

The Influence of Regional Original Revenue, General Allocation Fund, Special Allocation Fund on Capital Expenditure in Districts in South Sulawesi Province

Antho Misalayuk¹, Jannati Tanggisalu², Ampauleng^{*3}

¹Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya, Jl. Let. Jend. Mappaoddang No.28

Corresponding Author: ampauleng@stiem-bongaya.ac.id

Keyword: Regional Original Revenue; General Allocation Fund; Allocation Fund; General Allocation Fund.	Abstract: Fiscal decentralization is a form of regional autonomy in the aspect of regional financial management. To assist local governments in improving services to the community, the central government provides TKD funds including DAU and DAK which are sources of regional income other than PAD. With this transfer, the local government is expected to maximize its revenue to optimize community services, one of which is through the fulfillment of capital expenditure. This study aims to analyze the influence of Regional Original Revenue (PAD), General Allocation Fund (DAU) and Special Allocation Fund (DAK) on Capital Expenditure in Cities and Regencies in South Sulawesi Province. The research method used is a quantitative method. The population of this research are 24 regencies and cities in South Sulawesi Province with APBD and TKD data from 2022 to 2024 it was 72 and all of them become samples (saturated samples). The analysis method used in this research is multiple regression analysis and supported by EVIuws 13 application. The results shows that Regional Real Income and Special Allocation Funds have a positive and significant effect on capital expenditure. Meanwhile, the General Allocation Fund does no effect on Capital Expenditure. The determination coefficient (R^2) value for Y is 0.806, it means that 80.60% of the Capital Expenditure Budget can be explained by the three independent variables of the Influence of Regional Real Income, General Allocation Fund, and Special Allocation Fund. Meanwhile, the rest 19.40% can be explained by another factor.
---	--

INTRODUCTION

As an archipelagic nation, Indonesia applies the principle of decentralization to regional autonomy. Regional autonomy was first enacted in January 2001 through Law Number 22 of 1999 concerning Regional Government, and Law Number 25 of 1999 concerning Fiscal Balance between the Central and Regional Governments. These regulations were subsequently updated with Law Number 23 of 2014 concerning Regional Government and Law Number 1 of 2022 concerning Financial Relations between the Central and Regional Governments.

According to Law Number 23 of 2014, regional autonomy is defined as the rights, authorities, and responsibilities of autonomous regions to manage and regulate government affairs and the interests of local communities within the Unitary State of the Republic of Indonesia. The purpose of regional autonomy is to reduce regional government dependence on the central government, increase regional independence, and facilitate regions to operate independently and compete to create a better society. With decentralization, regional governments are granted the rights, authorities, and obligations to manage their own affairs.

To carry out government functions, regional governments require funding. Therefore, regional governments need to optimize financial resources and utilize local potential to increase regional revenue. One concrete form of regional autonomy implementation related to regional financial management is known as fiscal autonomy or fiscal decentralization. According to Law No. 1 of 2022, Regional Original Revenue (PAD) refers to revenue derived from regional taxes, levies, the management of separated regional assets, and other legitimate sources in accordance with applicable law. PAD is crucial for running a government and serves as a measure of the success of regional autonomy.

Due to variations in government costs between regions, significant fiscal disparities exist. Regions that manage their financial potential well will have substantial funding sources, thus fostering further development. Conversely, regions with less potential risk becoming less developed. To address this gap in financial capacity, the government distributes Regional Transfers (TKD), including the General Allocation Fund (DAU) and the Special Allocation Fund (DAK), which originate from the State Budget (APBN) and are intended to finance regional government affairs. To carry out these government functions, operational funds for regional governments are stipulated in their respective Regional Revenue and Expenditure Budgets (APBD). The regional budget (APBD) reflects regional financial plans and policies, as well as the needs and capacities of each region. The APBD, consisting of revenue, expenditure, and financing, must be managed effectively and efficiently (Suharna, 2015).

