

Original Research Article **Analysis of the Financial Report of Pegunungan Bintang, Papua Province**

ABSTRACT

Aims: This study aims to examine Financial Audit Agency's (BPK) opinion in the Audit Results Report on the accountability of Local Government Financial Reports (LKPD) in Pegunungan Bintang for solutions to regional governments to develop regional Vision & Mission.

Study design:

Place and Duration of Study: This research was conducted in Pegunungan Bintang, Papua Province, namely during the 2011 – 2014 LHP (Inspection report) period. This research was carried out from September 2016 to January 2016. The choice of research location was in Pegunungan Bintang District because until 2015 there had never been an unqualified audit opinion and the availability of sources data.

Methodology: Analytical method is used to see the impact of the Weaknesses of the Internal Control System and the influence of Compliance with Laws, this study uses descriptive statistical analysis tools. Quantitative data used in this study are; cases of weaknesses in the accounting control system, weaknesses in the budget control system; structural control system weaknesses; regional loss; regional loss potential; lack of acceptance; inefficiency; administration; ineffectiveness; and inefficiency.

Results: Based on results BPK audit is available a number of findings violation to Statement Standard Accountancy Governance (PSAP), ineffectiveness System Internal Control (SPI) and non-compliance to legislation exists things to be reason discrepancy with SAP, ineffectiveness System Internal Control (SPI) and non-compliance to applicable laws.

Conclusion: Non-compliance with SPI is measured using 3 (three) key indicators: Weaknesses in the accounting and reporting control system; Weaknesses in the control system for the implementation of the revenue and expenditure budget; and Weaknesses in the internal control structure. The number of cases of non-compliance with SPI has an increasing trend every year. These increasing changes occurred starting in 2011, namely as many as 104 cases, and continued to increase until 2016, reaching 261 cases. This means that the findings from the BPK are of less concern to the government in following up on these results. Another indication of the results of the graph above reflects that the management of BPK findings by the Pegunung Bintang District Government was not optimal in improving Opinions on LKPD.

Note: Review paper may have different types of subsections.

Keywords: (Financial Audit, Financial Report, Internal Control System, LKPD)

1. INTRODUCTION

One of the authorities in decentralization is financial management, therefore Regional Governments are required to manage regional finances well in order to realize the goal of a clean government, where good regional financial management is the ability to control regional financial policies economically, efficiently, transparently and accountable.

In order for the accountability report presented by the regional apparatus organization (OPD) to be in accordance with Government Accounting Standards, the Regional Head is required to provide guidance on regional financial management to each OPD Head and the OPD Entity starting from the process of planning, implementing and reporting the budget so that the financial reports produced by the OPD This is as expected, where the results of the combination of all financial reports for each OPD will become Regional Government Financial Reports.

In accordance with Law No. 17 of 2003 concerning State Finance, which stipulates that the government's Financial Statements must in turn be audited by the BPK. The task of the Financial Audit Agency (BPK) is to carry out a financial audit, then the results of the BPK audit will issue an opinion or opinion which is a professional statement by the examiner on the examination of financial statements.

Financial Audit which aims to assess the fairness of the presentation of financial information includes APBD (Local government budget) Realization Reports, Cash Flow Reports, Balance Sheets, and Notes to Financial Statements prepared and presented by the Regional Government. The results of the assessment are stated in the form of a statement of opinion/opinion by the BPK Republic of Indonesia auditor regarding the fairness of presentation of financial information. This examination is to increase the weight of financial management accountability carried out by the regional government.

In general, there are 4 types of BPK audit opinion, namely Unqualified (WTP), Qualified With Exception (WDP), Unfair, and Rejection of Opinion (Disclaimer). The WTP opinion is the dream of all institutions, both central and regional, because with this opinion the institution concerned can express its accountability as an entity to its stakeholders (public/community).

By obtaining a WTP opinion, the level of trust in the regional government's financial reports will increase and be useful for making decisions. Apart from that, by obtaining a WTP opinion, it is hoped that it will be able to limit the misuse of the Regional Government budget which can then eliminate acts of corruption.

