

ABSTRACT

This research aims to empirically re-examine the effect of local government audit result on the alleged corruption offense in local governments in Central Java during the 2018-2023 period. The independent variable, audit opinion, is measured using a dummy variable with a value of 1 for an Unqualified Opinion (WTP) and a value of 0 for other types of opinions. Audit findings are measured by the number of audit findings, while follow-up on audit results is measured by the number of recommendations that have been followed up divided by the total number of recommendations. The dependent variable, alleged corruption offense, is measured using the number of corruption cases reported by The High Prosecutor's Office in Central Java. In this study, the sample consists of regencies and cities in Central Java Province with total of 210 samples were collected over six years, from 2018 to 2023.

The analysis method used in this research is regression analysis with data panel approached using the EViews application. This study uses secondary data obtained from The High Prosecutor's Office in Central Java, The Indonesia Audit Board (BPK) Representative Office in Central Java, and The Central Bureau of Statistics (BPS) in Central Java.

Based on the research findings, it is identified that audit opinion, audit findings, and follow-up on audit results simultaneously have a significant effect on the alleged corruption offense in local governments in Central Java. Partially, audit opinion and audit findings have a positive effect on the alleged corruption offense. Meanwhile, follow-up on audit results has a significant negative effect on the alleged corruption offense. It can be concluded that the Audit Report can be used as a consideration for identifying indications of corruption in district/city governments in the Province of Central Java

Keywords: *Audit Opinion, Audit Findings, Follow-up on Audit Results, and Alleged Corruption Offense.*