

# Chievementof Auditor Opinion through Application of Government Accounting Standards and Effectiveness ofthe Internal Control System

(Survey on Tangerang City Government - Banten Province)

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**ABSTRACT:**Number of Regional Governments that do not get a fair opinion Without exclusion from the results of the BPK RI audit it is a phenomenon that occurs on this basis so that researchers conduct research through surveys and are grounded based on existing theories which are then developed into a research model in which models in research It was designed to examine the achievements of auditor opinion and their relevance to the internal control system and the application of government accounting standards.The expected results of this study are an increase in the acquisition of opinions on financial statements by conducting accounting training for accounting personnel in local governments, using modules compiled by researchers. The benefit of this study is to contribute scientifically to public sector accounting science and solve problems for local governments in implementing tasks related to the attainment of opinions on local government financial reports.The results of this study prove that the Application of Government Accounting Standards does not affect the achievement of auditor opinion, while the effectiveness of the internal control system influences the achievement of auditor opinion.

**KEYWORDS:***Achievements of Auditor Opinions, Government Accounting Standards and Effectiveness of the Internal Control System*

## I. BACKGROUND OF RESEARCH

The phenomenon of audit opinion is that there are still a large number of regional governments that obtain fair opinions with exceptions from the Supreme Audit Board so that it becomes a special case by the Regional Government in carrying out the preparation and reporting of its finances. In 2015 there were 542 Regional Governments that were obliged to prepare financial reports for only 312 Local Governments that had a Fair Without Exception (WTP) opinion or 58%, 187 Local Governments received a Fair Opinion with Exceptions (WDP) or 35%, 30 Local Governments received opinions Not Giving Opinion (TMP) or 6% and 4 Regional Governments get Unqualified opinion or 1%. Harry AzharAzis (October 4: 2016).

Unqualified audit opinion (OAU) from the Supreme Audit Agency or ( Indonesian term BPK) is the ideal of state financial managers. Ministry officials, state institutions and local governments compete to obtain this opinion. Moreover, the government makes unqualified opinions as one of the benchmarks for the success of good governance. Audit opinion is a report provided by a registered public accountant as a result of an assessment of the fairness of the financial statements presented by the company.

Local government prerequisites get unqualified opinion, namely A. Evidence of the required audit has been collected in full or sufficient, B. The three general standards have been met and followed in the work agreement. C. Financial statements have been presented in accordance with SAP (Government Accounting Standards) D. The absence of circumstances that make the auditor add explanatory paragraphs or modify reportImplementation of Government Accounting Standards (GAS) are accounting principles applied in compiling and presenting Government Financial Reports consisting of Central Government Financial Reports (CGFR) and Regional Government Financial Reports (RGFR). The basic financial statements according to Government Accounting Standards are Budget Realization Reports, Balance Sheets, Cash Flow Reports, and Notes to Financial Statements.Local governments who want unqualified opinion also absolutely have an effective internal control system based on the Control Environment, Risk Assessment. Settlement, Information and Communication Activities.Supervision, Unqualified Opinion. Of all the elements mentioned above if applied, it will enable the regional government to get the expected opinion.

The Minister of Home Affairs (Kumolo, 2015) said that there were several obstacles faced by the regions in implementing the new Accounting Standards. Constraints faced include the quantity of human resources (HR) managing finances, competencies, and commitment of regional heads in encouraging the optimization of the application of accounting-based financial statements. Historical Value, Realization.

## II. LITERATURE REVIEW

DiMaggio and Powell (1983) see there are three institutional formations that are isomorphic, namely, first; coercive isomorphis which indicates that the organization takes several forms or adopts other organizations because of the pressures of the state and other organizations or the wider community. Second; isomorphic mimesis, which is the imitation of an organization by another organization. Third, normative isomorphism, because of professional demands. While another concept in institutional theory according to Meyer and Scott (1983) is loose-coupling, institutional theory takes its place as an open system.

