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The Influence of Size and Complexity of Regional Government, Auditors' Experience and Audit Opinion on Audit Quality and Audit Delay

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ABSTRACT

This study aims at testing and proving empirically (1) whether the size of regional government, regional government complexity, the experience of auditors, and the audit opinion affect the quality of the audit, (2) whether the size of regional government, regional government complexity, the experience of auditors, the audit opinion affect audit delay, (3) whether the level of audit quality affects audit delay. (4) whether the size of regional government, regional government complexity, the experience of auditors, the audit opinion affect audit delay through the level of audit quality. Theoretically, the results of this research are expected to enrich and to complete the repertoire of knowledge in the field of public sector audit so it will be useful for academics and practitioners.

The populations were regency / city Governments in Papua and the Audit Board of the Republic of Indonesia (BPK RI) members – representative auditors in Papua Province. The samples were all district / city and team leaders of BPK auditors in Papua Province. The sampling technique used for the District / City was the entire population and used panel data from 2007 until 2011, while for BPK auditors it was all auditors who had been a team leader (signed opinion). The analysis of research data used Partial Lest Square (PLS).

The results of this study indicate that: (1) the size of government has a positive effect but in the opposite direction to the theory, the complexity of regional government has a positive effect, the experience of auditors has a positive effect, the audit opinion has a negative effect on the level of audit quality. (2) The size of regional government has a negative effect, the complexity of regional governments has no effect, the experience does not affect the auditors, the audit opinion negatively affects audit delay. (3) The level of audit quality has a positive effect on audit delay. (4) The size of regional government partially mediates, the complexity of regional government mediates perfectly, the experience of auditors mediates perfectly, the audit opinion mediates partially on audit delay through the level of audit quality.

KEYWORD: Size of Regional Government, Complexity of regional government, Auditor Experience, Audit Opinion, Level of Audit Quality, Audit delay

1. BACKGROUND

Regional Governments have a duty and responsibility to run the government, community development and social services so that they are required to submit reports of regional financial accountability. The regional financial accountability statements can be used as an indicator to assess the regional government performances related to the success of properly performing duties and responsibilities or not (Suprapto, 2006). The regional governments are required to perform the regional financial management well in order to realize the goal of good governance (clean government), where a good regional financial management is the ability to report on regional finances on time, and in economic, efficient, transparent and accountable way. A Regional Head has the responsibility to make sure that the accountability report presented by the Regional Working Units (SKPD) is in accordance with the Government Accounting Standards (SAP). Therefore, it is necessary to have a guidance to the regional financial management to the Head as well as to all SKPD entities, so that the resulting financial statements issued by the SKPD are as expected, where the result from a combination of all SKPD financial statements will be the Regional Government Finance Report (LKPD).

Complexity or the major elements of the implementation of a good governance (good governance) according to the United Nations Development Programme (UNDP) as cited by Mardiasmo (2002) gives the complexity of good governance namely: participation, rule of law, transparency, responsiveness, consensus

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orientation, efficiency and effectiveness, accountability, strategic vision. The complexity of good governance explains that the regional financial management should be transparent, accountable, participatory, economical, efficient, and effective. The regional government's financial statements that have been audited by BPK should be submitted to: (a). Community (b). House of Representatives, (c). Investors and (d). Requiring third party (PP. 8 of 2006).

The Government Regulation Number 24 of 2005 about the Government Accounting Standards states that one of the concrete efforts to achieve transparency and accountability in the financial management of the State is the delivery of government financial accountability statements that meet the principle on time (timeliness) and are arranged based on the acceptable government accounting standards. The principle of timeliness (timeliness) is one of the indicator of the implementation of the rule of good governance. The paradigm of good governance implementation in governance, development, and public services is not solely based only on the government (government) or a state (state), but must involve all elements, both the insideof the bureaucracy as well as the outside of the public bureaucracy (Widodo, 2001).

