

Reviewing Accountability and Transparency Practices of Campaign Fund Financial Reporting

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Abstract

This study reviews and assesses accountability practices in campaign fund financial reports. In addition, this study also aims to analyze the level of compliance of political parties and legislative candidates in the transparency of campaign fund disclosure according to the applicable reporting standards according to the general election commission. Research subjects include party members, candidates, accounting experts, and the public. Data were collected through surveys, interviews, and documentation, analyzed using qualitative methods. The findings reveal six themes indicating that political parties view accountability as a tool for performance measurement, financial balance verification, and evidence of compliance. Campaign fund management also acts as a communication bridge between candidates, parties, and stakeholders, fulfilling accountability responsibilities to the government, which provides KPU-permitted contributions. Additionally, transparency in campaign fund reporting reflects compliance with election commission standards, which influences the commission's assessment of candidates' responsibilities, ensuring campaign funds are reported separately and accurately per regulatory requirements.

Keywords: Accountability, Financial Reporting, Transparency Practices.

1. Introduction

Indonesia as a democratic country that is followed by many political parties in realizing a just and prosperous country. However, the existence of political parties which are a group of participants with political products that go through a long and complex process, so that it often creates competition (Nastain & Nurdiarti, 2022). Many candidates running for parliament and candidates from various political parties carry out campaign activities to increase their chances of being elected. Campaign activities have a positive impact on the eligibility / electability level (Hariwibowo & Santana, 2020). This triggers competition between legislative candidates in winning the public's interest. This campaign effort certainly also requires quite a large amount of funds, so that not a few legislative candidates from political parties establish correlations with stakeholders.

The election period for the people is a moment of decision for a five-year government with leadership from legislative candidates (*caleg*) and executive officials based on personal ability, integrity, background, vision and mission, agenda and ideology that are the basis of their power, hopes, beliefs, desires and needs during the term of office (Hamada & Agrawal, 2021). This is the basis for the disclosure of political party finances is very important, because finance is an important instrument for financing political party activities and political party campaign activities, as an indicator of the success and success of political parties. Efforts to



increase accountability and transparency of political parties, with restrictions on personal cash transactions according to the guidelines of the AD and ART with a certain amount for monitoring activities will be more optimal. Because the public is always free to make cash transactions of any amount, the number and role of The General Election Supervisory Body or known as 'Bawaslu' become important in campaign fundraising activities (Rakhman & Muhammad, 2019).

The problem of campaign activities has always been a hot topic for legislative candidates, political parties and the public. Since the 2014 Election, from LPPDK audit data, most of the expenditure costs have been borne by legislative candidates in each elected region. Meanwhile, in the 2019 election, it is still not much different from the case in the previous election. 84% of the 2019 election campaign fund income came from contributions from legislative candidates and at least 13.3% came from political parties. The results of the LPPDK audit show that the majority of political parties are still not transparent and do not comply with campaign funding regulations. It was noted that eight political parties were categorized as compliant and eight others were categorized as non-compliant. Transparency regarding the identity of campaign donors is also problematic: nine political parties do not have complete identities of their donors (Hermanto, 2020).

The results of the evaluation of the 2019 simultaneous elections, the public also gave a perspective of rejecting money politics in general. Monitoring of financial reports in an accountable manner as the main requirement for transparency (Iswatiningsih, 2023). This is a form of democratic commitment carried out in a fair and clean manner.

The General Election Supervisory Body (Bawaslu) has reported the results of the 2022 election monitoring period and the 2023 monitoring work plan. Bawaslu predicts that the 2023 election will be based on data from the 2022 period, giving an important mandate to the KPU to closely and thoroughly monitor all stages of the election process in a responsible and transparent manner. Bawaslu issued 26 complaint letters to various stakeholders, one complaint post and awareness-raising activities, all aimed at increasing public participation in election monitoring related to findings and reports of alleged election administration violations. (Agusta, 2023).

