

**“THE EFFECT OF LOCAL GOVERNMENT SIZE, AUDIT  
RECOMMENDATIONS, AND AUDIT FINDINGS ON THE QUALITY OF  
FINANCIAL REPORTS OF INDONESIAN LOCAL GOVERNMENTS”**

A THESIS

Presented as a Partial Fulfillment of the Requirements to Obtain the Bachelor

Degree in Accounting Department



By

**ADIN IHTISYAMUDDIN**

**Student Number: 16312337**

**FACULTY OF BUSINESS AND ECONOMICS**

**UNIVERSITAS ISLAM INDONESIA**

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Written by

**Adin Ihtisyamuddin**

Student Number: 16312337

Approved by

Content Advisor,

**Johan Arifin, SE., M.Si., Ph.D.**

April 1, 2021

Language Advisor,

**Nihlah Ilhami, S.Pd.**

April 1, 2021

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**A BACHELOR DEGREE THESIS**

Written by:

**ADIN IHTISYAMUDDIN**

Student Number: 16312337

Defended before the Board of Examiners  
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Examiner I



**Johan Arifin, SE., M.Si., Ph.D.**

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Examiner II



**Arief Rahman, SIP., SE., M.Com, Ph.D.**

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Yogyakarta, April 21, 2021  
International Program  
Faculty of Economics  
Universitas Islam Indonesia  
Dean,



**Prof. Jaka Sriyana, S.E. M.Si..Ph.D**



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ACCOUNTING MAJOR  
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*Bismillahirrahmaanirrahim*

Based on the results of the meeting held on **April 21, 2021**, the Thesis Examination Committee decides that :

Name : **ADIN IHTISYAMUDDIN**  
Student Number : **16312337**  
Thesis Title : **THE EFFECT OF LOCAL GOVERNMENT SIZE, AUDIT, RECOMMENDATIONS, AND AUDIT FINDINGS ON THE QUALITY OF FINANCIAL REPORTS OF INFONESIAN LOCAL GOVERNMENTS**

- 1. **Passes** the thesis examination ~~with/without~~ revision-
- 2. **Does not pass** the thesis examination

Grade in Letter : **A/B**

Content Advisor : Johan Arifin, S.E., M.Si., Ph.D.

Board of Examiner

Signature

Team Leader : Johan Arifin, S.E., M.Si., Ph.D.

Member : Arief Rahman, SIP., S.E., M.Com., Ph.D.

Should any mistake is found related to the decision, the committee will revoke and revise the decision accordingly.

**Mahmudi Dr.,S.E., M.Si.**  
Head of Undergraduate Program in Accounting



Yogyakarta, April 21, 2021

**Jaka Sriyana, Dr., S.E., M.Si.**

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## DECLARATION OF AUTHENTICITY

Herein I declare the originality of the thesis; I have not presented anyone else's work to obtain my university degree, nor have I presented anyone else's words, ideas, or expression without acknowledgment. All quotations are cited and listed in the bibliography of the thesis. If this statement is proven to be false in the future, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta, April 1, 2021



Adin Ihtisyamuddin

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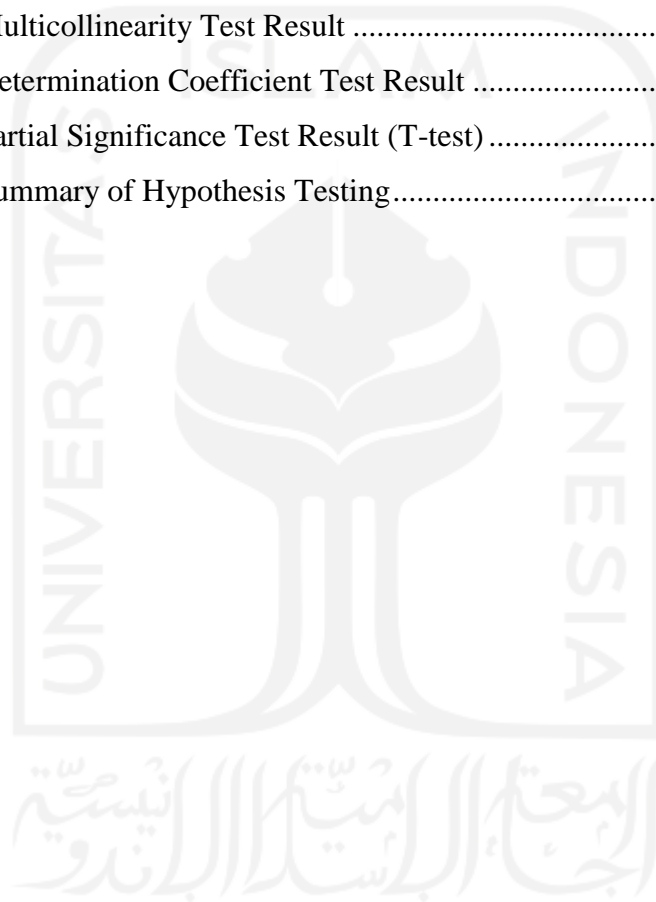
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## LIST OF ABBREVIATIONS AND ACRONYMS

APIP .....	Aparat Pengawasan Intern Pemerintah
BPKP .....	Badan Pengawasan Keuangan dan Pembangunan
BPK .....	Badan Pemeriksa Keuangan
IAI .....	Ikatan Akuntan Indonesia
IAASB .....	International Auditing and Assurance Standard Board
IHPS .....	Ikhtisar Hasil Pemeriksaan Semester
LAKIP .....	Laporan Akuntabilitas Kinerja Instansi Pemerintahan
LHP .....	Laporan Hasil Pemeriksaan
LKPD .....	Laporan Keuangan Pemerintah Daerah
SPKN .....	Standar Pemeriksaan Keuangan Negara



## ABSTRACT

The auditor's opinion reflects the quality of local government financial reports because BPK's opinion on local government financial reports (LKPD) is a source of information as a guide for decision making by local governments. This study aims to test empirically (1) the effect of local government size on local government financial reports quality in Indonesia, (2) the effect of audit recommendations on local government financial reports quality in Indonesia, (3) the effect of audit findings on the local government financial reports quality in Indonesia. The analytical method used to test the hypothesis in this study is multiple regression. This study uses secondary data, namely the 2018 local government financial reports obtained from the official BPK RI website. The population of this research is the local government in Indonesia. The samples used in this study were 508 local governments selected based on the purposive sampling method. This study indicates that the local government size has negative effects on the quality of financial reports. Audit recommendations have negative effects on the quality of financial reports. Audit findings have negative effects on the quality of financial reports. The implication is that local governments have to continuously improve the performance and quality of financial reports by improving internal control, financial governance, and adequate supervision so that the public still supports the programs held by the government.

Keywords: Local Government Size, Audit Recommendation, Audit findings, Financial Reports Quality

## ABSTRAK

Opini auditor menjadi cerminan kualitas laporan keuangan pemerintah daerah karena opini BPK atas laporan keuangan pemerintah daerah (LKPD) merupakan sumber informasi sebagai pedoman untuk pengambilan keputusan oleh pemerintah daerah. Penelitian ini bertujuan untuk (1) menguji secara empiris apakah ukuran daerah mempengaruhi kualitas laporan keuangan pemerintah daerah di Indonesia, (2) menguji secara empiris apakah terdapat pengaruh dari rekomendasi audit terhadap kualitas laporan keuangan pemerintah daerah, (3) menguji secara empiris pengaruh dari temuan audit terhadap kualitas laporan keuangan pemerintah daerah. Metode analisis yang digunakan untuk menguji hipotesis dalam penelitian ini adalah regresi berganda. Penelitian ini menggunakan data sekunder yaitu laporan keuangan pemerintah daerah tahun 2018 yang diperoleh dari website resmi BPK RI. Populasi penelitian ini adalah pemerintah daerah di Indonesia. Sampel yang digunakan dalam penelitian ini adalah 508 pemerintah daerah dipilih berdasarkan purposive sampling method. Hasil penelitian ini menunjukkan bahwa ukuran pemerintah daerah berpengaruh negatif terhadap kualitas laporan keuangan. Rekomendasi audit berpengaruh negatif terhadap kualitas laporan keuangan. Temuan audit berpengaruh negatif terhadap kualitas laporan keuangan. Implikasinya adalah Pemerintah daerah harus selalu meningkatkan kinerja dan kualitas laporan keuangan dengan cara memperbaiki pengendalian internal, tata kelola keuangan dan pengawasan yang memadai agar masyarakat selalu mendukung program yang diadakan pemerintah.

*Kata kunci: Ukuran Pemerintah Daerah, Rekomendasi audit, Temuan audit, Kualitas laporan keuangan*

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Decentralization of local government is a reform that involves the separation of functions between central and local government by purpose, mainly the responsibility of decision making, which is closer to residents. The transfer of power to the government in this locale aims to increase the stability of the democratic system, improve effectiveness, efficiency, transparency, and accountability in the financial management area. Regional autonomy gives authority to regions in particular districts and cities in improving public services. Freedom demands regional independence in various fields, including autonomy in funding development in the area (Heliyanto, 2015).

A mandatory form of accountability for regional financial management carried out by regional heads is to submit local government financial reports prepared according to government accounting standards (Suhardjanto and Yulianingtyas, 2011). The provincial government prepares financial reports as an accountability form, and then the audit board submits them to the regional House of Representatives (DPRD). Disclosures in the government accounting standards measure compliance more than exposure (Hilmi and Martani, 2012).

The audit board of republic Indonesia (BPK) is appointed as the supervisory agency external officers who have a very high position while the government internal supervisory apparatus (APIP) is not only the implementing supervision but



also implementing BPK RI strategic in conducting financial audit management and at the same time accountability is the constitutional duty of BPK RI. With the synergy of the two, BPK RI can take advantage of the investigation results by the government internal supervisory apparatus (APIP) to reduce time examination. Government regulations number 60 of 2008 concerning the internal control government system states that supervision can support activities inspection effectively, efficiently, transparent, and accountable. Based on the state finances' auditing standards (SPKN), adequate understanding is required before carrying out a financial audit, namely internal control of the examined entity. This is later used to test the entity's internal control system.

The examination result report (LHP) is an examination result book by BPK RI, including findings, recommendations, and conclusions. Priharjanto and Wardani (2015), in their writing, also revealed that the audit results consist of some findings. The findings are identical to the problems regarding weaknesses in the internal control system and non-compliance with laws and regulations that will cause losses to the state/region. The implementation of the examination aims to see whether the financial reports are following existing financial standards, namely government accounting standards (GAS), to see whether sufficient disclosure is compliant with the laws and regulations or not. The government regulation number 60-year 2008 states that each financial report can be presented reasonably and accurately.

Referring to Indonesia's regulations, the audit findings are represented as the external auditor's evaluation results (The Audit Board of Indonesia/BPK) on

the condition of financial management, internal control structure, and the local government's compliance with regional financial management and reporting regulations. Unlike audits in the private sector, audits in Indonesia's government include audits of financial statements, whether they follow applicable accounting standards, and include evaluations of internal controls and compliance with regulations. On the other hand, audit recommendations follow-up that is carried out is the local government officials' responsibility, representing the effectiveness of internal supervision carried out by internal auditors (regional inspectorate), especially in the framework of overseeing the management and reporting of regional finances.

Audit findings are existing because of the term violation regarding internal control and compliance with applicable laws discovered by the auditor during the examination. After the inspection is complete, the auditor will provide corrective suggestions or recommendations. A follow-up results examination is an activity and a decision to carry out recommendations from the BPK examination results (IHPS BPK RI Semester II of 2018). According to Priharjanto and Wardani (2015), findings and recommendations are communicated for corrective actions. Examination result report (LHP) efforts and an inventory of findings, recommendations, and follow-up status on LHP recommendations is BPK's way of doing LHP follow-up monitoring. BPK audit results on financial reports disclose that, in general, the quality of the presentation of financial reports has been increased compared to the same period last year (LAKIP, 2014), so it is necessary to improve the implementation of follow-up recommendations. The opinion given

by the BPK is also a conclusion regarding the quality of information presented in the LKPD. Improvement BPK's suggestions are expected to improve LKPD information presentation-quality, increasing the opinion of LKPD (Astriani, 2013). A serious follow-up to BPK's audit recommendations will be the key to quality improvement financial reports. Article 20 paragraph (1) of Law Number 15 of 2004 stated that the follow-up to recommendations could be implemented in all or part of the proposals.

The State Development Audit Agency (BPKP) did assistance to local government financial reports (Pemda). BPKP inside the BPKP website states that there has been an increase in the quality of local government financial reports based on the unqualified opinion expressed by the BPK. In the middle of 2018, the BPK did not only submit an Audit Result Summary (IHPS) and examination result report (LHP) but presented the IHPS from the previous year to semester 1 of 2018. This is because the BPK hopes that the book can help the institution representatives and government relate to financial management, and responsibility is their job.

From the BPK examination results up to semester 1 of 2018, still 12,117 cases were found with a value of IDR 2.19 trillion consists of 6,259 cases of non-compliance with laws and regulations and 5,858 cases of weakness in the internal control system. According to Harry (Chairman BPK), state losses amounting to IDR 2.191 trillion from a total of 4,001 cases. Other findings include 2,800 cases of weakness in the administration system and 621 ineffective, ineffective, and inefficient issues. Of the various cases found in the audit process, the BPK has

provided suggestions for improvements in the form of recommendation, among others, by delivering assets or depositing money into the cash area.

Another recommendation is to improve the internal control system, administrative, and corrective actions. In addition to findings and suggestions for improvement, BPK has provided an opinion to all local governments related to the audit of local government financial reports.