Audit delay is a potential indicator of the efforts made by auditors, in addition, the Audit delay is also said to be the number of days between the end of the fiscal year up to the date of the auditor's report (Payne and Jensen, 2002). Johnson (1998) defines audit delay as the period of time from the end of the fiscal year to the reporting date, while Ashton (1987) defines audit delay as the number of calendar days from the end of the fiscal year to the date of the auditor's report. Based on those definitions, audit delay can be broadly defined as the span of time of completion of the audit of financial statements which is measured by the length of days needed to obtain the reports of independent auditors on the inspection of the financial statements since the date of the close of the book until the date stamped on the independent auditor's report.

Many researches on the factors that affect audit delay have been done both in the private sectors or the public sectors. Researches in the private sector about the factors that affect audit delay were ever made by Carslaw and Kaplan (2006) in a study on a company in New Zealand, found that the size of the company and the audit opinion affected audit delay. Iskandar and Trisnawati (2010) found that the classification of industry, the profit or loss for the year, the size of the public accounting firm, were influential to audit delay while total assets, the audit opinion, the proportion of debt had no effect on audit delay. Lianto and Kusuma (2010) found that profitability, solvency, and the age ofa company affected audit delay while the size of a company and the type of industry did not affect the audit delay. Puspitasari and Nirmalasari (2012) found that the size of the company, solvency, corporate income and the size of a company affected audit delay.

This study was intended to examine the real audit delay existing in the regional government. Referring to the uniqueness of the public sectors in Indonesia, which are different from the public sectors in the United States, the public sectors in the United States can be audited by a public accounting firm (private) while in Indonesia, BPK RI is the only state agency that is responsible for the examination and responsibility of the State's financial management. Apart from the above, there are also different levels of significances of each variable of quality attributes of the financial statements, and a very limited number of studies conducted in Indonesia related to audit delay on regional government financial statements.

2. THEORETICAL REVIEW

The variables used in this study were Variable: Size of Regional Governments, Complexity of Regional Governments, Auditors' Experience, Auditors' Opinions, Audit Quality and Audit Delay.

a. The size of the regional government (X1) to the level of audit quality(Y1)

The size of the regional government indicates the total assets while level of audit indicates the amount audit findings. It means that the higher the number the total assets of the Government of Regency / City increases, the higher the number of audit findings will be, it is contrary to the hypothesis. The first cause is the beginning balance of the Government of Regency / City has not been assessed well. According to the Technical Bulletin No.2 year 2005 about the preparation of the composition of the Beginning Balance of Regional Government saying that the reliability of information about the assets, liabilities, and equity in the opening balance is very important in building regional government accounting system, because the amounts presented in the balance sheet will be the beginning of the beginning balance, which is presented in the accounting system period. Many of the number of assets on the opening balance sheet are not supported with much evidence of ownership. The second cause is the asset management at Regional Government of Regency / City in the province of Papua has not been good. The findings in lancar assets generally occur in cash and fixed supplies. While on the fixed assets, the findings can occur more than once for a single

activity. For example is the procurement of goods. The findings on procurement of goods can occur in unplanned based on needs. The procurement process is not transparent, contains mark-ups, is wrong noted, unclear who is utilizing. In the Minister of the Internal Affairs' Regulation No. 17 of 2007 it is said that the asset management consists of 1) needs planning and budgeting, 2) procurement, 3) receipt, storage, and distribution, 4) use, 5) administration, 6) utilization, 7) security and maintenance, 8) assessment,9) deletion, 10) alienation, 11) guidance, supervision and control, 12) financing, 13) claims for compensation. Of the 13 indicators of asset management above, there are many of the audit findings which are prevalent ranging from needs planning and budgeting, procurement, administration, and deletion. The audit findings on planning and budgeting appear not planned based on the needs and specifications of what is appropriate. The audit findings on procurement appears to be marked up in price and is not in accordance with the specifications. The audit findings on the administration appear that the assets are not recorded (not accounted) well, as the reduction of fixed assets. The deletion of the assets becomes the audit findings because the deleted assets have not been made an official report of deletion, and also there are assets which have not been deleted but they are physically gone.

b. the size of regional government (X1) on Audit Delay(Y2)

In regencies / cities that have great assets, the audit delay will be reduced, because the regencies / cities that have great assets have capabilities in developing information technology, so that the administration can be done more quickly so that the regional government's financial statements can be composed more quickly, and so that the delivery of the financial statements to BPK RI auditors will be more quick. The regency / city that has great assets has an internal control system that is relatively better, so it can reduce the level of errors in the financial statements of the regional government, making it easier for BPK auditors in conducting the examination of financial statements.