Since its formation in 2004 to 2015, Gunung Bintang Regency has only received WDP opinions 4 times, namely in the 2012, 2013, 2014 and 2015 LHP (inspection) reports. In the 2011, LHP from BPK gave TW opinions (*Adverse Opinion*).

Table 1. Development of BPK's Audit Opinion based on LHP Years on the Financial Statements of the Government of Gunung Bintang Regency

LHP year	Audit Opinion
2011	TW (Adverse)
2012	WDP (Qualified With Exception)
2013	WDP (Qualified With Exception)
2014	WDP (Qualified With Exception)
2015	WDP (Qualified With Exception)

Source: IHPS II BPK-RI 2015

The case study was conducted in Gunung Bintang Regency because based on the 2016 Semester II BPK Examination Summary it showed that the Gunung Bintang Regency in Papua Province had never received a WTP opinion until 2015, while based on the vision and mission of the Gunung Bintang Regency Government in the 2016-2020 Strategic Plan, namely "Creation of Reliable Management of Revenue, Finance and Assets Towards Independent Government based on Apiwol with Reasonable Without Exception". Therefore, the writer is interested in examining BPK's audit opinion in the Audit Results Report on the accountability of Local Government Financial Reports (LKPD) in Pegunungan Bintang Regency so that it can provide solutions to regional governments to realize the regional Vision & Mission.

The objectives to be achieved from this research are as follows:

1. To find out the development of the Internal Control System on the BPK Audit Opinion on the LKPD of the Gunung Bintang Regency Government?
2. To find out non-compliance with laws and regulations on the BPK Audit Opinion on LKPD of the Regional Government of Gunung Bintang Regency?
3. To find out the constraints of the Gunung Bintang Regency government in preparing LKPD.

2. LITERATURE REVIEW

Opinion on Report Finance

Basis of determination opinion on Report Finance done with considering (1) Article 16 of Law no. 15 of 2004 and (2) Standards Reporting Inspection Finance on Standards Inspection State Finance (SPKN). Based on

Explanation Article 16 paragraph (1) Law no. 15 of 2004, opinion is a statement professional examiner about fairness information presented financesreport financial statements based on the following criteria : (i) suitability with standard accountancy governance, (ii) adequacy disclosure (*adequate disclosure*), (iii) compliance legislation, and (iv) effectiveness system internal control. On the side, inside determination opinion, examiner considers SPKN, level suitability, and adequacy disclosure report finance associated with level materiality that has set, response entity on results checks and letters representation. In the process of drafting the LHP concept, the examiner does an inspection on the report finance must consider the impact results of the inspection.

Standard Inspection Report Finance

Based on the Regulation of the Financial Audit Agency (BPK) of the Republic of Indonesia No. 1 of 2007, for financial audits, Examination Standards apply four SPAP reporting standards determined by IAI as follows:

- a. The audit report must state whether the financial statements are presented in accordance with generally accepted accounting principles in Indonesia or other accounting principles that apply comprehensively.
- b. The auditor's report must show, if any, inconsistencies in the application of accounting principles in the preparation of the current period's financial statements compared to the application of these accounting principles in the previous period.
- c. Informative disclosure in financial statements must be looked at as adequate unless otherwise stated in the audit report.
- d. The auditor's report must contain an expression of opinion regarding the financial statements as a whole or an assertion that such a statement cannot be given. If opinions cannot be given as a whole the reasons must be stated. In case the name of the auditor is associated with financial reports. The auditor must contain instructions clear about the nature of the work conducted audits, if any, and the level of responsibility borne by the auditors.

Reports and Types Type of Audit

According to Arens (2008:58) reports audit is the stage of the whole audit process. Meanwhile, according to Mulyadi (2011:12) audit report is media used by internal auditors communicate with the public environment. In this report the auditor expresses an opinion regarding the fairness of the audited financial statements. The auditor's opinion is presented in a written report which is generally in the form of a standard audit report. The standard audit report consists of three paragraphs is the introductory paragraph (*introductory paragraph*), paragraph scope (*scope paragraph*), and the opinion paragraph (*opinion paragraphs*). There are five types of audits issued by the auditor, namely as follows:

