds are used as strategic management efforts (Supervisors) from the bottom and out to see the impact of each managerial attempt as part of regional financial independence (Kim & Ryu, 2017). Balance fund is one of the variable short-term economic conditions and becomes the most frequently cited factor for financing analysis (Bruck & Miltenberger, 2013).

### **THEORETICAL REVIEW AND HYPOTHESES**

#### **Regional Original Income and Regional Asset Management**

Based on research by Richard (2009), with the results of his research, Regional Original Income has a significant effect on Regional Asset Management. This condition illustrates that the role of the results of managing regional assets with a controlled empowerment pattern can provide a significant income contribution to the region's original income. According to Law No. 33 of 2004, regional

## **The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial**

### **Independence with Regional Asset Management as an Intervening Variable**

original income is a source of regional revenue that is extracted to be used as the local government's capital in financing development and regional businesses to minimize dependence on funds from the central government. The ability of an area to explore Regional original income will affect the development and development of the area. Besides that, the greater the contribution of regional original income to the total regional expenditure budget, the better the government's performance will be.

H1: Regional Original Income have significant effect on Regional Asset Management

### **Balancing Funds and Regional Asset Management**

According to Mardiasmo (2018), states that between Original Regional Revenue and the Balancing Fund with a large budget, if it is not carried out with good management (does not fulfill the value for money principle) it will cause problems, for example budget leaks. . The greater the balance fund shows that the level of independence of the local government is getting lower. Local governments still depend on the central government to finance all government activities. will not add anything to the total balance sheet of the tinenci a I sector. and currency elasticity will greatly increase the scope of balance sheet expansion. Based on another theory of. buJ anoe funds in Indonesia have similar meanings with transfer income. Clue part of the transfer fund grunts. meeting the excessive needs of li mited income from a part rent ur region, and impmving speciic pmgrams by giving control over theril. There are several assumptions. Clue of them is fmm (Scutariu &Scutari u. 2(I 15) state that the problril of financial independence of the publ ic sector can not be explained by only looking at one theory but must be based on some experts and experts with some literature. In view (Petkovska. 2()1 1), financial independence should inc us on the Abil ity of Institutions to manage and channel their finances independently. without being i ni l uenced by outside parties. The Ratio of Regional Financial Independence described the regions dependence on transfer revenues provided in the form of Revenue Sharing Fund. Geneml Allocation Fund. Special Allocation Fund.

H2: Balancing Funds have significant effect on Regional Asset Management

### **Regional Financing Revenue and Regional Asset Management**

According to Thomas (2013), his theory states that from the aspect of regional financial management there are several factors that cause the receipt of SILPA financing, including regional asset management factors. Asset management according to Britton, Connell an and Crofts (Siregar 2004), states "define good asset management in terms of measuring the value of properties (assets) in monetary terms and employing the minimum amount of expenditure on its management". Thus asset management is the process of managing assets both tangible and intangible assets that have economic value, commercial value, and exchange value that must be owned by an individual or organization to achieve the stated goals. Asset management will be able to assist the government in providing services to the community. According to Siregar (2004), asset management can be divided into five stages of work including: (1) asset inventory; (2) legal audit; (3) asset valuation; (4) supervision and control over the use and transfer of assets. Aira (2014) said that one of the keys to successful regional economic management is asset management. Financing revenues obtained by regional governments are generally dominated by SILPA obtained from the previous year. Regional governments are helped by the availability of previously obtained SILPA because it can be used to cover the budget deficit (Simatupang, 2018). The high level of regional expenditure is generally allocated to capital expenditure, causing large deficits to arise, therefore the existence of SILPA as a source of financing revenue greatly influences the composition of the regional government's APBD with the consequence that good asset management must be carried out from the allocation of capital expenditure in the future produce fixed assets (Ginanjari, 2016).

H3: Regional Financing Revenue have significant effect on Regional Asset Management

### **Regional Asset Management and Regional Financial Independence.**

The increase in regional governments in capital investment (capital expenditure) which produces assets is expected to be able to improve the quality of public services through optimal regional asset management and in turn be able to increase the level of public participation (contribution) to development as reflected in an increase in regional revenues which creates regional financial independence. (Mardiasmo, 2002).

