

Public Financial Governance and Socio-Economic Performance: Evidence from Local Government in Indonesia

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Abstract:

Increasing the quality of government financial management is an important aspect of governance in order to improve the quality of public services and public welfare. In the era of fiscal decentralization, where local governments are given the authority to manage their own regional finances, transparency and accountability play important roles in regional financial management. The Supreme Audit Agency (Badan Pemeriksa Keuangan or BPK) routinely conducts an audit on local government financial reports and provide an audit opinion on the fairness of the financial information presented in the financial statements of each regional government. It is interesting to examine whether BPK's opinion on Regional Financial Reports (Laporan Keuangan Pemerintah Daerah or LKPD) has a significant relationship with socio-economic performance in each region. This study aims to see links, if any, between the status of BPK's opinion on regional financial statement with socio-economic performance of regions in Indonesia, such as income per capita, poverty level, and inequality. The methodology employed in this study is a panel data regression model using data from all district and city governments in Indonesia from 2015 to 2019. The provisional result of this study is that regions with better opinion status have better socio-economic performance compared to regions with lower audit opinion status. The estimation has considered control variables such as total local government spendings, local government spending on capital, and local government transfers from central government. The estimation results are robust when the area is divided into two categories, Java and outside Java. The findings in this study can contribute both to the existing literature and to relevant government policies in order to improve the quality of local government financial management and, ultimately, welfare of the people.

Keywords: Public Financial Management; Governance; Welfare; Local Government; Transparency; Accountability

Background

Transparency and accountability of local government is an important aspect of good governance that can support the government's efforts to improve welfare of the people. The concepts of transparency and accountability are interrelated whereby according to Maan (2009) "transparency is the freedom to obtain information" and "accountability is responsibility of the government to the public for every activity carried out". Furthermore, Kumorotomo (2019) stated that transparency is a manifestation of good governance which is needed in efforts to eradicate corruption and increase government accountability to the public. Increased government accountability to the public will strengthen and support the government's efforts to increase the effectiveness of government policies which, in turn, will improve people's welfare. In the era of fiscal decentralization where local governments are given the authority to manage their respective regional finances, the aspects of transparency and accountability becomes pertinent. Regional governments that are transparent and accountable openly provide financial information to inform and involve the public with regards to government budget policies which includes the process of planning, implementing, and impact evaluation (Hehanussa, 2015).

In the context of implementing aspects of transparency and accountability in the management of Regional Government Financial Reports (*Laporan keuangan Pemerintah Daerah* or "LKPD"), the opinion of the Supreme Audit Agency (*Badan Pemeriksa Keuangan* or "BPK") on LKPD is very important. The BPK is responsible for supervising and auditing government financial reports, both at the national and regional level, and carries out regular inspections of LKPD. From the results of the audit, BPK produces a report containing an opinion which is a professional statement as the auditor's conclusion regarding the fairness of government financial information based on criteria such as conformity with government accounting standards, adequate disclosures, compliance with laws and regulations, and the effectiveness of the internal control system. There are four statuses of BPK's audit opinion on LKPD, ranking from best to worst are as follows: *Wajar Tanpa Pengecualian* (WTP), *Wajar Dengan Pengecualian* (WDP), *Tidak Memberikan Pendapat* (TMT), and *Tidak Wajar* (TW).

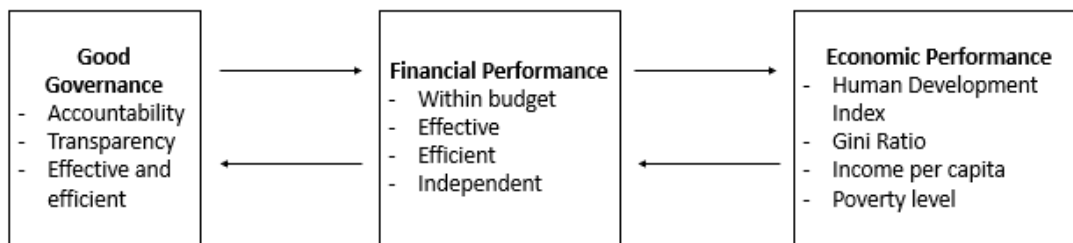
The opinion of the Supreme Audit Agency (BPK) is thought to be closely related to the socio-economic performance of the region. Regional government which received the best audit opinion on its LKPD, namely WTP, is considered to have been able to manage its regional finances properly and in accordance with applicable regulations. Good regional financial management is likely to have a positive impact on the social and economic performance of that region. In order to find out the relationship between BPK's audit opinion on LKPD and regional socio-economic performance, this report will examine empirically the estimation of the relationship between the two variables using statistical and econometric methods. The data used in the estimation includes the results of BPK's opinion on LKPDs from 514 district/city between 2015 and 2019 as well as data on socio-economic indicators of district/city governments such as GRDP per capita, Human Development Index level, poverty levels, and inequality. Other government fiscal data that are also used in the estimation are local government expenditures per capita, local government revenues per capita, and regional transfers per capita.