Coercive isomorphism (when organizations are forced to adopt structures or rules). Mimetic Isomorphism (when organizations copy or copy other organizations, usually due to uncertainty). Normative Isomorphism (when people adopt various forms because of the professional demands of the organization itself while claiming that they are superior), Di Maggio and

### Government Accounting Standards (GAS)

According to Abdul Hafiz Tanjung (2013) the definition of Government Accounting Standards are accounting principles applied in compiling and presenting government financial reports, which consist of Central Government Financial Reports (CGFR) and Local Government Financial Reports (LGFR), in the context of transparency and accountability in administering government accounting, as well as improving the quality of CGFR and LGFR. According to Indra Bastian (2010),

"Government accounting standards are the accounting principles established in compiling and presenting government financial reports". While the definition of Government Accounting Standards according to Government Accounting Standard Board (GASB) (1999), "Government Accounting is an integral of the accounting discipline. It is the basic concepts underlying the accounting for whole and shares many characteristics with commercial accounting. "

### Internal Control System

Generally. According to Hall (2014: 5), "A group of interrelated multiple components or subsystems that serve a common purpose or system is a collection or group consisting of two or more interconnected components or subsystems to achieve the same goal". Whereas according to Gelinis and Dull (2012: 13), "A system is a set of interdependent elements that together accomplish specific objectives or systems is a set of independent elements that together achieve specific goals". Based on some of the descriptions that the system is a collection of several subsystems that have the same goals in different ways based on each task and function of the subsystem.

Some of the statements above, in Government Regulation number 60 of 2008 concerning the Government's Internal Control System, define internal control as follows: The Internal Control System is an integral process in actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in achieving organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations "Auditor Opinion

Audit opinion is given by the auditor through several audit stages so that the auditor can provide conclusions on the opinions given to the audited financial statements. The general objective of the audit is to provide opinions on the fairness of the financial statements prepared by the entity. The audit opinion is stated in an audit report consisting of three paragraphs, namely the opening paragraph, the paragraph of scope and the paragraph of opinion. The opening paragraph (opening paragraph) identifies audited financial statements and states that the financial statements are the responsibility of the entity's management. In the scope paragraph the auditor describes the explicit nature of the audit and explicitly states that the audit conducted has provided an adequate basis for expressing opinion on the financial statements. Whereas in the opinion paragraph (opinion paragraph), the auditor communicates the results of the audit. Tuanakota (2015) ISA divides opinions in two types of auditor opinions, namely: unmodified opinion and modified opinion

### Thinking Framework

The research was conducted by Desi Fatimah, Ria Nelly Sari & M. Rasuli who stated that one of the factors influencing unqualified opinion was the internal control system. In conclusion, the internal control system has a positive effect on the acquisition of unqualified opinions. According to previous research conducted by Nugraeni & M. Budiantara (2015), the application of Government Accounting Systems influences the quality of financial statements. In accordance with previous research by Muhammad Arfan (2016) states significant

effect of Government Accounting Standards on the Quality of Financial Statements. The frame of mind for the Effect of Government Accounting Standards, Internal Control Systems and Achievements of Auditor Opinions can be seen in the picture of the framework:

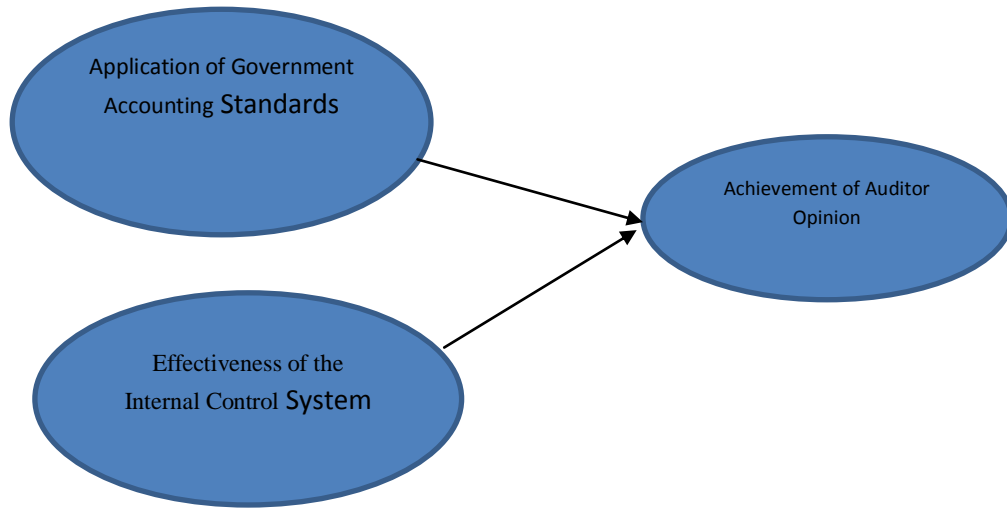


Figure1.Thinking Framework

Hypothesis

Based on the framework that was stated earlier, the research hypothesis can be arranged as follows:

H1: Application of Influential Government Accounting Standards Against Opinion Outcomes The auditor

H2: Effectiveness of the Internal Control System Affects the Achievement of Auditor Opinions

III. RESEARCH METHODS

Research Design

This research is explorative (exploratory study) with a type of causal study where the researcher wants to find the cause of one or more problems (Uma Sekaran, 2007). In this study, the effect of the Government Accounting Standards and the Effectiveness of the Internal Control System on the Achievement of Auditor Opinions will be tested.

Selection Methods and Data Collection

The target population as a whole unit of analysis in this study is the entire Regional Government Work Unit of the City of Tangerang. The sample is determined by using saturated samples, ie all populations are sampled. The names of the Tangerang City Regional Government Work Unit which are members of the sample can be seen

Table 1.List of Target Populations / Research Samples

No	Population	No	Populati
1	Regional Financial Management Agency	22	employment agencies
2	Secretariat of the Regional Representatives	23	Inspectorate
3	Regional Revenue Agency	24	social services
4	One-Stop Integrated Licensing Investment	25	Regional Disaster Management Agency
5	Office of social affairs	26	Office of National Unity and Politics
6	Housing and Settlement Agency	27	Civil service police Unit
7	Office of Communication and Information	28	Regional Library and Archives Service
8	Regional Library and Archives Service	29	Office of Public Works and Spatial Planning
9	Regional Planning and Development Office	30	RSUD City Tangerang
10	education authorities	31	Larangan District
11	Food Security Service	32	Karang Tengah District
12	Office of Cooperatives and Small Business	33	Ciledug district

12	Youth and Sports Agency	34	Pinang District
13	Dinas Youth and Sports AgencyPertanahan	35	Cipondoh District
14	Resources and Human Resources	36	Tangerang District
15	Department of Industry and Commerce	37	Cibodas District
16	public health Office	38	Jatiuwung District
17	environmental services	39	Priuk District
	office of demographic affairs	40	Karawaci District
18	Department of Transportation	41	Neglasari District
20	Department of culture and tourism	42	BatuCeper District
21	Regional Financial Management Agency	43	Benda District

source :<https://tangerangcity.go.id>

#### Data analysis method

Data were analyzed using multiple regression models and processed using SPSS. The analysis used in this research is descriptive statistics analysis, data quality test, classical assumption test, model suitability test, and hypothesis test.

### IV. RESULTS AND DISCUSSION

#### Description of variables for the Implementation of Government Accounting

StandardsThe average value of the variable Implementation of Government

Accounting Standards is 4,320 with a very high category. The lowest score of 4,628 is found in the basic accrual dimension and the highest score of 4,047 is in the dimensions of realization as shown in the following table:

**Table 2. Description of Variables for Implementation of Government Accounting Standards**

No	Dimensions	score	Category
1	<b>Accounting base</b>	4,628	Very high
2	<b>Historical value</b>	4,302	Very high
3	<b>Realization</b>	4,047	heigh
4	The substance outperforms the formal form	4,221	Very high
5	<b>Periodicity</b>	4,581	Very high
6	<b>Consistensy</b>	4,419	Very high
7	<b>Full Disclosure</b>	4,326	Very high
8	<b>Fair presentation</b>	4,372	Very high
<b>Average score</b>		<b>4,320</b>	<b>Very high</b>

Source: Self-Treated Primary Data

The following table is a variable indicator of the Application of Government Accounting Standards of 4,367, meaning very high.

