

ABSTRACT

This study aims to analyze the effect of Local Revenue (PAD) and audit opinion on the financial performance of local governments in Regencies and Cities in West Java Province. Measured based on the regional dependency ratio. The research method used is a descriptive and verification method with secondary data obtained from local government financial reports and audit opinion results from the BPK. The sample used was 27 Regencies and Cities in the West Java Province during the 2021-2023 budget year.

Based on the results of the study, it can be seen that local revenue has a significant positive effect on local government financial performance by 48.5%. The higher the PAD obtained, the better the financial performance shown. Meanwhile, audit opinion also has a positive effect on local financial performance by 29.8%. This finding indicates the importance of increasing PAD and maintaining the quality of audit opinions to improve the quality of local government financial performance.

Keywords : *Local revenue, Audit opinion, Local government financial performance.*