

ABSTRACT

This study aims to examine the influence of local characteristics on the completeness of disclosures required in financial statements and municipal governments in Central Java, whether in accordance with the PP. 24 in 2005. The study will analyze the disclosure of financial statements of local government and the city in 2009 which assessed the disclosure index is constructed based on PP No.24 of 2005, then tested with the characteristics of local government that consists of local government size, income transfers, obligations, local government age, number of unit device area, as well as the ratio of the area of financial independence.

Variable study is the completeness of mandatory disclosure in 2009 that the five criteria proximated disclosure, that is financial statements, balance sheets, budget reports, cash flow statements, and notes to financial statements. Five criteria contains 90 items of financial disclosure statements in the form of a list (checklist) are prepared in accordance with Government Regulation No. 24 of 2005 regarding Government Accounting Standards. Samples taken as many as 35 local governments of the population of 36 local governments in Central Java which financial statements have been examined by the CPC until the second half of 2009. Data obtained from the Office of the CPC Central Java Representatives. To test this hypothesis, the instruments of different test statistics used were t-test with significance level 0,05 in the testing of two directions.

The results of data analysis showed that the completeness of required disclosures in the financial statements of local government positively and significantly associated with three variables characteristic of local government, namely the variable duty, local life, and the ratio of the area of financial independence, while the variable size of local government, revenue transfers, and the number of units the work area does not affect the level of mandatory disclosure of financial statements of local governments. In addition the results of content analysis showed that the average level of disclosure required in financial statements of local government is already quite high in the amount of 79,594%. This suggests that local governments in Central Java, almost presenting all the information should be disclosed in financial statements.

Keywords : mandatory disclosure, financial report, characteristics, and local governments.