Monetary policy is an activity that cannot be successful in the world of politics, even though it turns out that there are legislative candidates who are involved in fiscal policy (Muhtadi, 2019). his indicates a lack of discipline among political parties in disclosing the identities of donors, which will have an impact on increasing monetary policy practices in society. (Tosika et al., 2020).

Financial reports are one of the indicators of the current standard of government transparency, but they may not be acceptable five years from now. This is because public knowledge of political party accounting is increasing, so that the public demands the publication of comprehensive and easy-to-understand financial reports (Hamada & Agrawal, 2021). However, the public hopes that the practice of transparency of funds is channeled to political parties that they consider to be role models and that public donations can be used for the right purposes according to laws and regulations. Complete and easy-to-understand financial data. However, in essence, the public wants their funds to be channeled to their exemplary political parties and public donations to be used according to their intended use according to the law.

2. Methods

2.1. Research Paradigm

The paradigm used in this research is social qualitative, where according to Moleong (2017), there are four types of research paradigms, namely hypotheses about social reality (ontology), the relationship between researchers and those being researched (epistemology), the role of values (axiology), research language (herology), argumentation) and the research process (methodology).

a. Ontology

The ontology paradigm in this research is related to the research phenomenon that shows that all political parties participating in election activities are still low in creating accountability and transparency of their financial reports. The weak accountability and transparency of financial reports encourages the emergence of a number of opportunistic behaviors that are more beneficial to certain individuals within the political party environment.

b. Epistemology

In this study, the epistemological basis for reviewing the practice of accountability and transparency of campaign funds in Indonesia is in accordance with the Regulation of the General Election Commission (KPPU) Number 34 of 2018 concerning Election Campaign Funds, so the General Election Commission (KPU) must be able to encourage the implementation of accountable and transparent elections by demanding that every political party that has a legislative candidate report an Initial Campaign Fund Report (LADK), Campaign Fund Contribution Receipt Report (LPSDK) and Campaign Fund Income and Expenditure Report (LPPDK) in order to minimize the occurrence of manipulative acts of financial reports and non-compliance in an accountable and transparent manner.

c. Axiology

The axiological aspect describes the benefits or uses of analyzing the practices of accountability and transparency of campaign finance finances. Every political party is required to report activities in a systematic and structured manner on a periodic basis. In accordance with the IAI and KPU in the election and election regulations Number 23/PR.07-NK/01/2023 and 14/NK/IAI/VI/2023 have provided guidelines on the obligation to accountably report campaign fund finances in order to carry out supervision and evaluation in preventing corrupt activities and dependence on the existence of a fairly large flow of funds.

2.2. Qualitative Study

This study aims to describe and analyze in depth the implementation of accountability and transparency practices of campaign funds that have been carried out by legislative candidates in accordance with the accounting standards set by the IAI and KPU. The qualitative research strategy used in this thesis has instruments in the collection process with extensive interviews, surveys, direct observations and other relevant official documents.

2.3. Data Sources

The data and information used in this study were conducted in several stages, the first was conducted by observation. In this case, the researcher compiled systematic guidelines according to the observation schedule design to regulate the allocation of time during the data collection process and adjustments with informants. The second data source was conducted using interview techniques, namely seeking detailed information from sources in the form of unstructured interviews, the third data source was library research, namely by seeking a

number of theoretical references that support research findings obtained from the results of observations and interviews with sources.

2.4. Data Analysis

The data analysis technique used in this study is qualitative. In conducting the data analysis technique qualitatively, it is also called the interactive analysis cycle. The analysis procedures carried out include data reduction, data display, conclusions and verification. After all data and information has been successfully collected, the initial stage is to test the validity of the data. The test is carried out using four criteria, namely data credibility testing, transferability testing, dependability testing, and confirmability testing

3. Results and Discussion

3.1. Research Result

3.1.1. Processing Interviews

The stages carried out in processing interviews are as follows:

a. Data Management

The interview results that have been recorded in MP4 audio format, then converted into text format as an initial stage to start further analysis.