Researchers are motivated to test the number of audit findings, audit recommendations, and local government size on financial reports' quality. This research refers to Johnson's research, Lowensohn, Reck, and Devies (2012), who tested total management letter comment given by the first auditor and one year earlier and linking with the quality of local government financial reports. Christian research (2015) examines the factors involved influence internal control compliance comments (ICCC) and the effect on the quality of the city district government's financial reports in Indonesia. Researchers also tried to test the audit findings due to previous studies' inconsistent results. Sari et al. (2015) test the effect of the audit findings on the opinion on the disclosure of financial reports ministry/institution. The results showed that the findings were an influential positive opinion.

Meanwhile, Winanti (2014) and Setyaningrum (2015) proved that the findings have a negative effect on the audit opinion. Effendy (2011), in the review of the unqualified opinion from BPK to the financial local government reports, reveals that opinion formation is not only based on the presence or absence of a

case. The elusive relationship between findings and opinions; however, case findings will influence opinion.

Furthermore, researchers are interested in examining the effect of local government size on the quality of financial reports. The area's size can be proxied in various ways, including the number of employees, the number of assets, the total income, and the production level (Suharjanto and Yulianingtyas, 2011). Following research conducted by Hilmi and Martani (2012), the local government size is assessed by total assets.

## **1.2 Problem Statements**

Transparency is one of the general principles of the financial management area. The form of transparency is by presenting relevant financial reporting. The information quality in financial reports becomes essential to provide concrete evidence in improving people's trust. To ensure financial reports have been appropriately managed, the LKPD made by the local government will be audited by the Indonesian Audit Board (BPK). BPK will deliver the audit results via the people's representative mechanism, namely the Regional People's Representative Council (DPRD).

Audit recommendations are used as material for improved reporting LKPD quality. An adequately managed inspection will ensure better quality recommendations and significantly impact quality improvements state financial governance (LAKIP, 2015).

From the description above, the researcher formulates a problem statement:

1. Does local government size affect local government financial reports quality in

Indonesia?

2. Does the number of audit recommendations from the BPK affect local government financial report quality in Indonesia?
3. Does the number of BPK audit findings affect Indonesia's local government financial reports quality?

### **1.3 Research Objectives**

The objectives of this research are:

1. Empirically test the effect of local government size on local government financial reports quality in Indonesia.
2. Empirically test the effect of audit recommendations on local government financial reports quality in Indonesia.
3. Empirically test the effect audit findings on the local government financial reports quality in Indonesia.

### **1.4 Benefits of The Research**

This research is expected to provide additional studies and benefits to related parties, among others, are as follows:

1. For regency and city governments in Indonesia

This study's results are expected to be suggestions for improving local government financial management.

2. For further researchers

This study's results are expected to add research references for academics in conducting further research in the public accounting sector, especially regarding

the completion of audit results in an effort increase in the presentation of financial reports.



## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Theoretical Basis**

##### **2.1.1 Agency Theory**

An agency relationship arises when one party (principal) gives authority and responsibility to other parties (agent) to make decisions. Theory agency itself appears based on the idea that the owner of the company (principal) and company managers (agent) have different interests (Jensen and Meckling, 1976). Agency problem also exists in the context of government organizations. People as principals mandate the government as an agent to carry out government duties to improve people's welfare. In other contexts, politicians can also be called principal for carrying out supervisory responsibilities given by the people (agent) (Zimmerman, 1977).

In practice, financial reports in local governments are based on agency theory. The local government acting as an agent should present helpful financial reports as information for the users/stakeholders, acting as the principal entitled to assess accountability and make economic, social, political decisions based on this information. In a democratic government, the relationship between the government and users of government financial information can be described as an agency relationship (Rosalin 2011).

Increasing transparency and disclosure of financial reports will align with government and society's interests. Therefore, voluntary disclosure agency theory



is a mechanism to control performance and reduce information asymmetry (Christian, 2015). This is the hope of the general public so that the government can also change and adapt. The government can meet the community's expectations, one of which is by disclosing regional financial reports. So, the community can access the audit findings, recommendation audit, local government size. Moreover, the community can access the local government financial reports to know that there is no financial misstatement because government as agents carry out government duties to improve people's welfare or principal.

### **2.1.2 Signaling Theory**

Brigham and Houston (2015) state that signal theory illustrates that a signal or cue is an action taken by company management that provides investors instructions about how management views the company's prospects. This theory reveals that investors can differentiate between companies with high values and companies with low values.

Brigham and Houston (2011) explain that the signal is a clue given by the company regarding management actions in its project appraisal efforts. The signal theory's primary focus is to communicate actions taken by internal companies that parties outside the company cannot directly observe. This information can help outsiders, especially investors, capture and interpret these signals as positive or negative signals. Theory signaling indicates that broader disclosure of information can provide more signals to the public regarding its condition (Kusuma, 2011).

Based on the signaling theory, as the recipient of the mandated public, the government will try to provide a good signal so that the people will always support

the government's performance. Quality financial reports, improved internal control systems, completeness in disclosure, and detailed explanations on the website are tangible forms of giving good signals to the people. In reducing information asymmetry between the local government and the community, it can be done by providing good signals in the form of convincing financial reports. (Trisnawati & Achmad, 2014)

Therefore, financial reports such as audit findings, audit recommendations, and local government size can signal the people in financial reports. Good governance performance needs to be informed to the public as a form of accountability. Alternatively, the government tries to give the people an excellent signal, such as a reasonable opinion from BPK, because audit findings and audit recommendations signal that the government has done well or there is something wrong.

### **2.1.3 Audit Opinion**

According to the BPK RI rules number 4/K/1-XIII.2/7/2014 regarding audits of state finances' management and accountability, the type of opinion provided by the financial audit agency is: (1) Unqualified Opinion. The opinion states that local governments' financial reports are audited present relatively in all material matters, regional revenue and expenditure budget realization report, cash flow report, balance sheet, and notes to financial reports following the principles accounting that applies common in Indonesia. When a financial report opinion is given this type of opinion, meaning following the standard collected evidence, the local government has implemented the generally accepted accounting principles. If

any mistakes are considered immaterial, it does not have a significant effect on decision making. (2) Qualified Opinion. The opinion states that the audited local government financial reports present fairly in all material respects, regional revenue reports, actual budget realization, cash flow reports, balance sheets, and notes to financial reports according to generally accepted accounting principles Indonesia, except for impact-related matters which is excluded. (3) Adverse Opinion. Following financial reports who checked not present a fair realization report regional revenue and expenditure budget, cash flow reports, balance sheets, and notes to financial reports following generally accepted accounting principles in Indonesia. If financial reports get this type of opinion can mislead users of financial reports in decision making. (4) Disclaimer Opinion. An opinion states that the auditor's opinion on the financial information is insufficient to conclude if the auditor audit evidence is inadequate. The opinion can be published if the auditor considers that the audit scope is limited by local governments audited. For example, the auditors cannot obtain the evidence needed to conclude and certify that the report has been presented fairly. In the audit report, the reasons for giving an opinion, including rejecting or expressing ideas, is in the results reported examination. However, unqualified opinions (unmodified auditor's report) can increase the trust of parliaments, legislatures, and stakeholders' other interests towards the entity among all the auditors' opinions. For users' financial reporting, financial reports with audit unmodified opinion or unqualified opinion are essential signals of financial information reliability (IAASB, 2014: 15).

Indonesia Audit Board Regulation No. 1 the year 2017 concerning state financial audit standards, explains that financial audit aims to provide an opinion on the report's fairness. This audit of the financial state will encourage financial management suitable for achieving the state's objectives. Law Number 15 in 2004 defined opinion as:

*"The professional examiner's opinion regarding the fairness of financial information presented in financial reports based on criteria, such as conformity with government accounting standards, adequacy of disclosure, compliance with laws and regulations and effectiveness of internal control systems."*

#### **2.1.4 Quality of Local Government Financial Reports**

LKPD presentation is also regulated in the government accounting standard statement No. 01 concerning financial reports. Public sector financial reports represent the financial position of transactions conducted by a public sector entity (Halim, 2012). The financial report provides information on the sources and use of financial/economic resources, transfers, financing, excess/less budget execution, excess budget balance, surplus/deficit-operational report, assets, liabilities, equity, and cash flows of an entity. Local government financial reports consist of budget realization reports, balance sheets, cash flow statements, and notes to financial reports. In addition to the basic financial reports, reporting entities can present financial performance reports and equity changes reports.

Statement of Financial Accounting Concepts (SFAC) Number 2 of 1980 about qualitative characteristics of accounting information shows that quality accounting information should show more significant benefits than the costs incurred to present the information. Furthermore, accounting information can be a

good quality if it is based on understanding and knowledge that users of financial reports can understand and use the information in these financial reports for retrieval decisions.

Audit by auditors is necessary to measure the quality of the financial report.

According to Law Number 15 of 2004, the examination is as follows.

*"Examination is a process of problem identification, analysis and evaluation that is independent, objective, and professional following audit standards to assess the correctness, accuracy, credibility, and reliability of information related to the management and responsibility of financial states."*

According to Putri (2015), the audit process by the BPK of LKPD uses applicable audit standards. It applies the principles of good governance in which the results of the audit will show the quality of the government's financial reports. In IHPS, the BPK's audit results on LKPD include providing opinions, internal control systems, and compliance with statutory provisions. Therefore, the quality of financial reports can be measured through the opinion of the BPK. In Christian's (2015) study, which measures financial statements' quality with an audit opinion.

## **2.2 Hypothesis Development**

According to Gozhali (2011), a hypothesis assumes value population parameters. Collecting data (population or sample) is one of the ways to prove a hypothesis. The development of that hypothesis proposed and tested in this study is as follows.

### **2.2.1 The Effect of the Local Government Size on Quality of Local Government Financial reports**

Improving the quality of transparency and public accountability for financial reports, government financial reports must be audited by the Indonesian audit board. Following Law Number 15 of 2004 concerning Audit of State Financial Management and Responsibility, BPK RI as the examiner issued 4 (four) types of opinions, namely (i) unqualified opinion, (ii) qualified opinion, (iii) adverse opinion, and (iv) disclaimer of opinion. When a local government gets an unqualified opinion, it means that the local government can manage its assets, both fixed assets, smooth assets, and intangible assets.

In agency theory, the role of BPK RI as a government auditor is to reduce agency problems (there is information asymmetry between agent and principal). In line with the signaling theory, if the local government gets an unqualified opinion, the local government tends to give a good signal of its performance to the community.

According to research conducted by Arifin, Tower, and Porter (2015) proves that local government are negatively affects mandatory disclosure of local government financial reports. This means that the wider the regional government area, the more assets that must be managed. Local governments with a narrow area will find it easier to manage existing assets so that supervision of financial reports' quality should be better. The area size can be measured using the total assets owned by the local government. Assets represent the number of resources owned by the entity to carry out operational activities of the entity (Hilmi and Martani, 2012).

*H1: The local government's size has a negative effect on the quality of the local government financial reports.*

### **2.2.2 The Effect of Audit Recommendation on Quality of Local Government Financial Reports**

Recommendations for suggestions for improvement given by the auditor or BPK are various deficiencies/weaknesses during the audit process. The auditors' advice is expected to lead to this performance improvement/advancement. The examiner's recommendations are based on examinations addressed to persons or agencies authorized to take action or fix (SPKN, 2017). Dain and Rahmat's research (2017) on 226 public sector companies in Malaysia found that implementation of audit recommendations is influenced by the local government's intentions (auditee) in implementing audit recommendations. The findings allow the BPK to provide more suggestions for improvement. Martani and Liestiani (2012) prove that local governments meet these recommendations in making internal corrections efforts to increase disclosure of financial reports with the many audit findings.

Based on signaling theory, local governments with few audit recommendations will show signals to public stakeholders by getting an excellent financial report. On the other hand, the more audit recommendations that the local government owns, the more that needs to be improved. In his research, Christian (2015) concluded that when local government gets comments/recommendations less profound internal control compliance comment, it is possible to get an

unqualified opinion. Furthermore, these studies also state that generally accepted accounting principles will decrease recommendations.

*H2: Audit recommendations have a negative effect on the quality of the local government financial reports.*

### **2.2.3 The Effect of Audit Findings on Quality of Local Government Financial Reports**

BPK audit findings are in the form of case findings, or after violations, the audit process is carried out. Lestari and Martani (2010) show the impact of the number of cases on the level of disclosure of local government financial reporting. A large number of findings have prompted local governments not to disclose financial information to the public. According to Liu and Lin's research (2012), the increasing number of cases of regulatory violations by local governments in China has resulted in an increased level of corruption so that the quality of financial reports is low.

According to signaling theory, local governments with high audit findings are less likely to get an unqualified opinion. This is because the local government has violated the internal control system and compliance in terms of materiality. Local governments with high audit findings show a bad signal to the public that the local government has performed poorly.

The research results by Winanti (2014) the audit findings negatively affect the audit opinion. The more the number of audit findings, the more likely it is to get an unqualified opinion more minor. The material audit findings directly affect

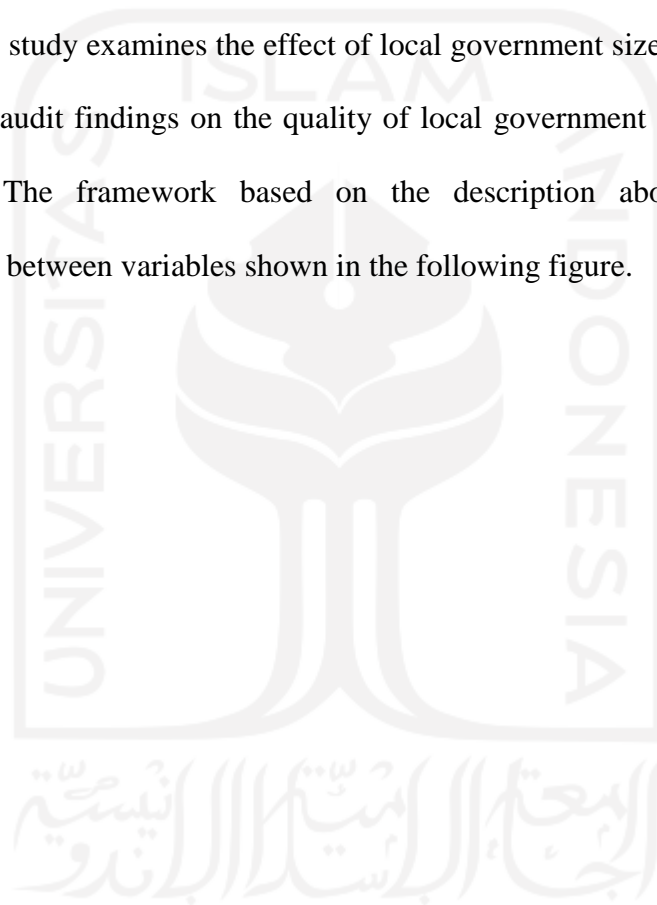


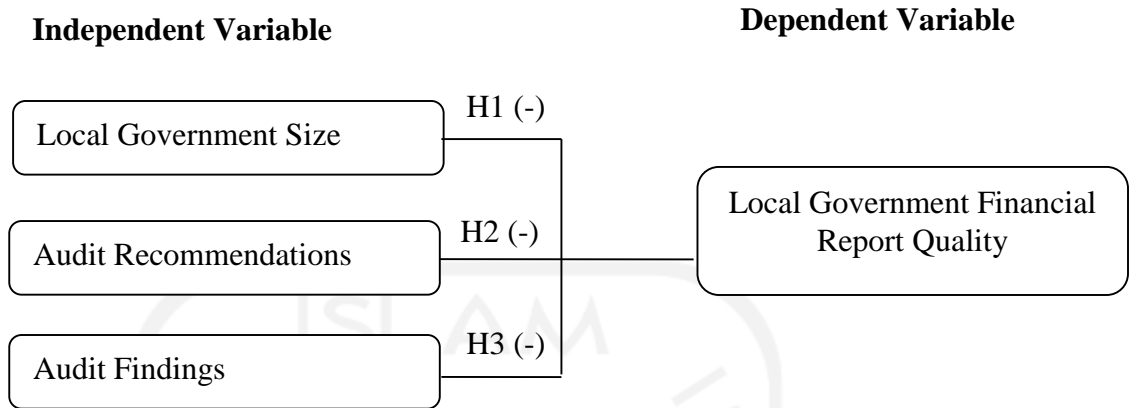
financial reports that cause misstatements, and the impact on delivery opinion is getting worse (Setyaningrum, 2015)

*H3: Audit findings have a negative effect on the quality of the local government financial reports.*

### **2.3 Schematic Theoretical Framework**

This study examines the effect of local government size, recommendations audits, and audit findings on the quality of local government financial reports in Indonesia. The framework based on the description above illustrates the relationship between variables shown in the following figure.





**Figure 2.1 Schematic Diagram of Theoretical Framework**

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Population, Sample, and Sampling Technique**

##### **3.1.1 Population**

According to Sekaran (2011), a population is an entire group of individuals, events, or something that is of interest to researchers to carry out an investigation. This study's population is the local government in Indonesia, consisting of district or city governments in Indonesia based on the 2018 Local Government Financial reports, which the Indonesian Audit Board has audited.

##### **3.1.2 Sample**

The sample is a portion of the population or several members selected from the population. The population sampling technique was carried out using the purposive sampling method. This method aims to ensure that the population sample follows specific criteria based on supporting data for the study's independent and dependent variables. The requirements for the sample in this study are as follows:

1. Indonesian local government governments in 2018.
2. Indonesian local government compile a complete 2018 government financial report that the Indonesian audit board has audited.

While this research's object is the local government size, audit recommendations, and audit findings. Data on local government financial reports in 2018 were taken from the audit results report of the Indonesian Audit Board.

Meanwhile, other data were taken from website government officials and other sites providing this information.

### **3.2 Data Collection Method**

The type of data in this study is secondary data. Secondary data already exists and does not need to be collected by the researcher. Some secondary data sources include statistical bulletins, government publications, published or unpublished information from inside or outside the company, available data from previous research, case studies, library documents, data online, website, and the internet (Sekaran, 2011). This study's secondary data are the 2018 district and city government financial reports, 2018 audit results summary by the BPK RI, and other non-financial data.

### **3.3 Variables Measurement**

#### **3.3.1 Dependent Variable**

The dependent variable used in this study is local government quality financial reports in 2018. In this study, financial reports' quality is measured by providing audit opinions from BPK RI. According to Government Regulation Number 71 of 2010 concerning government accounting standards, financial reports' qualitative characteristics meet normative prerequisites to achieve their objectives. Indicators of the quality of local government financial reports used in the study are relevant, reliable, comparable, and understandable (Sudiaranti 2015). There are five opinions given by the audit board of republic Indonesia: unqualified opinion or unmodified opinion, modified opinion or unqualified opinion with explanatory paragraph, qualified opinion, adverse opinion, and disclaimer opinion. Following

Law Number 15 of 2004 concerning Audit of State Financial Management and Responsibility, BPK RI as the examiner issued 4 (four) types of opinions, namely (i) unqualified opinion, (ii) qualified opinion, (iii) adverse opinion, and (iv) disclaimer of opinion. When the local government gets an unqualified opinion, it means that the regional head and his staff have performed according to statutory compliance, government accounting standards, adequacy of disclosure and the effectiveness of the internal control system.

### **3.3.2 Independent Variable**

An independent variable is a variable that can affect the dependent variable, both positive and negative effects. When there is an increase in the independent variable, there is an increase or decrease in the dependent variable. According to Sekaran (2011), the research dependent variable's variance depends on the independent variable's variance. This research's independent variables are local government size, audit recommendations, and audit findings.

#### **3.3.2.1 Local Government Size**

Local government size shows the big or small the local government is. The area's size can be proxied in various ways, including the number of employees, the number of assets, total income, and production level (Suhardjanto and Yulianingtyas, 2011). Following the research conducted by Hilmi and Martani (2012), the local government size is assessed by total assets. Total assets were also used in Adiputra et al.'s research. (2018), Diani (2016), and Medina (2012). This study uses the natural logarithm of total assets as a measure of local government size.

Local Government Size = Ln Total Asset

### **3.3.2.2 Audit Recommendation**

Recommendations are suggestions from the examiner based on the examination results to the authorized person/agency to take action (IHPS Semester I of 2018). Christian (2015) measures the internal control committee comment (ICCC) from the number of auditors' recommendations on the findings of internal control (SPI) and compliance with legislation in district/city governments. Internal control committee (ICCC) is a commentary on internal control and compliance (ICCC) issued by BPK RI after the government audit process is complete. Like the previous research, in this study, the audit recommendation variable is measured by the number of audit recommendations received after the audit process was carried out in conjunction with the issuance of an audit report on financial reports for local governments in Indonesia every year by BPK RI. Data were obtained from the list of recapitulation monitoring results of the follow-up recommendations for regional audit results in 2018.

$$AR = \sum (\text{Auditor's Recommendation for the 2018 District / City Local Government Financial Reports})$$

### **3.3.2.3 Audit Findings**

Audit findings represent cases found during the audit process by the BPK. The BPK audit findings data, including violations of the provisions internal control and the applicable laws and regulations Indonesia. Measurement of the study's variable findings is similar to measurements in Putri's (2015) study; the BPK audit

findings were measured from the total number of internal control findings and compliance findings in each local government. This audit finding variable was obtained from the official website of the BPK RI, namely local government financial report 2018. Measurement of the audit findings variable is different from research conducted by Mustikarini and Debby (2012), where audit findings Audit Board of Republic Indonesia is measured from the audit findings (in Rupiah) and compared to the total budget.

$$\text{FIND} = \sum (\text{Internal Control Findings} + \text{District / City Compliance Findings in 2018})$$

### **3.4 Data Analysis Method**

This study uses a regression model in hypothesis testing. Regression analysis is a study of the dependent variable's dependence with one or more independent variables to estimate or predict population mean or dependent variable-based mean value of the known independent variable (Ghazali, 2011). The statistical tool used in hypothesis testing is linear regression or multiple regression analysis. Multiple regression analysis was used to test the effect of independent variables with one dependent variable. To use various regression analyses in testing the hypothesis, the researcher must test the classical assumptions.

## **3.5 Data Analysis Technique**

### **3.5.1 Statistic Descriptive**

This analysis provides an overview and description of the data seen from the average (mean), maximum, minimum Ghozali (2011) states that descriptive statistics describe data seen from the average value ( mean), standard deviation, variant, maximum, minimum, sum, range, kurtosis, and skewness (slope distribution). Descriptive statistics are usually used to describe the sample data profile before utilizing statistical analysis techniques to test hypotheses.

### **3.5.2 Classic Assumption Test**

The classical assumption test is used to determine whether the regression model shows a significant and representative relationship. The researcher must fulfill all testing of classical assumptions before conducting multiple regression analysis for hypothesis testing. Classic assumption tests that will be carried out consist of normality test, multicollinearity test, heteroscedasticity test.

#### **1. Normality Test**

The normality test aims to test whether confounding or residual variables have a normal distribution in the regression model. As it is known, the t-test assumes that the residual value follows a normal distribution. If this assumption is violated, the statistical test will be invalid for a small sample size (Ghozali, 2011). In this study, the statistical test used to test the normality of the data distribution is a nonparametric statistical test Kolmogorov-Smirnov (KS). The data is said to be normally distributed if the value Asymp. Sig (2-tailed) has a value greater than 0.05 or 5% (Ghozali, 2011).

#### **2. Multicollinearity Test**



The multicollinearity test aims to test whether the regression model found a correlation between the independent variables. A good regression model should not correlate with the independent variables. The value that is commonly used to indicate the presence of multicollinearity is a value tolerance  $\leq 0.10$  or value Variance Inflation Factors (VIF)  $\geq 10$  (Ghozali, 2011).

### **3. Heteroscedasticity Test**

The heteroscedasticity test aims to test whether there are inequalities variance in the regression model from the residuals of one observation to another. A good regression model is a regression model with homoscedasticity data, or heteroscedasticity does not occur (Ghozali, 2011). This study tested heteroscedasticity using the test Park by regressing all independent variables with the squared residuals' logarithmic value to generate probability values. If the beta parameter coefficient  $> 0.05$ , there is no heteroscedasticity problem (Ghozali, 2011).

#### **3.5.3 Hypothesis Testing**

##### **1. Multiple Regression Analysis**

Sekaran (2011) reveals multiple regression models when the model consists of one dependent variable and several independent variables. Some things that need to be considered to be able to test the regression coefficient are as follows.

- a. The significance level of  $\alpha$  used is 5%
- b. The p-value (probability value) significance is used as the criterion for acceptance or rejection of a hypothesis. If the  $p\text{-value} > \alpha$ , then the alternative hypothesis is not accepted or rejected. Conversely, if the  $p\text{-value} < \alpha$ , then the alternative hypothesis is accepted.

Regression Formulas:

$$FQR_t = \alpha + \beta_1 RS + \beta_2 AR + \beta_3 AF + e + \dots$$

Information:

FRQt = Financial Reports Quality (Opinion Audit)

$\alpha$  = Constant

RS = Local Government Size

AR = Audit Recommendation

AF = Audit Findings

$\beta_1, \dots, \beta_3$  = Independent Variable Coefficient

## 2. The Coefficient of Determination ( $R^2$ )

The test is intended to measure the model's ability to explain the dependent variable's variation. The coefficient of determination ranges from 0 to 1. The coefficient of determination ( $R^2$ ) small means that the independent variable's ability to explain the dependent variable is limited. A value close to one means that the independent variable provides almost all the information needed to predict the dependent variable (Ghozali, 2011).

The fundamental weakness of using the coefficient of determination  $R^2$  is a bias towards the number of independent variables included in the model. For each additional one independent variable, then  $R^2$  increases regardless of whether the variable has a significant effect on the dependent variable (Ghozali, 2011). Many researchers advocate using values adjusted  $R^2$  when evaluating which regression model is the best. Unlike  $R^2$ , point-adjusted  $R^2$  can go up or down if one independent variable is added to the model (Ghozali, 2011). Therefore, in assessing

the regression model, the researcher uses Adjusted  $R^2$ .

### **3. Partial Significance Test (T-test)**

After doing simultaneously, the next step is to test each independent variable's ability to explain the dependent variable's behavior with a partial significance test (t-test). A partial significance test (t-test) is used to test how far an independent variable influences the dependent variable's variation (Ghozali, 2011). Tests were carried out using a significance of 0.05 (5%). Conditions for acceptance of the hypothesis are carried out with the following criteria:

- a) if the significance  $> 0.05$ , then the hypothesis is not accepted (the regression coefficient is not significant). This means that the independent variable partially does not influence the dependent variable;
- b) if the significance  $< 0.05$ , then the hypothesis is accepted (regression coefficient is significant). This means that the independent variable partially influences the dependent variable.

**CHAPTER IV**  
**DATA ANALYSIS AND DISCUSSION**

**4.1 Description of Data**

This study uses secondary data in local government financial reports (LKPD) 2018, which BPK RI has audited, a summary of BPK RI audit resulted in 2018. The study population was 514 local governments in Indonesia whose 2018 local government financial reports (LKPD) were audited by BPK RI. From a population of 514 local governments in Indonesia, 508 samples were obtained for further analysis because several criteria must be met. Local government financial reports (LKPD) and summary of BPK audit results used are sourced from [www.bpk.go.id](http://www.bpk.go.id).

**Table 4.1**  
**Research Sample**

Detail	n
1. Indonesian local government governments in 2018.	514*
2. Indonesian local governments that did not share financial reports 2018.	(6)
Sample obtained	508

Source: \*Website BPS

## 4.2 Data Analysis

### 4.2.1 Descriptive Statistics

Descriptive statistics serve to provide an overview of the condition of the sample obtained. Descriptive statistics function to describe data only through the mean (average), standard deviation, highest value (maximum), lowest value (minimum). Descriptive statistics for variables of local government size, audit recommendations, and audit findings can be seen in the following table.

**Table 4.2**  
**Descriptive Statistical Test Result**

	n	Minimum	Maximum	Mean	Std. Deviation
Local Government Size	508	35078516094.00	42764672922352.50	3474949174699.15	4431859031598.32
Local Government Size (Ln)	508	10.545	13.631	12.39004	.343131
Audit Recommendations	508	2.000	70.000	12.94685	8.655079
Audit Findings	508	2.000	24.000	9.14567	4.314834
Quality Financial reports on Local Government	508	1.000	4.000	3.76181	.579361
Valid N (listwise)	508				

Source: Secondary data processed, 2021

Local government size shows an average value of 3474949174699.15 with a distribution level (standard deviation) of 4431859031598.32. The minimum value is 35078516094.00 owned by Bukittinggi, and the maximum value is 42764672922352.50 owned by Surabaya.

Audit recommendations show an average value of 12.94685 with a spread (standard deviation) of 8.655079. The minimum value is 2 owned by the Jepara. The maximum value is 70 held by Aru Islands.

The descriptive statistical data in table 4.2 shows that the audit findings have an average value of 9.14567 with a level of spread (standard deviation) of 4.314834. The minimum value is 2 that belongs to Jepara, and the maximum value is 24 that belongs to Buru Selatan.

Financial reports quality showed an average value of 3.76181 with a spread (standard deviation) of 0.579361. The minimum value is 1 owned by Aru Islands.

#### **4.2.2 Classic Assumption Test**

The researcher will perform three classical assumption tests to ensure that the data has met all the classical assumption tests used in a multiple regression model (multivariate regression) for hypothesis testing. The following are the stages of fulfilling the classical assumption test.

##### **1. Normality test**

The data normality test aims to determine whether the data is normally distributed or not. Based on the results of the normality test, it can be seen that the normality test for the residual variables shows the amount of Asymp. Sign (2-tailed) of .084 above the level of significance set at 0.05 ( $.084 > 0.05$ ). The Kolmogorov-Smirnov Z test conclusion is that the regression model has met the normality assumption and can be carried out further statistical tests. The results of the normality test can be seen in the following table.

**Table 4.3**  
**Normality Test Result**

		Unstandardized Residual
n		508
Normal Parameters <sup>a,b</sup>	Mean	-.0986222
	Std. Deviation	.38445999
Most Extreme Differences	Absolute	.056
	Positive	.030
	Negative	-.056
Kolmogorov-Smirnov Z		1.258
Asymp. Sig. (2-tailed)		.084

Source: Secondary data processed, 2021

## 2. Multicollinearity Test

After carrying out the normality test, the next test is carried out, namely the multicollinearity test. This test aims to identify a relationship between the regression's independent variables. The VIF and Tolerance test results in Table 4.3 show that all independent variables have a tolerance value of more than 0.10 (10%). VIF calculations also show that all independent variables have a VIF value of less than 10. Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model. Multicollinearity test results can be seen in the following table.

**Table 4.4**  
**Multicollinearity Test Results**

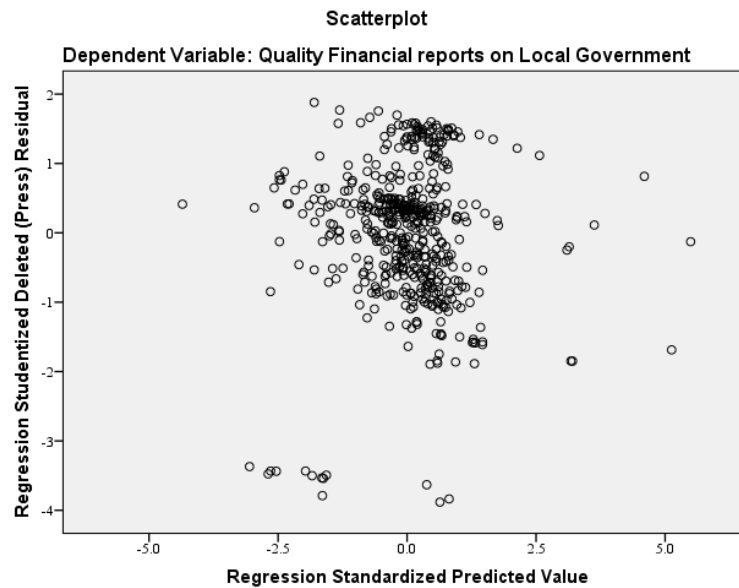
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
<sup>1</sup> (Constant)	7.576	.901		8.413	.000		
Local Government Size (Ln)	-.280	.072	-.166	-3.892	.000	.986	1.015
Audit Recommendations	-.009	.003	-.142	-2.768	.006	.686	1.458
Audit Findings	-.024	.007	-.178	-3.477	.001	.684	1.462

Source: Secondary data processed, 2021

### 3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an inequality of variance from one observation's residuals to another in the regression model. A good model is where heteroscedasticity does not occur. Researchers used the scatterplot to determine whether there is a heteroscedasticity problem. (Ghozali,2016).





From the picture above, it is known that the data is more likely to spread or not form specific patterns, so there is no heteroscedasticity.

#### **4.2.3 Hypothesis Testing**

##### **Multiple Regression Analysis**

The analysis method used to test the hypothesis in this study is multiple regression. Data analysis using multiple regression can determine how much the independent local government size variable, audit recommendations, and audit findings affect the quality of local government financial reports in Indonesia.

## 1. Determination Coefficient Test ( $R^2$ Test)

The determination coefficient test is carried out to determine how much influence the independent variable produces on the variation of changes in the dependent variable. For the regression model using two or more independent variables, the coefficient of determination is indicated by the adjusted R square value (adj  $R^2$ ). The adjusted R square value ranges from 0 to 1. If adj  $R^2$  approaches 1, variations in the independent variable can explain the dependent variable's variation. Conversely, if the adjusted R square value comes 0, the dependent variable's variation cannot be explained by the independent variable. The following shows the results of the regression coefficient test in this study.

**Table 4.5**  
**Determination Coefficient Test Result**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.310a	.096	.091	.552420

Source: Secondary data processed, 2021

The adjusted R square value in the table above is 0.091 or 9.1%. This means that the dependent variable's value, namely the quality of local government financial reports, can be explained by the independent variables such as local government size, audit recommendations, and audit findings by 9.1%. While the remaining value of the dependent variable is 90.9%, influenced by other factors not included in the analysis model.

## 2. Partial Significance Test (t-test)

A partial significance test (t-test) was used to test each independent variable's effect on the dependent variable individually. The t-test is used to determine whether local government size, audit recommendations, and audit findings significantly impact local government financial reports' quality. Besides, this test can determine the sign of the regression coefficient for each independent variable. Each independent variable's influence on the dependent variable can be determined.

Criteria for making conclusions on test results using a probability value (sig) -t. If the probability value (sig) -t is less than 0.05 (5%), it can be stated that the independent variable affects the dependent variable. The hypothesis proposed in the study is supporting. Conversely, if the probability value (sig) -t is more significant than 0.05 (5%), it can be stated that the independent variable does not influence the dependent variable. The hypothesis proposed in the study does not support it. The following is a table of the t significance test results in this study.

**Table 4.6**  
**Partial Significance Test Result (T-test)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.576	.901	8.413	.000	.000
Local Government Size (Ln)	-.280	.072	-3.892	.000	.018
Audit Recommendations	-.009	.003	-2.768	.006	.000
Audit Findings	-.024	.007	-3.477	.001	.004

Source: Secondary data processed, 2021

### 4.3 Discussion

Overall, the results of hypothesis testing are summarized in Table 4.13.

Table 4.13 presents the test of the coefficient of determination  $R^2$  and the results of the partial significance test (t-test).

**Table 4.7**  
**Summary of Hypothesis Testing**

No.	Hypothesis	B	Sig.	Adj R <sup>2</sup>	T-test	Result
1.	H <sub>1</sub>	-.280	.000		-3.892	Significant negative
2.	H <sub>2</sub>	-.009	.006		-2.768	Significant negative
3.	H <sub>3</sub>	-.024	.001	.091	-3.477	Significant negative
	Constant	7.576	.901			

Source: Secondary data processed, 2021

Based on the table above, the regression model can be formulated as follows.

$$FQR_t = \alpha + \beta_1 LGS + \beta_2 AR + \beta_3 AF + e$$

Or

$$FQR_t = 7.576 - 0.280LGS - 0.009AR - 0.024AF$$

Based on the summary of the test results above, the discussion of the test results for each hypothesis is as follows.

#### a. Hypothesis 1

The first hypothesis states that the local government size affects the quality of local government financial reports. The results show that the t-count is -3.892, regression coefficient (beta) -0.28, and probability (sig) = 0.000. Based on the results of data processing where the probability value (sig) < 0.05, it can be concluded that the local government size has a negative effect on the quality of

financial reports on local government. Thus, the result supports the hypothesis.

This is in line with previous research conducted by Arifin, Tower, and Porter (2015), proves that local government are negatively affects mandatory disclosure of local government financial reports. This means that the same as this study, only the dependent variable differs, namely the quality of local government financial reports. Still, it can prove that the local government size has a negative effect, and it is proven that a large area will need more skill on how to manage the huge asset.

The greater the number of assets owned by the local government is not accompanied by the higher the quality of the local government's financial reports. This is due to several factors, including local governments that are not maximal in recalculating their assets, especially in managing fixed assets and administering inventories. With a large number of total assets, local governments tend to have low-quality asset management. This can be seen from the BPK's findings regarding asset management, especially fixed assets, which eventually obtained records from the BPK, which affected the audit quality of local government financial reports.

The local government size, which is one of the variables in this study, is also included in the signaling theory. It indicates a signal that the wider the area, the more assets that must be controlled. Meanwhile, local governments that are narrow have proven to be of higher quality because it is easier to manage existing assets. Local governments should continuously improve asset management quality to involve a more significant role in implementing regional development.

**b. Hypothesis 2**

The second hypothesis states that audit recommendations affect the quality of local government financial reports. The test results obtained by the t-value - 2.768, regression coefficient (beta) -.009, and probability (sig) = .006. Based on the results of data processing where the probability value (sig) < 0.05, it can be concluded that audit recommendations have a negative effect on the quality of local government financial reports. Thus, the result supports the hypothesis.

This research supports Christian's research (2015) concluded that when local government gets comments/recommendations less profound internal control compliance comment, it is possible to get an unqualified opinion. Furthermore, these studies also state that generally accepted accounting principles will decrease the recommendations.

The audit recommendation variable has a negative effect on the quality of local government financial reports. This shows that local governments with a small number of recommendations will get good quality financial reports for that year. The results of this study are following the logic of research thinking. An excellent financial report illustrates the reliability of financial reports information, including the local government's success in implementing government accounting standard, internal control system and compliance.

Concerning signaling theory, audit recommendations provide the quality of signals to local governments. The quality of local government financial reports is described from the few audit recommendations. As the recipient of the public's mandate, the government will give an excellent signal to support its performance

continuously. Quality financial reports and improvements to the internal control system are tangible forms of giving good signals to the public. Reducing the information asymmetry between the local government and the community can be done by providing a good signal in a few audit recommendations.

**c. Hypothesis 3**

The third hypothesis states that the number of cases in the BPK audit findings affects local government financial reports' quality. The test results obtained t-value -3.477, regression coefficient (beta) -.024, and probability (sig) = .001. Based on the results of data processing where the probability value (sig) < 0.05, it can be concluded that the audit findings have a negative effect on the quality of local government financial reports. Thus, the result supports the hypothesis.

These results support the research conducted by Winanti (2014) the audit findings negatively affect the audit opinion. The more the number of audit findings, the more likely it is to get an unqualified opinion more minor. The material of audit findings directly affects financial reports that cause misstatements, and the impact on opinion is getting worse (Setyaningrum, 2015).

This proves the increasing number of audit findings, meaning that there are more violations committed and unfulfilled SOP (standard operating procedures), which can cause state losses in the event of a potential shortage of state revenues. Then this shows that the preparation of financial reports is not following standards. With the preparation of financial reports that are not following standards, the auditor will make a wrong opinion in these financial reports. The more audit

findings obtained by the auditor, the level of fairness of the financial reports will decrease so that the opinion or quality of the financial reports that will be given will also worsen.

The relationship between signaling theory and audit findings is that the disclosure of audit findings carried out by local governments is a signal given by local governments to the community. The more audit findings accepted by the community, the lower the local government's level of public trust. With a low level of trust, the public will certainly negatively respond to local governments in the form of tax revenues that tend to fall. Thus, the local government's more audit findings will affect the income, which tends to decrease. In the end, it will also affect the facilities provided. With the income that tends to decline, it will affect the local government's lack of facilities.



## **CHAPTER V**

### **CONCLUSIONS AND SUGGESTIONS**

#### **5.1 Conclusion**

This study aims to obtain empirical evidence on the extent to which factors such as the local government size, audit recommendations, and BPK audit findings as measured by the number of cases affect the quality of local government financial reports. This study uses sample data of 200 district and city governments in Indonesia. Based on the analysis results in the previous chapter, the following conclusions can be described.

1. Based on empirical facts and hypothesis testing in this study, it can be concluded that the local government size variable has a significant relationship. Therefore, the size of local government affects the quality of local government financial reports.
2. Based on empirical facts and hypothesis testing in this study, it can be concluded that audit recommendations have a significant relationship. Therefore, audit recommendations affect the quality of local government financial reports.
3. Based on empirical facts and hypothesis testing in this study, it can be concluded that the audit findings have a significant relationship. Therefore, the audit findings affect the quality of local government financial reports.

## **Limitations**

This study has several limitations that can affect the study results, including the data on the number of findings and the number of recommendations for the 2018 local government financial reports that do not recur received by local governments. This research potentially could be biased because it does not use control variables such as the local government's geographical location.

## **5.2 Suggestions and Implications**

From this research, there are several suggestions and implications for related parties.

### **1. For District and City Governments in Indonesia**

Based on the research results, the researcher provides suggestions and recommendations to district and city governments to improve financial reports' performance and quality by strengthening internal control, economic governance, and adequate supervision. Besides, the government has many audit findings and has received recommendations for improvement from the BPK to take corrective actions on internal control and compliance.

### **2. For the Audit Board of the Republic of Indonesia (BPK RI)**

To encourage employees who act as auditors to take higher education to understand accounting and auditing more comprehensively. This will significantly help the auditor find findings and provide recommendations to the auditee.

### 3. For Further Research

Based on the limitations that have been mentioned above, the researcher offers suggestions for further research, among others, to reduce bias. The next researcher can use control variables and add a recurrence variable of recommendations.



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## APPENDICES

### Appendix 1

#### List of Population and Sample of Districts / City Government in 2018

No	Region	Population	Percentage	Sample
1	Provinsi Aceh	23	4,5%	23
2	Provinsi Sumatera Utara	33	6,5%	33
3	Provinsi Sumatera Barat	19	3,7%	19
4	Provinsi Riau	12	2,4%	12
5	Provinsi Jambi	11	2,2%	11
6	Provinsi Sumatera Selatan	17	3,3%	17
7	Provinsi Bengkulu	10	2,0%	10
8	Provinsi Lampung	15	3,0%	15
9	Provinsi Kep.Bangka Belitung	7	1,4%	7
10	Provinsi Kep.Riau	7	1,4%	7
11	Provinsi DKI Jakarta	-		
12	Provinsi Jawa Barat	27	5,3%	27
13	Provinsi Jawa Tengah	35	6,9%	35
14	Provinsi D.I.Yogyakarta	5	1,0%	5
15	Provinsi Jawa Timur	38	7,5%	38
16	Provinsi Banten	8	1,6%	8
17	Provinsi Bali	9	1,8%	9
18	Provinsi Nusa Tenggara Barat	10	2,0%	10
19	Provinsi Nusa Tenggara Timur	21	4,3%	22
20	Provinsi Kalimantan Barat	14	2,8%	14
21	Provinsi Kalimantan Tengah	14	2,8%	14
22	Provinsi Kalimantan Selatan	13	2,6%	13
23	Provinsi Kalimantan Timur	10	2,0%	10
24	Provinsi Kalimantan Utara	5	1,0%	5
25	Provinsi Sulawesi Utara	15	3,0%	15
26	Provinsi Sulawesi Tengah	13	2,6%	13
27	Provinsi Sulawesi Selatan	24	4,7%	24
28	Provinsi Sulawesi Tenggara	17	3,3%	17

29	Provinsi Gorontalo	6	1,2%	6
30	Provinsi Sulawesi Barat	13	1,2%	6
31	Provinsi Maluku	11	2,2%	11
32	Provinsi Maluku Utara	10	2,0%	10
33	Provinsi Papua	29	5,7%	29
34	Provinsi Papua Barat	13	2,6%	13
Total		514	100,0%	508



## Appendix 2

### Observation Data for Variable Quality of Local Government Financial reports, Local Government Size, Audit Findings, and Audit Recommendations in 2018

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
1	Kabupaten Aceh Barat	17	17	2,881,535,247,615.76	4	12.45962394
2	Kabupaten Aceh Barat Daya	8	8	1,893,684,282,689.99	4	12.27730757
3	Kabupaten Aceh Besar	7	7	2,983,677,539,864.85	4	12.47475189
4	Kabupaten Aceh Jaya	13	13	2,278,943,397,243.36	4	12.35773354
5	Kabupaten Aceh Selatan	13	13	2,622,528,127,390.09	4	12.41872015
6	Kabupaten Aceh Singkil	17	17	1,512,446,695,491.55	4	12.17968008
7	Kabupaten Aceh Tamiang	7	7	2,547,049,639,155.34	4	12.40603741
8	Kabupaten Aceh Tengah	8	8	2,368,548,554,461.71	4	12.37448229
9	Kabupaten Aceh Tenggara	6	6	3,048,906,250,689.01	4	12.48414407
10	Kabupaten Aceh Timur	5	9	3,137,985,896,263.79	4	12.49665099
11	Kabupaten Aceh Utara	7	7	4,706,929,566,141.65	4	12.6727377
12	Kabupaten Bener Meriah	10	12	1,601,123,598,710.22	4	12.20442486
13	Kabupaten Bireuen	9	9	2,850,283,924,349.81	4	12.45488812
14	Kabupaten Gayo Lues	10	15	1,984,455,956,329.98	4	12.29764146
15	Kabupaten Nagan Raya	10	11	1,852,337,739,777.99	4	12.26772018
16	Kabupaten Pidie	9	11	3,137,345,450,716.25	4	12.49656234
17	Kabupaten Pidie Jaya	6	6	1,658,509,856,536.76	4	12.21971806
18	Kabupaten Simeulue	10	10	1,641,871,162,688.65	4	12.21533908
19	Kota Banda Aceh	4	4	5,615,309,114,795.11	4	12.74937367
20	Kota Langsa	5	6	1,813,733,115,666.74	4	12.25857338
21	Kota Lhokseumawe	9	10	1,537,493,771,795.69	4	12.18681337
22	Kota Sabang	11	11	1,311,128,243,281.48	4	12.11764517
23	Kota Subulussalam	18	21	1,246,617,250,114.44	4	12.09573313
24	Kabupaten Asahan	7	22	3,382,372,576,944.04	4	12.52922144

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
25	Kabupaten Batu Bara	12	20	2,104,078,296,854.95	4	12.3230619
26	Kabupaten Dairi	16	28	1,960,715,216,684.63	4	12.29241452
27	Kabupaten Deli Serdang	12	22	6,768,997,528,356.29	4	12.83052436
28	Kabupaten Humbang Hasundutan	15	20	1,851,021,197,089.67	4	12.26741139
29	Kabupaten Karo	11	27	2,534,254,911,296.58	3	12.4038503
30	Kabupaten Labuhanbatu	11	20	2,624,518,212,280.42	3	12.41904959
31	Kabupaten Labuhanbatu Selatan	12	25	861,827,626,394.36	4	11.93542041
32	Kabupaten Labuhanbatu Utara	16	26	2,282,439,427,132.98	3	12.35839926
33	Kabupaten Langkat	5	7	4,308,590,339,396.97	3	12.6343352
34	Kabupaten Mandailing Natal	16	43	1,968,191,256,127.01	3	12.2940673
35	Kabupaten Nias	14	26	2,090,783,598,807.19	3	12.32030908
36	Kabupaten Nias Barat	12	15	1,075,341,804,477.34	1	12.03154653
37	Kabupaten Nias Selatan	13	23	1,796,429,399,895.85	3	12.25441015
38	Kabupaten Nias Utara	8	15	1,746,804,615,803.83	3	12.24224433
39	Kabupaten Padang Lawas	14	22	1,527,507,797,059.60	3	12.18398344
40	Kabupaten Padang Lawas Utara	9	18	1,301,600,964,580.82	4	12.11447786
41	Kabupaten Pakpak Bharat	13	27	946,757,502,208.20	3	11.97623876
42	Kabupaten Samosir	9	19	1,568,385,044,362.13	4	12.19545269
43	Kabupaten Serdang Bedagai	9	14	2,156,853,871,889.95	4	12.33382072
44	Kabupaten Simalungun	22	35	3,183,511,284,222.10	1	12.50290639
45	Kabupaten Tapanuli Selatan	12	20	2,264,430,882,314.64	4	12.35495907
46	Kabupaten Tapanuli Tengah	16	17	1,594,284,997,845.37	3	12.20256596
47	Kabupaten Tapanuli Utara	13	20	1,969,293,457,672.10	4	12.29431044
48	Kabupaten Toba Samosir	8	12	1,643,153,956,600.67	4	12.21567826
49	Kota Binjai	6	6	1,851,021,197,089.67	4	12.26741139
50	Kota Gunungsitoli	8	14	1,646,901,039,596.23	4	12.2166675
51	Kota Medan	22	34	32,835,917,510,687.50	3	13.51634916
52	Kota Padangsidempuan	15	26	1,212,665,087,135.62	4	12.08374087
53	Kota Pematangsiantar	17	31	3,106,010,609,147.18	3	12.49220293

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
54	Kota Sibolga	10	17	1,585,971,177,853.88	4	12.20029529
55	Kota Tanjungbalai	14	29	11,441,897,974,120.50	1	13.05849807
56	Kota Tebing Tinggi	12	23	1,781,013,233,985.10	4	12.25066715
57	Kabupaten Agam	5	5	1,935,999,446,525.01	4	12.28690523
58	Kabupaten Dharmasraya	6	6	2,429,453,615,523.15	4	12.38550861
59	Kabupaten Kepulauan Mentawai	6	6	1,509,079,864,555.07	4	12.17871222
60	Kabupaten Lima Puluh Kota	4	4	1,461,992,487,937.73	4	12.16494514
61	Kabupaten Padang Pariaman	15	12	2,238,942,761,961.95	3	12.35004299
62	Kabupaten Pasaman	5	6	1,866,283,283,056.39	4	12.27097757
63	Kabupaten Pasaman Barat	5	7	2,056,226,233,476.65	4	12.3130709
64	Kabupaten Pesisir Selatan	8	8	2,119,482,060,722.09	4	12.32622975
65	Kabupaten Sijunjung	5	5	35,078,516,094.00	4	10.54504121
66	Kabupaten Solok	4	4	180,227,470,279.00	4	11.25582099
67	Kabupaten Solok Selatan	3	5	1,222,738,376,767.29	4	12.08733354
68	Kabupaten Tanah Datar	7	8	1,254,031,334,684.26	4	12.09830839
69	Kota Bukittinggi	6	5	1,864,851,692,819.07	4	12.2706443
70	Kota Padang	3	5	1,057,789,059,081.66	4	12.02439907
71	Kota Padangpanjang	7	8	1,774,212,462,622.10	4	12.24900563
72	Kota Pariaman	5	5	833,400,056,881.17	4	11.92085353
73	Kota Payakumbuh	6	8	1,236,485,392,786.00	4	12.09218899
74	Kota Sawahlunto	4	4	869,154,740,431.46	4	11.9390971
75	Kota Solok	6	6	1,541,338,154,015.27	4	12.18789793
76	Kabupaten Bengkalis	6	6	9,037,791,429,166.98	4	12.95606231
77	Kabupaten Indragiri Hilir	15	15	3,886,004,688,630.83	4	12.58950332
78	Kabupaten Indragiri Hulu	10	9	3,185,025,606,938.19	4	12.50311293
79	Kabupaten Kampar	10	10	4,085,230,964,652.48	4	12.61121662
80	Kabupaten Kepulauan Meranti	7	7	2,694,966,302,984.89	4	12.43055334
81	Kabupaten Kuantan Singingi	5	5	3,327,126,461,202.64	4	12.52206931
82	Kabupaten Pelalawan	11	18	4,741,935,353,529.95	4	12.67595563

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
83	Kabupaten Rokan Hilir	13	13	5,630,169,394,894.51	4	12.75052146
84	Kabupaten Rokan Hulu	6	5	3,327,126,461,202.64	4	12.52206931
85	Kabupaten Siak	9	9	5,941,420,051,530.97	4	12.77389026
86	Kota Dumai	11	14	2,785,056,552,199.94	4	12.44483402
87	Kota Pekanbaru	9	11	7,398,075,505,045.27	4	12.86911876
88	Kabupaten Bintan	10	13	2,476,251,173,058.12	4	12.39379469
89	Kabupaten Karimun	13	13	2,155,022,302,246.16	4	12.33345177
90	Kabupaten Kepulauan Anambas	18	22	1,659,742,334,883.99	4	12.22004067
91	Kabupaten Lingga	15	13	1,457,907,222,802.14	4	12.16372989
92	Kabupaten Natuna	15	16	2,586,148,105,720.16	4	12.41265339
93	Kota Batam	11	11	4,304,642,843,783.95	4	12.63393712
94	Kota Tanjung Pinang	9	12	1,580,666,189,075.28	4	12.19884016
95	Kabupaten Batanghari	10	11	1,781,076,477,942.74	4	12.25068257
96	Kabupaten Bungo	15	16	1,667,191,847,320.06	4	12.22198558
97	Kabupaten Kerinci	5	5	74,981,840,663.00	4	10.8749561
98	Kabupaten Merangin	9	9	2,021,300,386,071.47	4	12.30563086
99	Kabupaten Muaro Jambi	7	7	2,253,551,124,880.92	4	12.35286742
100	Kabupaten Sarolangun	11	11	2,390,914,379,250.31	4	12.37856402
101	Kabupaten Tanjung Jabung Barat	5	5	3,796,985,925,236.02	4	12.57943899
102	Kabupaten Tanjung Jabung Timur	8	8	1,928,366,073,703.29	4	12.28518948
103	Kabupaten Tebo	10	12	2,238,942,761,961.95	4	12.35004299
104	Kota Jambi	10	12	3,480,765,299,458.44	4	12.54167474
105	Kota Sungaipenuh	11	18	1,263,657,635,574.64	4	12.10162943
106	Kabupaten Bengkulu Selatan	9	8	1,959,122,444,549.17	4	12.29206158
107	Kabupaten Bengkulu Tengah	10	15	1,721,738,493,517.08	3	12.23596719
108	Kabupaten Bengkulu Utara	14	16	2,154,653,698,752.87	3	12.33337748
109	Kabupaten Kaur	15	20	12,372,055,331,049.00	4	13.09244185
110	Kabupaten Kepahiang	8	13	1,214,275,007,121.00	3	12.08431706
111	Kabupaten Lebong	12	12	1,561,519,231,664.47	4	12.19354734

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
112	Kabupaten Mukomuko	11	11	1,641,014,609,269.58	4	12.21511245
113	Kabupaten Rejang Lebong	7	8	1,667,191,847,320.06	4	12.22198558
114	Kabupaten Seluma	9	9	1,596,427,099,061.39	3	12.20314909
115	Kota Bengkulu	16	17	1,798,913,543,678.36	4	12.25501029
116	Kabupaten Banyuasin	15	15	4,049,248,750,619.72	4	12.60737446
117	Kabupaten Empat Lawang	21	21	99,893,636,618.68	4	10.99953782
118	Kabupaten Lahat	16	16	2,856,418,876,322.47	4	12.45582189
119	Kabupaten Muara Enim	22	20	5,078,067,884,927.25	4	12.7056985
120	Kabupaten Musi Banyuasin	13	13	8,353,874,229,228.76	4	12.92188793
121	Kabupaten Musi Rawas	23	19	3,941,875,496,734.12	4	12.5957029
122	Kabupaten Musi Rawas Utara	22	21	1,864,851,692,819.07	4	12.2706443
123	Kabupaten Ogan Ilir	12	12	2,093,955,907,157.37	4	12.32096753
124	Kabupaten Ogan Komering Ilir	14	17	3,768,092,450,326.01	4	12.57612155
125	Kabupaten Ogan Komering Ulu	16	16	3,023,833,387,813.58	4	12.48055786
126	Kabupaten Ogan Komering Ulu Selatan	18	18	2,778,115,237,399.94	4	12.44375026
127	Kabupaten Ogan Komering Ulu Timur	13	14	2,058,208,722,475.90	4	12.31348941
128	Kabupaten Penukal Abab Lematang Ilir	15	15	2,403,430,647,148.28	4	12.38083159
129	Kota Lubuklinggau	9	9	2,421,662,223,474.72	4	12.38411357
130	Kota Pagar Alam	21	21	2,120,901,383,260.11	4	12.32652048
131	Kota Palembang	9	9	14,360,384,701,026.00	4	13.15716607
132	Kota Prabumulih	8	20	2,451,694,251,548.70	4	12.38946631
133	Kabupaten Bangka	8	7	1,352,184,609,269.58	4	12.13103599
134	Kabupaten Bangka Barat	14	28	1,379,362,305,808.71	3	12.13967835
135	Kabupaten Bangka Selatan	20	11	1,459,982,642,593.51	3	12.16434769
136	Kabupaten Bangka Tengah	10	31	1,184,065,400,356.70	4	12.07337569
137	Kabupaten Belitung	12	47	2,075,843,726,925.05	3	12.31719466
138	Kabupaten Belitung Timur	18	30	1,379,732,522,494.36	3	12.1397949
139	Kota Pangkal Pinang	15	23	2,991,807,700,072.45	4	12.47593368
140	Kabupaten Lampung Barat	13	14	2,174,055,841,417.88	4	12.33727069

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
141	Kabupaten Lampung Selatan	13	49	3,351,413,355,425.85	4	12.525228
142	Kabupaten Lampung Tengah	7	23	3,253,872,868,186.42	4	12.51240058
143	Kabupaten Lampung Timur	7	26	2,519,705,992,781.15	4	12.40134987
144	Kabupaten Lampung Utara	8	11	2,297,683,141,885.70	4	12.36129014
145	Kabupaten Mesuji	15	14	2,534,254,911,296.58	3	12.4038503
146	Kabupaten Pesawaran	6	24	2,117,076,230,779.28	4	12.3257365
147	Kabupaten Pesisir Barat	10	8	2,672,960,299,931.45	3	12.42699251
148	Kabupaten Pringsewu	4	13	2,063,358,231,315.17	4	12.31457463
149	Kabupaten Tanggamus	6	32	2,312,701,586,665.74	4	12.3641196
150	Kabupaten Tulang Bawang	9	19	2,159,983,898,446.19	4	12.33445051
151	Kabupaten Tulang Bawang Barat	10	21	1,959,122,444,549.17	4	12.29206158
152	Kabupaten Way Kanan	9	21	2,390,408,586,375.86	4	12.37847214
153	Kota Bandar Lampung	12	46	4,845,482,340,685.16	4	12.68533702
154	Kota Metro	13	19	2,808,143,461,945.42	4	12.44841929
155	Kabupaten Lebak	6	6	3,525,083,468,375.45	4	12.5471694
156	Kabupaten Pandeglang	7	6	2,920,488,816,249.31	4	12.46545555
157	Kabupaten Serang	7	9	3,858,002,501,553.54	4	12.5863625
158	Kabupaten Tangerang	7	8	14,356,043,519,847.20	4	13.15703477
159	Kota Cilegon	8	6	4,520,504,103,109.00	4	12.65518687
160	Kota Serang	9	9	2,530,799,809,879.08	4	12.40325779
161	Kota Tangerang	7	8	7,884,681,532,354.19	4	12.89678416
162	Kota Tangerang Selatan	10	8	20,358,502,058,443.60	4	13.30874582
163	Kabupaten Bandung	8	13	10,429,388,051,099.90	4	13.01825883
164	Kabupaten Bandung Barat	2	23	4,317,744,837,732.28	3	12.63525697
165	Kabupaten Bekasi	7	16	12,486,837,156,654.60	4	13.09645245
166	Kabupaten Bogor	9	9	23,369,459,813,916.70	4	13.36864867
167	Kabupaten Ciamis	6	6	3,062,199,637,596.81	4	12.4860335
168	Kabupaten Cianjur	5	5	6,136,887,781,642.47	3	12.78794818
169	Kabupaten Cirebon	7	8	4,049,013,747,016.87	4	12.60734925



No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
170	Kabupaten Garut	6	6	4,682,207,780,155.14	4	12.67045068
171	Kabupaten Indramayu	10	19	4,962,991,484,890.05	4	12.69574353
172	Kabupaten Karawang	9	8	4,832,949,592,660.38	4	12.68421227
173	Kabupaten Kuningan	5	7	2,297,683,141,885.70	4	12.36129014
174	Kabupaten Majalengka	6	6	4,735,025,847,196.73	4	12.67532235
175	Kabupaten Pangandaran	8	13	1,944,422,444,480.68	4	12.28879063
176	Kabupaten Purwakarta	8	16	2,755,764,325,350.00	4	12.44024207
177	Kabupaten Subang	5	8	4,664,425,858,192.13	4	12.66879819
178	Kabupaten Sukabumi	8	11	4,237,919,081,039.81	4	12.62715266
179	Kabupaten Sumedang	6	6	3,084,379,217,263.35	4	12.48916777
180	Kabupaten Tasikmalaya	6	11	4,863,200,296,463.61	3	12.68692216
181	Kota Bandung	8	11	10,429,388,051,099.90	4	13.01825883
182	Kota Banjar	7	9	3,317,744,837,732.28	4	12.52084298
183	Kota Bekasi	7	16	12,486,837,156,654.60	4	13.09645245
184	Kota Bogor	9	9	23,369,459,813,916.70	4	13.36864867
185	Kota Cimahi	8	10	3,317,744,837,732.28	4	12.52084298
186	Kota Cirebon	6	6	3,239,513,218,349.90	4	12.51047976
187	Kota Depok	10	13	10,190,832,640,978.60	4	13.00820967
188	Kota Sukabumi	7	16	1,774,212,462,622.10	4	12.24900563
189	Kota Tasikmalaya	5	5	3,259,943,517,128.40	4	12.51321008
190	Kabupaten Banjarnegara	6	6	4,355,751,220,425.70	4	12.63906307
191	Kabupaten Banyumas	7	9	3,141,760,777,818.53	4	12.49717311
192	Kabupaten Batang	6	6	2,511,746,350,765.55	4	12.39997578
193	Kabupaten Blora	5	10	2,916,854,233,298.52	4	12.46491473
194	Kabupaten Boyolali	4	4	3,116,090,963,844.90	4	12.49361013
195	Kabupaten Brebes	7	7	3,366,883,430,103.06	3	12.52722808
196	Kabupaten Cilacap	5	6	4,590,474,285,434.40	4	12.66185756
197	Kabupaten Demak	4	4	5,084,647,496,851.59	4	12.70626085
198	Kabupaten Grobogan	4	4	3,504,789,426,746.85	4	12.54466193

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
199	Kabupaten Jepara	2	2	6,132,256,105,265.02	4	12.78762028
200	Kabupaten Karanganyar	5	5	3,190,931,038,152.83	4	12.50391742
201	Kabupaten Kebumen	5	5	4,548,688,282,913.09	4	12.65788618
202	Kabupaten Kendal	3	4	3,081,268,497,841.06	4	12.48872954
203	Kabupaten Klaten	4	4	4,001,324,130,418.45	4	12.60220373
204	Kabupaten Kudus	4	4	4,159,213,413,942.49	4	12.61901121
205	Kabupaten Magelang	4	4	3,141,760,777,818.53	4	12.49717311
206	Kabupaten Pati	4	4	6,190,923,149,283.96	4	12.79175541
207	Kabupaten Pekalongan	5	5	2,763,481,985,690.28	4	12.44145664
208	Kabupaten Pemasang	6	6	3,512,512,785,581.85	4	12.54561791
209	Kabupaten Purbalingga	4	4	2,621,915,743,198.10	4	12.41861873
210	Kabupaten Purworejo	5	5	2,772,960,299,931.45	4	12.44294365
211	Kabupaten Rembang	6	6	2,083,375,254,651.96	4	12.3187675
212	Kabupaten Semarang	3	3	4,381,254,462,290.56	4	12.64159848
213	Kabupaten Sragen	4	9	3,374,697,292,758.05	4	12.52823482
214	Kabupaten Sukoharjo	4	4	4,738,164,776,816.97	4	12.67561016
215	Kabupaten Tegal	7	9	3,184,190,479,588.44	4	12.50299904
216	Kabupaten Temanggung	4	4	3,104,748,410,142.86	4	12.49202641
217	Kabupaten Wonogiri	4	5	3,441,897,165,791.76	4	12.53679789
218	Kabupaten Wonosobo	4	4	3,070,057,342,570.34	4	12.48714649
219	Kota Magelang	7	6	3,865,401,096,564.41	4	12.58719457
220	Kota Pekalongan	5	5	2,463,049,418,792.98	4	12.39147313
221	Kota Salatiga	5	10	3,112,709,787,205.55	4	12.49313863
222	Kota Semarang	5	6	30,970,860,367,210.00	4	13.49095327
223	Kota Surakarta	3	3	7,733,569,021,424.03	4	12.88837997
224	Kota Tegal	4	4	2,402,980,382,890.01	4	12.38075023
225	Kabupaten Bantul	8	25	3,255,020,103,752.85	4	12.51255368
226	Kabupaten Gunungkidul	3	13	2,846,345,700,156.11	4	12.45428765
227	Kabupaten Kulon Progo	8	26	2,090,814,786,203.46	4	12.32031556

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
228	Kabupaten Sleman	11	24	4,537,884,982,107.18	4	12.65685348
229	Kota Yogyakarta	14	23	4,101,991,184,624.48	4	12.61299472
230	Kabupaten Bangkalan	6	5	3,244,033,835,502.95	4	12.51108538
231	Kabupaten Banyuwangi	5	5	4,154,480,420,614.78	4	12.61851672
232	Kabupaten Blitar	5	10	4,039,394,668,251.50	4	12.60631629
233	Kabupaten Bojonegoro	14	15	8,316,744,707,903.99	4	12.91995337
234	Kabupaten Bondowoso	5	12	2,800,580,769,222.16	4	12.4472481
235	Kabupaten Gresik	6	6	5,929,674,460,563.16	4	12.77303085
236	Kabupaten Jember	6	6	4,751,833,055,650.47	3	12.67686117
237	Kabupaten Jombang	7	6	2,305,997,605,280.92	4	12.36285885
238	Kabupaten Kediri	6	11	4,454,578,539,081.58	4	12.64880662
239	Kabupaten Lamongan	6	8	5,058,850,989,440.96	4	12.70405189
240	Kabupaten Lumajang	6	7	3,404,158,364,115.27	4	12.53200976
241	Kabupaten Madiun	8	8	4,054,430,335,312.31	4	12.60792984
242	Kabupaten Magetan	7	6	245,997,605,280.92	4	11.39093088
243	Kabupaten Malang	6	7	6,968,023,910,763.55	4	12.84310963
244	Kabupaten Mojokerto	6	10	5,701,435,154,417.86	4	12.75598419
245	Kabupaten Nganjuk	6	6	3,211,117,819,593.41	4	12.50665624
246	Kabupaten Ngawi	7	12	3,354,911,809,571.62	4	12.52568111
247	Kabupaten Pacitan	8	4	2,269,926,446,324.97	4	12.35601178
248	Kabupaten Pamekasan	8	9	3,483,606,764,607.15	4	12.54202913
249	Kabupaten Pasuruan	9	9	3,967,400,849,056.20	4	12.59850608
250	Kabupaten Ponorogo	7	7	2,840,526,918,332.66	4	12.45339891
251	Kabupaten Probolinggo	5	6	2,305,997,605,280.92	4	12.36285885
252	Kabupaten Sampang	9	9	3,877,609,585,570.50	4	12.58856408
253	Kabupaten Sidoarjo	5	15	17,377,441,188,340.00	4	13.23998583
254	Kabupaten Situbondo	7	10	3,520,994,088,931.27	4	12.5466653
255	Kabupaten Sumenep	8	8	3,495,672,156,801.46	4	12.5435307
256	Kabupaten Trenggalek	7	7	2,346,933,275,438.47	4	12.37050074

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
257	Kabupaten Tuban	9	9	6,831,283,504,584.03	4	12.83450231
258	Kabupaten Tulungagung	5	5	3,873,820,139,367.28	3	12.58813945
259	Kota Batu	5	14	1,910,800,790,102.15	4	12.28121541
260	Kota Blitar	6	10	2,441,419,752,949.69	4	12.38764245
261	Kota Kediri	6	9	3,049,416,879,763.96	4	12.4842168
262	Kota Madiun	6	8	2,528,060,139,619.89	4	12.4027874
263	Kota Malang	5	8	6,396,564,384,412.46	4	12.80594678
264	Kota Mojokerto	8	8	1,854,530,373,707.83	4	12.26823395
265	Kota Pasuruan	11	12	2,959,817,468,870.91	3	12.47126493
266	Kota Probolinggo	8	9	1,681,778,005,505.24	4	12.22576867
267	Kota Surabaya	5	6	42,764,672,922,352.50	4	13.63108515
268	Kabupaten Badung	5	10	13,547,271,190,616.10	4	13.13185182
269	Kabupaten Bangli	7	11	1,220,625,989,069.41	4	12.08658261
270	Kabupaten Buleleng	7	7	2,391,575,544,908.24	4	12.3786841
271	Kabupaten Gianyar	4	12	2,270,437,023,012.99	4	12.35610946
272	Kabupaten Jembrana	7	7	2,210,883,323,592.38	4	12.34456582
273	Kabupaten Karangasem	4	4	1,483,255,523,263.59	4	12.17121597
274	Kabupaten Klungkung	6	6	1,057,789,059,081.66	4	12.02439907
275	Kabupaten Tabanan	8	8	2,192,984,253,069.09	4	12.34103551
276	Kota Denpasar	6	10	6,041,824,168,229.42	4	12.78116808
277	Kabupaten Bima	8	7	2,524,415,074,449.68	4	12.40216076
278	Kabupaten Dompu	6	13	1,612,827,960,878.90	4	12.20758804
279	Kabupaten Lombok Barat	7	7	2,370,416,168,778.94	4	12.3748246
280	Kabupaten Lombok Tengah	9	8	2,808,264,929,698.74	4	12.44843808
281	Kabupaten Lombok Timur	7	7	3,275,708,655,993.85	4	12.51530527
282	Kabupaten Lombok Utara	6	10	1,651,531,635,687.63	4	12.2178869
283	Kabupaten Sumbawa	6	17	3,063,460,725,275.63	4	12.48621232
284	Kabupaten Sumbawa Barat	8	7	2,342,326,095,191.36	4	12.36964736
285	Kota Bima	8	13	1,424,626,365,410.06	4	12.15370098

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
286	Kota Mataram	7	7	3,111,647,452,541.33	4	12.49299039
287	Kabupaten Alor	12	16	1,275,251,649,567.56	3	12.10559589
288	Kabupaten Belu	5	5	1,486,827,270,324.57	4	12.17226052
289	Kabupaten Ende	10	11	1,501,573,586,283.82	3	12.17654662
290	Kabupaten Flores Timur	14	15	1,329,965,041,696.96	3	12.12384023
291	Kabupaten Kupang	10	12	1,854,035,176,196.55	3	12.26811797
292	Kabupaten Lembata	9	9	836,536,014,765.90	3	11.92248464
293	Kabupaten Malaka	11	13	1,115,998,026,173.51	3	12.04766343
293	Kabupaten Manggarai	4	4	1,857,522,084,662.05	4	12.26893399
295	Kabupaten Manggarai Barat	5	6	2,000,912,146,792.32	4	12.30122802
296	Kabupaten Manggarai Timur	7	5	1,559,649,768,688.63	4	12.19302709
297	Kabupaten Nagekeo	8	8	1,848,552,492,149.81	4	12.26683179
298	Kabupaten Ngada	7	8	1,659,536,845,865.96	4	12.2199869
299	Kabupaten Rote Ndao	11	15	1,229,446,871,535.89	3	12.08970977
300	Kabupaten Sabu Raijua	11	13	1,249,443,224,341.62	3	12.09671653
301	Kabupaten Sikka	8	8	1,396,323,667,893.74	4	12.1449861
302	Kabupaten Sumba Barat	15	16	1,587,665,425,824.87	3	12.20075899
303	Kabupaten Sumba Barat Daya	17	16	1,402,722,512,516.48	3	12.14697177
304	Kabupaten Sumba Tengah	14	14	1,093,370,188,325.65	3	12.03876723
305	Kabupaten Sumba Timur	6	6	2,058,984,668,505.61	4	12.31365311
306	Kabupaten Timor Tengah Selatan	15	13	1,828,795,388,588.94	3	12.26216512
307	Kabupaten Timor Tengah Utara	18	15	1,621,324,248,158.94	3	12.20986988
308	Kota Kupang	16	18	1,954,653,698,752.87	3	12.29106983
309	Kabupaten Bengkayang	17	17	1,882,410,188,605.11	3	12.27471426
310	Kabupaten Kapuas Hulu	6	10	3,123,319,228,098.02	4	12.49461637
311	Kabupaten Kayong Utara	14	15	1,566,859,208,080.13	3	12.19502997
312	Kabupaten Ketapang	7	10	4,557,522,832,459.69	4	12.65872885
313	Kabupaten Kubu Raya	6	9	2,008,661,677,775.12	4	12.30290679
314	Kabupaten Landak	7	6	2,990,628,287,762.57	4	12.47576244

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
315	Kabupaten Melawi	16	15	2,162,297,143,435.00	3	12.33491537
316	Kabupaten Mempawah	6	8	1,365,787,900,292.13	4	12.13538326
317	Kabupaten Sambas	8	8	2,423,260,588,332.18	4	12.38440012
318	Kabupaten Sanggau	9	10	2,446,589,880,885.27	4	12.38856118
319	Kabupaten Sekadau	9	11	1,807,110,908,745.78	4	12.25698481
320	Kabupaten Sintang	8	10	4,051,065,559,340.11	4	12.60756927
321	Kota Pontianak	11	15	7,402,797,838,380.28	4	12.86939589
322	Kota Singkawang	11	12	1,829,435,258,949.63	4	12.26231705
323	Kabupaten Balangan	8	15	2,343,420,753,531.42	4	12.36985027
324	Kabupaten Banjar	5	23	3,539,665,058,842.15	4	12.54896217
325	Kabupaten Barito Kuala	6	15	2,267,323,859,376.66	4	12.35551356
326	Kabupaten Hulu Sungai Selatan	5	8	2,887,851,963,080.16	4	12.46057493
327	Kabupaten Hulu Sungai Tengah	5	24	2,124,880,963,548.97	4	12.32733461
328	Kabupaten Hulu Sungai Utara	6	6	2,449,450,924,412.78	4	12.38906874
329	Kabupaten Kotabaru	6	6	2,917,544,725,762.46	4	12.46501752
330	Kabupaten Tabalong	6	6	3,683,427,305,727.34	4	12.5662521
331	Kabupaten Tanah Bumbu	6	11	3,373,140,128,315.08	4	12.52803438
332	Kabupaten Tanah Laut	7	7	1,714,558,661,708.00	4	12.23415235
333	Kabupaten Tapin	7	7	1,977,278,483,556.16	4	12.29606784
334	Kota Banjarbaru	16	16	2,687,993,077,141.89	4	12.42942815
335	Kota Banjarmasin	7	13	5,185,127,545,798.43	4	12.71475944
336	Kabupaten Barito Selatan	11	11	1,689,212,036,374.53	4	12.22768417
337	Kabupaten Barito Timur	12	14	1,327,235,415,635.46	4	12.12294796
338	Kabupaten Barito Utara	15	15	2,900,282,452,506.47	4	12.46244029
339	Kabupaten Gunung Mas	11	11	2,052,749,832,361.44	4	12.31233603
340	Kabupaten Kapuas	15	15	3,414,964,012,734.61	4	12.53338613
341	Kabupaten Katingan	16	16	3,161,236,918,346.33	4	12.49985705
342	Kabupaten Kotawaringin Barat	6	19	2,683,716,937,471.25	4	12.42873671
343	Kabupaten Kotawaringin Timur	10	19	3,382,002,456,702.82	4	12.52917392

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
344	Kabupaten Lamandau	11	26	1,695,267,370,685.08	4	12.2292382
345	Kabupaten Murung Raya	10	11	2,778,575,661,862.19	4	12.44382223
346	Kabupaten Pulang Pisau	5	10	2,017,493,140,254.06	4	12.30481207
347	Kabupaten Sukamara	18	25	2,131,732,147,996.76	3	12.32873263
348	Kabupaten Seruyan	8	8	3,222,832,655,709.67	4	12.50823776
349	Kota Palangka Raya	15	10	2,914,358,747,772.36	4	12.46454301
350	Kabupaten Berau	8	10	8,072,472,270,103.37	4	12.90700656
351	Kabupaten Kutai Barat	6	7	5,876,208,275,037.66	4	12.76909718
352	Kabupaten Kutai Kartanegara	5	10	17,572,384,232,381.30	4	13.24483069
353	Kabupaten Kutai Timur	8	18	9,368,599,850,533.87	4	12.97167469
354	Kabupaten Mahakam Ulu	9	11	1,747,520,280,349.75	3	12.24242222
355	Kabupaten Paser	10	18	6,313,509,056,615.99	4	12.80027081
356	Kabupaten Penajam Paser Utara	10	10	35,675,382,094.30	4	10.55236863
357	Kota Balikpapan	8	8	11,074,760,685,563.60	4	13.04433435
358	Kota Bontang	8	10	4,697,436,263,645.97	4	12.6718609
359	Kota Samarinda	13	13	18,424,211,620,274.80	4	13.26538891
360	Kabupaten Bulungan	17	17	6,036,380,906,144.78	3	12.78077664
361	Kabupaten Malinau	6	6	4,840,095,778,151.28	4	12.68485396
362	Kabupaten Nunukan	8	12	4,904,251,228,195.17	4	12.69057271
363	Kabupaten Tana Tidung	12	12	3,138,632,835,625.71	4	12.49674051
364	Kota Tarakan	8	12	5,930,018,044,500.21	3	12.77305601
365	Kabupaten Boalemo	4	8	1,434,663,237,608.15	4	12.15674997
366	Kabupaten Bone Bolango	8	10	1,405,614,750,475.91	4	12.14786631
367	Kabupaten Gorontalo	5	8	1,621,056,255,185.73	4	12.20979809
368	Kabupaten Gorontalo Utara	10	10	1,758,626,641,737.35	4	12.24517365
369	Kabupaten Pohuwato	6	6	1,229,496,440,176.64	4	12.08972728
370	Kota Gorontalo	11	12	1,289,475,940,001.48	4	12.11041324
371	Kabupaten Majene	10	16	1,573,731,740,996.34	4	12.1969307
372	Kabupaten Mamasa	4	7	1,420,083,785,645.76	4	12.15231397

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
373	Kabupaten Mamuju	9	9	1,595,267,370,685.08	4	12.20283348
374	Kabupaten Mamuju Tengah	10	10	1,627,235,415,635.46	4	12.21145039
375	Kabupaten Pasangkayu	9	24	1,795,373,865,138.70	4	12.2541549
376	Kabupaten Polewali Mandar	8	21	1,945,862,667,285.04	4	12.28911219
377	Kabupaten Bantaeng	15	11	2,183,076,810,811.94	4	12.33906902
378	Kabupaten Barru	9	9	2,229,908,358,875.09	4	12.34828702
379	Kabupaten Bone	8	8	2,115,581,792,380.46	4	12.32542982
380	Kabupaten Bulukumba	4	8	2,389,599,789,030.74	4	12.37832517
381	Kabupaten Enrekang	8	12	1,861,102,512,094.74	4	12.2697703
382	Kabupaten Gowa	10	10	1,566,859,208,080.13	4	12.19502997
383	Kabupaten Jeneponto	20	46	2,118,908,089,107.71	3	12.32611212
384	Kabupaten Kepulauan Selayar	12	12	2,059,712,074,414.06	4	12.31380651
385	Kabupaten Luwu	10	11	2,217,123,196,806.90	4	12.34578983
386	Kabupaten Luwu Timur	9	9	2,919,964,965,793.25	4	12.46537764
387	Kabupaten Luwu Utara	13	12	1,360,570,360,782.50	4	12.13372101
388	Kabupaten Maros	8	18	2,729,054,088,358.58	4	12.43601214
389	Kabupaten Pangkajene dan Kepulauan	7	8	2,424,626,365,410.06	4	12.38464482
390	Kabupaten Pinrang	12	28	2,846,271,849,938.11	4	12.45427638
391	Kabupaten Sidenreng Rappang	10	9	2,580,018,811,475.30	4	12.41162287
392	Kabupaten Sinjai	7	7	1,947,520,280,349.75	4	12.28948199
393	Kabupaten Soppeng	13	15	2,154,372,094,288.83	4	12.33332071
394	Kabupaten Takalar	15	14	2,041,338,154,015.27	3	12.30991495
395	Kabupaten Tana Toraja	12	16	2,240,060,017,423.45	3	12.35025965
396	Kabupaten Toraja Utara	6	6	1,033,036,214,779.60	4	12.01411555
397	Kabupaten Wajo	12	20	2,987,182,698,819.09	4	12.47526179
398	Kota Makassar	9	9	27,060,353,343,958.00	4	13.43233346
399	Kota Palopo	11	12	2,109,553,912,300.80	4	12.32419063
400	Kota Parepare	15	16	2,118,908,089,107.71	3	12.32611212
401	Kabupaten Bombana	12	38	1,633,589,046,209.15	4	12.21314281