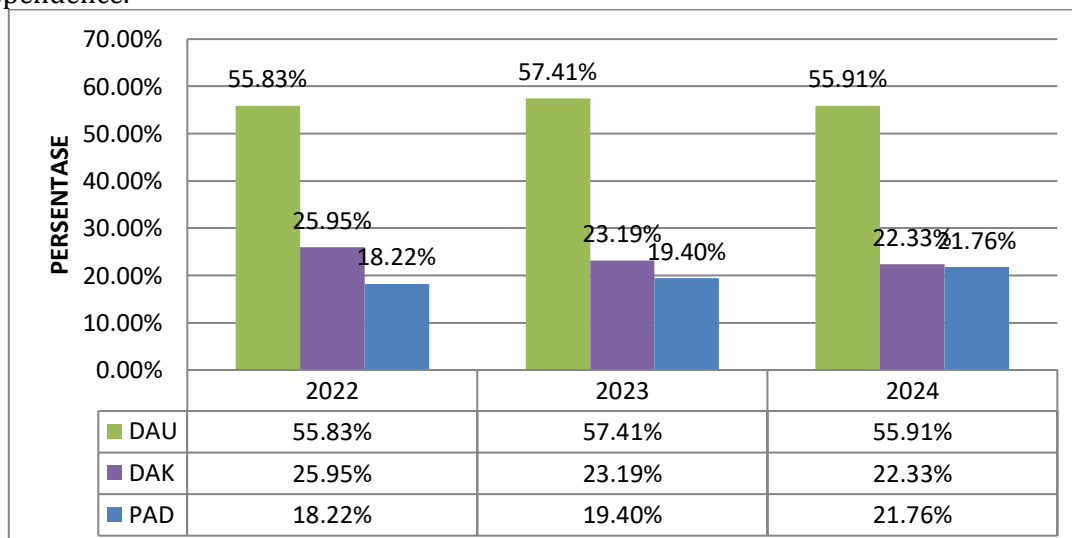
According to Government Accounting Standards, capital expenditure refers to the expenditure or funding required to create capital. This is done by acquiring, purchasing, or constructing assets with a useful life of more than one year within the accounting period. Capital expenditures refer to expenditures related to the purchase or construction of fixed assets with a useful life of more than twelve months and will be used for government activities (Nordian, 2012). Regional governments regulate capital expenditure budgets in the APBD to increase fixed assets and other assets that provide benefits beyond one accounting period.

The following is the composition of the General Allocation Fund (DAU), Special Allocation Fund (DAK), and Regional Original Revenue (PAD) for 2022-2024 by district/city level in South Sulawesi Province:

Table 1. Composition of Realized DAU, DAK, and Regional Original Revenue (PAD) for 2022-2024

Type	2022	2023	2024
DAU	55.83%	57.41%	55.91%
DAK	25.95%	23.19%	22.33%
PAD	18.22%	19.40%	21.76%

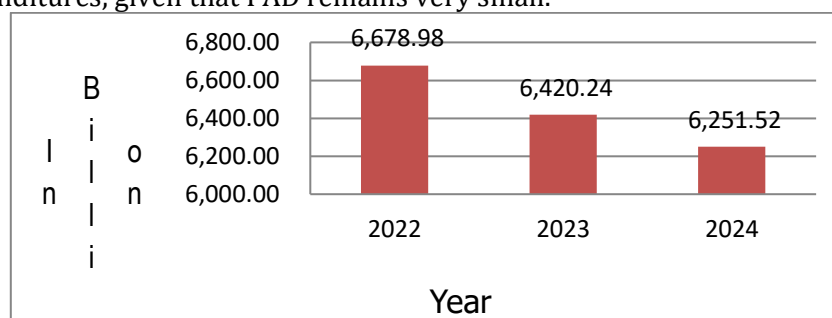
Table 1. above shows that the General Allocation Fund (DAU) and Special Allocation Fund (DAK) remain the largest sources of revenue for districts/cities in South Sulawesi Province, while the portion of Regional Original Revenue (PAD) remains small. This indicates a lack of regional independence.



Graph 1. Composition of Realized General Allocation Funds (DAU), Special Allocation Funds (DAK), and Regional Original Revenue (PAD) from 2022 to 2024

Graph 1 shows that the average proportion of DAU is 55-57%, DAK 22-26%, and PAD 18-22% of total revenue (DAU, DAK, and PAD) for regional governments in 2022-2024. This indicates

that in 2022-2024, regional governments still rely on Regional Allocation Funds (TKD) to finance regional expenditures, given that PAD remains very small.



