Research Paper

Audit Findings on Audit Opinion with Follow-Up on Audit Results as Moderating Variable (Study in West Sulawesi Province Government)

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This research aims to determine whether the audit findings have an effect on the audit opinion and whether the follow-up on the audit results moderates the audit findings on the audit opinion. This type of research is quantitative research that uses numbers and statistical calculations. The results showed that audit findings had a negative effect on the provision of audit opinions by BPK, but this effect did not occur significantly. Also, audit findings which were moderated negatively by follow-up examination results had an effect on BPK's opinion, but this effect did not occur significantly as well.
Keywords: Audit Findings, Audit Opinion, Follow-Up on Audit Results

I.   INTRODUCTION

Efforts to realize good governance or good governance are marked by the achievement of participation, transparency and accountability of government activities. This can be known through the process of supervision and inspection (audit). The audit is intended to measure whether its financial performance has been running effectively and efficiently through an audit of financial statements, as stated in the Law of the Republic of Indonesia No. 15 of 2004, concerning Audit of State Finance Management and Accountability, article 4 paragraph (3).

In addition, the level of independence of a region also plays an important role to see how much dependence the regional government has on the center in regulating and managing its own regional finances, as stated in the Law of the Republic of Indonesia no. 23 of 2014, concerning Regional Government, article 1 paragraph (6) concerning regional autonomy.

The local government responsibilities contained in the Local Government Financial Report (LKPD) will then be examined by the Supreme Audit Agency (BPK), regarding all material matters regarding the information in the financial statements to assess the truth, accuracy, credibility, and reliability of information regarding the management and responsibility of state/regional finances, this is in accordance with what is stated in Law no. 15 of 2006 article 1 paragraph (9).

When conducting an examination of the Financial Statements, the Supreme Audit Agency (BPK) provides an opinion to classify which Financial Statements already have relevant, reliable, comparable, and understandable information (Masyitoh et al, 2015). Where the types of opinions given by BPK for the Financial Statements that it has examined are WTP (Unqualified), WDP (Qualified with Exceptions), TW (Unreasonable) and TMP (Disclaimer).

Stakeholders from the local government need quality information from the LKPD which is accounted for by the regional head. Therefore, the audit on the LKPD is expected to reflect the quality of the financial statements. The factors that influence the provision of BPK audit opinions must be considered by each region, especially the regional head who is the holder of executive power who is trusted by stakeholders to run the government in an area (Pratiwi and Aryani, 2016).

BPK RI in LHP (2017), states that in auditing financial statements, BPK conducts compliance tests on local governments with statutory provisions, fraud and impropriety that have a direct and material effect on the

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presentation of Financial Statements in order to obtain adequate assurance about whether the Financial Statements Finances are free from material misstatement, in accordance with State Auditing Standards.

The next variable is the Follow-up on Examination Results (TLHP) in the form of a moderating variable. The TLHP then became one of the focuses of the regional head, because every regional head or organizational leader was required to respond 90 days to the findings from the BPK, so that the audit opinion for the following year might be influenced by the TLHP.

One indication of the success of the audit is reflected in the acceleration of completion of the follow-up to the audit findings by the audit leader. Every leader must understand the steps needed to complete the results of supervision, so that every recommendation from the audit results can be followed up quickly, precisely and correctly. This can be achieved if all parties involved care and are responsible for responding to audit results.

However, in practice, there are things that then lead to follow-up on audit findings that have been attempted to be followed up by the auditee but are categorized as cases that cannot be followed up.

The Government of West Sulawesi Province was chosen as the object of research because based on available data it shows that the number of audit recommendations that have not been completed by the audit is quite significant. The Provincial Government of West Sulawesi in 2020 received the title of Unqualified Opinion for the 6th time, but it cannot be separated from several notes in the Examination Result Report (LHP) that the Government must pay attention to. For the years 2006-2019, there were 488 BPK findings with 1056 recommendations, there were still 174 recommendations that were not appropriate and 5 recommendations that had not been followed up (LHP on LKPD West Sulawesi in 2019).

