THE INFLUENCE OF REGIONAL GOVERNMENT (PEMDA) CHARACTERISTICS ON AUDIT OPINION WITH REGIONAL GOVERNMENT (PEMDA) FINANCIAL PERFORMANCE AS A MEDIATION VARIABLE
(EMPIRICAL STUDY OF REGENCY/CITY GOVERNMENTS IN BANTEN PROVINCE 2018 - 2021)

Inzaghi Fakhrij Alfarisi
Faculty of Economics and Business, Sultan Ageng Tirtayasa University, Banten, Indonesia

Muhamad Taqi
Faculty of Economics and Business, Sultan Ageng Tirtayasa University, Banten, Indonesia

Denny Susanto
Faculty of Economics and Business, Sultan Ageng Tirtayasa University, Banten, Indonesia

Corresponding Author:
inzaghifakhrij99@gmail.com

Abstract

Purpose - With local government financial performance serving as a mediating variable, this study intends to investigate the impact of local government characteristics, whose indicators are the degree of reliance and audit results on audit opinions

Design/methodology/approach - The Regency/City Government in Banten Province from 2018 to 2021 serves as the study's population. In this investigation, 8 samples were evaluated using the saturation sampling technique. The financial reports of each PEMDA, whose information was collected from the Banten Province Representative Office of the Financial Audit Board (BPK), served as the source of the data for this study. Logistic regression analysis and mediation regression analysis were the analytical techniques employed in this investigation

Finding - The outcomes of this study suggest that the amount of reliance and audit findings have a favorable effect on audit opinion, but that this effect is stronger when measured using financial performance as a mediating variable.

Originality -

Keyword - Dependency Level, Audit Findings, Audit Opinion, Local Government Financial Performance

Paper Type – Research Paper

Introduction

Regional autonomy is required by Law Number 22 of 1999 which was later changed to Law Number 32 of 2004 concerning Regional Government. This law gives authority to autonomous regions to independently organize and manage government affairs and community interests in accordance with their legal authority. The implementation of regional autonomy aims to achieve community welfare and increase regional competitiveness. With regional autonomy, community ambitions will be more easily channeled and taken into account by policy makers when formulating policies that are in line with community interests. Based on Government Regulation Number 3 of 2007 concerning District and City Reporting to the Central Government and Government Regulation Number 6 of 2008 concerning district and city evaluation guidelines, an evaluation is carried out on the implementation of district and city performance. The Ministry of Home Affairs, which is tasked with supervising the implementation of regional autonomy, in this case is responsible to the Central Government.

In examining the financial reports of each regional government in Banten Province, the BPK found a number of audit findings that were discovered when conducting audits of regional government projects or programs that had been implemented. In addition, differences in the financial performance of each Regional Government also allow for differences in audit opinions given by the BPK to each Regional Government. These differences in characteristics make researchers interested in discussing the possible influence of various different characteristics in each Regional Government on audit opinions, with the added influence of the different financial performance of each Regional Government as well.In reality, many regional governments in Indonesia are still unable to provide adequate responsibility for regional financial management. As a result of awareness of the need for openness and public accountability, the Indonesian government strives to achieve good governance. The operational management and accountability of an organization can be simplified through the implementation of a number of procedures or processes known as good governance. The research of Simbolon and Kurniawan, Marliani et al shows that there is no relationship between regional wealth and the breadth of LKPD coverage, while the findings of Nurtari et al show that there is a strong relationship between regional wealth and the breadth of LKPD coverage. A very good audit opinion shows that LPKD received good disclosures. The factor that influences the low level of LKPD disclosure is audit opinion.

The quality of the audit opinion is reflected in financial performance. In other words, one of the things that influences a low audit opinion is financial performance. Nazaruddin and Sita's research shows that the strength of audit opinion is influenced by financial performance. Financial performance is used by researchers as a mediating variable in connection with this justification.