**Table 3. Description of Indicators Variable Application of Government Accounting Standards**

No	Indicator	score	Category
1	Government Regulation	4,627	Very high
2	Budget Realization	4,627	Very high
3	Assessment of Fixed Assets	4,372	Very high
4	Assessment of liability	4,232	Very high
5	Realization revenue	4,046	heigh
6	Presentation of Accounting	4,279	Very high
7	Fair Presentation of Transactions	4,162	heigh
8	Reporting period	4,581	Very high
9	Accounting Period	4,418	Very high
10	Information Completeness	4,325	Very high
11	Report Presentation	4,372	Very high
<b>Average Score</b>		<b>4.367</b>	<b>Very high</b>

Source: Self-Treated Primary Data

Variables for the Implementation of Government Accounting Standards have very high categorization. Government Accounting Standards have been implemented and have been adhered to well.

#### Description of the variable Effectiveness of the Internal Control System

The following table 4 shows the average value of the variables of the Effectiveness of the Internal Control System of 4,284 in the very high category. The lowest score of 3,953 is in the risk assessment dimension and the highest score of 4,504 is in the dimensions of the Control Activity.

**Table 4. Description of the Effectiveness of Internal Control Systems Variables**

No	Dimension	Scores	category
1	Control environment	4,395	Very high
2	Risk assesment	3,953	heigh
3	Control activities	4,504	Very high
<b>Average Score</b>		4,284	Very high

Source: Self-Treated Primary Data

The average value of the variable indicator of Internal Control System Effectiveness is 4,284 with a very high category. The lowest score of 3,302 is in budget constraints and the highest score is 4,535 in the transaction agreement and transaction verification indicators, as shown in the following table:

**Table 5. Describe Indicators of the Effectiveness of Internal Control Systems Variables**

No	Indicator	Score	category
1	Employee Integrity	4,488	Very high
2	Employee ethical values	4,465	Very high
3	HR Competencies	4,233	Very high
4	The new regulation is	4,488	Very high
5	Development of IT	4,070	heigh
6	Budget limitations	3,302	Fairly high
7	Transaction approval	4,535	Very high
8	Transaction verification	4,488	Very high
9	Reconciliation transactions	4,488	Very high
<b>Average score</b>		<b>4.284</b>	Very high

Source: Self-Treated Primary Data

Based on the description above, the effectiveness variable of internal control has very high categorization. This illustrates that the internal control system has been implemented properly.

#### Description of variables Achievement of Auditor Opinion

The average value of the auditor's opinion achievement:

**Table 6. Description of Variables Achievement of Auditor Opinion**

No	Dimensions	Scores	category
1	Unqualified opini	4.372	Very high
2	Qualified	4.171	heigh
<b>Average score</b>		4.271	Very high

Source: Self-Treated Primary Data

#### VALIDITY TEST

This validity test is carried out for 43 respondents who are in the financial division of the Tangerang City Government Environment who have met the specified criteria. The results of the validity test of each variable can be seen in the following table:

**Table 7. Validity Test Results**

No	Statement X1 (application of SAP)	Value rcount	Value rtable	Inf
1	The regional government financial report presents a balance sheet based on the basis set out in PP No. 71 About GAS government	0,638	0,3008	Valid

	accounting standards			
2	The local government financial report presents a Budget Realization Report based on the basis stipulated in the legislation concerning the budget, namely the cash basis.	0,638	0,3008	Valid
3	The valuation of fixed assets is based on fair value at the time of acquisition.	0,533	0,3008	Valid
4	Assessment of obligations is carried out if there are no historical values.	0,427	0,3008	Valid
5	Fair Presentation of Transactions.	0,488	0,3008	Valid
6	Presentation of other accounting events.	0,511	0,3008	Valid
7	Reporting period in accordance with applicable policies.	0,432	0,3008	Valid
8	Application of accounting methods in accordance with GAS	0,562	0,3008	Valid
9	Completeness of financial statement information needed for decision making.	0,544	0,3008	Valid
10	Presentation of Budget Realization Reports, Changes to More Budget Balance Reports, Balance Sheets, Operational Reports, Cash Flow Reports, Changes in Equity Reports and Notes to Financial Statements are presented fairly and in accordance with GAS	0,564	0,3008	Valid