II. THEORETICAL AND LITERATURE REVIEW

2.1. Agency Theory

According to Jensen and Meckling (1976), agency theory states that there is a working relationship between the party who gives the authority (the principal) and the party who is authorized (the agent) to do work and make decisions on behalf of the principal. If the principal and the agent have the same goal, the agent will act and make decisions in accordance with the interests of the principal.

2.2. Audit Findings

Audit findings are facts compiled based on data from the auditor's point of view during the audit process. As stated by Tunggal (2008), "An important thing in an audit is the development of findings to be communicated to other parties". The word "finding" is defined as a collection of information regarding activities, organizations, conditions or other matters that have been analyzed or assessed and are expected to be interesting or useful to authorized officials.
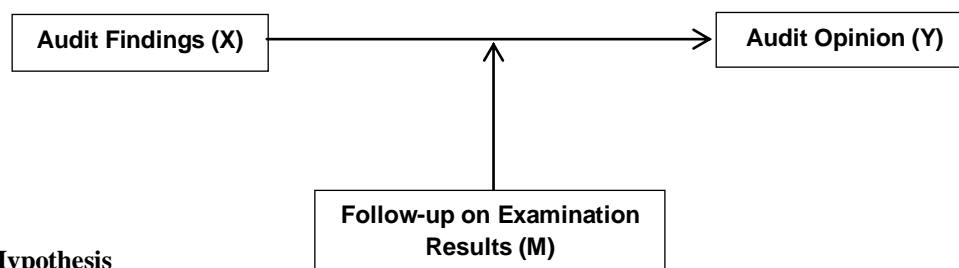
2.3. Audit Opinion

Opinion is defined as "An audit opinion on financial statements is an attestation of an entity's financial position and results of operations "as of" or for a specific time period" (AGA's CPAG in Fatimah, Neli and Rasuli, 2014). Opinion is the opinion that the auditor gives to the entity's financial statements. Meanwhile, according to the Law of the Republic of Indonesia No. 15 of 2004 article 16 paragraph (1), opinion is an examiner's professional statement regarding the fairness of financial information presented in financial statements based on the following criteria: (1) conformity with Government Accounting Standards (SAP); (2) Adequate Disclosure (adequate disclosure); (3) Compliance with laws and regulations, and (4) effectiveness of the Internal Control System.

2.4. Follow-up on Examination Results

According to Law No. 24 of 2014, examination is a process of problem identification, analysis, and evaluation carried out independently, objectively, and professionally based on examination standards. With the increased accountability of local governments, the information received by the public has become more balanced against local governments, which means less information asymmetry. Thus, the possibility of corruption is smaller (Setyaningrum & Martani, 2018). Follow-up to the results of the audit by the Supreme Audit Agency is a follow-up action taken by the regional government to fulfill the obligations as stated in the recommendation of the Audit Result Report of the Supreme Audit Agency.

III. CONCEPTUAL FRAMEWORK

3.1. Conceptual Framework

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┌─────────────────────┐                              ┌─────────────────────┐
│  Audit Findings (X) │ ──────────────────────────▶  │  Audit Opinion (Y)  │
└─────────────────────┘              ▲               └─────────────────────┘
                                     │
                                     │
                        ┌──────────────────────────┐
                        │  Follow-up on Examination │
                        │       Results (M)         │
                        └──────────────────────────┘
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3.2. Hypothesis

1. Effect of Audit Findings towards Audit Opinion

H1: Audit findings have an effect on audit opinion.

2. Follow-Up on Examination Results Moderates the Relation between Audit Findings towards Audit Opinion

H2: Follow-up on Audit Results moderates Audit Findings against Audit Opinions

IV. RESEARCH METHODOLOGY

4.1. Research Design

This type of research is quantitative research that uses numbers and statistical calculations. Quantitative research can be interpreted as a research method used to examine a particular population or sample, sampling techniques are generally carried out randomly, data collection using research instruments, data analysis is quantitative or statistical in nature with the aim of testing predetermined hypotheses (Indriantoro and Supomo, 2014).