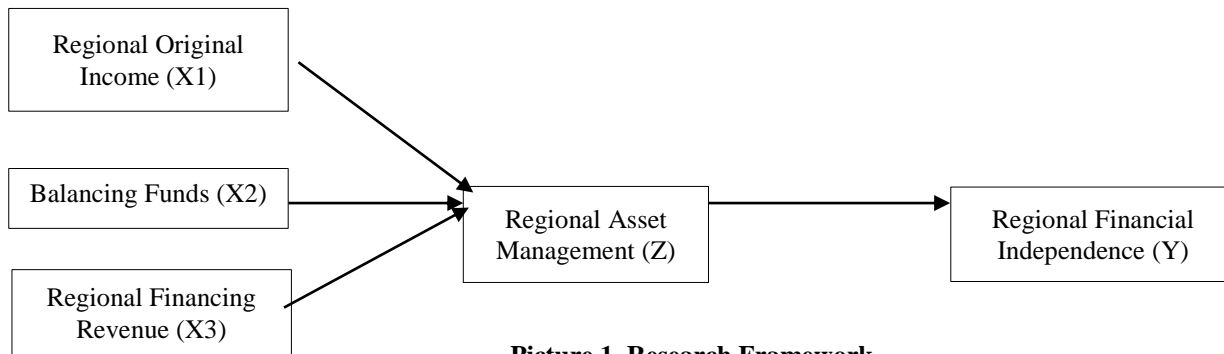
If regional governments manage regional assets well, these assets will have high usability value which will produce and make a large contribution to local original income. By generating regional income, regional governments can create regional financial independence that comes from the effectiveness of assets that have high usability value, efficiency of activity budgets and more economical income contributions (exceeding specified targets/exceeding). The relationship between regional asset management and regional financial independence illustrates the relationship between each variable indicator of regional original income, government financial assistance, and regional loans. Supporting research was conducted by Susi Ardiani (2020)

H4: Regional Asset Management have significant effect on Regional Financial Independence

# The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial Independence with Regional Asset Management as an Intervening Variable

## Research Methods

### RESEARCH FRAMEWORK



Picture 1. Research Framework

### Measures

Independent Variables namely Regional Original Income adopted from Purnomo (2009), Balancing Funds adopted from Yang Yao (2017), Regional Financing Revenue adopted from Minister of Home Affairs Regulation Number 13 of 2006. The dependent variable is Regional Asset Management adopted from Mardiasmo (2018). And Regional Financial Independence adopted from Mardiasmo (2018)

### Sample

The population includes 42 Regional Work Units with a total population of 295 people. Meanwhile, the total sample taken was 127 people. This research includes Explanatory Research (Sahoo, 2010).

### Data type

The type of data used is primary data, namely collecting data using a questionnaire.

### Data analysis

Data analysis in this research was carried out using the Structural Equation Model (SEM) method. The software used for structural analysis is SPSS AMOS 24.

### Result

Data analysis used AMOS software with the Structural Equation Model (SEM) method. There are two stages in the Structural Equation Model (SEM). The first stage is the Measurement Model and the second stage is the Structural Model (Kaplan, 2020).

#### a. Measurement Model

Goodness Fit Indices.

Tabel 1. The Measurement Model Fit Result

Index	Result
Chi-square ( $\chi^2$ )	452,896
Chi-square DF	160
Chi-square ( $\chi^2/df$ )	2.83
Goodness of Fit (GFI)	0.92
Adjusted Goodness of Fit (AGFI)	0.93
Root Mean Square Error of Approximation (RMSEA)	0.04
Root Mean Square of Residual (RMR)	0.03
Normed fit index (NFI)	0.95
Non-normed Fit Index (NNFI)	0.96
Comparative fit index (CFI)	0.95

Source: Research Data (Processed, 2023)

Based on Table 1, the following results are obtained, namely  $\chi^2 / df$ -ratio is 2.83, which is at interval 2-3, which means that the model has met the criteria so that the model can be accepted. As for the assessment of GFI, NFI, NNFI, and CFI, namely the value obtained is greater than or close to 0.9, this means that the calculations related to GFI, NFI, NNFI, and CFI have met the model requirement criteria so that it can be concluded that the model is acceptable. Anything regarding the calculation of RMSEA obtained a value of 0.04, so it can be concluded that this value is still acceptable. So the overall measurement has met the standardization of the assessment on the measurement model fit indices.