Graph 2. Realized Capital Expenditures from 2022 to 2024

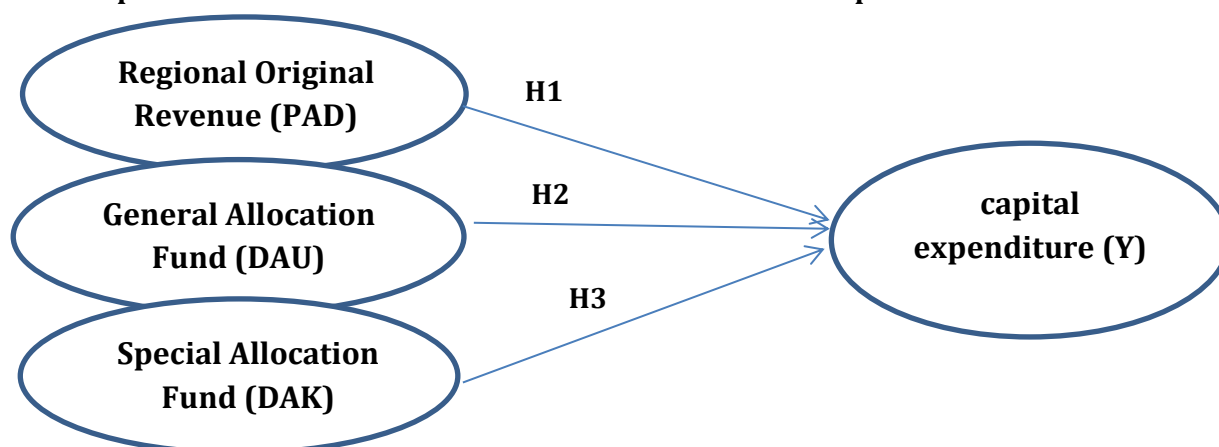
Graph 2 shows that capital expenditures have decreased annually, but it is hoped that increased capital expenditures will improve the quality of public services and increase community contributions to development. The decrease in 2022-2024 was due to an increase in grant spending, which reached 1.23 trillion rupiah in 2023 and 1.83 trillion rupiah in 2024. This fund will be used to finance the simultaneous regional head elections in 2024.

Research by Made A. Juniawan and Ni Putu S. Suryantini (2018) found that Regional Original Revenue, Special Allocation Funds, and General Allocation Funds had a positive and significant influence on capital expenditure in regencies and cities in Bali Province. Meanwhile, a study by Henri P. Gerungan, David P. E. Saerang, and Ventje Ilat (2016) showed that Regional Original Revenue and Special Allocation Funds also had a positive and significant influence on capital expenditure. However, General Allocation Funds showed no effect on capital expenditure in regencies and cities in North Sulawesi Province from 2011 to 2015. Research by Nur Abdi A. Rahman (2018) found that Regional Original Revenue (PAD) had a negative and significant effect on capital expenditure, while Revenue Sharing Fund (DAF) and General Allocation Fund (DAU) had no effect on capital expenditure in Samarinda City between 2012 and 2017. Research by Farhan K. Pramudya (2021) and M. Faisal Abdullah also showed that Regional Original Revenue (PAD) and General Allocation Fund (DAU) had a negative and significant effect on capital expenditure, while Special Allocation Fund (DAF) had a positive and significant effect on capital expenditure on Madura Island from 2014 to 2018.

In this study, a conceptual framework is formed by combining various sources of local government revenue, consisting of Regional Original Revenue (PAD), General Allocation Fund (DAU), and Special Allocation Fund (DAK), which can influence capital expenditure. The figure below presents a schematic of the conceptual framework illustrating the research model. Each independent variable is expected to have an impact on the dependent variable.

Independent Variable

Dependent Variable



Research Hypothesis

Local Original Revenue (PAD) and Capital Expenditure

Halim (2014) explains that decentralization provides opportunities for regions to plan and manage their finances according to local circumstances. Local Original Revenue (PAD) is primarily derived from regional taxes and levies collected by local governments in Indonesia. The PAD formula can be expressed as Regional Taxes plus Regional Levies plus Revenue from the Management of Separated Assets and other legitimate revenues. Research conducted by Henri P. Gerungan, David P. E. Saerang, and Ventje Ilat (2016) and Made A. Juniawan and Ni Putu S. Suryantini (2018) shows that Local Original Revenue (PAD) has a positive and significant impact on Capital Expenditure. Based on the above information, the following hypothesis is formulated:

H1: Local Original Revenue has a positive impact on capital expenditure.