4.2. Research Location

This research was conducted at the Provincial Government of West Sulawesi.

4.3. Population and Sample

The population in this study is all Regional Government Organizations of the West Sulawesi Province as and compilers of the Regional Government Financial Reports in West Sulawesi Province in 2017 - 2020 which are the objects of BPK audit examinations. The sample in this study is the Summary of Examination Results (IHPS) BPK RI data, and the Examination Results Report (LHP) from 2017 to 2020.

4.4. Data Types and Sources

The type of data used in this research is quantitative data, that can be measured and presented in the form of numbers. Secondary data sources are in the form of BPK audit opinion data on LKPD examinations, number of audit findings, and follow-up reports on audit recommendations obtained from the Audit Results Summary (IHPS) of BPK RI, and Examination Results Reports (LHP) from 2017 to 2020.

4.5. Data Gathering Method

In this study, the facts revealed are actual facts, namely data obtained from secondary data in the form of an overview of the results of the examination of BPK RI and Reports of Examination Results.

4.6. Data Analysis Method

In this study, researcher used quantitative analysis. Quantitative analysis is a form of analysis that is intended for large data that are grouped into categories in the form of numbers. The data analysis method used descriptive statistics, data quality test, classical assumption test and hypothesis testing with computer assistance through the IBM SPSS 23 for windows program.

4.7. Classic Assumption Test
4.7.1. Normality Test

This test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. The normality test assumes that the residual value follows a normal distribution, if this assumption is violated then the statistical test becomes invalid.

1) If the one-simple Kolmogorov-Smirnov result above the 0.05 level of significance indicates a normal distribution pattern, then the regression model fulfills the assumption of normality.

2) If the one-simple Kolmogorov-Smirnov result below the 0.05 level of significance does not show a normal distribution pattern, then the regression model does not meet the assumption of normality (Ghozali, 2013).

4.7.2. Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model should not have a correlation between the independent variables.
1) If the tolerance value is > 0.10 and VIF < 10, it means that there is no multicollinearity in the study.
2) If the tolerance value is < 0.10 and VIF > 10, then there is a multicollinearity disorder in the study.

4.7.3. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in a regression model there is an inequality of variance from the residuals in one observation to another. If the variance from the residual of one observation to another observation remains, it is called homoscedasticity and if it is different it is called heteroscedasticity.

4.7.4. Autocorrelation Test

A good regression equation is one that does not have an autocorrelation problem, if there is an autocorrelation then the equation is not good or not suitable for prediction. Good or decent data is data that does not occur autocorrelation. One of the measures used to determine whether there is an autocorrelation problem is the Durbin-Watson (DW) test with the following conditions (Sunyoto, 2013):
1) There is a positive autocorrelation, if the DW value is below -2 (DW < -2).
2) There is no autocorrelation, if the DW value is between -2 and +2 or -2 < DW < +2.
3) There is a negative autocorrelation, if the DW value is above +2 or DW > +2.

4.8. Hypothesis Test
4.8.1. Linear Regression Analysis with Audit Findings Variable

Hypothesis testing on the effect of the independent variable on the frontal variable was carried out using multiple linear regression analysis. Regression analysis is used to predict the effect of more than one independent variable on one dependent variable, either partially or simultaneously. This analysis is to test the hypothesis. The formula to test the effect of independent variable on the dependent variable is:

$$Y = \alpha + \beta_1 X_1 + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (1)$$

Information:
Y   = Audit Opinion
α = Constant
X_1 = Audit Findings
β_1 = Multiple Linear Regression Coefficient
e   = Error Term

