

## ABSTRACT

*This study aims to analyze the impact of follow-up on audit recommendations and the Government Internal Control System (SPIP) on local government performance, as well as to examine the role of audit opinions as a moderating variable. Local government performance is measured using the Human Development Index (HDI), poverty rates, spending effectiveness, and spending efficiency. This study employs a quantitative approach using secondary data obtained from the BPK audit reports, local government financial statements, and local government statistical data.*

*The analytical methods used are multiple linear regression and Moderated Regression Analysis (MRA). The results indicate that the follow-up on audit recommendations and the implementation of the Internal Control System (SPIP) significantly influence local government performance. The follow-up on audit recommendations has a positive effect on the HDI, expenditure effectiveness, and expenditure efficiency, and a negative effect on the poverty rate. Additionally, the audit opinion moderates the effect of the follow-up on audit recommendations on local government performance but does not moderate the effect of SPIP on local government performance.*

*These findings indicate that improvements in local government performance are influenced by the effectiveness of audit recommendation follow-up and the optimal implementation of SPIP as part of efforts to achieve accountable and effective governance.*

*Keywords: audit recommendation follow-up, SPIP, audit opinion, local government performance, stewardship theory*