1. Fair Opinion Without Exceptions (*Unqualified opinion*)
2. Unqualified with explanatory paragraph or word modification (*Unqualified with explanatory paragraphs or modified wording*)
3. Fair Opinion With Exception (*qualified opinion report*)
4. Unfair Opinion (*adverse opinion report*)
5. Refuse to give an opinion (*disclaimer of opinion report*)

Then, the types of audit opinions according to the Financial Audit Implementation Guidelines issued by BPK RI (2008: 26) state that audit opinions can be divided into four types. These opinions are distinguished based on the level of fairness of a financial report, namely as follows:

- 1) Unqualified Opinion (WTP) or *Unqualified Opinion* ; WTP means that the Financial Report (LK) has presented fairly in all material balances, financial position (balance sheet), operating results or Budget Realization Report (LRA), Cash Flow Statement, in accordance with generally accepted accounting principles.
- 2) Qualified Opinion (WDP) or *Qualified Opinion* ; WDP means that the financial statements have presented fairly in all material respects, financial position (balance sheet), business results or Budget Realization Report (LRA), Cash Flow Report, in accordance with government accounting standards or in accordance with generally accepted accounting principles, except for the impact of matters relating to the excluded.
- 3) Unfair Opinion (TW) or *Adverse Opinion* ; TW's opinion means that LK does not present fairly the financial position (balance sheet), business results or Budget Realization Report (LRA), Cash Flow Report, in accordance with government accounting standards or in accordance with generally accepted accounting principles.
- 4) Not Giving Opinion or *Opinion Disclaimer* ; This means that the examiner cannot give an opinion on LK, because there is a limitation on the scope of the examination or there is pressure on the examiner, so that the examiner cannot apply the necessary inspection procedures, alternative inspection procedures also cannot provide sufficient assurance to the examiner.

3. METHODOLOGY

Types and Data Sources

Data Type

This study uses quantitative data. Quantitative data, namely data that can be measured in the form of numbers. The source of data used in this research is secondary data. Secondary data is data that already exists and does not need to be collected by researchers themselves (Sekaran, 2006:77). Secondary data in this study are; cases of weaknesses in the accounting control system, weaknesses in the budget control system; structural control system weaknesses; regional loss; regional loss potential; lack of acceptance; inefficiency; administration; ineffectiveness; and inefficiency.

Data source

Secondary data sources can be in the form of data obtained from a company or an institution in a processed form so that it is more informative when used by interested parties on the data, for example in the form of graphs, tables, diagrams and pictures. In this study, the secondary data source was obtained from BPK-RI in the form of BPK's LHP of LKPD of Gunung Bintang Regency in 2011-2014.

Method of collecting data

Literature

The author reads books, literature, and other library materials related to the title in order to obtain the necessary data.

Documentation

Documentation is looking for data about things or variables in the form of notes, transcripts, books, newspapers, newspapers, magazines, meetings, agendas, and so on. In this study using the documentation method in the form of records of BPK findings on the LKPD audit in Gunung Bintang Regency.

Data analysis method

To answer the problems that have been determined, the analytical method is used to see the impact of the Weaknesses of the Internal Control System and the influence of Compliance with Laws, this study uses descriptive statistical analysis tools:

Descriptive Analysis

Descriptive analysis is used to analyze data by describing or describing data that has been collected in general or generalization (Taufikrahman, 2014). This analysis is only in the form of accumulation of basic data in the form of a mere description in the sense that it does not seek or explain interrelationships, test hypotheses, make predictions, or draw conclusions as they are without intending to make general conclusions or generalizations.

The descriptive analysis is intended to describe the characteristics of 1) weaknesses in accounting and reporting control systems; 2) weaknesses in the revenue and expenditure budget implementation system; 3) weakness of the internal control structure ; 4) regional losses, 5) potential regional losses; 6) lack of acceptance; 7) administration; 8) inefficiency, 9) inefficiency; 10) ineffectiveness and audit opinion given by BPK - RI on LKPD in Gunung Bintang Regency.

4. RESULTS AND DISCUSSION

Based on results BPK audit is available a number of findings violation to Statement Standard Accountancy Governance (PSAP), ineffectiveness System Internal Control (SPI) and non-compliance to legislation as has been described above , exists things to be reason discrepancy with SAP, ineffectiveness System Internal Control (SPI) and non-compliance to applicable laws . Following This is a number of thing to be constraint Pegunungan Bintang District Government of Papua Province for obtain WTP opinion in 2015, among others:

1) Quality Insufficient Human Resources (HR) adequate.