4.8.2. Regression Analysis with Follow-Up on Audit Examination Variable as a Moderating Variable

Basically, the moderating variable is the independent variable that can strengthen or weaken the relationship between the independent variable and the dependent variable. In the use of moderating variables, two forms of regression equations appear, namely the simple linear regression equation as in equation 1 above. Next, the regression equation involving moderating variables into the equation below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_1 X_2 + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (2)$$

Information:
Y   = Audit Opinion
α = Constant
X_1 = Audit Findings
X_2 = Moderation Variable
β_1 = Multiple Linear Regression Coefficient
e   = Error Term

4.8.3. Determination Coefficient Test

The coefficient of determination (R^2) basically aims to measure how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one. The value of R^2 has an interval between 0 to 1 ($0 \leq R^2 \leq 1$).

If the value of R^2 is large (close to 1), it means that the independent variable can provide almost all the information needed to predict the dependent variable. Meanwhile, if R^2 is small, it means that the ability of the independent variable in explaining the dependent variable is very limited. The criteria for the coefficient of determination analysis are:

1)   If Kd is close to zero (0) it means that the influence of the independent variable on the dependent variable is not strong.

2)   If Kd is close to one (1), it means that the influence of the independent variable on the dependent variable is strong.

4.8.4.   Simultaneous Regression Test (F Test)

The F test is used to determine whether all independent variables have the same effect on the dependent variable. Performed with a significant level used 0.05. Based on the probability value with $\alpha = 0.05$:

1)   If probability > 0.05, then the hypothesis is rejected

2)   If probability < 0.05, then the hypothesis is accepted

4.8.5.   Partial Regression Test (T Test)

The t-test (t-test) is used to partially test the hypothesis in order to show the effect of each independent variable individually on the dependent variable. The t-test was carried out by comparing the calculated T values and T table values, and comparing the p-values in the Significance column of each independent variable with a significance level of 0.05 used. Based on the probability value with $\alpha = 0.05$:

1)   If probability > 0.05, then the hypothesis is rejected

2)   If probability < 0.05, then the hypothesis is accepted

V. DISCUSSION

5.1.   Statistical Description

This study intends to provide empirical evidence about the effect of audit findings on audit opinions in the examination of the West Sulawesi Provincial Government's financial statements carried out by BPK-RI. Several factors are thought to influence audit opinions on local government financial statements, including the number of audit findings and the number of follow-up audit results.

Determination of this opinion is very dependent on the value of the audit findings (Atmaja and Probohudono, 2015), and the value of the findings for the Unqualified (WTP) opinion will be more material when compared to the non-WTP opinion. However, to prove empirically whether the value of audit findings in local governments has an effect on audit opinions, further research is necessary.

In this study, audit findings are used as independent variables, followed by follow-up on examination results as moderating variables that will affect the dependent variable, while audit opinion becomes the dependent variable.

If referring to the last 4 years (2017-2020), the audit opinion for the LKPD of the province of West Sulawesi has improved by obtaining a WTP opinion successively. As seen in table below:

THE REPUBLIC OF INDONESIA'S AUDIT OPINION FOR WEST SULAWESI PROVINCE

YEAR	AUDIT FINDINGS	FOLLOW-UP ON EXAMINATION RESULTS	AUDIT OPINION
2017	41	100	WTP
2018	29	42	WTP
2019	28	49	WTP
2020	28	32	WTP

Based on the data from table 5.1 above, it can be seen that in 2017 there were 41 audit findings in the province of West Sulawesi, with follow-up examination results as many as 100 with Unqualified Audit Opinion (WTP) status. In 2018 there were 29 audit findings in the province of West Sulawesi, with 42 follow-up examination results with the status of a WTP audit opinion.

In 2019 there were 28 audit findings in the province of West Sulawesi, with 49 follow-up examination results with the status of a WTP audit opinion. Likewise for 2020, the province of West Sulawesi maintains its audit opinion status in the WTP with a total of 28 audit findings, with 32 follow-up examination results.