The purpose of including local government financial performance as a mediating variable is to bridge the gap between the dependent and independent variables by acting as a mediator. In addition, because Nazaruddin and Sita (2019) and Putri and Arza (2019) produced different research results, these differences mean that researchers need to conduct additional research on this topic. I still think it's worth talking about this topic.

Literature Review And Hypothesis Development

Agency Theory

The agency theory approach is used to describe the main theory underlying research on the impact of local government features and BPK audit opinions on local government performance. According to Jensen and Meckling, owners and managers actually collaborate. Conflicts between principals and agents often arise in organizations where there is a principal owner and a responsible agent. Therefore, a manager may act in a way that prioritizes his or her own interests over those of the organization, which can lead to conflict.

Regardless of whether or not there are linkages and agency problems in local government, agency theory serves as the foundation on which public sector organizations are built. Moe also did something similar when he used agency theory to describe the economics of public sector organizations. The principle of agent relationship structure, according to Bergman and Lane in Setiawan, is an important method for assessing commitment to public policy. Mardiasmo defines accountability from a public sector perspective, stating that it is the responsibility of the party giving the trust to provide accountability, provide reports, and disclose all actions and deeds for which they are responsible to the party giving the trust who has the authority to do so. give that trust. Ask for this responsibility. Based on this confirmation, the central government, selected by the Ministry of Home Affairs, and regional governments, which act as agents, are connected through an institution. According to agency theory, local governments cannot be relied on to behave in the public interest because they act as agents of the federal government and will always be fully aware of their own interests. According to agency theory, management in local government must ensure that management is carried out in total accordance with all relevant laws and regulations. The amount of fees paid by the principal to supervise the agent is what Jensen and Meckling call "agency fees".

Because of the significant differences in interests between managers and shareholders, it is very difficult for companies to achieve zero agency costs and still ensure that managers will make the best choices for shareholders. When viewed in the context of the author's research. Managers, shareholders and stakeholders can all be replaced by the central government as principal and local governments as agents. In the form of regional taxes and regional levies, the central government collects corporate fees. A neutral audit body was established in Indonesia to examine all local governments as a form of supervision. The Financial Audit Agency carries out financial, performance and audit audits with specific objectives. BPK audit results are presented in the form of recommendations, views, findings, or other summaries.

Hypothesis Development

The Influence of the Level of Dependency on Audit Opinion

According to Misra (2019), dependence on government has a positive influence on the center and has a big impact on the regional government existence index. This finding is supported by the fact that dependence on government also has an impact. Based on research findings by Ingram (2014) which shows that the level of regional government dependence on the central government is decreasing and is positively correlated with the level of audit opinion in the issuance of government financial reports. , this is in accordance with the findings obtained.

According to Mahmudi (2016), the regional dependency ratio can be determined by comparing the amount of transfer money received by districts and cities with the amount of

income received by the region as a whole. This will give you an accurate estimate of the regional dependency ratio. In accordance with Law Number 33 of 2004, balancing funds are money originating from APBN revenues which are then distributed to regions to meet regional needs in the context of implementing decentralization. In the context of implementing decentralization, the General Allocation Fund (DAU) is money sourced from APBN revenues and allocated in order to equalize regional financial capacity in order to meet the needs of each region. If the proportion is high, then the level of dependency of districts and cities on the central and/or provincial government will also be high.

When compared with regions that have lower DAU receipts, regions that have higher DAU receipts will have a greater level of government integration in the process of implementing DAU distribution. Therefore, local counties and cities will be subject to increased scrutiny, which may encourage them to do their jobs more effectively. According to Sudarsana and Rahardjo (2013), increasing GAF from the central government is expected to improve district and city services to the community, which will ultimately have an impact on improving district and city performance. This is reinforced by the research findings of Mustikarini and Fitriasari (2012) which show that the level of dependence on the central government has a good influence on the performance of district and city governments. This is supported by the fact that this research was conducted.

In the context of agency theory, namely agency costs, which assume that the greater the DAU will automatically provide large agency costs to the agent referred to here, namely the Regional Government. With the greater agency costs provided by the principal in the form of DAU, it is hoped that the performance of the Regional Government will be better and they will also get a good audit opinion from the BPK. Thus the hypothesis in this research is:
H_1: The level of dependence has a positive effect on Audit Opinion.