Based on results analysis and observation in the field about findings violations against the Pegunungan Bintang District Governments is Still lack of HR quality in the cycle finance start of planning, budgeting, administration, accounting and accountability processes finance area. As for there is a number of causative factor weak quality of human resources (employees) in scope Pegunungan Bintang District Government, namely:

- Still not exists system revenue HR development, Management Integrated and consistent Regional Finance and Assets .

- Placement employee who doesn't in accordance with competence , that is running employee _ cycle finance still very few who have background behind education accountancy finance . Placement employee who doesn't in accordance with competence this is what causes chain errors _ in cycle management finance .
 - Limited following employees _ education and training , apprenticeship nor formal or background education _ behind formal education in the field Management Regional Finance and Assets .
 - At a minimum employee who has background behind education accounting in OPD, SKPKD, and TAPD.
- 2) OPD often late in adapt with changes regulation about management finance from government center .
 - 3) Still low understanding and awareness various related parties _ For follow up recommendation results BPK's findings , among others:
 - The amount findings the amount of money that must be deposited (UYHD), however until inspection next Not yet done deposit ;
 - Findings payment wages to existing employee _ No active Still happen over and over again ;
 - 4) The low coordination between district OPDs, including :
 - There are capitation funds and capital expenditure from capitation funds that are not reported to BPKAD as manager finance area ;
 - The same type of activity is carried out in different OPDs;
 - OPD activities and spending not yet supported by regulations level legislation area.
 - 5) Less than optimal management of Regional Assets.

The causes of sub-optimal Regional Asset Management are as follows:

 - Not yet plan needs and plans utilization goods owned by area;
 - Lack of understanding and awareness employee in use asset government in accordance with applicable provisions; _
 - There is no integrated application for use in optimizing regional asset management.
 - 6) Disorderly accounting entities and regional financial reporting entities in carrying out regional financial management in accordance with laws and regulations.

The steps taken by the Government of Gunung Bintang Regency to obtain WTP

In an effort to obtain a WTP opinion, the Regional Government of Pegunungan Bintang Regency will take steps to obtain a WTP opinion, including the following:

- 1) Increasing the professionalism of the apparatus in accordance with the demands for the fulfillment of reliable human resources or employees through training, technical guidance on the implementation of laws and regulations, and others.
- 2) Instruct the Head of OPD within the Pegunungan Bintang Regency Regional Government to propose a budget rationally taking into account the potential, allocation and available resources.
- 3) Confirm and clarify data and notes on inventory reports from the OPD, then compare them with the results of the review from the inspectorate, so that the real inventory data matches the records on the LKPD.
- 4) Coordinate with related agencies to clarify the status of assets lent by other parties.
- 5) Verifying and validating asset data: inputting data through the SIMDA application of Regional Property (BMD), periodic asset reconciliation (every 6 months) between the Asset Management Agency and Regional Asset Management (BPKAD) with all regional apparatus organizations (OPD), physical inventory of assets in all regional apparatus organizations (OPD).
- 6) Carry out an inventory of assets that have been heavily damaged, lost, ownership status is unclear, controlled by third parties, whereabouts are unknown and then carry out further tracing of assets that will be proposed for write-off.
- 7) Do Inventory Regional Assets to each OPD in the Pegunungan Bintang Regency for data alignment .
- 8) Improve coordination with related OPDs through coordination meetings and evaluation of PAD receipts.
- 9) Carry out coordination with related parties in accelerating the completion process of making Land Asset Certificates for the Regional Government of Pegunungan Bintang Regency.
- 10) Using the Regional Financial Management Information System (SIMDA) in 2018 and collaborating with BPKP to provide assistance in 2018.
- 11) Increasing the role of the government's internal supervisory apparatus (APIP) Inspectorate, especially in the process of regular audits and reviews of LKPD so that irregularities can be detected as early as possible and acted upon quickly.
- 12) Carry out periodic TP-TGR Assembly meetings to follow up on regional loss remittances.
- 13) Conduct tiered reviews in the APBD preparation process starting from the musrenbang process, preparation of KUA and PPAS, preparation of RKA, discussion of Raperda APBD, evaluation and determination of Draft Regional Regulations (RAPERDA) APBD and RAPERKADA elaboration of Regency/City APBD with reference to Permendagri Number 13 of 2006 concerning Guidelines for Regional Financial Management.