No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
402	Kabupaten Buton	8	21	1,684,075,827,376.02	4	12.22636164
403	Kabupaten Buton Selatan	5	12	800,717,649,092.07	4	11.9034794
404	Kabupaten Buton Tengah	7	13	1,558,740,830,861.16	4	12.19277391
405	Kabupaten Buton Utara	11	22	1,240,579,431,612.08	4	12.09362458
406	Kabupaten Kolaka	18	18	1,124,686,044,730.30	4	12.05103131
407	Kabupaten Kolaka Timur	15	15	1,031,259,994,868.41	4	12.01336817
408	Kabupaten Kolaka Utara	16	16	1,724,794,101,516.38	4	12.23673726
409	Kabupaten Konawe	15	15	1,909,972,157,269.88	4	12.28102704
410	Kabupaten Konawe Kepulauan	14	67	910,534,541,387.28	3	11.95929643
411	Kabupaten Konawe Selatan	8	40	1,836,197,540,171.18	4	12.2639194
412	Kabupaten Konawe Utara	6	30	1,289,475,940,001.48	4	12.11041324
413	Kabupaten Muna	7	17	1,281,980,231,285.04	4	12.10788133
414	Kabupaten Muna Barat	5	14	843,573,294,347.00	4	11.92612282
415	Kabupaten Wakatobi	9	9	1,305,120,418,964.90	4	12.11565058
416	Kota Bau-Bau	10	11	1,595,267,370,685.08	4	12.20283348
417	Kota Kendari	9	10	1,681,980,231,285.04	4	12.22582089
418	Kabupaten Banggai	6	8	2,181,499,813,413.08	4	12.33875518
419	Kabupaten Banggai Kepulauan	7	23	3,280,650,372,884.54	3	12.51595995
420	Kabupaten Banggai Laut	6	7	1,118,361,428,860.88	4	12.04858218
421	Kabupaten Buol	9	9	1,218,139,251,380.00	4	12.08569694
422	Kabupaten Donggala	4	18	1,703,096,364,784.10	3	12.23123922
423	Kabupaten Morowali	10	11	758,740,830,861.16	4	11.88009346
424	Kabupaten Morowali Utara	14	16	2,914,358,747,772.36	3	12.46454301
425	Kabupaten Parigi Moutong	6	7	220,048,598,133.97	4	11.34251861
426	Kabupaten Poso	9	10	189,368,428,269.00	4	11.27730757
427	Kabupaten Sigi	11	12	1,527,083,719,938.64	4	12.18386285
428	Kabupaten Tojo Una-Una	8	8	1,769,612,012,207.45	4	12.24787806
429	Kabupaten Tolitoli	13	17	1,984,075,827,376.02	3	12.29755827
430	Kota Palu	14	14	1,217,123,196,806.95	4	12.08533454

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
431	Kabupaten Bolaang Mongondow	11	11	1,859,073,801,073.61	1	12.26929663
432	Kabupaten Bolaang Mongondow Selatan	7	7	1,091,126,480,125.28	4	12.0378751
433	Kabupaten Bolaang Mongondow Timur	5	10	975,189,917,205.33	4	11.9890892
434	Kabupaten Bolaang Mongondow Utara	7	7	1,112,541,258,547.93	4	12.04631613
435	Kabupaten Kepulauan Sangihe	4	13	827,083,719,938.64	4	11.91754947
436	Kabupaten Kepulauan Siau Tagulandang Biaro	12	12	1,264,318,555,538.84	4	12.10185651
437	Kabupaten Kepulauan Talaud	12	12	1,230,889,115,906.74	4	12.09021893
438	Kabupaten Minahasa	14	14	1,865,526,845,341.20	4	12.2708015
439	Kabupaten Minahasa Selatan	7	14	1,737,135,263,923.50	4	12.23983364
440	Kabupaten Minahasa Tenggara	4	8	1,435,870,823,839.46	4	12.15711537
441	Kabupaten Minahasa Utara	4	15	1,523,418,712,574.23	4	12.18281929
442	Kota Bitung	6	7	1,691,567,893,818.76	4	12.22828943
443	Kota Kotamobagu	9	9	705,120,418,964.90	4	11.84826329
444	Kota Manado	4	11	1,482,759,915,389.11	4	12.17107084
445	Kota Tomohon	10	11	1,718,724,843,821.74	4	12.23520635
446	Kabupaten Buru	13	24	1,305,928,857,363.57	4	12.11591952
447	Kabupaten Buru Selatan	24	24	1,416,634,241,562.74	3	12.15125773
448	Kabupaten Kepulauan Aru	15	70	1,891,567,893,818.76	1	12.27682193
449	Kabupaten Maluku Barat Daya	16	57	1,681,980,231,285.04	4	12.22582089
450	Kabupaten Maluku Tengah	10	18	2,122,949,857,212.25	3	12.32693974
451	Kabupaten Maluku Tenggara	8	23	1,415,581,792,380.46	4	12.15093497
452	Kabupaten Kepulauan Tanimbar	19	46	1,631,789,503,952.48	4	12.21266414
453	Kabupaten Seram Bagian Barat	18	36	1,929,469,605,592.02	3	12.28543794
454	Kabupaten Seram Bagian Timur	15	45	1,840,091,628,181.30	3	12.26483945
455	Kota Ambon	5	6	1,626,855,311,744.65	4	12.21134893
456	Kota Tual	19	41	1,217,123,196,806.95	4	12.08533454
457	Kabupaten Halmahera Barat	16	22	1,242,268,695,857.54	4	12.09421554
458	Kabupaten Halmahera Tengah	11	11	1,994,584,256,379.22	4	12.29985239
459	Kabupaten Halmahera Timur	15	15	2,157,813,509,433.78	4	12.33401391

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
460	Kabupaten Halmahera Selatan	8	7	1,482,759,915,389.11	4	12.17107084
461	Kabupaten Halmahera Utara	9	7	1,305,120,418,964.90	4	12.11565058
462	Kabupaten Kepulauan Sula	21	28	1,649,754,964,908.52	3	12.21741944
463	Kabupaten Pulau Morotai	14	18	996,528,808,316.14	4	11.99848986
464	Kabupaten Pulau Taliabu	20	26	1,950,566,610,146.99	3	12.29016079
465	Kota Ternate	21	21	234,303,846,942.71	4	11.36977942
466	Kota Tidore Kepulauan	9	9	1,500,009,412,237.00	4	12.17609398
467	Kabupaten Asmat	3	9	2,637,391,923,710.88	4	12.42117467
468	Kabupaten Biak Numfor	4	8	17,410,976,092,556.70	1	13.24082312
469	Kabupaten Boven Digoel	4	6	13,414,386,355,686.80	1	13.12757081
470	Kabupaten Deiyai	4	8	11,522,297,354,245.90	3	13.06153908
471	Kabupaten Dogiyai	4	16	1,585,478,402,859.82	3	12.20016033
472	Kabupaten Intan Jaya	4	13	2,725,928,629,316.09	3	12.43551448
473	Kabupaten Jayapura	4	10	2,350,807,245,562.52	4	12.37121702
474	Kabupaten Jayawijaya	4	7	2,765,519,609,035.00	4	12.44177674
475	Kabupaten Keerom	6	19	232,856,786,495.33	4	11.3670889
476	Kabupaten Kepulauan Yapen	5	8	1,886,827,270,324.57	4	12.27573214
477	Kabupaten Lanny Jaya	5	14	2,184,723,296,140.77	3	12.33939644
478	Kabupaten Mamberamo Raya	16	8	12,483,248,781,775.70	1	13.09632763
479	Kabupaten Mamberamo Tengah	15	5	12,240,060,017,423.40	1	13.08778355
480	Kabupaten Mappi	14	4	12,661,548,818,389.20	1	13.10248683
481	Kabupaten Merauke	4	8	4,261,034,236,887.18	4	12.62951502
482	Kabupaten Mimika	4	16	5,120,424,707,633.62	4	12.70930598
483	Kabupaten Nabire	6	12	1,758,626,641,737.35	4	12.24517365
484	Kabupaten Nduga	5	18	2,215,074,657,057.76	3	12.34538837
485	Kabupaten Paniai	6	10	1,482,759,915,389.11	3	12.17107084
486	Kabupaten Pegunungan Bintang	4	9	3,327,126,461,202.64	3	12.52206931
487	Kabupaten Puncak Jaya	4	5	2,312,289,246,847.81	3	12.36404216
488	Kabupaten Puncak Jaya	4	16	2,058,208,722,475.90	3	12.31348941

No	Local Government	Audit findings	Audit recommendations	local government size	Quality Financial Statements on Local Government	Ln Local Government Size
	<b>Kabupaten / Kota</b>					
489	Kabupaten Sarmi	4	6	2,087,317,913,844.45	1	12.3195886
490	Kabupaten Supiori	23	7	2,154,920,980,646.30	3	12.33343135
491	Kabupaten Tolikara	6	14	32,972,057,965,162.70	1	13.51814605
492	Kabupaten Waropen	4	7	32,107,765,987,330.00	1	13.50661009
493	Kabupaten Yahukimo	4	7	1,817,573,626,895.47	3	12.25949201
494	Kabupaten Yalimo	8	8	1,718,724,843,821.74	4	12.23520635
495	Kota Jayapura	5	20	2,600,645,445,464.80	4	12.41508115
496	Kabupaten Fakfak	6	6	3,196,340,090,701.00	4	12.50465298
497	Kabupaten Kaimana	5	5	2,162,992,133,058.67	4	12.33505494
498	Kabupaten Manokwari	16	18	2,540,947,779,169.24	3	12.40499574
499	Kabupaten Manokwari Selatan	12	12	909,199,860,333.83	3	11.95865936
500	Kabupaten Maybrat	14	15	1,769,738,493,517.08	4	12.2479091
501	Kabupaten Pegunungan Arfak	11	16	1,305,120,418,964.90	3	12.11565058
502	Kabupaten Raja Ampat	10	10	2,729,838,813,364.70	4	12.436137
503	Kabupaten Sorong	16	23	4,454,335,982,865.74	4	12.64878297
504	Kabupaten Sorong Selatan	8	9	1,919,349,577,749.60	4	12.28315408
505	Kabupaten Tambrauw	8	8	2,146,915,608,903.76	4	12.33181497
506	Kabupaten Teluk Bintuni	14	16	1,142,440,702,751.75	4	12.05783367
507	Kabupaten Teluk Wondama	9	9	1,950,566,610,146.99	4	12.29016079
508	Kota Sorong	13	7	3,748,213,887,750.08	3	12.57382437

Appendix 2

SPPS result

1. Descriptive Statistical Test

	n	Minimum	Maximum	Mean	Std. Deviation
Local Government Size	508	35078516094.00	42764672922.35250	3474949174.69915	4431859031.59832
Local Government Size (Ln)	508	10.545	13.631	12.39004	.343131
Audit Recommendations	508	2.000	70.000	12.94685	8.655079
Audit Findings	508	2.000	24.000	9.14567	4.314834
Quality Financial reports on Local Government	508	1.000	4.000	3.76181	.579361
Valid N (listwise)	508				

2. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
n		508
Normal Parameters <sup>a</sup> , b	Mean	-.0986222
	Std. Deviation	.38445999
Most Extreme Differences	Absolute	.056
	Positive	.030
	Negative	-.056
Kolmogorov-Smirnov Z		1.258
Asymp. Sig. (2-tailed)		.084

a. Test distribution is normal

b. Calculated from data

### 3. Multicollinearity Test

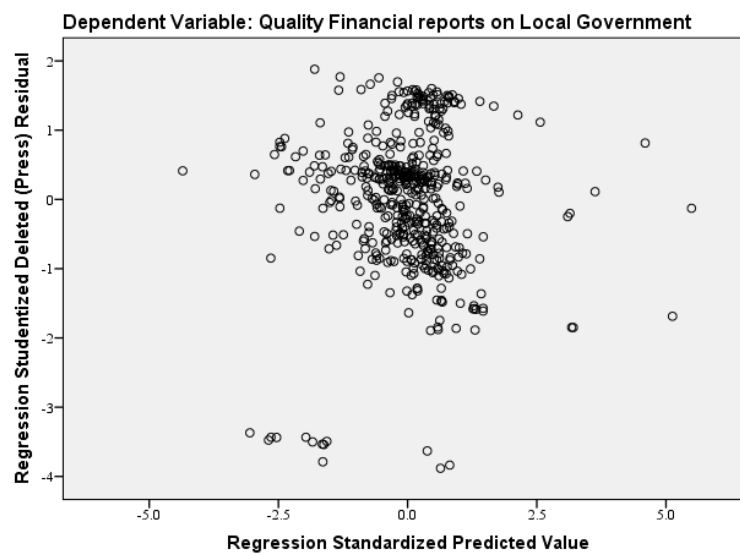
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	7.576	.901		8.413	.000		
Local Government Size (Ln)	-.280	.072	-.166	-3.892	.000	.986	1.015
Audit Recommendations	-.009	.003	-.142	-2.768	.006	.686	1.458
Audit Findings	-.024	.007	-.178	-3.477	.001	.684	1.462

a. Dependent Variable: Quality Financial reports on Local Government

### 4. Heteroscedasticity Test

**Scatterplot**



5. Determination Coefficient Test

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.310 <sup>a</sup>	.096	.091	.552420

Source: Secondary data processed, 2021

6. Partial Significance Test (T-Test)

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	7.576	.901		8.413	.000		
Local Government Size (Ln)	-.280	.072	-.166	-3.892	.000	.986	1.015
Audit Recommendations	-.009	.003	-.142	-2.768	.006	.686	1.458
Audit Findings	-.024	.007	-.178	-3.477	.001	.684	1.462

a. Dependent Variable: Quality Financial reports on Local Government