5.2.   Data Analysis Result

Testing of research data was carried out with several stages of statistical testing. Below will be discussed and explained the results of step by step data testing. Based on the data obtained from the Audit Results Report (LPH) of BPK on the audit of the financial statements of the West Sulawesi provincial government.

Furthermore, the data are grouped into independent variables, dependent variables, and moderating variables. The audit opinion variable as the dependent variable is divided into 2 categories, namely WTP and non-WTP. WTP data is assigned a code of one (1), while non-WTP data is assigned a code of zero (0).

The results of data processing using SPSS which group the dependent variable data into binary data. As in the table below:

DEPENDENT VARIABLE ENCODING

Original Value	Internal Value
Not WTP	0
WTP	1

5.3. Classic Assumption Test
1.   Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig	Statistic	df	Sig
Audit Findings	.092	15	.200[n]	.968	15	.830
Follow-Up on Examination Results	.180	15	.200[n]	.922	15	.204
Audit Findings*Follow-Up on Examination Results	.021	15	.105	.927	15	.247
* This is lower bound of the true significance a.Lilliefors signifigance correction						

The audit findings variable has a significance value (p) in the Kolmogorov-Smirnov test of 0.2 ($p > 0.05$), so that based on the Kolmogorov-Smirnov normality test, this data is normally distributed.
The follow-up on examination results variable has a significance value (p) on the Kolmogorov-Smirnov test of 0.2 ($p > 0.05$), so that based on the Kolmogorov-Smirnov normality test this data is normally distributed.
The audit findings variable with follow-up examination results as a moderating variable has a significance value (p) on the Kolmogorov-Smirnov test of 0.10 ($p > 0.05$), so that based on the Kolmogorov-Smirnov normality test this data is normally distributed.

2.   Multicollinearity Test

Model	Unstandarized coefficients		Standarized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig	Tolerance	VIF
1 (Constant)	.960	.488		1.967	.073		
Audit Findings	-.017	.025	-.358	-.684	.507	.285	3.514
Follow-Up on Examination Results	.003	.011	.133	.255	.803	.285	3.514

The basis for making decisions on the multicollinearity test is by looking at the tolerance and VIF values. Based on the output coefficient table in the collinearity statistics section, it is known that the tolerance value for the audit findings variable and the follow-up examination variable is 0.285 greater than 0.10 (tolerance value > 0.10). Meanwhile, the VIF value for the audit findings variable and the follow-up examination variable is 3.514, which is smaller than 10 (VIF value < 10).
Based on the results of the multicollinearity test above, it can be concluded that the independent variable data used in this study has no correlation between the independent variables used.

3.   Heteroscedasticity Test

Model	Unstandarized Coefficients		Standarized Coefficients		
	B	Std.Error	Beta	t	Sig.
1 (Constant)	.524	.127		4.127	.001
Audit Findings	-.001	.006	-.096	-.179	.861
Follow-Up on Examination Results	.000	.003	-.062	-.117	.909
a Dependent Variable : Abs_RES					

Based on the output results above, it is known that the significance value (sig.) for the audit findings variable is 0.861 (0.861 > 0.005). Meanwhile, the significance value (sig.) for the follow-up variable was 0.909 (0.909 > 0.005). So, it can be concluded that in the variable data studied there are no symptoms of heteroscedasticity because the significance value of the variable used is greater than 0.005.

5.4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate	Durbin-Watson
1	.255[a]	.065	-.091	.539	1.005
Predictors. (Consntant), Follow-Up on Examination Results, Audit Findings					
Dependent Variable : Audit Opinion					

Based on the provisions of autocorrelation (Sunyoto, 2013) the research data is said to have no autocorrelation if the DW value is between -2 and +2 or $-2 < DW < +2$. Based on the results of the audit opinion data output as the dependent variable and the audit findings variable and the follow-up variable on the examination results, the Durbin-Watson (DW) number is 1.005 ($-2 < 1.005 < +2$), it can be concluded that the variables used in this study there is no autocorrelation.