Research Framework

The concept of good governance spans many aspects including financial, economic, and social. According to the World Bank, governance refer to “the manner in which power is exercised in the management of a country’s economic and social resources for development” (Sen, 1994). As mentioned by UN ESCAP, good governance is characterized by accountability, transparency, responsiveness, equitable and inclusivity, effectiveness & efficiency, following the rule of law, participatory, and consensus oriented. Good governance is thought to have a positive impact on a region’s financial performance which in turn will lead to better economic performance as governments which employ good governance are deemed to have more accountability and transparency as well as being more efficient and effective.

With this in mind, a region which received WTP audit opinion from BPK on its LKPD can be assumed to have implemented good governance given that its financial reporting is considered accountable, transparent, and in accordance with the national accounting standard. Hence, according to the hypothesis above, regions with good governance are more likely to have better financial and economic performance. However, it is interesting to note that the relationship between good governance of a region and its financial and economic performance may not be a one-way relationship. The better the social and economic performance of a region indicates the more developed of a region. Then, the more developed a region is predicted to have better capacity or resources to manage its own budget effectively and efficiently so that it gives a positive impact on the quality of governance. In this case, the quality of governance is indicated by the quality of government financial report based on criteria such as conformity with government accounting standards, adequate disclosures, compliance with laws and regulations, and the effectiveness of the internal control system.

Figure 1. The Relationship between Governance of a Region and its Financial and Economic Performance



Literature review regarding the relationship of BPKs opinion status with regional socio-economic performance

Several existing studies have observed the relationship between BPK's Opinion Status with social, economic, and government financial indicators. Studies conducted by Suryaningsih and Sisdyani (2016) and Masdiantini and Erawati (2016) observed the effect of BPK's opinion status on LKPD on local government financial performance. In contrast, other studies such as Akhmad Hafidzan and Dwi Martani (2014), Nur Anita and Rudy Badrudin (2017), and the World Bank (2017) observe the influence of social, economic, and financial indicators on the status of BPK's opinion on LKPD. The study conducted in this

report focuses on observing the effect of BPK's audit opinion on LKPD on the socio-economic performance of regions in Indonesia.

On one hand, several studies have found that BPK's audit opinion on LKPD has a positive influence on the financial performance of regional governments. Masdiantini and Erawati (2016) conducted a study in which it aims to look at the factors affecting the financial performance of district and city governments in Bali Province. One of the factors considered is BPK's audit findings and opinions on the LKPD of each district and city in Bali Province. Regional financial performance is measured through four financial ratios, namely the ratio of independence, economic ratio, efficiency, and effectiveness. The results of this study show that BPK's audit opinion on LKPD has a significant positive effect on local government financial performance. With a wider scope, Suryaningsih and Sisdyani (2016) conducted a similar study using data from all districts and cities in Indonesia. The study also found that BPK's audit opinion on LKPD had a significant positive effect on the financial performance of district and city governments.

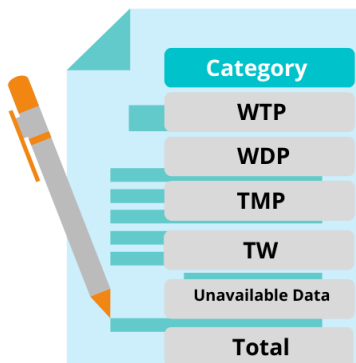
On the other hand, several other studies conducted research that look at socio-economic factors that influence the status of BPK's audit opinion on LKPD. A study by Akhmad Hafidzan and Dwi Martani (2014) aims to see the influence of human development (measured by Human Development Index, education level, health, and welfare level) and political factors on the status of BPK's opinion on LKPD. The results of the study show that human development has a positive impact on the status of BPK's opinion on LKPD. Meanwhile, political dynasty and whether LKPD is released close to regional head election have a negative impact on BPK's audit opinion. Meanwhile, Nur Anita and Rudy Badrudin (2017) conducted a study on the effect of local government financial performance on the status of BPK's audit opinion on LKPD in the Special Region of Yogyakarta. The results of the study found that the financial performance of local governments had a positive and significant effect on the status of BPK's opinion on LKPD.