Development Trends BPK findings on LKPD of Pegunungan Bintang

In looking at case trends development-related results BPK findings on Pegunungan Bintang district, LKPD is shown seen based on calculation in a manner statistics descriptive. As for trend findings case using percentage trends highest and lowest, the average value of the sum case, distribution case in period time certain, then justified through results observation report BPK-RI inspection and observation regulation standard accountancy as well as regulation legislation. Following This is the development results in findings case on the LKPD of Pegunungan Bintang district in 2011, 2012 and 2014.

Opinion given by BPK-RI on LKPD of Pegunungan Bintang

Based on Public Accountant Professional Standards (SPAP), in outline there are 4 (four) alternative audit opinions that can be given by the auditor at the end of the examination, namely unqualified (WTP), qualified with exception (WDP), not giving an opinion (TMP) and unqualified (TW). The four audit opinion alternatives above are then transformed into weightings, namely WTP opinion is given a weight of "4", WDP is given a weight of "3", TMP is given a weight of "2" and TW opinion is given a weight of "1".

The provision of Audit Opinion given by BPK - RI on LKPD of Gunung Bintang Regency from 2011 - 2014 is shown in Table 2.

Table 2. Development of BPK's Audit Opinion based on LHP Years on the Financial Report of the Government of Pegunungan Bintang Regency

LHP year	Audit Opinion
2011	TW (Adverse)
2012	WDP (Qualified With Exception)
2013	WDP (Qualified With Exception)
2014	WDP (Qualified With Exception)
2015	WDP (Qualified With Exception)

Source: IHPS II BPK-RI 2015

Based on BPK's opinion on the LKPD of the PegununganBintang regional government for the last 5 years up to 2015 with the title of Qualified With Exceptions (WDP). The 2012-2015 Audit Opinion received a Qualified Opinion (WDP), while in 2011 it received an Adverse opinion (TW).

Furthermore, based on the data obtained, there were only 3 years as samples in this study, namely 2011, 2012 and 2014. If seen based on the proportion of findings the number of cases contained in the LKPD of Pegunungan Bintang Regency for the 2011, 2012 and 2014 periods can be seen in the tables and graphs on the following description:

Table 3. Number of Cases Based on Types of Findings on LKPD in Pegunungan Bintang Regency, 2011-2014 period

No	Type Findings	2011	2012	2013	2014	Total
1	Disobedient to legislation	104	249	na	261	614
2	Disobedient against SPIs	52	59	na	69	180
Total		156	308	na	330	794

Source: IHPS II BPK-RI 2015

Based on table above show that until with 2014 findings case based on type the findings consist from two aspects ie Disobedient to regulation legislation (614 types case) and compliance against SPI (184 types case) is of 794 types case . Besides presentation of the data above , there is also analysis descriptive use the chart below this :

Figure 1. Development Proportion Findings based on Amount Cases in District LKPD of Pegunungan Bintang,



Source: IHPS II BPK-RI 2015

Notes: The Red chart is Disobedient to legislation

The Blue chart is Disobedient against SPIs

Based on the figure above, the types of cases above during the periods of 2011, 2012 and 2014 were dominated by non-compliance with laws and regulations, namely 77.33 percent (614 cases), then weaknesses in SPI which had reached 22.67 percent or as many as 180 case.

The largest percentage of weaknesses in compliance with laws and regulations was in 2012 which even dominated cases in that year, then on the contrary the smallest percentage fell in 2011, namely 104 cases or 66.67 percent of the total. Even though the percentage is still below weakness in compliance with laws and regulations, the percentage of cases of weakness in SPI compliance over the last 3 years can be said to be relatively small. The highest percentage of weaknesses in compliance with SPI was in 2011 and at the same time dominated case findings, namely 33.33 percent, then there was also the lowest percentage of case findings, namely in 2012 with a percentage of 19.16 percent.