These results are consistent with the research conducted by Carslaw and Kaplan (2006) in New Zealand which found that the size of the company affected the audit delay. The researches the same as the results of the research conducted by Surbekti and Widiyanti (2001), Petronila (2007), Aryati and Theresia (2005) in Lianto and Kusuma (2010) which found that the size of a company had negative effects on audit delay because the company that hadgreat resources (assets) had more information resources, more more accounting staffs and more sophisticated information systems, a strong internal control system, the existence of supervision from investors and the public spotlight so as to enable the company to report its financial statements better and faster to the public

c. complexity of regional governments (X2) on the level of audit quality (Y1)

A positive direction of the coefficient explains that the higher the complexity of regional government which indicates the greater number of residents, the broader region, the higher the number of BPK RI's findings. The more complex the Government of regency / city in the province of Papua, the higher the number of BPK audit findings. This is caused by a wide range of control. This is consistent with a research conducted by Ingram (1984), Aldhizer (1994), Liestiani (2007) in Nuraeni and Martani (2012) which found that complexity affected the level of disclosure of financial statements, the population of an area had an influence on the level of compliance of the regional government in complying the applicable regulations. The population size has a positive influence on the internal control system (SPI). This means that the more complex the government becomes the higher the SPI increases to minimize misstatements to the financial statements of the regional government. According Mulyani and Suryawati (2011), it is said that the SPI has significant role and function to minimize errors in accounting records. According to the Inspection Reports of the Audit Board of the Republic of Indonesia (LHPBPK), it is said that the SPI of each regency / city in the province of Papua is still less effective so it becomes the BPK findings.

Based on a description of the research data, it is found that the regency / city has the largest total area and population, and the highest case findings: (1). Jayapura City, (2). Jayapura regency, (3) . Mamberamo Raya regency, (4). Merauke Regency, (5). Nabire, (6). Jayawijaya regency, (7) Biak Numfor regency, (8). Keerom regency, (9). Yahukimo regency. The wider district area isthe more extensive range control to coordinate becomes, resulting in activities that cannot be controlled well that can result in findings when audits are conducted. There are many regency in the Papua province which can only be reached by plane, as well as to reach out to districts (sub-district), village (village), it can only be reached by plane and on foot so it is very difficult and takes time in coordination.

d. complexity of regional government (X2) on Audit Delay (Y2)

According to Iskandar and Trisnawati (2010), financial sector companies usually announce its financial statements more quickly because it has a little bit of supplies (inventory). A very small proportion of

supplies cause the auditor to reduce or delete the hardest part of the audit process. In addition, most assets owned by financial sector companies are in form of monetary assets so it can be measured more easily when compared with assets owned by non-financial sector companies which are mostly in form of physical assets. A similar argument stated by Carslaw and Kaplan (1998) in Ahmad and Abidin (2008) saying that financial sector companies have no supply balances. Therefore, it can reduce the scope of the audit as a segment of supply which becomes the most difficult area to be audited.

The total area of some regencies / cities in Papua is very extensive but the infrastructures are totally inadequate especially new district blooms. The existing infrastructures are limited to the capital of the regency so that it is not possible to conduct inspection to areas outside the capital city because the cost is very large due to a plane and a big risk so that field inspections outside the capital of the regency are not conducted which affect the audit delay.