No	Statement X2 ( Efektivitas internal control system)	value r count	value r table	Infr
1	In carrying out their duties and responsibilities employees are required to have high integrity	0,424	0,3008	Valid
2	Upholding ethical values in carrying out tasks and functions is a necessity made by employees	0,486	0,3008	Valid
3	Employees are placed in accordance with human resource competencies and their qualifications, skills and knowledge are	0,387	0,3008	Valid
4	In carrying out their duties and responsibilities in accordance with TUPOKSI always guided by applicable regulations and legislation	0,590	0,3008	Valid
5	The technology and application systems used in preparing reports for each period must follow the existing technological developments	0,325	0,3008	Valid
6	Each budget transaction or use must go through a transaction agreement from the authorized official	0,687	0,3008	Valid
7	Verification of transactions that occur in both the transaction value and the number of units is	0,628	0,3008	Valid
8	Transaction reconciliation is needed to match the value between those reported with those recorded	0,571	0,3008	Valid
No	Statement Y ( achèvement audit opinion )	value r count	value r table	inf
1	The financial statements prepared in each accounting period are prepared in accordance with the applicable accounting standards	0,741	0,3008	Valid
2	In the presentation of financial statements there is no justification for material errors that affect the condition of the financial statements	0,502	0,3008	Valid
3	Transactions reflected in financial statements are supported by sufficient evidence	0,594	0,3008	Valid
4	The absence of sufficient competent evidence causes the financial statements to not be properly accounted	0,464	0,3008	Valid
5	Limitation of the scope of audits conducted by auditors to audit of financial statements can effect auditor opinion	0,605	0,3008	Valid
6	The financial statements prepared for each accounting period are prepared fairly in accordance with applicable accounting standards	0,661	0,3008	valid

Based on table 8 the results of the validity test above shows that all items have a positive result  $r$  and greater than 0.3008 so that all items are declared valid.

### RELIABILITY TEST

The reliability test results of each variable in this study can be seen in the table:

**Table 8. Reliability Test Results**

Variabel	Cronbach's Alpha	Information
Application Government Accounting Standar	0.811	Reliable
Effectiveness Internal control system	0.719	Reliable
Achievement auditor opinion	0.819	Reliable

Source: Results of calculation of SPSS version 25 (2018).

Based on table 9 above it can be seen that the value of Cronbach's Alpha is greater than 0.60 so it can be concluded that the statements in the instrument are reliable or have reliability, and very strong consistency as a measuring instrument.

### Test of Classical Assumptions

Table 9 below shows that the regression model for all variables is normally distributed with Asymp.Sig.

**Table 9. Test Results Normality One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		43
Normal Parameters <sup>a,b</sup>	Mean	0,0000000
	Std. Deviation	1,82219448
Most Extreme Differences	Absolute	0,071
	Positive	0,071
	Negative	-0,054
Test Statistic		0,071
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal. b. Calculated from data. c. Lilliefors Significance Correction. d. This is a lower bound of the true significance.

source: resultolah SPSS

### HETEROSCEDASTICITY TEST

Heteroscedativity test results can be seen from the following table:

**Table 10. Heteroscedativity test results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6,361	4,356		1,460	0,152
Application GAS	0,055	0,068	0,104	0,807	0,425
Effektivitas ICS	0,431	0,096	0,578	4,491	0,000

a. Dependent Variable: CapaianOpini Auditor

source : result Process SPSS

### VI. MULTICOLLINEARITY TEST

Based on the table below about the results of multicollinearity tests it is known that the tolerance value is greater than 0.10 and the VIF value of all the independent variables is below 10 and the Beta value (B) and the standard error value is less than 1 (one), so this indicates that there is no multicollinearity