## The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial Independence with Regional Asset Management as an Intervening Variable

### Validity and Reliability Test on the Measurement model

Reliability testing in this study has met the criteria for standardization requirements related to variable testing. The variables in this study were tested using Standardized Loading and Composite Reliability. The calculation of Composite Reliability is shown in Table 2 where a value between 0.8 and 0.9 is obtained. (Fornell and Larcker, 1981) the value of Composite Reliability is acceptable if it is greater than 0.60.

Validity testing in this study uses Confirmatory Factor Analysis in order to measure the value of Convergent Validity. Table 2 presents the following information, the first is the t-value, the second is related to the Standardized Loading value, and based on the calculations in table 4, it can be concluded that for all variables in this study are significant, namely a value greater than 1.96 is obtained. This proves that the path coefficient in this study is significant, so it can be concluded that all the indicators in this study have met the standardized requirements for calculating Convergent Validity (Anderson & Gerbing, 1988).

**Table 2 Scale Composite Reliability and Convergent Validity Analysis**

Construct (F) and Indicators (V)	Standardized Loading	t value	Indicator Reliability	Composite Reliability
<b>Regional Original Income (F1)</b>				
V1	0,93	24,61	0,85	0.74
V2	0,99	27,18	0,99	
V3	0.74	17,96	0.57	
<b>Balancing Funds (F2)</b>				
V4	0,78	18.84	0.62	0.93
V5	0.95	26,47	0.94	
V6	0.97	26,49	0.96	
<b>Regional Financing Revenue (F3)</b>				
V7	0.83	27.35	0.71	0,86
V8	0.84	17.14	0.46	
V9				
<b>Regional Asset Management (F4)</b>				
V10	0.82	19,24	0.66	0.82
V11	0.89	22,25	0.72	
V12	0.91	22,79	0.91	
V13				
<b>Regional Financial Independence (F5)</b>				
V14	0.87	38.47	0.84	0.91
V15	0.89	40.12	0.93	
V16	0,82	37.94	0.82	

**Source:** Research Data (Processed, 2023)

### Structural Model

In order to test the Research Hypothesis, this study uses Structural Equation Model (SEM) analysis. Overall, the test results for the goodness fit of structural model can be seen in Table 4. The Chi-square ( $\chi^2$ ) / df-ratio value is 2.69 according to (Schumacker & Lomax, 2004). Normally the accepted ring values for chi-square are 1 to 3. GFI and NNFI are still accepted because they are greater than 0.8 and close to 0.9. RMSEA is still accepted because its value is equal to or less than 0.1. Overall the requirements for the goodness fit indices of structural model in the structural model have been accepted. RNFI structural model must be greater than 0.9, close to 1 is better. RPR is to detect structural models to parsimony degree. Ring values ranging from 0.0 to 1.0, the greater the better the goodness of fit. RPFII is very useful for selecting a model that simultaneously maximizes fit and parsimony in the structural portion of the model. With a higher RPFII value, it is more necessary. This can be seen in Table 4 RNFI = 0.97, of RPR = 0.46, and RPFII = 0.41, this structural model shows the goodness of fit and parsimony.

**Table 4 Structural Model Goodness Fit Indices**

Combined Model						Structural Model						
Chi- square	DF	$\chi^2/df$	GFI	AGFI	CFI	NFI	NNFI	RMR	RMSEA	RNFI	RPR	RPFII
429,29	159	2,69	0.87	0.92	0.94	0.93	0.89	0.03	0.04	<b>0.97</b>	<b>0.46</b>	<b>0.41</b>

**Source:** Research Data (Processed, 2023)

# The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial Independence with Regional Asset Management as an Intervening Variable

## Hypothesis testing

**Table 5 Structural Model Path Coefficient**

Dependent Variable	Independent Variable	Standardized path coefficient	t value	Square Multiple Correlation ( r <sup>2</sup> )
Regional Asset Management	Regional Original Income	0,36		
	Balancing Funds	0,34	8,33*	0,89
	Regional Financing Revenue	0,35	9,45*	
Regional Financial Independence	Regional Asset Management	0,98	24.85*	0,96

**Source:** Research Data (Processed, 2023) \*p<0.001.

Table 5 presents information related to the results of hypothesis testing, the results of the path coefficient related to the influence of Regional Original Income → Regional Asset Management are 0.36; Balancing Funds → Regional Asset Management is 0.34; Regional Financing Revenue → Regional Asset Management is 0.35; Regional Asset Management → Regional Financial Independence is 0.98. Furthermore, " Regional Asset Management" as the dependent variable, the value of r<sup>2</sup> is 0.89; and " Regional Financial Independence" with the value of r<sup>2</sup>, namely 0.96. According to (Kline, 2016) the category of influence size r<sup>2</sup> is small 0.02, medium 0.13, large 0.26. So it can be concluded that Regional Asset Management and Regional Financial Independence have a very high level of contribution. The results of the path analysis can be seen in Table 5.