The complexity of a regional government does not affect the audit delay, it is because in the province of Papua there is only one (1) city and 28 (twenty eight) districts. According to Zimmerman (1977) in Payne and Jensen (2002) it is said that the need for an audit is higher in a government of city. The government of city is more complex than the regency so that the need of financial transparency is bigger.

e. auditors' experience (X3) on the level of audit quality (Y1)

These results are consistent with Bonner and Lewis (1990) saying that auditors who have had a lot of experience will not only have the ability to find errors (error) or frauds (fraud) that are not commonly found in the financial statements but also can provide a more accurate description of the findings compared with ones who are still with little experience. Purnamasari (2005) in Suwarningsih and Ismail (2013) states that high work experience of an auditor will be helpful in detecting errors and is able to find the causes of the errors that occurr.

These results differ from the results of the research conducted by Setyaningrum (2012) saying that professional skills does not affect skills the quality of audit. According to Tarin (2011) in Setyaningrum (2012), it is also found that the work experience does not have an influence on professional commitments or ethic decisions making.Murtanto in Mayangsari (2003) found that the component of auditor's competencesin Indonesia is a component of knowledge which includes knowledge of the facts, the procedure and experience as well as psychological characteristics such as communication skills and ability to work closely with others.Christiawan (2005) in Singgih and Bawono (2010) reveals that audit quality is determined by two things: independence and competences. A competent auditor is someone able to find any violation while an independent auditor is an auditor who wants to disclose the violation.

f. auditors' experience (X3) on Audit Delay (Y2)

Experience according Sucipto (2007) in Nasution and Fitriany (2011) is knowledge or expertise gained from an event through direct observation or participation in the events. Singgih and Bawono (2011) adds that jobs done repeatedly also become a factor which can enhance the experience and make it faster and better at completing tasks, as well as the individual is more aware of the obstacles that may be experienced.

Auditors' experience is not significant to the audit delay.This is due to the facilities and infrastructures owned by the regional governmentsof regencies in Papua province are minimal such as electricity which is on only from 6 pm until 12 pm at night. The communication links are still poor and thera are even regional governments of regencies which still don't have telephone. Security conditions in regenciesare suddeny chaotic at any time. The factors mentioned above make the BPK auditors complete the audit quickly and go back soon. It means less experienced or even highly experinced auditors are quickly complete the audits in general.It is seen from the minimum number of inspection as many as 20 days and the maximum number of inspection days 49 days with an average (mean) number of inspection days 31 days. The number of the inspection team is also relatively the same with a minimum of 3 people and a maximum of 5 people with an average of 4 people. Another factor that causes audit experience insignificant to audit delay is because of the size used is the length of inspection, and the number of audit teams, and does not consider other factors such as ones contained in the research conducted by Mayangsari (2003) in Setyaningrum (2012) saying that the components of competence for auditors in Indonesia is a knowledge components including knowledge of the facts, procedures and experience as well as psychological characteristics such as communication skills and ability to work together with others.

g. audit opinions (X4) on the level of audit quality (Y1)

A negative direction of the coefficients explains that the higher audit opinion which indicates the value is the lower the BPK findings becomes. The results of this study indicate that no Government of Regency / City in Papua until 2011 got an unqualified opinion (WTP). There were nine regional governmentsof

regencies / cities that got a qualified opinion (WDP). There was one district that did not get a fair opinion (TW), and the rests gave no opinion (TMP). Of 9 Governments of Regencies / Cities which got the WDP Opinion there were 5 regencies with the value findings of the audit which were low such as: (1) .Pegunungan Bintang regency, (2). Puncak Jaya regency, (3). City of Jayapura regency, (4). Biak Numfor regency, and (5). Asmat regency.

