**ABSTRACT**

 The development of audit standards at National and International level makes the Indonesian Supreme Audit Institution to update the audit standard. The updating will certainly have an impact on the change of inspection mechanism as well as the level of objectivity on the implementation of inspection conducted by the Indonesian Supreme Audit Institution.

This interests the author to carry out research as outlined in the final report of applied government research titled **"IMPLEMENTATION OF STATE FINANCIAL AUDITING STANDARDS (SPKN) 2017 IN THE IMPLEMENTATION OF FINANCIAL AUDIT BY THE INDONESIAN SUPREME AUDIT INSTITUTION "**.

The aim of this research is to find the mechanism of financial audit conducted by the Supreme Audit Board of the Republic of Indonesia after the SPKN 2017 update, what improvements and new things contained in the SPKN 2017, as well as any obstacles that arise in the implementation of SPKN 2017.

This research uses descriptive method with an inductive approach that describes the field situation and analysis . Data collection techniques are interview, observation and documentation then analyzed by doing data reduction, data presentation and data verification.

 The result of the research shows that there is a change of audit mechanism conducted by the Indonesian Supreme Audit Institution caused by the change of the standard regulation system of audit from the previous based on the detail rules into the standard with the rule based principle.

Implementation of SPKN 2017 is still constrained by the lack of technical rules that are directly related to SPKN 2017, so that in mandated in SPKN 2017 not yet be implemented entirely. Besides that, the training related to SPKN 2017 has not been fully given to Auditor BPK-RI.

 Suggestions that the author gives to ensure the implementation of SPKN 2017 can run optimally is through the determination of technical rules that are directly related to SPKN 2017 so that all mandated rules can be implemented with the right target. Then related to increasing understanding of Auditor about SPKN 2017 the training Agency of the Indonesian Supreme Audit Institution would need to develop the use of information technology to organize the training actibities through e-learning method to the auditor.

Keywords: Indonesian Supreme Audit Institution, SPKN, Implementation