## DISCUSSION

### The Influence of Original Regional Income on Regional Asset Management in the Pamekasan Regency Government.

The force of law relating to regional income is strongly related to political and ethnic tensions, thus becoming a threat to social inequality (Kanbur & Zhang, 2005). And what is worse is, income inequality and inequality in the region tend to occur in developing countries tend to persist or worsen (Breau, 2015). Therefore, selective management of central and local governments is required to widen the gap. From the assumption of irrelevant perfect competition, it is often explained that income inequality occurs in many developing countries (Wei et al., 2015). Each region has different levels of urbanization and climate change and is vulnerable to hazards. An effective and efficient asset management process will significantly help improve regional planning and development (Kull et al., 2016). Explained in Government Regulation No. 27 of 2014 concerning Management of State/Regional Property must be implemented based on functional principles, legal certainty, transparency, efficiency, accountability, and value assurance. These management principles should be used as guidelines in asset management, starting from the planning stage to the development, supervision, and control stages. The locations in the direction of State/Regional Property include: a) Planning needs and budgeting; b) Procurement; c) Usage; d) Utilization; e) Security and Maintenance; f) Assessment; g) Peemindahtanganan; h) Extermination; i) Deletion; j) Administration; and k) Coaching, supervision, and control Asset management is the Management of State/Regional Property that is carried out based on functional principles, legal certainty, transparency, efficiency, accountability, and value certainty with the basic principles of regional asset management covering three main things, namely (1) Planning and Procurement; (2) Implementation, and (3) Supervision and Control.

Asset optimization is a work process in asset management which aims to optimize the physical, location, value, quantity/volume, legal and economic potential of the asset (Ilham, 2015). According to Siregar (2018), the regional asset management stage is asset inventory, which consists of two aspects, namely physical and juridical/legal inventory. Physical aspects consist of shape, area, location, volume/amount, type, address and so on." If regional asset management in the Regency Government can be carried out well, it will positively increase the usability of the assets themselves and/or contribute to increasing local original income (Pancawati, 2018). If Pamekasan Regency's Original Regional Income can increase, then the Pamekasan Regency Government will be able to procure regional assets needed in order to improve quality services to the community (Pascual, 1994).

### The Influence of Balancing Funds on Regional Asset Management in the Pamekasan Regency Government.

The higher the balancing funds obtained by the Pamekasan Regency government from the Central Government, the higher the level of regional asset management in Pamekasan Regency, and this hypothesis can be accepted (Pancawati, 2020). The results of this research show that the higher the Balancing Fund obtained by the Pamekasan Regency Government, such as the acquisition of General Allocation Funds, Special Allocation Funds and Profit Sharing Funds, the more it strengthens the ability of the Pamekasan Regency Government to carry out good regional asset management for all assets owned (Muchlas, 2019). The results of the research above are relevant to Mardiasmo's (2018), theory regarding Regional Financial Autonomy and Management which states that between Original Regional Income and Balancing Funds and large budgets, if this is not done with good asset management (does not meet the value for money principle) it will causing problems such as budget leaks. The Balancing Fund which consists of the

## **The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial**

### **Independence with Regional Asset Management as an Intervening Variable**

General Allocation Fund, Special Allocation Fund and Profit Sharing Fund is the composition of the Pamekasan Regency Regional Revenue and Expenditure Budget with the largest portion from other regional income sources, has a great opportunity for allocation to all expenditure items for all activities involved. There is. Optimal management is needed by carrying out good regional asset management on the output of regional assets produced by expenditures on activities carried out in Pamekasan Regency (Muchlas, 2019). Various indications from the findings (van Eeghen, 2021), among others, that financing for local needs will not add anything to the total balance sheet of the financial sector, and currency elasticity will greatly increase the scope of balance sheet expansion. Based on another theory of, balance funds in Indonesia have similar meanings with transfer income. One part of the transfer fund grants. Grants are a major source of income for local governments in many countries. The provision of this aid has three main reasons: increasing the regional revenue source, meeting the excessive needs of limited income from a particular region, and Available improving specific programs by giving control over them. There are several assumptions.

### **The Influence of Financing Receipts on Regional Asset Management in the Pamekasan Regency Government.**

The higher the financing receipts, the higher the level of regional asset management, this hypothesis can be accepted (Ujianto, 2017). This means that financing receipts have a significant influence on regional asset management, which means that if the Pamekasan Regency Government has financing receipts from excess budget calculations, reserve funds, and high and quality proceeds from the sale of assets, the better the asset management will be (Kuntari, 2019). by the Pamekasan Regency Government. The higher the financing receipts, the higher the regional asset management carried out by the Pamekasan Regency Government, this is due to the flexibility of the Government to budget for the procurement of necessary regional assets so that with the increase in the output of these regional assets, the Regional Government of Pamekasan Regency is also required to carry out good asset management (Yeni, 2019). In the confirmatory factor test, the variable financing receipts with each of the remaining excess budget calculations, reserve funds, and regional asset sales results were proven convincingly as measures of this variable (Sanga, 2018). So the relationship between financing receipts and asset management illustrates the relationship between each variable indicator, including: planning, procurement, implementation and supervision and control (Haroun, 2018). One of them is from (Scutariu & Scutariu, 2015) state that the problem of financial independence of the public sector can not be explained by only looking at one theory but must be based on some experts and experts with some literature. In view (Petkovska, 2011), financial independence should focus on the Ability of Institutions to manage and channel their finances independently, without being influenced by outside parties. The Ratio of Regional Financial Independence describes the region's dependence on transfer revenues provided in the form of Revenue Sharing Fund, General Allocation Fund, Special Allocation Fund. The higher the ratio of regional financial independence, the lower the dependence on central government assistance.

### **The Influence of Regional Asset Management on Regional Financial Independence in the Pamekasan Regency Government.**

The results of testing the fourth hypothesis (H4) have produced a path regression of 0.335 with a standard error value of 0.081 and a probability of 0.001 which states that the better regional asset management is implemented starting from planning, procurement, implementation and supervision and control, the higher the level of regional financial independence, this hypothesis can be accepted. This means that asset management has a significant influence on regional financial independence, which suggests that the Pamekasan Regency Government is required to carry out regional asset management for all regional assets owned and obtained from the procurement of fixed assets sourced from all regional revenues of Pamekasan Regency. both regional income and regional financing receipts. The regions based on applicable regulations that can be imposed on The effect of regional original income and balance funding on ... person or government-owned or private business entity because of the acquisition of services provided by the government (Ebit Juliawati, 2012). An increase in Regional original income will result in an increase in government financial performance, because the greater the Regional original income, the better the level of financial independence of local governments. Cherry DhaWenny's research shows that Regional original income has an effect on the financial performance of local governments in South Sumatra Province. This means that the entire Regional original income component greatly influences the financial performance of the regency and city governments in South Sumatra Province in accordance with the principles of regional autonomy (Wenny, 2012).

If these fixed assets are managed well, then these assets will have a high usability value which will produce and make a large contribution to the regional income of Pamekasan Regency. By generating regional income, the Regional Government of Pamekasan Regency can create regional financial independence that comes from the effectiveness of assets that have high usability value, efficiency of activity budgets and more economical income contributions (exceeding specified targets/exceeding). In the confirmatory factor test, the asset management variable with its respective indicators, planning, procurement, implementation and supervision & control, was proven convincingly as a measure of this variable. So the link between asset management and regional financial independence illustrates the link between each variable indicator of local original income, government financial assistance and regional loans. The increase in regional governments in capital investment (capital expenditure) which produces assets is expected to be able to improve the quality of public services through optimal regional asset management and in turn be able to

## The Effect of Regional Original Income, Balancing Funds and Financing Revenue on Regional Financial Independence with Regional Asset Management as an Intervening Variable

increase the level of public participation (contribution) to development as reflected in an increase in regional revenues which creates regional financial independence. (Mardiasmo, 2002). This research supports research conducted by Susi Ardiani (2020) with the research title The Influence of Asset Management on Optimizing the Utilization of Fixed Assets of the Palembang City Government. The results of the research are that asset inventory partially has a positive and significant effect on optimizing the use of fixed assets.

