

ABSTRACT

In the framework of implementing regional development, integral to national development, the principle of regional autonomy and national resource regulations is implemented which provides opportunities for increasing democracy and regional performance to increase community prosperity. The problem faced by the provincial government in Sulawesi, which is a public institution, is the problem of budget allocation. Budget allocation is the systematic distribution of funds based on the entire budget owned by the provincial government to carry out development programs or activities to meet infrastructure. The aim of this research is to determine the influence of local original income, balancing funds, other legitimate income on regional expenditure in district/city governments in Sulawesi province. This research uses the dependent variable regional expenditure, while the independent variable consists of original regional income, balancing funds and other legitimate regional income.

The sample population in this study were districts/cities in Sulawesi Province. This research uses the Multiple Linear Regression Analysis method using data obtained from the Regional Revenue and Expenditure Budget Realization Report (LRA APBD) which has been audited in Regencies/Cities in Sulawesi Province for 2019-2020. The number of observations in this research using Natural Logarithm data transformation was 122 samples.

The results of this research show that local original income (PAD), balancing funds, other legitimate regional income have a positive and significant effect on regional spending. The level of Original Regional Income (PAD) can be influenced by regional economic conditions, changes in balancing fund policies by the central government can affect regional financial stability and the influence of legitimate regional income sources on regional spending varies depending on the amount of income generated and the priority of expenditure. Determined by the local government.

Keywords: *Regional Expenditures, Balancing Funds, Other Legitimate Regional Income, Original Regional Income*