1) First stage Codification Results (Important Statements)

After all the recordings were converted into a complete text script, the researcher re-read the script and reviewed and underlined several sentences that were emphasized as important statements. This process is one of the codification processes in the analysis of the interview results that were conducted. This codification process was carried out with the help of NVIVO version 14.0, so that all important statements that were underlined could be presented more specifically and separately from the initial script which was the complete script of the interview results.

The stage of extracting interview scripts from informants at this stage resulted in 96 important statement codes, with the distribution of each informant as follows:

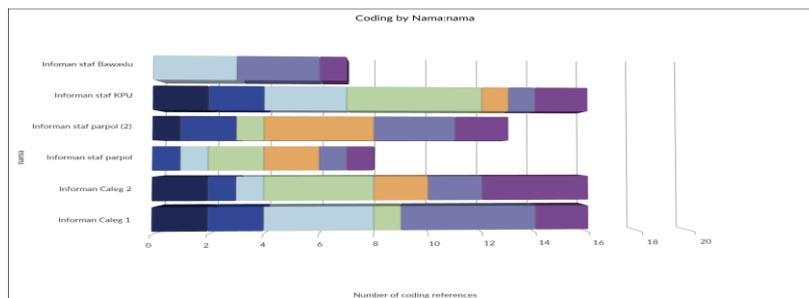


Figure 1. Data Coding Process According to Information from Informants

The image above shows the results of interviews with informants of legislative candidates 1 and 2 and KPU staff are the most transcripts that contribute to several important notes underlined by the researcher. There are 17 important statements that are worthy of further analysis. Interviews from other informants also provide similar contributions, including from the transcriptions of the third and fourth informants as many as 16 important statements.

2) Second Stage Codification Results (Meaning of Formulation)

The transcription of the first stage of codification results that have been extracted in the form of important statements is then re-analyzed using the same tools. This codification is

carried out to arrange the meaning of the formulation of the previous important statements so that they become a single meaning. The analysis at this stage is examined by reflecting and understanding the similarity of meaning expressed by each informant in each statement. Several important statements from informants make it possible to have the same meaning. The first stage of codification is the original statement expressed by the informant, while the second stage of codification is the process of translating the expression.

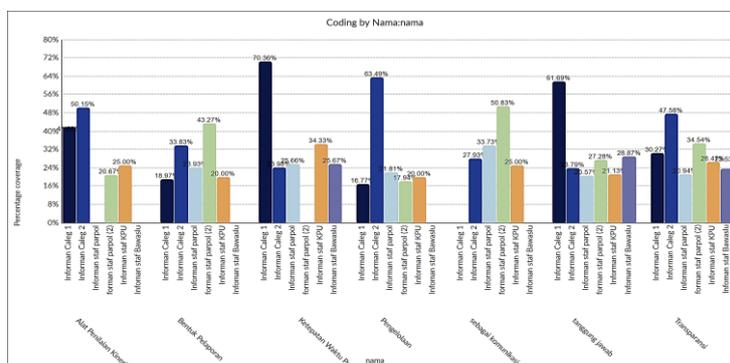


Figure 2. Data Coding Process According to Information Similarity

b. Presentation of Interview Data Analysis

After analyzing the interview script into several important question themes and meanings, the overall unity of meaning resulted in themes including:

1. Theme 1: Accountability as a performance measurement tool in accordance with policy
2. Theme 2: Accountability as a form of reporting
3. Theme 3: Accountability as timeliness of reporting
4. Theme 4: Accountability as management
5. Theme 5: Accountability as Communication
6. Theme 6: Accountability as Responsibility
7. Theme 7: Transparency

Overall, the researcher found informants as sources who were directly involved in the process of implementing the accountability of campaign funds received, namely informants from legislative candidates and informants from the side of campaign fund managers in political parties as key informants and 1 informant from the KPU who has a policy in implementing accountability and transparency of campaign funds. There are several different opinions between the data information from legislative candidate informants who understand the policy in implementing accountability and transparency of campaign funds. This is related to the form of financial reports that must be presented according to theme 1, management of campaign fund finances in use in accordance with applicable policies related to 4 which must be interconnected with theme 6 as responsibility and theme 7 which is the final goal in implementing accountability.