Influence of Audit Findings on Audit Opinion

The results of the BPK examination are in the form of violations or case findings. As a result, an audit procedure was carried out. The influence of the number of cases on the degree of disclosure of local government financial reporting was shown by Lutfia et al. (2018). This shows that a number of results have encouraged city governments to publish their financial data. Winanti's (2014) research results show that audit findings have a negative impact on audit opinion. A qualified opinion without disclosure is less likely to be obtained the more the audit results. The impact on opinion performance is getting worse due to material audit findings which have a direct influence on financial reports and result in misstatements (Setyaningrum, 2015; Mardiasmo, 2009).

In the context of agency theory, namely agency costs, by assuming funds provided by the central government as principal, it is hoped that these funds will be managed as well as possible so that there are fewer or even no audit findings in the financial reports of local governments as agents. Thus the hypothesis in this research is:
H_2: Audit findings have a negative effect on Audit Opinion

The Influence of the Level of Regional Government Dependence on Audit Opinion with Regional Government Financial Performance as a Mediating Variable

Regions determine how general allocation funds are used. The use of general allocation money and other general resources in the APBD, although determined by the region, must be

within the limits of fulfilling the aim of granting autonomy to regions, namely improving services and community welfare. In addition, compared to regions that receive less DAU funds, the government will be more cohesive in implementing DAU allocations when a region receives more DAU funds. Due to increased central government supervision, this encourages regional governments to work better. Therefore, it is hoped that regional government services to the community will be better if DAU from the central government conducts research so that it has an impact on improving regional government performance.

According to article 1 of Law No.15/2004, an audit opinion is a professional statement as the auditor's conclusion regarding the fairness of the information presented in the financial statements. Thus, the better the financial performance of a local government, the better the audit opinion given by the BPK to the district and city. This is supported by the results of research by Handayani & Dwi (2016) which proves that the financial performance of districts and cities in Indonesia has an influence on audit opinions.

In the context of agency theory, namely agency costs, with the Central Government as the principal, the financial performance of regional governments must be good so that transfer funds from the center to the regions are used as well as possible so that accountability is better.Thus the hypothesis in this research is:

H_3: Regional Government Financial Performance Can Mediate the Relationship Between the Level of Regional Government Dependence on Audit Opinions

The Influence of Audit Findings on Audit Opinions with Regional Government Financial Performance as a Mediating Variable

According to the results of Cohen and Kaimenakis (2008), the number of assets that are the responsibility of local governments will be directly correlated with the level of difficulties they face, especially in terms of resource management. As a direct consequence of this, there will be an increased need to report to the general public. The findings of Nuraeni and Martini (2012) and Wicaksono et al. (2013) also points in the same direction, which supports this conclusion. The greater the population served by a local government, the more assets it has. As a direct consequence of this, there will inevitably be difficulties related to governance and accountability. According to Sari et al. (2015), audit finding variables have a negative influence on audit opinion. This means that the possibility of reaching a WTP opinion decreases in proportion to the number of audit findings that have been identified. According to Atmaja and Probohudono (2015), considerations for submitting BPK opinions can be influenced by poor accounting and reporting control systems (SPAP). In line with this, Setiyawati's research findings in 2016 which found that the inadequacy of the reporting and accounting internal control system in the local government environment had an influence on opinion audits carried out by the Indonesian Supreme Audit Agency showed that this influence was a consequence of the research. In addition, research findings conducted by Simon et al. (2016) revealed that a better internal control system influences the extent to which good governance is implemented.

The author is of the opinion that regional governments that improve their internal control will experience a reduction in the occurrence of problems which have an impact on the limited audit findings provided by BPK-RI. If there were fewer discoveries, the view would likely be more accurate. In the framework of agency theory, especially agency costs, the government

acts as a principal and charges agency costs in order to improve the overall financial performance of local governments, thereby reducing the number of audit findings found or leading to the expectation that no audit findings will be found. will be found at all. Therefore, the hypothesis of this research is as follows:

H_4: Regional Government Financial Performance Can Mediate the Relationship Between Audit Findings and Audit Opinions.