This result is consistent with the results of the research conducted by Kopp, Morley, and Rennie in Mansur (2007) which proves that the community trusts the financial statements if the auditor hasusedhis professional skepticism(professional skepticism) in the audit process. The auditor must maintain an attitude of professional skepticism throughout the inspection process, because when the auditor is no longer able to maintain the professional skepticism, the audited financial statements can not be trusted anymore, and allow for post- audit litigation. Nearon (2005) in Mansur (2007) also states the same thing that if the auditor fails to use his skepticism or the application of skepticism does not comply with the conditions at the time of examination, the audit opinion issued is not effective and does not have a good audit quality.

h. audit opinions (X4) on Audit Delay (Y2)

The results of the study Ashton, et al., Schwartzdan Soo in Utami (2006) found that audit delay would be shorter for companies audited by a relatively big KAP. Similar results were also found in Ahmaddan Kamarudin (2003), namely that the audit delay in KAP Big Four would be shorter than which in the audit of a small KAP. This is assumed because large KAPs have employees in large numbers, can audit more efficiently and effectively, have a flexible schedule that allows them to complete the audit on time, and a stronger incentive to complete the audit more quickly, in order to maintain their reputations. However, this study is contrary to research conducted by Kartika (2011) which found that the audit opinion had no effect on audit delay.

There were nine regional governmentsof regencies / cities that got a qualified opinion (WDP). There was one district that did not get a fair opinion (TW), and the rests gave no opinion (TMP). 9 Governments of Regencies / Citieswhichgot the WDP opinion, all have those regencies had such a low audit delay: (1). Mimika regency, (2) Jayawijaya regency, (3). Asmat regency, (4). Yapen Islands regency, (5). Puncak Jaya regency, (6). City of Jayapura, (7). Biak Numfor regency, (8). Pegunungan Bintang regency, and (9). Jayapura regency.

i. level of audit quality (Y1) on Audit Delay (Y2)

A positive direction of the coefficients explains that the higher the level of audit quality which indicates BPK's findings is, the higher the audit delay becomes, which indicates the greater number of delivery days ofthe results of audit. It can be seen from regional governmentsof regencies / cities that have BPK's value findings have the highest audit delay such as: (1). Central Mamberamo regency, (2). Puncak regency, (3). Mamberamo Raya regency, (4). Yalimo regency, (5). Merauke regency (6). Dogiyai regency, (7). Lanny Jaya regency.

The highest audit delay mostly occurs in the new regencies which are just established in few years. It is due to the new regencyestabliseh in a few years has not had a good system, adequate personnels and even infrastructures. According to Mandasari (2009) in Suhardjanto and Lesmana (2010) the age of the regional government can be defined as how long the regional government exists. The longer the existence of a regional government, the more experienced it becomse. So it is also related to the administration system of a regional government which along with the age and a range of experiencewill have better administrative and recording process.

3. RESEARCH METHOD

The inferential Statistic method used in the data analysis of this study was Partial Least Square(PLS). Partial Least Square (PLS) was initially developed by Herman Wold, he is a teacher of Karl Joreskog (who developed SEM). This model was developed as an alternative in a situation where the theories are weak or the available indicators don't meet reflexive measurement models. Wold calls PLS"soft modeling". PLS is a powerful analysis method because it can be applied on all data scales, doesn't require many assumptions and doesn't require samples size to be large. Aside from being used as theory confirmation, PLS can be used to build relations without theoretical foundation or to test propositions (Solimun, *et al*., 2002).

4. RESEARCH RESULTS

4.1 Measurement of Research Variables

The following table presents average indicators and result of Tableouter loading test of each research variable.

Table 1: Average Scores and Loading Factors

Variables	Indicators	Loading
Size of Regional Government (X1)	a. Total Assets (X1.1)	0.9008
	b. Total Income (X1.2)	-0.0018
Complexity of Regional Government (X2)	a. Area (X2.1)	0.9568
	b. Population (X2.2)	0.1593
	c. Total SKPD (X2.3)	0.1179
Auditors' Experience (X3)	a. Total Examining Days (X3.1)	0.8596
	b. Total Examining Teams (X3.2)	-0.5696
	c. Period of Head of Audit Team (X3.3)	0.0296
Audit Quality (Y1)	a. Total Discoveries (Y1.1)	-0.0377
	b. Value of Discoveries (Y1.2)	1.0053

