

ABSTRACT

The aim of this research is to examine the effect of internal control weaknesses and level of obedience from the findings of audit compliance to the regulation on audit opinion in public sector. Using the variables, for instance Kawedar (2010), Sipahutar and Khairani (2013) discovered that the audit opinion has raising level from disclaimer to unqualified due to the decreasing of internal control weaknesses level and also audit compliance findings.

The samples of this research consisted of 354 regional financial statements in the area of Java at 2010 until 2012. Area sampling design was used to select the financial statements. Logistic regression was run for data analysis and hypothesis examination.

Result of this study indicated that internal control weaknesses and budget realization contributes a positive influence which is not significant to the audit opinion. Otherwise, audit compliance findings contribute a negative influence to audit opinion which is significant on 5 percent. Prior opinion is also have influenced following opinion in same level.

Key words : audit opinion, regional government, internal control, audit compliance findings, logistic regression