5.5. Linear Regression Analysis of Audit Findings Effect towards Audit Opinion

Model	Unstandarized Coefficients		Standarized Coefficients		
	B	Std.Error	Beta	t	Sig
(Constant)	.936	.461		2.029	.063
Audit Findings	-.012	.013	-.245	-.912	.378
a.Dependent Variable : Audit Opinion					

From the results of the analysis with the SPSS 23 program, it can be seen that the regression equation of the first equation model in this study. The linear regression equation formed is:

$$Y = -0{,}245 \text{ Audit Findings} + e$$

The linear regression equation above shows that the coefficient value of the Audit Finding variable is -0.245 which means that there is a negative relationship between audit findings and audit opinion. In other words, the higher the number of audit findings, the audit opinion from PBK will experience a decrease in grade, for example from WTP to WDP.

5.6. Linear Regression Analysis with Audit Findings towards Audit Opinion with Follow-Up on Examination Results as a Moderating Variable

The second regression model in this study aims to analyze the effect of audit findings on audit opinion after involving the follow-up variable as the moderating variable. Here are the results of a simple linear analysis using SPSS 23.

Model	Unstandarized Coefficients		Standarized Coefficients		
	B	Std.Error	Beta	t	Sig.
(Constant)	.856	.681		1.257	.233
Audit Findings	-.007	.033	-.142	-.208	.839
Audit Findings*Follow-Up on Examination Result	-4126E-5	.000	-.113	-.165	.872
a.Dependent variable: Audit Opinion					

From the results of the analysis with the SPSS 23 program, it can be seen the regression equation of the second equation model in this study. The linear regression equation formed is:

$$Y = -0{,}142 \text{ Audit Findings} + (-0{,}113 \text{ Audit Findings*Follow-Up on Examination Result}) + e$$

From the multiple linear regression equation above, it shows that:

a. The coefficient value of the Audit Finding variable is -0.142. This means that if the number of audit findings increases (assuming the basic assumptions of other variables are held constant), then the BPK audit opinion will experience a decrease in grade.

b. The coefficient value of the audit findings variable with the follow-up examination results as a moderating variable is -0.113. From the results of the data processing, it was found that the follow-up variable on the results of the examination moderated the audit findings negatively on the BPK audit opinion. This means that the follow-up to the results of the examination will weaken the audit findings variable, so that the audit

opinion will experience an increase in grade if it involves a follow-up on the results of the audit as a moderating variable.

5.7.   Determination Coefficient (R Test)

The coefficient of determination (R2) aims to measure how far the ability of the independent variable to explain the dependent variable. The value of the coefficient of determination is between zero and one. The value of R2 has an interval between 0 to 1 (0 R2 1). If the value of R2 is large (close to 1), it means that the independent variable can explain almost all the information needed to predict the dependent variable. Meanwhile, if R2 is small, it means that the ability of the independent variable in explaining the dependent variable is very limited.

1.   Determination Coefficient (R Test) of Audit Findings towards Audit Opinion

Model	R	R Square	Adjusted R square	Std.Error of the Estimate	Durbin-Watson
1	.245[a]	.060	-.012	.520	1.076
a.Predictors: (Constant), Audit Findings b.Dependent Variable : Audit Opinion					

From the table above, the coefficient of determination (Adjusted R Square) is 0.012. This means that the audit findings variable has a role of 1.2% to be able to influence the BPK audit opinion variable. While the rest is explained by other variables that affect BPK's audit opinion.

2.   Determination Coefficient of Audit Findings Effect towards Audit Opinion with Follow-Up on Examination Results as a Moderating Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.250[a]	.062	-.094	.540	1.130
a. Predictors: (Constant), Audit Findings*Tindak Lanjut Hasil Pemerikasaan, Audit Findings					
b. Dependent Variable: Audit Opinion					

From the table above, the coefficient of determination (Adjusted R Square) is 0.094. This means that the variables of Audit Findings, Follow-up on Audit Results and the interaction between audit findings and follow-up on audit results have a role of 9.4% together to be able to influence the BPK audit opinion variable. While the rest is explained by other variables that affect BPK's audit opinion.