General Allocation Fund (DAU) and Capital Expenditure

DAU allocation is based on the ratio $DAU = \text{Fiscal Gap} = \text{Fiscal Needs} - \text{Potential Regional Revenue}$. Research by Made A. Juniawan and Ni Putu S. Suryantini (2018) and Hustianto Sudarwadi (2015) shows that the General Allocation Fund has a positive and significant effect on Capital Expenditure. Therefore, the following hypothesis can be formulated:

H2: DAU has a positive effect on capital expenditure.

Special Allocation Fund (DAK) and Capital Expenditure

DAK is a fund originating from the State Budget (APBN) and allocated to regions to meet specific needs. In accordance with Law No. 32 of 2004, regions receiving DAK are required to provide a minimum of 10% of the adjustment funds received from DAK, and these adjustment funds must be budgeted in the Regional Revenue and Expenditure Budget (APBD). Regions with expenditures exceeding revenues are not required to provide adjustment funds. According to research conducted by Henri P. Gerungan, David P. E. Saerang, and Ventje Ilat (2016), as well as Made A. Juniawan and Ni Putu S. Suryantini (2018), there is a positive and significant influence of DAK on Capital Expenditure. Based on this, therefore, the hypothesis formulated is as follows:

H3: Special Allocation Fund (DAK) has a positive effect on capital expenditure.

RESEARCH METHODS

The research was quantitative descriptive, and the location selected was South Sulawesi Province. The focus population of this study consisted of 24 regencies/cities in South Sulawesi Province. The sampling technique used was a census, with all regencies/cities in the province being sampled. The data used was secondary data, including Regional Budget (APBD) Realization Reports and Realization of Transfer Funds to Regions (TKD), such as Regional Original Revenue (PAD), General Allocation Fund (DAU), Special Allocation Fund (DAK), and Capital Expenditures for regencies/cities in South Sulawesi Province for 2022 to 2024. The data source was the Directorate General of Fiscal Balance, Ministry of Finance. Data collection was conducted through documentation retrieved from the official website djpk.kemenkeu.go.id.

In this study, the independent variables are (1) Regional Original Revenue (PAD), (2) General Allocation Fund (DAU), and (3) Special Allocation Fund (DAK). PAD is the primary source of regional revenue generated within the region and is used to fund activities, including development and regional businesses, to implement fiscal decentralization. PAD is measured using the formula: $PAD = \text{Regional Taxes} + \text{Regional Levies} + \text{Separated Asset Management Results} + \text{Other legitimate PAD}$. DAU is a fund obtained from the APBN (State Budget) that is then distributed to regions with the aim of realizing financial equality between regions and providing funds for local needs during the implementation of decentralization. DAU allocation is determined based on $DAU = \text{Fiscal Gap} = \text{Fiscal Needs} - \text{Potential Regional Revenue}$. Fiscal Needs is the budget required to support basic service functions, while potential regional revenue is the total of potential PAD plus the allocation of DBH and the allocation of non-physical DAK. DAK is a fund originating from the APBN allocated to regions to assist with special needs.

The dependent variable is the primary factor that is the focus of the research, so the primary objective of this study is to explain this variable (Sekaran, 2013). The dependent variable studied in this study is capital expenditure. Capital expenditure consists of planned expenditures for capital formation to increase the number of fixed assets or other assets expected to have a

useful life of more than one accounting period. The capital expenditure variable is measured using the formula: Capital Expenditure = Land Expenditure + Equipment and Machinery Expenditure + Building and Construction Expenditure + Road, Irrigation, and Network Expenditure + Other Fixed Asset Expenditure + Other Asset Expenditure.

The panel regression model used in this study is expressed as: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$. In panel data model estimation, there are three frequently used techniques: the Common Effects Model (CEM), the Fixed Effects Model (FEM), and the Random Effects Model (REM). To select the best model, model estimation tests are conducted using three methods: the Chow Test, the Hausman Test, and the Breusch-Pagan LM Test.

