

## **ABSTRACT**

*This research moved from the research question why financial relationships between central and local governments in the implementation of regional autonomy at Kabupaten Majalengka increasingly dependent on central government.*

*This study aims to gain knowledge and rational understanding of the implementation of the financial relationship between central and local governments in the implementation of regional autonomy, and to acquire new concepts or reinforce existing concepts concerning the financial relationship between central and local governments that include aspects of income and aspects management.*

*The method used in the study was descriptive qualitative approach. The main instrument in this study is the researchers themselves. Source data obtained from the empirical circumstances comes with documentation. The data collection techniques through observation, interview and documentation study.*

*In this research show that local governments have not been able to be independent in implementing the autonomy given the sources of tax revenue lucrative still dominated by the central government. Formula funds financial balance is less profitable areas of smaller economic potential, natural resources are not abundant, less encouraging creativity and innovation, and tend to shift priorities in the area get a special allocation fund for the benefit of a moment. Funds have not been well managed according to the principles of budgetary functions of stability, distribution, allocation, and motivation that are aligned with the elements/factors of autonomy in designing the format of regional autonomy, including authority, institutional, personnel, finance, representatives, services and supervision.*

*Calculations based on the needs of the regions have not done the Minimum Service Standards (MSS) primarily for government affairs which is mandatory, and budgeting have not been based on the Standard Expenditure Analysis (SAB) or the Standard Spending Assesment (SSA) that did not reflect the actual needs.*