### CONCLUSIONS

Research shows that Regional Original Income has a positive and significant influence on Regional Asset Management, Balancing Funds has a positive and significant influence on Regional Asset Management, Financing Revenue has a positive and significant influence on Regional Asset Management, and Regional Asset Management has a positive and significant influence on Regional Financial Independence.

### SUGGESTIONS

The results of this research should be a recommendation for the Pamekasan Regency Government to make various efforts according to the problems that arise from the influence of each variable on each other and the results of this research should be a recommendation to provide advice to the Pamekasan Regency Government to always improve regional asset management, so that in the future assets These assets become more efficient in making Pamekasan Regency more independent in managing regional finances.

### REFERENCES

- 1) Ardiani, Susi. 2020. Pengaruh Manajemen Aset Terhadap Optimalisasi Pemanfaatan Aset Tetap Pemerintah Kota Palembang. *Jurnal Riset Terapan Akuntansi* Vol 4, No 1 (2020).
- 2) Breau, S. (2015). Rising inequality in Canada: A regional perspective. *Applied Geography*, 61, 5869. <https://doi.org/https://doi.org/10.1016/j.apgeog.2014.11.010>
- 3) Brenda Molonko & Samuel Nathaniel Ampah, 2018 *Pengaruh Moderat Risiko Politik terhadap Hubungan antara Belanja Modal dan Pertumbuhan Ekonomi di Kenya*
- 4) Bruck, W. E., & Miltenberger, L. (2013). A School District Financial Condition Assessment System and its Application To Pennsylvania School Districts. *Journal of Education Finance*, 39(2), 115–131. <http://www.jstor.org/stable/23597634>
- 5) Dan Su & Yang Yao, 2017. *Manufacturing as the key engine of economic growth for middle-income economies*,
- 6) Fang, J. (2020). *Prediction and analysis of regional economic income multiplication capability based on fractional accumulation and integral model*. *Chaos, Solitons & Fractals*, 130, 109441. <https://doi.org/https://doi.org/10.1016/j.chaos.2019.109441>
- 7) Haroun, Erwin Abubakar, Tapi Anda Sari Lubis, 2018, *Pengaruh Pendapatan Asli Daerah Terhadap Pertumbuhan Ekonomi dengan Belanja Modal sebagai Variabel moderating*
- 8) Hlobil, T. M., & van Leuvensteijn, M. (2020). Combining investment advice and asset management. *Economics Letters*, 197, 109627. <https://doi.org/https://doi.org/10.1016/j.econlet.2020.109627>
- 9) Kanbur, R., & Zhang, X. (2005). Fifty Years of Regional Inequality in China: a Journey Through Central Planning, Reform, and Openness. *Review of Development Economics*, 9(1), 87–106. <https://doi.org/https://doi.org/10.1111/j.1467-9361.2005.00265.x>
- 10) Kim, S., & Ryu, S. (2017). Strategic public management for financial condition: Focus on fund balances of school districts. *The Social Science Journal*, 54(3), 249–260. <https://doi.org/https://doi.org/10.1016/j.soscij.2017.02.002>
- 11) Kull, D., Gitay, H., Bettencourt, S., Reid, R., Simpson, A., & McCall, K. (2016). *Building Resilience: World Bank Group Experience in Climate and Disaster Resilient Development BT - Climate Change Adaptation Strategies – An Upstream-downstream Perspective* (N. Salzmann, C. Huggel, S. U. Nussbaumer, & G. Ziervogel (eds.); pp. 255–270). Springer International Publishing. [https://doi.org/10.1007/978-3-31940773-9\\_14](https://doi.org/10.1007/978-3-31940773-9_14)
- 12) Mardiasmo, 2018. *Otonomi dan Manajemen Keuangan Daerah*, Penerbit ANDI, Yogyakarta
- 13) Mauro, Paolo. (1998). "Corruption and the Composition of Government Expenditure". *Journal of Public Economics* 69.
- 14) Miller, Gerald J., Donijo Robbins & Jaeduk Keum. (2007). "Incentives, Certification, and Targets in Performance Budgeting". *Public Performance & Management Review* 30(4).
- 15) Muchlas M. Sengaji, Sasongko, Rachmad K.Sakti, 2019. *Determinant of Regional Economic Growth in East Java Indonesia*. *Jurnal Ekonomi dan Studi Pembangunan*, 11 (2), 2019 ISSN 2086-1575 E-ISSN 2502-7115.
- 16) Muchlas M. Sengaji1, Sasongko, Rachmad K. Sakti, 2019 *Faktor Pertumbuhan Ekonomi Daerah di Jawa Timur, Indonesia*