Research Methods

A quantitative research approach was used throughout this investigation. In this research, audit opinion is used as the dependent variable, local government characteristics are used as the independent variable, local government performance is used as the moderating variable, and local government characteristics are used as the independent variable. City and district governments in Banten Province also took part in this investigation. From 2018 to 2021, the Banten Province OPD numbered 8 people spread across 4 cities and 4 districts. The sample for this research will be taken from local governments in the Banten Regency/City area which have published regional financial reports, regional government performance reports, and Audit Results Reports (LHP) for the 2018-2021 budget year. These local governments will be selected because they have met the requirements of this research. Indonesia will host the research. In this research, the sample size calculation is based on the general objective, namely collecting samples that represent the research objectives. The data collection method was carried out with the help of secondary data obtained from the Banten Province Financial Audit Agency (BPK). This information comes from the finance section of the Regency/City APBD in Banten Province, as well as the LHP section of the Regency/City Government in Banten Province and the BPK opinion examination section. under the direction of the City and Regency Governments in Banten Province.

Variable Measurement and Operation

Dependent Variable

The dependent variable is a variable whose existence is influenced by other variables. In this research, the dependent variable is Audit Opinion (Y). Audit opinion is an opinion on the fairness of financial information presented in financial reports (Pratiwi & Aryani, 2016). This variable uses a nominal scale, with measurements of WTP and WTP DPP = 4, WDP = 3, TW = 2, TMP = 1.

Independent Variable

Independent variables (free) are variables that cause other variables to arise. The independent variables in this research include:

1. Dependency Level (X1)
   This is the level of dependence on the center measured through the value of Transfer Funds to Regions (Sumarjo, 2010). Using a ratio scale, with the following measurements:

$$\frac{Dana\ Transfer\ ke\ Daerah}{Total\ Pendapatan\ Daerah}$$

2. Audit Findings (X2)

This is a finding of violations in the financial reports obtained by the BPK (Marfiana, 2013). This variable uses a nominal scale, namely the total audit findings in one accounting period.

Mediation Variables

Regional Government Financial Performance, which describes the success of implementing an activity, program or policy in achieving the aims, objectives, vision and objectives of the organization, is the mediating variable used in this research (Bastian, 2006). This mediating variable is measured on a ratio scale with the following metrics:

$$\frac{output}{input}$$

Results And Discussion

Statistical Descriptive Analysis

A data analysis approach called descriptive statistical analysis tries to provide a clear and descriptive explanation of the properties of the data obtained. Descriptive statistical analysis is used in this research to provide a brief summary of the characteristics of the data based on each research variable. The results of the descriptive statistical analysis carried out for this research are as follows:

Table 1 Descriptive Statistical Analysis

Variable	Lowest Value	The highest score	Average value	Std. Deviation
Dependency Level	.2293	.7684	.489462	.1603279
Audit Findings	1	6	2.78	1,039
Audit Opinion	3	4	3.78	,420
Financial performance	.6649	1.0945	.893019	.1399979

Source: Data processing results, 2023

Based on table 1, the results of descriptive statistical analysis are known as follows:

a. The lowest value for the dependency level variable is 0.2293, which indicates that a region has a lower dependency level value than other areas; The highest value of 0.7684 shows that some regions have a higher level of dependency than other regions. After all data on the level of dependence on district/city governments in Banten Province was collected, an average level of dependence was obtained of 0.489462, which shows that on average district/city governments in Banten

Province are less reliable in terms of the economy. Central government. Another value is 0.7684. Because the standard deviation is smaller than the average value, we can conclude that the data deviation in this CAR is quite satisfactory, because the standard deviation is smaller than the average value.