Table11.Result test Multikolinieritas

Model		Coefficients <sup>a</sup>						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF	
		B	Std. Error	Beta					
1	(Constant)	6,361	4,356		1,460	0,152			
	Penerapan SAP	0,055	0,068	0,104	0,807	0,425	0,948	1,054	
	Efektivitas SPI	0,431	0,096	0,578	4,491	0,000	0,948	1,054	

a. Dependent Variable: Capaian Opini Auditor

source : result Process SPSS

### Goodness of Fit Test.

#### Determination Coefficient Test (R<sup>2</sup>)

The test results of the coefficient of determination between the variables of the Auditor's Opinion, the Implementation of Government Accounting Standards and the Effectiveness of the Internal Control System can be seen in the following table.

Table12.Coefficient Determination Test Result (R<sup>2</sup>)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610 <sup>a</sup>	0.372	0.341	1,867

a. Predictors: (Constant), Efektivitas ics, application GAS

b. Dependent Variable: achivement Opini Auditor

source : result Process SPSS

Table 12 above shows that the coefficient of determination (R Square) is 0.372 or 37.2%.The magnitude of the determination coefficient (R Square) 37.2% means the Application of Government Accounting Standards and the Effectiveness of the Interl Control System affect the Achievement of the Auditor Opinion by 37.2%, while the rest is influenced by other variables that have not been tested.

### Test F Statistics

Based on the table below, the F value = 11.845, while F table = 3.23. When compared with the value of F table by using a probability of 0.05, it is known that F count> F table or 11.845> 3.23 and a significance value of 0.000 or sig <0.05. this shows that the regression model that is being tested as a whole is fit to test the overall significance.

Table 13. Statistics FANOVA<sup>a</sup>Test Result

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82,590	2	41,295	11,845	.000b
	Residual	139,456	40	3,486		
	Total	222,047	42			

a. Dependent Variable: achivementOpini Auditor

b. Predictors: (Constant), Efektivitasics, application gas

source : result Process SPSS

### Test Hypothesis

The results of hypothesis testing can be seen in the following table.



**Table 14 Partial Test Results (t Test)  
Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,361	4,356		1,460	0,152
	Applicatin GAS	0,055	0,068	0,104	0,807	0,425
	effectivenICS	0,431	0,096	0,578	4,491	0,000

a. Dependent Variable: AchiveOpini Auditor  
source: resultprocess SPSSversi 25(2018).

**Table15.Simple Regression Test Results  
Effect of GAS Application on the Achievement of Auditor Opinions  
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.235 <sup>a</sup>	.055	.032	2.262

a. Predictors: (Constant), application GAS  
source: result process SPSSversi 25(2018).).

**Tabel16.Simple Regression Test Results  
Effect of ICS Effectiveness on the Achievement of Auditor Opinions  
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 <sup>a</sup>	.362	.346	1.859

a. Predictors: (Constant), Efektivitas SPI  
source: result process SPSSversi 25(2018).).

**From the results of the t test (partial test) in the table above it can be concluded:**

The application of Government Accounting Standards does not affect the Achievement of Auditor Opinions. This can be seen from the value of  $t_{count} > t_{table}$  which is  $0.807 < 1.682$ , and the significance level is  $0.425 > 0.05$ , it is concluded that  $H_0$  is accepted and  $H_a$  is rejected.

The effectiveness of the Internal Control System has a positive and significant effect on the Achievement of Auditor Opinions. This can be seen from the value of  $t_{count} > t_{table}$  which is  $4.491 > 1.682$  while the significance level is  $0.000 < 0.05$ , it is concluded that  $H_0$  is rejected and  $H_a$  is accepted.