The data testing technique involved the Classical Assumption Test, and the analysis used a multiple regression model to examine the impact of the independent variables of PAD, DAU, and DAK on the dependent variable of capital expenditure. Hypothesis testing in this study was conducted as follows:

1. Establishing the formulated hypotheses.
Ha: Regional Original Revenue (PAD), General Allocation Fund (DAU), and Special Allocation Fund (DAK) have an impact on capital expenditure.
Ho: Regional Original Revenue (PAD), General Allocation Fund (DAU), and Special Allocation Fund (DAK) have no effect on capital expenditure.
2. Determining the significance level of α up to 5%.
3. Determining the criteria for accepting the hypothesis. If p is less than α , then H_0 is rejected, and if p is greater than α , then H_0 is accepted.
4. Drawing conclusions from the hypotheses using the Simultaneous Significance Test (F-Statistic Test), the t-Statistic Test, and the Coefficient of Determination Test (Adjusted R²).

RESULTS AND DISCUSSION

To test a hypothesis, the first step is to select an appropriate model for the study. Three commonly used techniques for estimating panel data models are: the Common Effects Model (CEM), the Fixed Effects Model (FEM), and the Random Effects Model (REM). To determine the most appropriate model, three estimation methods were used: the Chow Test, the Hausman Test, and the Breusch-Pagan Lagrange Multiplier (LM) Test.

Optimal Model Selection

Table 1. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.24889	(23,45)	0.25640
Cross-section Chi-square	35.54458	23	0.04588

Based on the results of the Chow test, the probability of a Cross-Section F value is 0.25640. This means the value is greater than 0.05, so the CEM model should be selected.

Table 2. Results Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	17.59127	3	0.00053

The results of the Hausman test indicate a probability for random cross-section of 0.00053, which is less than 0.05. This indicates that the FEM model is the better choice.

Table 3. Breusch-Pagan LM Test Results

Test Hypothesis			
Cross-section	Time	Both	

Breusch-Pagan	3.729074 (0.0535)	0.014810 (0.9031)	3.743885 (0.0530)
---------------	----------------------	----------------------	----------------------

The Breusch-Pagan LM test results show a Breusch-Pagan value of 0.0535, which is greater than 0.05. Therefore, the selected model is the CEM. From the three tests: the Chow test, the Hausman test, and the Breusch-Pagan LM test, it can be concluded that the CEM is the best choice for this study.

Table 4. Panel Regression Results with CEM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	100.0557	51.54432	1.941158	0.0564
PAD_X1	0.605355	0.064625	9.367229	0.0000
DAU_X2	-0.270057	0.167351	-1.613720	0.1112
DAK_X3	0.730417	0.256443	2.848265	0.0058
R-squared	0.814165	Mean dependent var		268.7607
Adjusted R-squared	0.805966	S.D. dependent var		222.0940
S.E. of regression	97.83064	Akaike info criterion		12.05831
Sum squared resid	650816.8	Schwarz criterion		12.18479
Log likelihood	-430.0990	Hannan-Quinn criter.		12.10866
F-statistic	99.3055	Durbin-Watson stat		1.543214
Prob(F-statistic)	0.00000			

The regression equation for panel data is as follows:

$$BM_Y = 100.57 + 0.6053PAD_X1 - 0.2700DAU_X2 + 0.7304DAK_X3 + e$$

Table 5. Multicollinearity Test Results

	PAD_X1	DAU_X2	DAK_X3
PAD_X1	1	0.77434	0.44867
DAU_X2	0.77434	1	0.83547
DAK_X3	0.44867	0.83547	1

The results of the multicollinearity test above indicate that there are no problems. Multicollinearity. A regression model is considered free of this issue if the correlation value is <0.90 . The table above shows that no correlation value between variables exceeds 0.90. Therefore, it can be concluded that the regression used in this study does not have multicollinearity issues.

Table 6. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.85776	15.71899	0.75435	0.45456
PAD_X1	-0.00941	0.01362	-0.69064	0.49333
DAU_X2	-0.00348	0.02466	-0.14117	0.88836
DAK_X3	0.01583	0.03241	0.48857	0.62751

The results of the heteroscedasticity test indicate no heteroscedasticity problem. This is evident because the probability of all three variables is greater than 0.05. The probability value for PAD_X1 is $0.49333 > 0.05$, for DAU_X2 it is $0.88836 > 0.05$, and for DAK_X3 it is $0.62751 > 0.05$. Thus, it can be concluded that there is no heteroscedasticity problem in the regression model.