Moreover, a World Bank study in 2017 found that local governments participating in the Local Government and Decentralization pilot project (Proyek Pemerintah Daerah dan Desentralisasi or "P2D2") or pilot project for transfer of funds (*Dana Alokasi Khusus* or "DAK") had a positive and significant impact on increasing accountability. From 2011 to 2014, the Government of Indonesia with support from the World Bank carried out a P2D2 or DAK pilot project which are based on performance. The project with output-based disbursement scheme encourages local government to achieve better targets in terms of quality public service. Participating local governments are required to conform to compliance standards which includes aspects of financial management, procurement, environmental, social, and technical. At the start of the program, five provinces and 78 districts/cities participated in the project. Some findings related to accountability indicators from local government's participation on the P2D2 project participation are as follows: i) Local governments have a 5.5% probability of obtaining or maintaining a WTP opinion; ii) There is a probability of 2.1% for local government to get a WDP opinion; iii) The probability of the local government not getting a TMP opinion is 1.1%; and iv) There is a 5.6% probability that the local government will not receive a TW opinion or disclaimer. From this analysis it can be concluded that participation on the pilot project have a positive and significant impact for the local government.

Overview of BPK's Opinion Status on Regional LKPDs in Indonesia

The number of cities and regencies with WTP status from 2015 to 2019 continues to grow. The data used in this study is BPK's audit opinion on LKPD of 514 cities and regencies in Indonesia during 2015-2019 period. The number of regions with improved results of BPK's audit opinion can be seen in the table below. The number of cities and regencies that received WTP status continued to increase, where in 2015 there were only 281 regions while in 2019 as many as 451 regions have a WTP status, that is, there was an increase of 170 regions over 4 years. This finding is consistent with a decrease in the number of regions with a WDP or TMP status on their LKPD during the same 4-year period. Between 2015 and 2019, the number of regions with WDP status decreased from 192 regions to 50 regions while regions with TMP status decreased from 35 regions to only 6 regions.

Table 1. Development of BPK's Opinion on Regional Financial Statements in Indonesia over the years



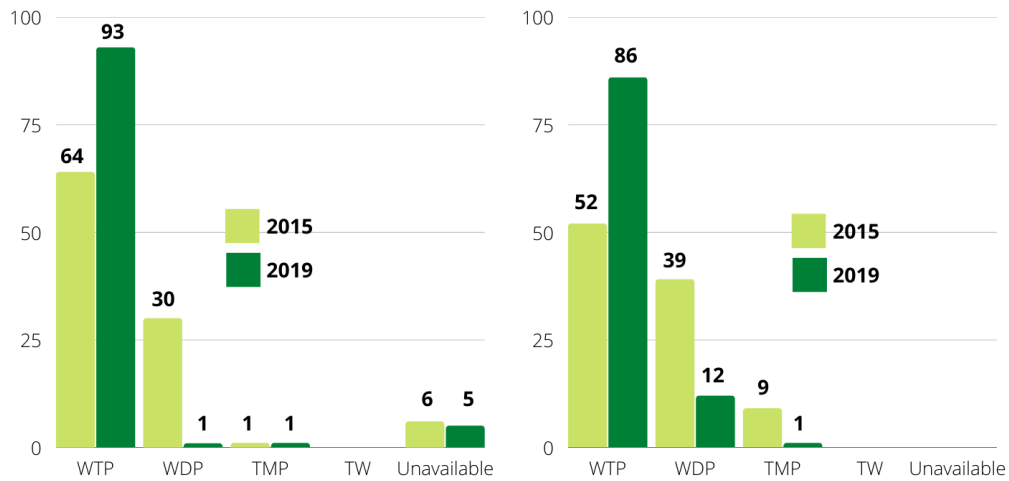
Category	2015	2016	2017	2018	2019
WTP	281	345	378	412	451
WDP	192	140	112	83	50
TMP	35	23	18	13	6
TW	0	0	0	0	0
Unavailable Data	6	6	6	6	7
Total	514	514	514	514	514

Notes : BPK's opinion is unavailable in East Jakarta, Central Jakarta, South Jakarta, West Jakarta, North Jakarta, The Thousands Islands and Waroepen Papua regency.

Source: Ikhtisar Hasil Pemeriksaan Semester (IHPS) Badan Pemeriksa Keuangan (2021)

We divided 514 cities and regencies into two categories (Java and outside Java) to see the distribution of regions that has WTP status on their LKPD. We found that the percentage of areas with the status of WTP opinion in Java is greater than outside Java. In 2019, the percentage of cities and regencies in Java that had a WTP opinion status was 93%, while outside Java was 86%. If we look the number of regions with WTP status over the year, the percentage of regions that have WTP status both in Java and outside Java increase from 2015 to 2019. On the other hand, the percentage of regions that have WDP opinion status decreased significantly from 2015 to 2019 both in Java and outside Java.