## VII. DISCUSSION

### Effect of Application of Government Accounting Standards on the Achievement of Auditor Opinions

Based on the results of hypothesis testing, the results show that the application of Government Accounting Standards does not affect the achievement of auditor opinion. This is because the Government Accounting Standards are references that have been determined by the Government that must be followed by the Regional Government and the Central Government so that they are mandatory. Rational means that if the Government Accounting Standards that have been compiled are not elaborated and are not obeyed by the Regional Government and the Central Government in the preparation of financial statements, the preparation of financial statements is no longer in line with Government Accounting Standards.

Government Accounting Standards are references in the preparation of financial statements if the Regional Government and the Central Government do not follow what has been regulated in SAP, the SAP will not give

much influence to the quality of financial statements which ultimately does not affect the achievement of auditor opinion. The auditor gives an opinion based on the financial statements prepared by the Government, if the preparation of the financial statements refers to SAP, it is certain that the financial statements can be accounted for, but if the financial statements do not refer to SAP, then the financial statements are not accountable.

### **Effect of Effectiveness of Internal Control Systems on Achievement of Auditor**

#### **Opinions**

Based on the results of hypothesis testing, the results show that the effectiveness of the internal control system influences the achievement of auditor opinion. This is because if the internal control system is good then the goals of the organization or entity can be achieved properly. The purpose of a good internal control system is to maintain the wealth and record of the organization, check the accuracy and reliability of accounting data and improve or encourage efficiency and compliance with management policies or entities. The Internal Control System in the Regional Government of Tangerang City has been very good in the presence of:

- a. Organizational Structure that separates functional responsibility explicitly in each SKPD so that all activities are based on the duties and functions of the existing SKPD.
- b. System of authority and recording procedures that provide adequate protection of assets. Income and costs are well organized with the administration and accounting fields that coordinate all SKPDs in preparing financial statements.
- c. Healthy practice in carrying out the duties and functions of each unit and employees or employees whose quality is in accordance with their responsibilities. All these elements have been well fulfilled by the Regional Government of Tangerang City.

The same thing was expressed by Oka and Sudarno (2017) in his research stating that internal control is weak which results in incomplete accounting records and or inadequate documents available and / or the system does not produce valid accounting data. This condition does not allow the examiner to carry out adequate inspection procedures. As a result of these conditions, the examiner will give an opinion other than Unqualified Fairness. The same thing was stated by Hari (2016) in his research stating that the weaknesses of the internal control system and non-compliance with statutory provisions affect audit opinion.

The Internal Control System is a plan that includes the organizational structure and all methods and tools that are coordinated used within the company with the aim of maintaining the security of company property, check the accuracy and correctness of accounting data, encourage efficiency, and help encourage compliance with established management policies so that what has been formulated and planned and implemented by the entity is expected to be in accordance with the Internal Control System prepared by the entity. A good Internal Control System can have a positive impact on the implementation and supervision of the entity. The Internal Control System that applies in the entity is a factor that determines the reliability of financial statements produced by the entity. Therefore, in giving opinion on the fairness of the audit report, the auditor places trust in the effectiveness of the Internal Control System in preventing material errors in the accounting process. Reliability of the Internal Control System is a benchmark for the entity.

## **VIII. CONCLUSIONS AND SUGGESTIONS**

#### **Conclusion**

Application of Government Accounting Standards does not affect the achievement of auditor opinion. Government Accounting Standards are references that have been determined by the Government that must be followed by the Regional Government and the Central Government so that they are mandatory.

The effectiveness of the internal control system influences the achievement of auditor opinion. If the internal control system is good then the goals of the organization or entity can be achieved properly.

#### **Suggestions**

Local governments must further increase their commitment to continually improve their internal control system by involving all relevant parties, not only inspectors who carry out their own supervision but also each SKPD must have an SOP for all existing activities so that there is no overlapping between fields

Accounting policy is a reference in the preparation of financial statements so that there is a need for sharper accounting policies so that the preparation of financial statements is fully disclosed so that all accounts in the financial statements can be presented carefully in accordance with the mandated Government Accounting Standards.

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