Weaknesses of the Accounting Control and Reporting System on the Provision of Audit Opinions by BPK - RI on LKPD in Pegunungan Bintang Regency

Based on the results of observations of other supporting documents, it was found that indicators of Weaknesses in the accounting and reporting control system were also one of the indications that allegedly had an impact on the giving of opinions by BPK - RI on the LKPD in Pegunungan Bintang. Operationally this factor is defined as a control system weakness related to accounting recording and financial reporting activities.

The results of the descriptive analysis in this study show that on average the trend of finding cases of weaknesses in the accounting control system and financial reporting in Pegunungan Bintang tends to increase from 2011, 2012 and 2014.

Further observations in this study indicate that the weakness of the Pegunungan Bintang accounting and reporting control system is caused by several issues as follows:

- Vehicle assets have not been certified, namely in 2010 it was found that 99 units of vehicle assets were not supported by valid proof of ownership;
- Motorized vehicle assets are controlled by unauthorized parties, where in 2011 it was found that 19 units of vehicles were used by unauthorized parties;
- Land assets are not equipped with proof of ownership, in 2011 there were land assets worth Rp. 18,969,704,200, - which were not certified;
- The position and condition of Fixed Assets cannot be explained;
- In 2014 expired drugs worth Rp. 212,638,360 at the Health Office were still reported on the balance sheet;
- Fixed Assets Registration Not equipped with a Registration Card, KIB, and KIR;
- The recording of drug supplies at Oksibil Hospital is not orderly, namely the recording of drug transfers is not neat, there is no SOP regarding the procedure for requesting and taking drugs, and there are drugs whose value is not known because the procurement contract was not obtained;
- fuel supplies at regional secretariats are not orderly, i.e. mutations in fuel supplies are not in accordance with the results of the countdown and the results of stock taking, and stock taking is not carried out periodically;
- Supply blank at the Dukcapil Service there is not enough serving ;
- Asset rehabilitation expenditure has not been capitalized and causes an overstatement in the goods expenditure account;
- Management of Irregular Third Party Accounts Receivables, in 2015 there were overpayments to the BPJS, and periodic reconciliation has not been carried out;
- Recording of Disorganized Land Fixed Asset Value and Budgeted for Goods Expenditures.

this _ No in line with :

- a) PP No.24 of 2005 concerning Government Accounting Standards, Statement No.7 concerning Fixed Assets:
 - Paragraph 20, that the recognition of fixed assets will be very reliable if the fixed assets have been received or handed over their ownership rights and or when their control is transferred;
 - Paragraph 21, that when recognizing assets, it will be more reliable if there is evidence that there has been a transfer of legal ownership and/or control rights, for example land certificates and proof of ownership of motorized vehicles.
 - Paragraph 50, Expenditure following the initial acquisition of a fixed asset that extends its useful life or is likely to provide future economic benefits in the form of capacity, quality of production, or improvement in performance standards, must be added to the carrying amount of the related asset.
- b) PP No.71 of 2010 concerning Government Accounting Standards, statement No.5 concerning Inventory Accounting:
 - Paragraph 13 states that inventories with damaged or obsolete conditions are not reported in the balance sheet, but are disclosed in the notes to the financial statements;
 - Paragraph 16 which states that at the end period accounting , inventory noted based on inventory physical .

- c) Permendagri No.17 of 2007 concerning Management Technical Guidelines Regional Property , attachment to Chapter 5 point 3 (c) states what becomes duties and responsibilities keeper / administrator goods is ; (3) do calculation goods (*stock taking*) at least every 6 (six) months once , who mentioned with clear type amount and other information required , for furthermore made calculation report _ goods signed by the depositary goods .

Weakness System Implementation Budget Income and Spending to Giving Audit Opinion by BPK – RI on LKPD of Pegunungan Bintang

Based on results observation to document supporters other found that Weakness System Implementation Budget Income and Spending is also one _ suspected indications _ impact gift opinion by BPK – RI on LKPD Pegunungan Bintang. kindly operational factor This defined as weakness related controls _ with collection and deposit reception area as well as implementation of programs/ activities in the examined entity.