Practices in accountability and transparency of campaign funds have rules and policies that must be adhered to by legislative candidates and political parties in using the sources of funds received in accordance with the accuracy that is allowed to be received and used in accordance with theme 2 accountability as a form of reporting related to theme 4 in management in accordance with applicable limitations and policies. The following are details of the above themes as follows:

- 1) Theme 1 Accountability as a Performance Measurement Tool

Accountability is important in measuring performance as a form of responsibility in monitoring the implementation of tasks and obligations in using campaign funds. Informants responded that in practice, campaign fund accountability as a performance measurement tool has 3 types of reporting forms as a performance measurement tool for legislative candidates and political parties in using campaign funds according to the limits of receipt, limits of use and measuring according to the policies imposed by the KPU, as conveyed by informant candidate 2 that:

“There are 3 reports that must be submitted by legislative candidates, namely LADK, LPSDK and LPPDK. All transactions that can be measured by accounting will be recorded according to the recognized transactions. More or less, donation funds received from other parties must be reported and submitted to the KPU according to the schedule so as not to receive sanctions. Because most of it comes from personal funds and the use of campaign funds of less than 1 billion is still within the permitted limits.”

Meanwhile, other informants provided accountability responses as a performance measurement tool in limiting oneself regarding the rightful receipts and usage limits in accordance with the policy as conveyed by informant candidate 1 as follows.:

“All election participants to create a Special Campaign Fund Account (RKDK) as a special container for campaign financing. The creation of this special account is to record all forms of financial transactions that flow during the campaign period. So, for donors who donate money, it must be transferred through a special account, whether given to political parties, it must also be given transparently. if to legislative candidates, it must be entered into a special legislative candidate account, if the donation is in the form of campaign attributes, it must be recorded in the transaction journal of receipt from whom, in what form, for example: stickers, how much, from whom and when. Everything must be detailed.

This is in line with what was conveyed by the political party admin as staff who assist in managing campaign fund finances through the system implemented by the KPU. The response of the political party administration informant 2 stated that:

“All transactions that can be measured in nominal terms will be recorded according to the transactions recognized. All transactions will be inputted into this system starting from LADK, LPSDK and LPPDK by legislative candidates and we will check / submit. All of this has been regulated in Law Number 7 of 2017.”

Based on the responses from informants, researchers can analyze that legislative candidates as people involved in campaign fund management only know the mechanism of the form of the report that must be submitted as a form of performance measurement tool that is their responsibility for the funds used during the campaign process, both from personal funds, clarity of the source of funds from donors, both in the form of money, services and goods that must still be reported.

2) Theme 2 Accountability Assessment Based on Reporting Forms in Accordance with Accounting Policies

There are several types of financial reports that political parties actually have to present periodically, in order to meet quality financial reports, namely comparable in accordance with applicable accounting policies. This was conveyed by the staff of political party A that in terms of financial administration, political parties have regulations related to financial recording and disclosure of financial reports which are also part of the campaign fund financial report itself.:

“Political parties actually have rules that must report their finances every year as evaluation material that political parties have clear programs that are continuous from year to year. All transactions that can be measured will be recorded according to the transactions recognized. Because every time there is a transaction of receipt and expenditure of funds from political parties, it is not immediately recorded. Likewise, in recording campaign fund finances, it will be recorded according to the evidence of incoming transactions.”

Based on the statement, the researcher can analyze that, from the informant of the political party 1 admin staff, they have an accrual-based accounting recording model system. Financial reports must include all financial transactions or those that can be measured in monetary units, so that financial reports must meet the principle of completeness. