

ABSTRACT

Accountability and transparency becomes increasingly growing in today's society as cares and demands form of their rights to local governments. As a form of accountability and transparency to the public, local governments have to make the Local Government Financial Report (LGFR) completed with disclosure. The presence of Government Accounting Standards (GAS) requires a disclosure of certain LGFR items in accordance with GAS. The purpose of this study is to determine the effect of the government characteristics, the government complexity, and the audit findings on the disclosure level of LGFR in Central Java 2010-2012.

Samples are 35 LGFR in Central Java Province each year. Then, total sample is 105 observations LGFR of 3 years (2010, 2011, and 2012). The analytical method used is panel data regression using E-views 7.0 software.

The results showed, from four variables that describe the characteristics of government, only total asset which has significantly positive effect on the disclosure level of LGFR, whereas other variables such as wealth, level of dependence, and age has no effect. While, from the government complexity, only number of functional differentiation which has significantly negative effect on the disclosure level, the other side legislature size has no significant effect. Likewise, audit findings variable has no significant effect on the disclosure level.

Keywords: Characteristics, Complexity, Audit Findings, Local Government Finance Report, Government Accounting Standards, Disclosure Levels.