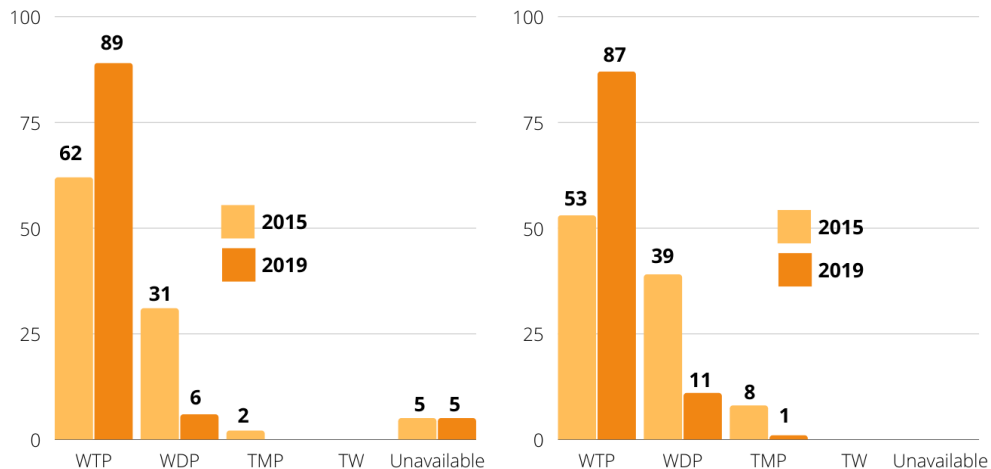
Figure 2. Development of BPK's Audit Opinions on Regional Government Financial Reports, Java vs. Non-Java regions. (Left: Java regions; Right: Non-Java regions)



Source: Ikhtisar Hasil Pemeriksaan Semester (IHPS) Badan Pemeriksa Keuangan (2021)

Next, we compare the number of cities that has WTP status with the number of regencies with the same status. We found that the percentage of cities with WTP status is slightly higher than the percentage of districts with WTP status. In 2019, the percentage of cities that have WTP status was 89% while the percentage of districts with WTP status on their LKPD was 87%. In line with the rising number of regions with WTP status, the percentage of cities with a WDP status drastically decline from 31% in 2015 to only 6% in 2019. Thus, it can be seen there is an improvement in the quality of regional financial reporting.

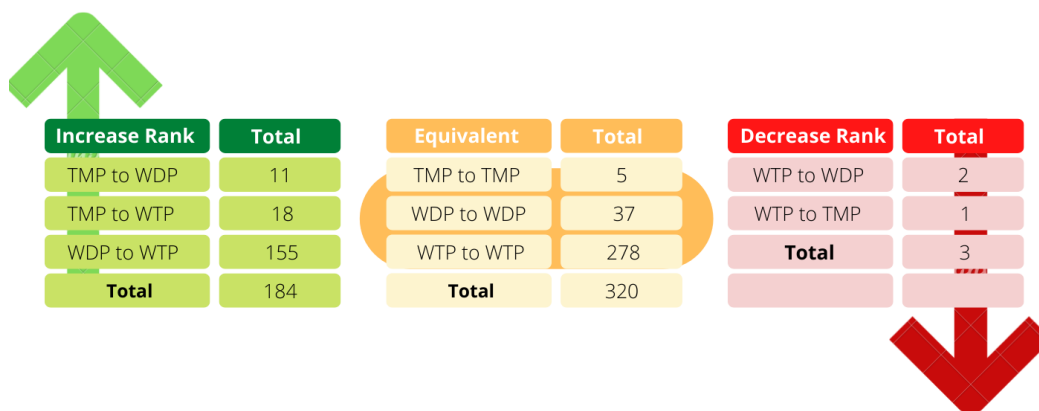
Figure 3. Development of BPK's Audit Opinions on Regional Government Financial Reports, Cities vs. Regencies. (Left: Cities; Right: Regencies)



Source: Ikhtisar Hasil Pemeriksaan Semester (IHPS) Badan Pemeriksa Keuangan (2021)

Overall, the number of regions that experienced an increase in opinion status to WTP or remained WTP from 2015 to 2019 was 451 regions or 89.5% of the total number of local governments. The number of regions that experienced improvement in the status of BPK's audit opinion from 2015 to 2019 was 184 or 37% of the total number of cities and regencies. Meanwhile, 63% of cities and regencies did not experience any change in BPK's audit opinion, or equivalent to 320 regions, during the same 4-year period. There were 3 regions that experienced a decrease in BPK's opinion from 2015 to 2019; 2 regions experienced a decline in status from WTP to WDP and 1 region that experienced a decline in status from WTP to TMP.

Figure 4. Number of Regions Based on Changes in BPK Opinion Between 2015 and 2019



Source: Ikhtisar Hasil Pemeriksaan Semester (IHPS) Badan Pemeriksa Keuangan (2021)

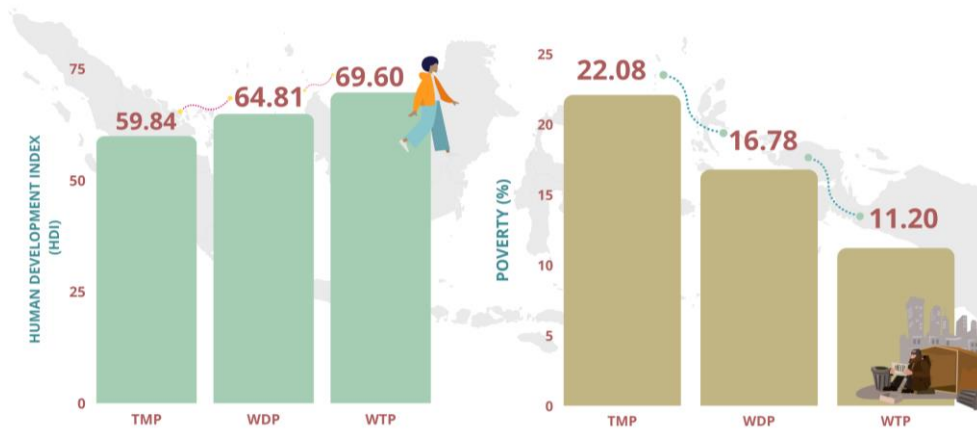
Notes: There are 7 missing regional governments

The relationship between BPK's opinion status on LKPD and socio-economic performance

As was previously stated, our hypothesis is that BPK's audit opinion on a region's LKPD have a positive effect on that region's socio-economic performance. For the purpose of this study, indicators being used as measurement of socio-economic performance are Human Development Index, GDRP per capita, poverty level, and Gini Ratio. For this part

Regions with better BPK audit opinion status tend to have higher Human Development Index. This finding is based on an analysis using the combined data of regions throughout Indonesia from 2015 to 2019. The group of regions with TMP status has the lowest average HDI score of 59.8, while the group of regions with WDP status has average HDI score of 64.8, and the group of regions with the status of WTP has the highest average HDI, which is 69.9. Furthermore, regions with better BPK opinion status tend to have a lower poverty level, measured by percentage of poor people. The difference in the average value of the poverty rate based on the status of the BPK's opinion is apparent whereby regions with WTP status have an average poverty level lower than the WDP and TMP statuses. Regions with WTP status have an average poverty level of 11.2%, while the poverty level of groups of regions with WDP and TMP status are 16.8% and 22.1%, respectively.

Figure 5. Average HDI and poverty level based on BPK's opinion

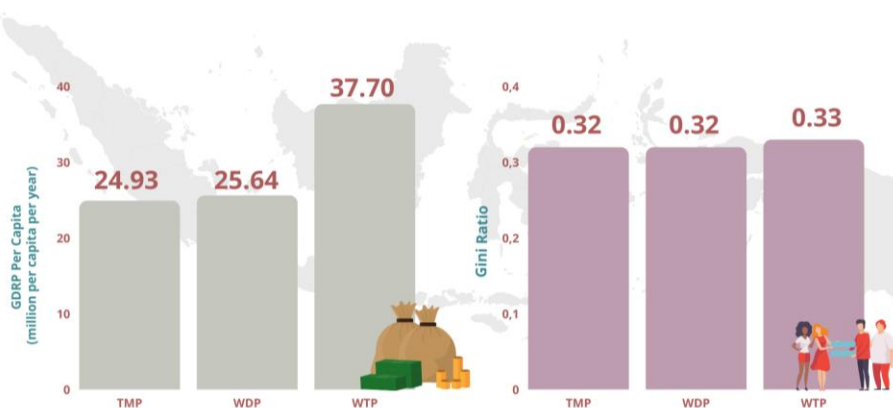


Source: DRE, 2021.

As with the findings for HDI and poverty level, we also found regions with better BPK's audit opinion status tend to have higher GRDP per capita (an indicator often used as a proxy to people's income per capita). The regional group with TMP and WDP status has a lower average of GRDP per capita value of 24.9 and 25.6 million/capita/year, respectively, compared to the group of regions with WTP status with an average value of GRDP per capita of 37.7 million/capita/year.

While relationship between BPK's audit opinion and other socio-economic performance are clear, the relationship between BPK's audit opinion and the level of income inequality (shown by the Gini Ratio) is not very clear. The Gini Ratio is an index with a value between 0 and 1 which is used to measure economic inequality in society, the greater the value (closer to 1), the greater the economic inequality in the area. The average Gini Ratio from regions with TMP and WDP status tends to be smaller, indicating lower income inequality in these regions. Regions with WTP status have a higher average of Gini Ratio compared to the other two groups of regions with lower opinion status. This shows that there is no clear relationship between BPK's opinion status and the inequality of income distribution in the regions. To see the effect of BPK's opinion status on socio-economic indicators including the Gini Ratio, a panel regression model analysis will be carried out which will be discussed in the next section.

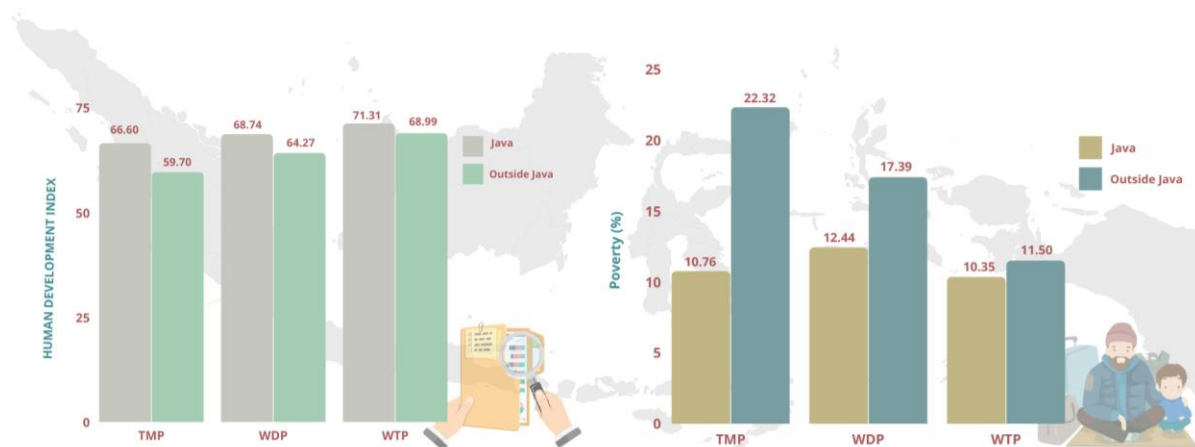
Figure 6. Average GDRP per capita and Gini Ratio based on BPK's audit opinion



Source DRE, 2021.

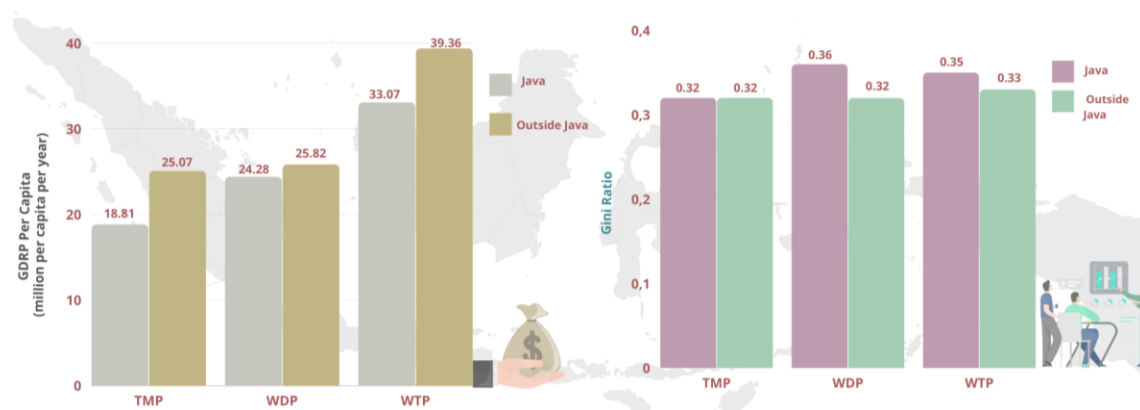
We divided the regions into two groups again, namely Java and outside Java, to see average social and economic indicators when taking BPK's audit opinion into account. We found that the status of BPK's audit opinion with regards to Human Development Index has a positive correlation for regions in both categories. Meanwhile, there seem to be a negative correlation between BPK's audit opinion and the percentage of poor people (poverty level) in that region (Figure 3). The negative relationship between BPK's opinion status and poverty level is clearly visible in regions outside of Java, while in Java the difference is not very clear since it is relatively small. In Figure 4, it can be seen the status of BPK's audit opinion and GRDP per capita has a positive relationship both in Java and outside Java. Meanwhile, the relationship between the status of BPK's audit opinion and the Gini Ratio is not very clear for regions both in Java as well as outside Java.

Figure 7. Average HDI and poverty level based on BPK's audit opinion and region



Sumber: DRE, 2021.

Figure 8. Average GDRP per capita and Gini Ration based on BPK's audit opinion and region



Source: DRE, 2021.

As previously mentioned, we used the panel data regression method to prove the relationship between BPK's audit opinion on LKPD and regional social and economic performance. This panel data regression method uses data from all district and city governments in Indonesia from 2015 to 2019. The dependent variables are indicators of economic and social performance, such as, the Human Development Index,

Poverty Level, Gini Ratio, and GRDP per capita. On the other hand, the independent variables used were dummy variable of the status of the BPK's audit opinion (WTP = 1; other than WTP = 0) as well as regional financial data, such as, capital expenditures per capita, direct expenditures per capita, regional income per capita, and transfer funds per capita.

Based on the regression results using the panel data method, BPK's opinion status has a significant impact on regional social and economic performance. Regions that have WTP opinion status significantly have higher Human Development Index and GRDP per capita compared to other opinion statuses. Furthermore, regions with WTP opinion status have significantly lower levels of poverty and inequality. The estimation results are robust when including control variables such as local government expenditure per capita, regional government capital expenditure per capita, local government revenue per capita, and regional transfers per capita (Table 3).

**Table 2. Summary of result from panel regression model at the national level
Relationship between BPK's audit opinion and regional socio-economic performance**

	1 st Estimate				2 nd Estimate				3 rd Estimate			
	1	2	3	4	5	6	7	8	9	10	11	12
	IPM	Poverty	Gini Ratio	GDRP per Capita	IPM	Poverty	Gini Ratio	GDRP per Capita	IPM	Poverty	Gini Ratio	GDRP per Capita
Opini (d) WTP=1 ; Non WTP=0	1.81***	-0.81***	-0.007***	2.11***	1.06***	-0.727***	-0.006**	1.86***	1.07***	-0.73***	-0.006**	1.95***
Per Capita Spending					-1.80	-2.18	-2.10	3.10				
Per Capita Capital Spending									-3.05**	2.09*	-1.31	-1.95
Per Capita Revenue					3.03***	-2.00**	4.61	5.98*				
Per Capita Transfer									3.20***	-2.25*	-1.69	8.63**
Constant	68.04***	12.43***	0.33***	33.05***	66.65***	13.52***	0.34***	28.49***	67.31***	12.95***	0.341***	30.16***
R-square	0.143	0.083	0.006	0.015	0.225	0.141	0.011		0.211	0.124	0.009	
Hausman Test	0.000	0.000	0.000	0.003	0.000	0.000	0.000	0.2499	0.000	0.000	0.000	0.302
N	2.310	2.310	2.310	2.310	2.310	2.310	2.310	2.310	2.310	2.310	2.310	2.310

Note: ***p < 0.001 ; **p < 0.01 ; *p < 0.05

Sumber: DRE, 2021.

When the region is divided into Java and outside Java, the estimation results are robust where the status of BPK's audit opinion still has a significant relationship to the socio-economic performance of the region. Both in Java and outside Java, regions with WTP opinion status have higher Human Development Index and GRDP per capita compared to regions that has other opinion statuses. Furthermore, in the Java region, regions with WTP opinion status have lower levels of poverty and income inequality compared to regions with other opinion statuses. For regions outside of Java, the status of audit opinion has a significant impact on levels of Human Development Index, GRDP per capita, as well as poverty level. However, results of the regression model suggest that audit opinion status in regions outside of Java have no significant impact on the Gini Ratio of that region (Tables 4 and 5).

**Table 3. Summary of result from panel regression model for regions within Java region
Relationship between BPK's audit opinion and regional socio-economic performance**

	1 st Estimate				2 nd Estimate				3 rd Estimate			
	1 HDI	2 Poverty	3 Gini Ratio	4 GDRP per Capita	5 HDI	6 Poverty	7 Gini Ratio	8 GDRP per Capita	9 HDI	10 Poverty	11 Gini Ratio	12 GDRP per Capita
Opinion (d) WTP=1 ; Non WTP=0	1.17***	-1.199***	-0.016***	2.43***	0.42**	-0.49**	-0.008	0.408	0.72***	-0.78***	-0.011***	1.15**
Per Capita Spending					4.76	-5.21*	-8.71	3.68				
Per Capita Capital Spending									-1.07***	8.94*	1.72	-3.19
Per Capita Revenue					2.89***	-2.60***	-2.44***	9.16***				
Per Capita Transfer									3.13***	-2.97***	-3.84**	9.89***
Constant	69.94***	11.65***	0.36***	29.81***	62.37***	18.68***	0.44***	8.28***	65.98***	15.24***	0.41***	17.90***
R-square			0.356	0.047	0.636	0.451	0.105		0.415	0.288		
Hausman Test	0.083	0.226	0.024	0.020	0.000	0.000	0.000	0.604	0.007	0.001	0.018	0.518
N	565	565	565	565	565	565	565	565	565	565	565	565

Note: ***p < 0.001 ; **p < 0.01 ; *p < 0.05

Sumber: DRE, 2021.

