

ABSTRACT

Corruption is an unlawful act that can cause suffering for various parties. The effect of corruption can be hinder the development of the country, especially in the economic sector. Corruption is one of the problems in Indonesia that still needs to be addressed. The purpose of this research is to find out the factors that influence the level of corruption in local governments in West Java and Banten provinces 2016-2019. The factors examined are audit opinion, follow-up audit results, and fiscal decentralization.

Audit opinion variables are measured using a scale score of 1-4 based on the provision of BPK audit opinions, meanwhile audit rectification variables that use a proxy ratio to recommendations that have been appropriately implemented by the local government against all BPK recommendations. The measurement of fiscal decentralization variables uses the natural logarithm of the fiscal balance by each local government.

Samples were taken from local government agencies in West Java and Banten provinces 2016-2019 using nonprobability sampling techniques. Data processing is using IBM SPSS Statistics 23 application with the use of descriptive statistical analysis techniques and logistic regression. This research uses secondary data available on the official website of the Komisi Pemberantasan Korupsi (KPK), Badan Pemeriksa Keuangan (BPK), and Badan Pusat Statistik (BPS).

The results showed that audit opinion, audit rectification, and fiscal decentralization had a simultaneous effect on the level of corruption, with a coefficient of determination of 12.6%. The research shows that the audit opinion variable has a partial negative effect on the level of corruption, while the audit rectification and fiscal decentralization variable has partially proven no effect on the level of corruption.

This study can provide an overview of the level of corruption, audit opinion, audit rectification, and fiscal decentralization in local governments in the provinces of West Java and Banten. In addition, this research can be used by the government as a form of evaluation in eradicating corruption and as a record for improving the administration of government finances.

Keyword: *Audit Opinion, Audit Rectification, Corruption, Fiscal Decentralization*