

## The audit board of the republic of Indonesia's opinion: Between regional financial performance and public welfare

Saragih, Golden Victor Vica, author

Deskripsi Lengkap: <https://lib.ui.ac.id/detail?id=20512435&lokasi=lokal>

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### Abstrak

This study aims to determine and analyze the influence of local government financial performance on public welfare with the opinion of The Audit Board of the Republic of Indonesia (BPK) as mediation. This study was quantitative using panel data of 12 regencies and cities in Riau Province. The secondary data used was local government financial performance data, public welfare data, and the opinion from BPK Riau Representative from 2014 to 2018. The data analysis tool used for the hypothesis testing was path analysis with the SEM-PLS approach. The result shows that local government financial performance has been positively and significantly correlated to the public welfare in the regencies and cities in Riau Province, but not significant to the BPK's opinion. Besides, the BPK's opinion also does not correlate to public welfare. These findings indicate that the opinion of BPK has not been able to verify the correlation between the local government's financial performance and public welfare. Thus, it cannot be a benchmark in predicting the public welfare level.