b. The audit findings variable has the lowest value of 1, which means there are areas where only 1 finding was found by the auditor. The highest value is 6. Because the average value is 2.78, this shows that districts and cities in Banten Province have an average of 3 findings found by auditors. This also shows that there are areas where 6 items were found by the auditor. This variable has a standard deviation value of 1.039, which indicates that the data used in the CAR variable has a small spread. Considering that the standard deviation figure is smaller than the mean value, it can be concluded that the data deviation in this CAR is quite satisfactory.

c. The audit opinion variable has the lowest value of 3, which means there are regions that get WDP audit opinions, the highest value is 4, which means there are regions that get WTP and WTP DPP audit opinions. The average value of the audit opinion variable is 3.78, which means that on average districts and cities in Banteng Province receive WTP and WTP DPP audit opinions. This variable has a standard deviation value of .420, which means that the data used in the CAR variable has a small spread because the standard deviation is smaller than the mean value, so the data deviation in this CAR can be said to be good.

d. The regional financial performance variable has the lowest value of 0.6649, which means that there are regions that have the lowest financial performance value, namely 0.6649, the highest value is 1.0945, which means that regions have been found whose financial performance value is 1.0945, which is the largest value compared to regions. others, and the average value is 0.893019, which means the average financial performance value of district/city governments in Banten province is 0.893019, which means the average financial performance of district/city governments is quite good. This variable has a standard deviation value of .1399979. Because the standard deviation has a value that is smaller than the average value, this shows that the data used in the CAR variable has a narrow range, so the data deviation in this CAR is considered satisfactory.

Classic assumption test
Normality test

The purpose of the Normality Test is to assess whether the data used in research is normal or not, including independent and dependent variables. In this study, the Kolmogorov-Smirnov technique was applied to check normality.

Table 2 Normality Test Results

Sig value.	Criteria	Information
0.107	0.05	Data is normally distributed

Source: Data Processing Results, 2023

It is known that the significant value of the normality test is (0.107), according to table 2 which provides this information. Because the significance value is greater than

0.05, it can be concluded that the data presented in this investigation follows a normal distribution.

Autocorrelation Test

The purpose of the autocorrelation test is to determine whether or not, in the context of a linear regression model, there is a relationship between confounding error for period t and error for period t-1 (previous time). If there is a correlation then the problem is called an autocorrelation problem. This problem occurs because residuals, also known as noise errors, cannot be differentiated from one observation to the next. The findings of the Autocorrelation Test carried out in this investigation are presented below:

Table 3 Test Results *Durbin-Watson*

Model	R	R Square	*Durbin-Watson*
1	.796a	,634	2,573

Source: Data Processing Results, 2023

Based onBased on table 3, it is known that the Durbin-Watson value is 2,573, where if you look at the reference table and if you compare it with the assessment, the result will appear that the Durbin-Watson value cannot conclude whether there is autocorrelation or not. If the symptoms of autocorrelation cannot be seen with the Durbin-Watson test then continue with the next test, namely the Run Test with the following results.

Table 4 Test Results *Run Test*

Test Value	.01787
Total Cases	32
Number of Runs	21
Asymp. Sig. (2-tailed)	,208

Source: Data Processing Results, 2023

It has been determined, using the information shown in table 13, that the signature value of the asymptote (2-tailed) is 0.208, which indicates that the value is higher (>) than 0.05. In Run Test, if the result is Asymp. signature (2-tailed) is less than 0.05, this indicates that the research data has signs of autocorrelation. Conversely, if the Asymp. signature (2-tailed) is more than 0.05, then the research data does not show signs of autocorrelation. Therefore, it can be concluded that the data presented in this study has no signs of autocorrelation.