### Independence with Regional Asset Management as an Intervening Variable

- 17) Pancawati Hardiningsih, Indira Januarti, Maryono, Ceacilia Srimindarti, 2020. *Penentuan Pengeluaran Modal Di Jawa Tengah Dan Jawa Timur Dengan Pertumbuhan Ekonomi Sebagai Moderating*
- 18) Pancawati Hardiningsih, Rachmawati Meita Oktaviani, Caecilia Srimindarti, 2018. *Regional Capabilities, Transfers And Wide Of Area Influence To Capital Expenditures With Moderation Of Economic Growth*, The Indonesian Journal Of Accounting Research Vol. 21, No. 1, January 2018.
- 19) Pascual, M and Alvares-Garcia, S. 1994. "Government Spending and Economic Growth in The European Countries" : An Empirical Approach Journal.
- 20) Petkovska, S. (2011). An Analysis of Financial Autonomy in Macedonian Higher Education, *Master Thesis*. <http://ria.ua.pt/bitstream/10773/6379/1/5124.pdf> 75.
- 21) Pramono, J. (2014). Analisis Rasio Keuangan Untuk Menilai Kinerja Keuangan Pemerintah Daerah (Studi Kasus pada Pemerintah Kota Surakarta). *Jurnal STIE AMA Salatiga*, 7(13) , 85.
- 22) Sahoo, P. Dash, R.K, & Nataraj, G 2010, *Infrastructure Development and Economic Growth in China Institute of Developing Economies Discussion Paper*, 261
- 23) Scutariu, A. L., & Scutariu, P. (2015). The Link between Financial Autonomy and Local Development. The Case of Romania. *Procedia Economics and Finance*, 32, 542–549. [https://doi.org/https://doi.org/10.1016/S22125671\(15\)01430-6](https://doi.org/https://doi.org/10.1016/S22125671(15)01430-6)
- 24) Siregar, Doli. D, (2018), *Management Aset Strategi Penataan Konsep Pembangunan Berkelanjutan secara Nasional dalam Konteks Kepala Daerah sebagai CEO's pada Era Globalisasi dan Otonomi Daerah*, penerbit PT Gramedia Pustaka Utama, Jakarta.
- 25) Tanjung, A. H., Salam, S., Rusdi, J. F., Ermawati, Y., Novianty, I., Hendaris, R. B., & Apriliawati, Y. (2021). *Flypaper effect assessment methods in the expansion of regional autonomy*. *MethodsX*, 8, 101387. <https://doi.org/https://doi.org/10.1016/j.me x.2021.101387>
- 26) Thomas, 2013. *Manajemen Keuangan Daerah*, Yogyakarta: Balai Pustaka
- 27) Ujianto, Srie Hartutie Moehaditoyo, Amin, 2017. *Keuangan Negara*, Yogyakarta : Indomedia Pustaka
- 28) van Eeghen, P.-H. (2021). Funding money-creating banks: Cash funding, balance sheet funding and the moral hazard of currency elasticity. *International Review of Financial Analysis*, 76, 101736. <https://doi.org/https://doi.org/10.1016/j.irfa.2021.101736>
- 29) W. Ony & Ginanjar, 2016, Pengaruh Manajemen Aset Terhadap Pendapatan Asli Daerah Pemerintah Kabupaten Dan Kota Di Jawa Barat, *Jurnal Riset Akuntansi*. Bandung.
- 30) Yaya, O. S., Furuoka, F., Pui, K. L., Jacob, R. I., & Ezeoke, C. M. (2020). Investigating Asian regional income convergence using Fourier Unit Root test with Break. *International Economics*, 161, 120129. <https://doi.org/https://doi.org/10.1016/j.inteco.2019.11.008>
- 31) Yeni Kuntari, Anis Chariri, Tri Jatmiko Wahyu Prabowo, 2019. *Capital Expenditure of Local Governments*, *Academy of Accounting and Financial Studies Journal* : Volume 23, Issue 1, 2019



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.