5.8.   Simultaneous Regression (F Test)

The F test is used to determine whether all independent variables have the same effect on the dependent variable. By using a significance level of 5% ($\alpha = 0.05$). The F test can be seen in the SPSS 23 regression results below

1.   Simultaneous Regression Test of Audit Findings towards Audit Opinion

Model	Sum of Square	df	Mean Square	F	Sig
Regression	.225	1	.225	.832	.378[b]
Residual	3.509	13	.270		
Total	3.733	14			
a. Dependent Variable: Audit Opinion					
Predictors: (Constant), Audit Findings					

Based on the data above, the calculated F value is 0.832. Meanwhile, the F table value is 0.389 (F count > F table). Therefore, it can be concluded that this study shows the effect of audit findings on the Audit Opinion variable.

For significance at the 5% level ($\alpha = 0.05$) the results from the ANOVA table show the number 0.378. So, it is concluded that the audit findings variable has an insignificant effect on the audit opinion variable. The audit findings variable was concluded to have no significant effect on the audit opinion variable.

The results of this study are in line with the results of research by Safitri and Darsono (2015) which state that the weakness of SPI and the amount of budget realization do not significantly affect the provision of WTP opinions by BPK RI auditors in the examination of regional government financial reports.

2.   Simultaneous Regression Test of Audit Findings Effect towards Audit Opinion with Follow-Up on Examination Results as a Moderating Variable

The F test for the second regression model is used to determine whether the audit findings variable and the follow-up examination results as moderating variables have an influence on the audit opinion variable. To determine this effect, the following test results assisted by the SPSS 23 program are:

Model	Sum of Square	df	Mean square	F	Sig.
Regression	.232	2	.116	.398	.680[b]
Residual	3.501	12	.292		
Total	3.733	14			
a. Dependent Variable: Audit Opinion					
b. Predictors: (Constant), Audit Findings*Follow-Up on Examination Result, Audit Findings					

Based on the data above, the calculated F value is 0.398. Meanwhile, the F table value is 0.389 (F count > F table). So it can be concluded that this study shows the effect of audit findings, as well as follow-up on audit results as moderating variables on the Audit Opinion variable.

For significance at the 5% level ($\alpha = 0.05$) the results from the ANOVA table show the number 0.68. So, it is concluded that the variables of audit findings and follow-up on audit results as moderating variables have no significant effect on the audit opinion variable.

The same thing is also found in the results of Sitepu's research (2016) which concludes that non-compliance with laws and regulations does not affect BPK's audit opinion.

5.9. Partial Regression (T Test)

T test is used to partially test the hypothesis in order to show the effect of each independent variable individually on the dependent variable. The T test is performed by comparing the p value in each sig column. To determine this effect, the following test results assisted by the SPSS 23 program are:

Model		Unstandarized Coefficients		Standarized Coefficients		
		B	Std.Error	Beta	t	Sig.
1	(Constant)	.856	.681		1.257	.233
	Audit Findings	-.007	.033	-.142	-.208	.839
	Audit Findings*Follow-Up on Examination Result	-4.126E-5	.000	-.113	-.165	.872
a. Dependent Variable: Audit Opinion						

Based on the results of the output coefficient above, it can be seen that the calculated T value for the audit findings variable is 0.208. Meanwhile, the value of T table is 1.782 (T count < T table). So it can be concluded that there is no partial effect of the audit findings on the audit opinion.

The same thing applies to the audit findings variable with follow-up examination results as a moderating variable with a T count of 0.165 and a T table value of 1.782 (T count < T table). So it can be concluded that there is no effect of the audit findings variable with the follow-up examination results as a moderating variable on the audit opinion partially.