Multicollinearity Test

Ghozali (2016) emphasized that the multicollinearity test was applied in an effort to find out whether the regression model found a relationship between many independent variables. A suitable regression model is a model in which there is no relationship between the variables studied independently. To determine whether or not

multicollinearity exists, we can look at the tolerance and its inverse, the variance inflation factor (VIF). This will show whether there is multicollinearity or not. The multicollinearity test findings obtained from this research are presented in the following table:

Table 5 Multicollinearity Test Results

Variable	Tolerance	VIF	Information
Dependency Level	,872	1,147	Free from symptoms of multicollinearity
Audit Findings	,840	1,190	Free from symptoms of multicollinearity

Source: Data Processing Results, 2023

Because it is known from table 5 that the tolerance value of the independent variable in this study is more than (0.10) and the VIF value of the independent variable in this study is lower than (10.00), it can be concluded that there were no signs of multicollinearity in this study.

Heteroscedasticity Test

The purpose of the test called the Heteroscedasticity Test is to determine whether or not the residual variance varies significantly from one observation to another. If there are striking similarities then this indicates homoscedasticity. When conducting research, it is important to ensure that there is no evidence of heteroscedasticity. The Glejser test is one of the heteroscedasticity testing methods used in this research. The heteroscedasticity test findings obtained from this research are presented in the following table:

Table 6 Heteroscedasticity Test Results

Variable	Sig value.	Information
Dependency Level	,607	Free from symptoms of heteroscedacity
Audit Findings	,754	Free from symptoms of heteroscedacity

Source: Data Processing Results, 2023

Because it is known that the significance value of all independent variables is more than (0.05), it can be concluded that this research does not show any signs of heteroscedasticity based on table 6 which shows that this is the case.

Hypothesis testing

For H1 and H2, multiple linear regression analysis is used to find out whether the independent variables and fixed variables have an influence. For H3 and H4, path analysis is used to determine whether the moderating variable can mediate the

influence of the independent variables and fixed variables. The following is a list of research hypothesis testing for further information:

Table 7 Summary of Multiple Linear Regression Results

Hypothesis	β	Sig	α	Decision	Information
First Hypothesis Dependency Level (X1)→Audit Opinion (Y)	0.727	0.001 ≤	0.05	H1 is accepted	There is an Influence (Positive)
Second Hypothesis Audit Findings (X2)→Audit Opinion (Y)	0.810	0,000 ≤	0.05	H2 is accepted	There is an Influence (Positive)

Source: Data processed by researchers, 2023

Table 8 Path Analysis Results

Variable	Direct influence of X1, X2 on Y	Direct influence of X1, X2 on Z	Direct influence of variable Z on Y	Indirect influence
Dependency Level	0.727	0.736	0.683	0.503
Audit Findings	0.810	0.629	0.683	0.430

Source: Data Processing Results, 2023

a. If you look at the findings presented in table 8, it can be concluded that the direct influence of variable X1 on variable Y is much more significant than the indirect influence. Therefore, the following conclusion can be obtained: regional financial performance is unable to moderate the influence of the level of dependence on audit opinions.(**H3 is rejected**).
b. If you look at the findings in table 8, you may realize that the direct influence of variable X2 on variable Y is much more significant than the indirect influence. From this it can be concluded that regional financial performance is unable to act as a moderator between the influence of audit findings and audit opinion.(**H4 is rejected).**

Discussion
The Influence of Dependency Level on Audit OpiniononRegency/City Regional Government (PEMDA) in Banten Province in 2018-2020
    This study finds that the level of regional dependence significantly increases audit opinions. This is demonstrated by the findings of the hypothesis test which shows that the beta value and significance of the dependency level variable are 0.727 and 0.001, respectively. The likelihood that a region will face more difficult financial and risk management problems increases with the level of regional interdependence. As a result,

the BPK's assessment of regional financial reports may be influenced by the level of regional dependence.

The degree of regional dependence which has a positive and significant influence on the BPK's audit opinion can have an impact on the possibility of non-compliance and irregularities in financial reports. The possibility of the BPK finding non-compliance or irregularities in the financial reports increases as trust increases, which in this case will result in a negative audit opinion from the BPK (Mahmudi, 2016). The findings of this research are in line with research by Misra (2019) and Ingram (2014) which found a positive correlation between the level of audit opinion in issuing government financial reports and the level of regional government dependence on the federal government.