Partial test (t-test)

Table 7. Panel data regression results t-test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	100.0557	51.54432	1.941158	0.0564
PAD_X1	0.605355	0.064625	9.367229	0.0000
DAU_X2	-0.270057	0.167351	-1.613720	0.1112
DAK_X3	0.730417	0.256443	2.848265	0.0058

Based on the t-test results, significance is evident from the probability value for the PAD_X1 variable, which reaches $0.0000 < 0.05$. The calculated t-value is 9.367229, greater than the t-table of 1.994437, indicating a positive and significant effect of PAD_X1 on capital expenditure. This means that an increase in local revenue (PAD) will trigger an increase in capital expenditure. The t-test results also show a probability value for the DAU_X2 variable, recorded at 0.1112, which is greater than 0.05. The calculated t-value of 1.613720 is greater than the t-table value of 1.994437, indicating no effect of DAU_X2 on capital expenditure. This indicates that as DAU increases, capital expenditure tends to decrease. The t-test results also show that the DAK_X3 variable has a probability value of $0.0058 < 0.05$, and its calculated t-value is 2.848265, above the t-table value of 1.994437. This indicates a positive and significant effect of DAK_X3 on capital expenditure. In other words, as DAK increases, capital expenditure also increases.

Simultaneous Test (f-test) and Adjusted Coefficient of Determination (R2)

Table 8. Panel Data Regression Results: F-test and Adjusted Coefficient of Determination (R2)

R-squared	0.814165	Mean dependent var	268.7607
Adjusted R-squared	0.805967	S.D. dependent var	222.0940
S.E. of regression	97.83065	Akaike info criterion	12.05831
Sum squared resid	650816.8	Schwarz criterion	12.18479
Log likelihood	-430.0990	Hannan-Quinn criter.	12.10866
F-statistic	99.30552	Durbin-Watson stat	1.543214
Prob(F-statistic)	0.000000		

From the F-test results obtained, the F-statistic value was recorded at 99.30552. At a confidence level of $\alpha=5\%$, the F-table value with $df_1 (k-1)=(4-1)=3$ and $df_2 (n-k)=(72-4)=68$ is 8.566696. Therefore, the F-statistic (99.30552) is greater than the F-table (2.739502). The Prob value of the F-statistic of $0.0000 < 0.05$ indicates that, overall (simultaneously), the PAD, DAU, and DAK variables influence capital expenditure. In other words, capital expenditure is highly dependent on the PAD, DAU, and DAK variables. The results of the coefficient of determination test indicate that the adjusted R2 is 0.805967, or 80.5967%. This indicates that approximately 80.5967% of the variation in capital expenditure can be explained by the PAD, DAU, and DAK variables. Meanwhile, the remaining 19.4033% is influenced by other factors not included in this study. Thus, the independent variables have a significant impact on the dependent variable, with an influence exceeding 80%.

The Effect of Regional Original Revenue (PAD) on Capital Expenditure

According to the analysis conducted through regression testing, the regression coefficient for PAD_X1 was found to be 0.6055. This shows that if PAD increases by 1%, then capital expenditure will decrease by -0.6055. The processed data also shows that the calculated t value for PAD is 9.3672 with a significance of $0.0000 < 0.05$. Thus, it can be concluded that PAD individually has a positive and significant influence on capital expenditure of districts/cities in South Sulawesi Province. This proves that PAD is the main source that supports local governments to improve public services. When PAD increases, local governments have more financial freedom to support programs such as infrastructure improvements, and the provision of health and education facilities. This also means that district/city governments in South

Sulawesi Province utilize existing PAD to fund capital expenditure. This finding aligns with previous research by Henri P. Gerungan, David P. E. Saerang, and Ventje Ilat (2016), Made A. Juniawan and Ni Putu S. Suryantini (2018), and Siti Hajar Asmawiyah and Hari Sulistiyo (2022), which stated that Regional Original Revenue (DAU) has a positive and significant impact on Capital Expenditure.