**Table 4. Summary of result from panel regression model for regions outside of Java
Relationship between BPK's audit opinion and regional socio-economic performance**

	1 st Estimate				2 nd Estimate				Estimasi 3			
	1 HDI	2 Poverty	3 Gini Ratio	4 GDRP per Capita	5 HDI	6 Poverty	7 Gini Ratio	8 GDRP per Capita	9 HDI	10 Poverty	11 Gini Ratio	12 GDRP per Capita
Opinion (d) WTP=1 ; Non WTP=0	1.19***	-0.708***	-0.004*	2.01***	1.07***	-0.62***	-0.004	1.80***	1.07***	-0.62***	-0.004	1.88***
Per Capita Spending					-2.59	-1.19	-1.95	3.11				
Per Capita Capital Spending									-2.99**	2.08*	-1.40	-1.54
Per Capita Revenue					2.74***	-1.78**	6.39	5.15				
Per Capita Transfer									2.81**	-1.93*	1.31	7.17*
Constant	67.42***	12.71***	0.323***	34.07***	65.99***	13.81***	0.33***	29.17***	66.70***	13.24***	0.33***	30.9***
R-square	0.148	0.078	0.002	0.012	0.231	0.146	0.006		0.222	0.130	0.005	
Hausman Test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.213	0.000	0.000	0.013	0.227
N	1.745	1.745	1.745	1.745	1.745	1.745	1.745	1.745	1.745	1.745	1.745	1.745

Note: ***p < 0.001 ; **p < 0.01 ; *p < 0.05

Sumber: DRE, 2021.

When running our panel regression model above, we encountered a possible endogeneity problem. As previously mentioned, many studies have been done to prove that governance of a region and its economic and financial performance have a two-way relationship, hence the probability of both impacting each other. To overcome this issue, we ran panel regression model using lag for each of independent variables and the result of this panel regression model is still consistent and statistically significant. Table for the result of panel regression model using lagged variables can be seen in the appendix.

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Appendix:

Appendix 1. Result from panel regression model of impact of BPK's audit opinion on economic performance

	1 st Estimate				2 nd Estimate				3 rd Estimate			
	1	2	3	4	5	6	7	8	9	10	11	12
	HDI	Poverty	Gini Ratio	GDRP per Capita	HDI	Poverty	Gini Ratio	GDRP per Capita	HDI	Poverty	Gini Ratio	GDRP per Capita
L1. Opinion (WTP=0; Non-WTP=1)	0.855***	-0.586***	-0.007***	0.905***	0.81***	-0.55***	-0.004*	0.76	0.801***	-0.55***	-0.004*	0.910*
L1. Spending per capita					-5.27	1.90	-1.24	1.60				
L1. Capex per capita									-3.45***	2.65***	-2.43*	-2.22
L1. Income per capita					2.91***	-2.05***	1.77	6.66				
L1. Transfer per capita									2.56***	-1.33***	-3.38	7.53***
Constant	68.6***	12.04***	0.333***	34.51***	67.44***	12.97***	0.326***	30.40***	68.15***	12.17***	0.333***	31.99***
R-square	0.103	0.007	0.013	0.013	0.037	0.061	0.015	0.064	0.005	0.027	0.005	
Hausman Test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.013
N	1.848	1.848	2.310	1.848	1.848	1.848	1.848	1.848	1.848	1.848	1.848	1.848

Note: ***p < 0.001 ; **p < 0.01 ; *p < 0.05

Appendix 2. Results from panel regression model of impact of economic performance on BPK's audit opinion

Variable	1 st Estimate				2 nd Estimate				3 rd Estimate			
	1	2	3	4	5	6	7	8	9	10	11	12
	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion	Audit Opinion
HDI	.1477***				.1503***				.1469***			
Poverty		-.0567***				-.0573***				-.0548***		
Gini Ratio			2.8867***				2.8708***				2.8212***	
PDRB per capita				.0191***				.0219***				.0218***
Expenditure per capita					-2.33E-08	-3.18E-08	1.17E-08	-9.57E-08				
Capital expenditure per capita									9.49E-08	3.83E-08	3.68E-08	-4.75E-08
Income per Kapita					2.88E-08	3.34E-08	-3.90E-08	2.97E-08				
Transfer per capita									-4.11E-08	-2.28E-08	-5.611e-08***	-7.923e-08**
Constanta	-8.8975***	1.4076***	-0.31397	.4553***	-9.0997***	1.4067***	-0.1414	.7675***	-8.8049***	1.4239***	-0.0948	.8001***
N	2539	2536	2532	2539	2539	2536	2532	2539	2539	2536	2532	2539
LR chi2(6)	354.00	288.79	27.91	82.29	354.61	289.76	75.03	158.22	356.69	291.91	94	179.31
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.1206	0.0987	0.0096	0.028	0.1208	0.099	0.0257	0.0539	0.1215	0.0997	0.0322	0.0611
Fitstat	logit	probit	probit	logit	Logit	Probit	Probit	Logit	Logit	Probit	Probit	Logit

Note: ***p < 0.001 ; **p < 0.01 ; *p < 0.05