Analysis results descriptive in study This show on an average trend findings case Weakness System Implementation Budget Income and Spending of Pegunungan Bintang inclined experience decline from in 2011, 2012 and 2014.

Observation more **carries** on in study This show that Weakness System Implementation Budget Income and Spending of Pegunungan Bintang are caused by several problem as follows:

- Budget Capital Expenditures realized as payment principal year debt before ;
- Jamkesmas funds are used without going through the APBD mechanism;
- Realization of spending on goods and services at the Health Office is not in accordance with its designation;
- The difference in the principal payment balance based on the correcting journal;
- Expenditures for goods that will be handed over to the public in 2014 amounting to IDR 36,055,304,100, - are budgeted for capital expenditures;
- Asset inventory capital expenditure in DP2KA FY.2014 is budgeted for goods and services expenditure;
- Budgeting Errors and Social Assistance Spending Funds Not Supported by Evidence of Use;
- Budgeting and Realization of Expenditures for Supporting General Government Activities in Regional Secretariat Not In Accordance with Provisions/Designations;

this _ No in line with:

- a) Permendagri No.13 of 2006 concerning Guidelines Management Regional Finance :
- Article 52, Shopping goods / services used For expenditure purchasing / procurement value item _ the benefits not enough than 12 (twelve) months ,
 - Article 53, Capital expenditure is used For expenses made _ in framework purchasing / procurement or fixed asset development form that has mark benefit more than 12 (twelve) months ,
 - Article 122 Paragraph 3, Acceptance of SKPD is prohibited used direct For finance expenses , except otherwise determined by regulations legislation ,
 - Article 132, Paragraph 1, Each expenditure shopping on budget burden should be supported with complete and valid evidence . _

Weakness Structure Internal Control over Giving Audit Opinion by BPK – RI on LKPD of Pegunungan Bintang

Based on results observation to document supporters found that Weakness Structure Internal Control is also one suspected indications impact to gift opinion by BPK – RI on LKPD of Pegunungan Bintang. Kindly operational interpreted as related weaknesses _ with yes / no exists structure internal control or effectiveness structure existing internal controls in inspected entity. Weakness structure internal control study This be measured based on amount cases found at the time audit .

Analysis results descriptive in study This show on an average trend findings case Weakness structure the internal control of Pegunungan Bintang tends experience fluctuating with trend the more increase from in 2011, 2012 and 2014.

Observation more carry on in study This show that Weakness structure Pegunungan Bintang's internal control is due to several reasons problem as following :

- Overpayment of PFK FY 2011 and FY 2010;
- SPJ approval above Realization Shopping No supported sufficient evidence; _
- Accountability Regional Expenditures No Appropriate time and no in accordance mechanism ;
- Calculation difference between tax collection and tax deposit;
- The previous year's PFK debt in the balance sheet is written off before any deposit is made;
- Administration Supply to Government Regency Unordered;
- Management of Regional Asset Use Retribution Revenue is not orderly;
- No There is procedure raw related shopping gift help task learning and bonding service ;

5.Conclusion

Non-compliance with SPI is measured using 3 (three) key indicators: Weaknesses in the accounting and reporting control system; Weaknesses in the control system for the implementation of the revenue and expenditure budget; and Weaknesses in the internal control structure. The number of cases of non-compliance with SPI has an increasing trend every year. These increasing changes occurred starting in 2011, namely as many as 104 cases, and continued to increase until 2016, reaching 261 cases. This means that the findings from the BPK are of less concern to the government in following up on these results. Another indication of the results of the graph above reflects that the management of BPK findings by the **Pegunungan** Bintang District Government was not optimal in improving Opinions on LKPD.

Suggestion

1. Possible suggestions to The Regional Government is to further improve the Control System and Operational Standards for regional financial governance, comply with statutory provisions in implementing APBD, and comply with SAPs in preparing LKPD. Apart from that, it carries out outreach and guidance to financial management apparatus to increase and even distribute human resources in managing regional finances.
2. The Regional Government through the Inspectorate should further improve the review, improvement and mapping of potential violations, this is so as to minimize audit findings which can ultimately increase audit opinion.

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