The Effect of the General Allocation Fund (DAU) on Capital Expenditure

Unlike PAD, the regression test results show a regression coefficient of DAU_X2 of -0.2700. This means that for every one unit increase in DAU, capital expenditure decreases by 0.2700, or 27.00%. The same table also shows a calculated t-value for DAU of -1.6137 with a significance level of $0.1112 > 0.05$. From this, it can be concluded that DAU has a negative and insignificant effect on capital expenditure in districts/cities in South Sulawesi Province. This finding aligns with the conclusions of research conducted by Farhan K. Pramudya and M. Faisal Abdullah (2021), Hairiyah, Lewi Malisan, and Zaki Fakhroni (2017), which showed that the General Allocation Fund (DAU) had a negative and insignificant effect on Capital Expenditures. This is due to indications that local governments prioritize the use of the DAU for operational expenditures (personnel expenditures, goods/services expenditures, interest expenditures, and subsidy expenditures), while capital expenditures are met through Regional Original Revenue (PAD) and Special Allocation Fund (DAK). This condition also aligns with the DAU theory according to several experts, namely that the DAU is a fund transfer that is not tied to a specific expenditure program and is a block grant, allowing local governments the flexibility to use the DAU as needed to fund regional expenditures. Regional expenditures include operational expenditures (personnel expenditures, goods/services expenditures, interest expenditures, subsidy expenditures), capital expenditures, unforeseen expenditures, and transfer expenditures. However, local governments can also use the DAU for capital expenditure allocations if other regional spending needs have been met.

The Effect of Special Allocation Funds (DAK) on Capital Expenditures

In line with the PAD variable, regression analysis shows a regression coefficient for DAK_X3 of 0.7304. This means that every 1% increase in DAK will result in a 0.7304 increase in capital expenditures. The processed data also show a calculated t-value for DAK of 2.8482 with a significance level of $0.0000 < 0.05$. From this, it can be concluded that, individually, DAK has a positive and significant impact on capital expenditures in regencies/cities within South Sulawesi Province. This finding aligns with previous research by Henri P. Gerungan, David P. E. Saerang, and Ventje Ilat (2016), Made A. Juniawan and Ni Putu S. Suryantini (2018), and Hairiyah, Lewi Malisan, and Zaki Fakhroni (2017), which also demonstrated a positive and significant impact of DAK on capital expenditures. The use of Special Allocation Funds (DAK) has been focused on activities related to the construction, procurement, improvement, and maintenance of facilities, which are reflected in capital expenditures. With the DAK allocation, it is hoped that local governments can increase fixed assets with long-term benefits and distribute other transfer funds so that they are used more for capital expenditures, thereby achieving equitable development. Effectively targeting Special Allocation Funds (DAK) is key to improving the quality of public services, thereby achieving equitable development.

The Influence of Regional Original Revenue (PAD), General Allocation Fund (DAU), and Special Allocation Fund (DAK) on Capital Expenditures

The results of this comprehensive study indicate that PAD, DAU, and DAK have a positive and significant influence on capital expenditures. This is evidenced by the F-test value of 99.3055, indicating a positive number and a significance value of $0.0000, < 0.05$. This indicates that capital expenditures in district/city governments in South Sulawesi Province are determined by PAD, DAU, and DAK, with a correlation of 80.60%, while 19.40% comes from other variables not discussed in this study. These findings also align with previous research conducted by Gerungan, David, et al., 2016; Prihastandi and Rachmat, 2018); and Pramudya and Abdullah, 2021.

CONCLUSION

Based on the research conducted, the following conclusions can be drawn: (1) The three independent variables, namely PAD, DAU, and DAK, simultaneously have a positive and significant influence on capital expenditures of districts/cities in South Sulawesi Province; (2) PAD shows a positive and significant influence on capital expenditures; (3) DAU has a negative and insignificant influence on capital expenditures; (4) DAK has a positive and significant influence on capital expenditures of districts/cities in South Sulawesi Province. This research has several limitations, therefore it is recommended that district/city governments in South Sulawesi Province optimize and streamline the use of DAU for regional spending by reducing inefficient spending. If there is any remaining General Allocation Fund (DAU) after operating expenditures have been met, its use can be prioritized for capital expenditure allocation. Furthermore, regional governments are also expected to be innovative in increasing regional revenue by utilizing local resources and economic potential to increase regional income and create independence in financing expenditures. For future researchers pursuing a similar topic, it is recommended to use a different sample to examine the impact of Regional Original Revenue (PAD), General Allocation Fund (DAU), and Special Allocation Fund (DAK) on capital expenditures in other regional governments. Furthermore, researchers can also add other variables to enrich future research results.