Based on the table above, it is discovered that

1. Size of Regional Government variable (X1) was measured by two indicators, i.e. Total Assets (X1.1) and Total Income (X1.2). From the highest outer weight result it's discovered that Total Asset (X1.1) indicator is the most dominant in formingSize of Regional Government (X1) variable withloading value of0.9008.
2. Complexity of Regional Government (X2) variable was measured by three indicators Area (X2.1), Population (X2.2), and Total SKPD (X2.3). From the highestouter weight resultit's discovered Area (X2.1) indicator is the most dominant in forming Complexity of Regional Government (X2) variable with loading value of 0.9568.
3. Auditors' Experience (X3) variable was measured by three indicators, i.e. Total Examining Days (X3.1), Total Examining Team (X3.2), Period of Head of Audit Team (X3.3). From the highest outer weightresult it's discovered that Total Examining Days (X3.1)indicator is the most dominant in forming Auditors' Experience (X3) variable with loading value of 0.8596.
4. Audit Quality (Y1) variable was measured by two indicators, i.e.Total Discoveries (Y1.1) and Value of Discoveries (Y1.2. From the highest outer weight result it's discovered that Value of Discoveries(Y1.2) variable is the most dominant in formingAudit Quality (Y1) variable with loading value of 1.0053.

4.2. Goodnessof Fit Testing of the Model

Goodness of FitTesting of the structural model in inner model used predictive-relevance value (Q^2). R^2value of each endogenous variable in this study is as follows: 1) ForY1 variable $R^2$is 0,3881; 2) forY2variable $R^2$is 0,2568.

Predictive-relevance value is obtained using the following formula:

$Q^2 = 1 – (1 – R_1^2) (1 – R_2^2) ... (1- R_p^2)$

$Q^2 = 1 – (1 – 0,3881) (1 – 0,2568)$

$Q^2 = 0,5400$

The result of the calculation shows predictive-relevance value of 0,5400 or54.00%. Predictive relevance value54.00% also indicates that data diversity which can be explained by the model is 54.00% or in other words 54.00% information contained in the data can be explained by the model. Meanwhile, the remaining 46.00% is explained by other variables (not yet contained in the model) and error. Based on that phenomenon, the model can reasonably called having relevant predictive value.

4.4. Inner Model inPartial Least Square (PLS)

Inner model (structural model) testing basically examines hypothesis in the study. Hypothesis testing was performed using t test (T-statistic) on each influence path partially. Complete analysis result in PLS analysis result can be seen in the Appendix. The following table presents the results of direct influence hypothesis testing:

Table2: Results of Hypothesis Testing in Inner Model (Direct Influence)

Relations	Path Coefficient	T-stat	p-value
Size of Regional Government -> Audit Quality	0.1700	2.1519	0.0314
Complexity of Regional Government ->Audit Quality	0.2581	4.3439	0.0000
Auditors' Experience ->Audit Quality	0.2173	2.1662	0.0306
Auditors' Opinion ->Audit Quality	-0.1628	2.1534	0.0313
Size of Regional Government -> Audit Delay	-0.1338	1.9648	0.0494
Complexity of Regional Government -> Audit Delay	0.0492	0.4430	0.6578
Auditors' Experience -> Audit Delay	-0.0299	0.3682	0.7127
Auditors' Opinion -> Audit Delay	-0.3150	5.7425	0.0000
Audit Quality -> Audit Delay	0.1585	2.1247	0.0336

Based on the table and figure above, the results of direct influence hypothesis in inner model are as follows:

1. Direct influence test of Size of Regional Government on Audit Quality produces inner weight coefficient value of 0.1700, with T-statistic value of 2.1519, and p-value of 0.0314. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of the Sizeof Regional Government ofAudit Quality. Considering inner weightcoefficient is positive, it indicates that the relation between both is positive. Meaning, the higher the Size of Regional Government, the higherAudit Quality.
2. Direct influence test ofComplexity of Regional Government on Audit Quality produces inner weight coefficient value of 0.2581, with T-statistic value of 4.3439, and p-value 0.000. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of the Complexity of Regional Government onAudit Quality. Considering inner weightcoefficient is positive, it indicates that the relation between both is positive. Meaning the higher the Complexity of Regional Government, the higher the Audit Quality.
3. Direct influence test ofAuditors' Experience onAudit Qualityproduces inner weight coefficient value of 0.2173, with T-statistic value of 2.1662, and p-value of 0.0306. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of Auditors' Experience onAudit Quality. Considering inner weightcoefficient is positive, it indicates that the relation between both is positive. Meaning, the higher the Auditors' Experience, the higher the Audit Quality.
4. Direct influence test of Auditors' Opinion onAudit Quality produces inner weight coefficient value of -0.1628, with T-statistic value of 2.1534, and p-value of 0.0313. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of Auditors' Opinion onAudit Quality. Considering inner weightcoefficient is negative, it indicates that the relation between both is negative. Meaning the higher the Auditors' Opinion, the lower theAudit Quality.
5. Direct influence test of Size of Regional Government onAudit Delay, produces inner weight coefficient value of -0.1338, with T-statistic of 1.9648, and p-value of 0.0494. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of Size of Regional Government onAudit Delay. Considering inner weightcoefficient is positive, it indicates that the relation between both is positive. Meaning, the higher the Size of Regional Government, the higher the Audit Delay.
6. Direct influence test ofComplexity of Regional Government on Audit Delay produces inner weight coefficient value of 0.0492, with T-statisticvalue of 0.4430, and p-value of 0.6578. Because T-statistic value< 1.96, and p-value > 0.05, there is no direct influence of Complexity of Regional Government on Audit Delay.
7. Direct influence test of Auditors' Experience on Audit Delay produces inner weight coefficient value of -0.0299, with T-statistic value of 0.3682, and p-value of 0.7127. Because T-statistic value< 1.96, and p-value > 0.05, there is no direct influence ofAuditors' Experience on Audit Delay.
8. Direct influence test of Auditors' OpiniononAudit Delay produces inner weight coefficient value of -0.3150, with T-statistic valueof 5.7425, and p-value of 0.000. Because T-statistic value> 1.96, and p-value < 0.05, there is significant direct influence of Auditors' Opinion onAudit Delay. Considering inner weightcoefficient is negative, it indicates that the relation between both is negative. Meaning, the higher the Auditor's Opinion, the higher the Audit Delay.
9. Direct influence test of Audit QualityonAudit Delay produces inner weight coefficient value of 0.1585, with T-statistic value of 2.1247, and p-value of 0.0336. Because T-statistic value> 1.96, and p-value < 0.05 there is significant direct influence ofAudit Quality onAudit Delay. Considering inner weightcoefficient is positive, it indicates that the relation between both is positive. Meaning, the higher the Audit Quality, the higher theAudit Delay.

Aside from direct influence, the following is the result of indirect influence hypothesis testing.

Table 4. Result of Hypothesis Testing in Inner Model :Indirect Influence

Indirect Influence	Direct Influence Coefficient		Indirect Influence Coefficient	Z-stat	P value
X1 →Y1→ Y2	X1 →Y1 = 0.1700	Y1→ Y2 = 0.1585	0.0269	2.002	0.045
X2→Y1→ Y2	X2→Y1 = 0.2581	Y1→ Y2 = 0.1585	0.0409	2.134	0.033
X3→Y1→ Y2	X3→Y1 = 0.2173	Y1→ Y2 = 0.1585	0.0344	2.433	0,015
X4→Y1→ Y2	X4→Y1 = -0.1628	Y1→ Y2 = 0.1585	-0.0258	2.020	0.043

Based on the table above, there are six indirect influences with the following results:

1. Indirect influence of Size of Regional Government on Size of Regional Government Audit Delay through Audit Quality produces indirect influence coefficient of 0.0269withZ-statistic valueof2.002. Because Z-statistic value> 1.96, there is significant indirect influence of Size of Regional Government on Audit Delay through Audit Quality. Positive coefficient shows direct relationship. The higher the Size of Regional Government, the higher the Audit Delay, if Audit Quality is higher.
2. Indirect influence of Complexity of Regional Government on Audit Delay through Audit Quality produces indirect influence coefficient of 0.0409withZ-statistic value of2.134. Because Z-statistic value> 1.96, there is significant indirect influence of Complexity of Regional Government on Audit Delay through Audit Quality. Positive coefficient shows direct relationship. The higher the Complexity of Regional Government, the higher the Audit Delay, if Audit Quality is higher.
3. Indirect influence of Auditors' Experience on Audit Delay through Audit Quality produces indirect influence coefficient of 0.0344with Z-statistic value of2.433. Because Z-statistic value> 1.96, there is significant indirect influence of Auditors' Experience on Audit Delay through Audit Quality. Positive coefficient shows direct relationship. The higher the Auditors' Experience, the higher the Audit Delay, if Audit Quality is higher.
4. Indirect influence of Auditors' Opinion on Audit Delay through Audit Quality produces indirect influence coefficient of -0.0258with Z-statistic value of2.020. Because Z-statistic value> 1.96, there is significant indirect influence of Auditors 'Opinion on Audit Delay through Audit Quality. Negative coefficient shows inversely proportional relationship. The higher the Auditors' Opinion, the lower the Audit Delay, of Audit Quality is lower.

This study can provide knowledge and understanding of the regional government and BPK auditors in implementing the factors that affect the level of audit quality and audit delay. Based on the research findings, the practical implications of this study can be explained as follows:

The implementation of the size of regional governments affecting the level of audit quality. The implication is that the increase in total assets leads to a rise in the level of audit findings, it is not expected. To overcome this, the regional government should be recruiting employees with accountings backgrounds to be able to fix the records of assets and of necessary supporting evidence and documents, to improve asset management from planning and budgeting, procurement, record keeping, use, and transfer of assets, to strengthening the internal control system. The implementation of the size of the regional government affects the audit delay. The implication is that the increase in the assets would reduce the audit delay.

The implementation of the complexity of regional government affecting on the level of the audit quality. The implications is that wider government area and large population lead to the increase in the number of audit findings. To overcome this, the government should shorten the span of control, good SPI and build infrastructures, and involve the community in monitoring by sticking budgets to the district office, village office, and regional government offices. The implementation of the complexity of the regional government has a very small effect on audit delay. the implication is that the regional government should be open to give information about the report of the results of the inspection to the public and regional house of representatives.

The implementation of auditor experience affecting the level of audit quality. The implication is that the more the number of days of the inspection and the number of audit teams, the more the number of audit findings. For areas with good access, it is necessary to raise the amount of the audit team to 5 people at minimum and at least 31days of inspection in order to further the inspection of the evidence. The implementation of the auditor experience to audit delay has a very small effect. The implication is that auditors who conduct inspections on regions with minimum infrastructures and difficult to reach need to be given incentives in the form of leaves.

The implementation of audit opinion affecting the level of quality of the audit. The implication is that the better opinion the lower the number of audit findings. The government should give incentives to regional governments which get unqualified opinion (WTP) at least 2 (two) times in a row. The implementation of audit opinion affects the audit delay. The implication is that the better the opinion is the lower the number of audit delay becomes. The government should give incentives to regional governments which submit the regional government financial statements (LKPD) and WTP audit opinion on time.

5. CONCLUSION AND RECCOMENDATION

Based upon the results of research and discussion of research on the conclusion as follows: (1) the size of government has a positive effect but in the opposite direction to the theory, the complexity of regional government has a positive effect, the experience of auditors has a positive effect, the audit opinion has a negative effect on the level of audit quality. (2) The size of regional government has a negative effect, the complexity of regional governments has no effect, the experience does not affect the auditors, the audit opinion negatively affects audit delay. (3) The level of audit quality has a positive effect on audit delay. (4) The size of regional government partially mediates, the complexity of regional government mediates perfectly, the experience of auditors mediates perfectly, the audit opinion mediates partially on audit delay through the level of audit quality.

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