Influence of Audit Findings on Audit OpiniononRegency/City Regional Government (PEMDA) in Banten Province in 2018-2020

In this research, it was found that audit findings had a positive effect on audit opinion. This is proven by the results of the hypothesis test which shows the beta value and significance of the audit finding variables are 0.810 and 0.000. From the results of this research, it can be justified that whether there are many or few audit findings, this will definitely have a positive influence or at least the results of the audit opinion. Thus, audit findings that have a positive and significant effect on the BPK's audit opinion can influence the BPK's assessment of the fairness and compliance of an entity's financial statements as well as the entity's reputation in the eyes of the public. Therefore, entities must strive to minimize the occurrence of significant audit findings by carrying out risk management and implementing a good internal control system (Lutfia et al., 2018). It can also be noted that this research is not in line with the results of research conducted by Winanti (2014), which shows that audit findings have a negative effect on audit opinion.

The Influence of the Level of Dependency on Audit Opinion with Regional Government Financial Performance as a Mediating Variable

In this research, it was found that regional financial performance was unable to mediate the influence of the level of regional dependence on audit opinion. This is proven by the results of the hypothesis test which shows that the direct influence of the dependency level variable on audit opinion is greater than the indirect influence. Referring to the results of this research, it can be concluded that whether a region's level of dependence is high or low on the central government, this will definitely have an influence on whether the results of the audit opinion are positive or not, but the financial performance of the regional government fails to act as a mediator because the level of significance is not greater. from direct influence.

The results of this research are also not in line with the results of research conducted by Handayani & Dwi (2016), which shows that the financial performance of districts and cities in Indonesia is able to mediate the influence of the level of regional dependence on audit opinions.

The Influence of Audit Findings on Audit Opinions with Regional Government Financial Performance as a Mediating Variable

Based on the findings of this research, regional financial performance is not sufficient to mitigate the impact of audit findings on audit opinions. The findings of the hypothesis test, which show that the direct influence of audit finding factors on audit opinion is stronger than the indirect influence, provide evidence for this claim. Based on the research findings, the findings of local government audits from the federal government will certainly have an impact on whether the results of the audit opinion are favorable or not, but the financial performance of local governments does not function as a mediator because of their level of importance. its significance is not greater than its direct influence.

The findings of this study are not in accordance with previous research by Cohen and Kaimenakis (2008). According to Cohen and Kaimenakis' research, local governments will face more problems, especially regarding resource management, as they own more assets. As a result, there will be increasing pressure for large amounts of asset value to make required public disclosures. The findings of this research also contradict research by Nuraeni & Martini (2012) and Wicaksono et al (2013) which explains that the ability of regional governments to govern will definitely be hampered by the size and wealth of the government. administration and accountability.

Conclusions, Research Limitations, And Recommendations

The author was able to draw conclusions regarding this topic based on the research results obtained in this study. These conclusions include: the level of regional dependence has a significant positive effect on audit opinion; audit findings have a significant positive effect on audit opinion; regional financial performance is unable to mediate the influence of the level of regional dependence on audit opinion; and regional financial performance is unable to mediate the influence of audit findings on audit opinion. This research contains several scientific limitations, including the following:

1. The data taken by researchers is confidential and difficult to obtain except for clear reasons and objectives.
2. The data collection time can be considered quite long due to verification by the data provider and the researcher, so it takes quite a long time and hinders the progress of the research.
3. There are too few variations in research variables due to the researcher's lack of understanding at the beginning of the research regarding the related variables

Based on the conclusions and limitations of the research, the author also provides suggestions to parties interested in the results of this research, including:

1. Future researchers can focus more on data that is open to the public to make it easier to retrieve data. If you want to collect confidential data, you should prepare supporting documents first to make the data collection process smoother.
2. For the public, they should always be updated on news about data collection in future research so that they can always find out what is missing or progress in terms of verification so that it doesn't take too long.
3. For further research, you can conduct research on things other than the level of regional dependency and audit findings, as well as regional financial performance which may influence audit opinions, such as internal control quality variables, openness and transparency, as well as financial report quality variables.

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