REFERENCES

- Aditiya, N. Y., & Dirgantari, N. (2017). Pengaruh Pendapatan Asli Daerah (PAD), Dana Alokasi Umum (DAU), Dana Alokasi Khusus (DAK) dan Sisa Lebih Pembiayaan Anggaran (SILPA) terhadap Belanja Modal pada Kabupaten dan Kota di Jawa Tengah Tahun 2013-2015. *Kompartemen: Jurnal Ilmiah Akuntansi*, 15(1).
- Andrian, Y., & Samekto, A. (2017). Pengaruh Pendapatan Asli Daerah (PAD), Dana Alokasi Umum (DAU), dan Dana Alokasi Khusus (DAK) Terhadap Alokasi Belanja Modal Pada Kabupaten/Kota di Pulau Jawa. *Jurnal Telaah dan Riset Akuntansi*, 10(2), 139-152.
- Arfiyanti, N. F., Suharno, S., & Widarno, B. (2020). Pengaruh Pendapatan Asli Daerah (PAD), Dana Alokasi Umum (DAU), dan Dana Bagi Hasil (DBH) Terhadap Belanja Modal Pada Pemerintah Daerah (Studi Kasus Pada Dinas Keuangan Seek Karesidenan Surakarta). *Jurnal Akuntansi dan Sistem Teknologi Informasi*, 16(4).
- Azzahra, A., Manesanulu, A. K., Upara, T. B., & Badrudin, R. (2023). Nexus between flypaper effect and growth inclusive economy. *Jurnal Akuntansi*, 15(1), 1-15.
- Darise, N. (2008). Akuntansi keuangan daerah (Akuntansi sektor publik). *PT Indeks, Jakarta*.
- Donaldson, L. and Davis, J. (1991) Stewardship Theory or Agency Theory. *Australian Journal of Management*, 16, 49-64
- Freeman, R. E., & Reed, D. L. (1983). Stockholders and stakeholders: A new perspective on corporate governance. *California management review*, 25(3), 88-106.
- Ghozali, I. (2013). Multivariate Analysis Application with IBM SPSS 21 Update PLS Regression Program. Semarang: Diponegoro University.
- Halim, A. (2004). Akuntansi Keuangan Daerah.
- Halim, A. (2008). Akuntansi Keuangan Daerah. Edisi Ketiga
- Halim, A. (2014). Public Sector Accounting: Regional Financial Accounting. Edisi Ketiga
- Kesit, B. P. (2005). Pajak dan retribusi Daerah. Yogyakarta: UII Press Yogyakarta.
- Mardiasmo, M. B. A. (2011). Perpajakan (edisi revisi). *Penerbit Andi*.
- Mas'ud, M., & Sjarlis, S. (2022). Pengaruh Pendapatan Asli Daerah (Pad), Dana Alokasi Umum (Dau) Dan Dana Alokasi Khusus (Dak) Terhadap Belanja Modal Pada Kabupaten/Kota Di Provinsi Sulawesi Selatan Tahun 2016-2020. *Jurnal Magister Manajemen Nobel Indonesia*, 3(2), 229-243.
- Nanang, Q. (2022). Revenue (PAD), General Allocation Fund (DAU), Special Allocation Fund (DAK) on Capital Expenditure (Survey in Districts/Cities in Central Sulawesi. *MANAGER: JOURNAL*, 1(2), 44-52
- Nordiawan, D. (2009). Akuntansi sektor publik.

- Pramudya, F. K., & Abdullah, M. F. (2021). Analisis pengaruh pad, dau, dak terhadap belanja modal. *Inovasi: Jurnal Ekonomi, Keuangan, Dan Manajemen*, 17(4), 653-660.
- Rochmat, S. (2004). Asas dan Dasar Perpajakan. *Bandung: PT. Refika Aditama*.
- Siregar, B. (2017). Akuntansi sektor publik: akuntansi keuangan pemerintah daerah berbasis akrual Edisi kedua.
- Sudarwadi, H. (2015). Pengaruh Pendapatan Asli Daerah, Dana Alokasi Umum, dan Dana Alokasi Khusus Terhadap Belanja Modal Daerah (Studi Empiris Pada Kabupaten/Kota Di Provinsi Papua Barat Tahun 2007-2014). In *Seminar Nasional Ekonomi Manajemen dan Akuntansi (Snema) Fakultas Ekonomi Universitas Negeri Padang. SNEMA-2015*.