5.10. Discussion
1. Audit Findings Effect towards Audit Opinion

According to CPA Ltd (2013) "Audits and reviews enhance the credibility of the information contained within the financial statements, so that shareholders and other stakeholders can make assessments and decisions with confidence and on a consistent basis". Based on this expression, it can be concluded that the credibility of the information contained in the financial statements can be improved by conducting an audit. where the information is needed by shareholders and other stakeholders in making judgments and decisions.

The objective of an audit of financial statements by an independent auditor is generally to express an opinion on the fairness, in all material respects, of the financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles in Indonesia.

Based on data analysis and hypothesis testing that has been done in this study, it was found that audit findings have an effect of -0.245 on the audit opinion variable. This means that there is a negative relationship between audit findings and audit opinion. In other words, the higher the number of audit findings, the audit opinion from PBK will experience a decrease in grade, for example from WTP to WDP.

Based on the results of data analysis, it was also found that the audit findings variable had no significant effect on the audit opinion variable. This is due to the presence of other variables that also influence the independent auditor's consideration in providing an audit opinion, such as internal control capabilities, SPI weaknesses, budget realization, and others.

The results of this study are also in line with the results of research by Safitri and Darsono (2015) which state that the weakness of SPI and the amount of budget realization do not significantly affect the provision of WTP opinions by BPK RI auditors in the examination of local government financial reports.

2. Audit Findings Effect towards Audit Opinion with Follow-Up on Examination Results as Moderating Variable

Audit findings are facts compiled based on data from the auditor's point of view during the audit process. Accordingly, the objective of an audit of financial statements by an independent auditor is generally to express an opinion on the fairness, in all material respects, of the financial position, results of operations, changes in equity, and cash flows in accordance with generally accepted accounting principles in Indonesia.

In this study, the follow-up variable on the results of the Supreme Audit Agency's examination results was also used as a moderating variable which is nothing but a follow-up carried out by the regional government to fulfill obligations as stated in the recommendations of the Audit Results Report of the Supreme Audit Agency.

Based on data analysis and hypothesis testing that has been carried out in this study, it was found that the coefficient value of the audit findings variable with the follow-up examination results as a moderating variable was -0.113. From the results of the data processing, it was found that the follow-up variable on the results of the examination moderated the audit findings negatively on the BPK audit opinion. In other words, the follow-up to the audit findings will weaken the audit findings variable, so that the audit opinion will experience an increase in grade if it involves a follow-up on the results of the audit as a moderating variable. However, based on the results of data analysis, the audit findings variable which has been moderated by the follow-up variable on the results of this examination has no significant effect on the audit opinion variable. This happened because there were other factors which then influenced the BPK's audit opinion apart from the audit findings variable which was moderated by the follow-up variable on the results of the examination.

The same thing is also found in the results of Sitepu's research (2016) which concludes that non-compliance with laws and regulations does not affect BPK's audit opinion.

VI. CONCLUSION

6.1. Conclusion

This study intends to provide empirical evidence about the effect of audit findings on audit opinions in the examination of the financial statements of the West Sulawesi provincial government carried out by BPK-RI. Based on the data obtained from the Audit Results Report (LPH) of BPK on the audit of the financial statements of the West Sulawesi provincial government, the following research results were obtained:

1. The results of the research analysis of audit findings have a negative effect on the provision of audit opinions by BPK, but the effect does not occur significantly

2. The results of the analysis show that audit findings which are moderated negatively by follow-up on audit results have an effect on the provision of BPK's opinion, but this effect does not occur significantly.

6.2. Suggestion

1. Increase awareness of regional apparatus organizations of the West Sulawesi provincial government to consistently prioritize compliance with regional financial reporting and follow-up on audit recommendations from the BPK

2. The management of all matters relating to material, financial position, results of operations, changes in equity, and cash flows must be in accordance with generally accepted accounting principles in Indonesia.

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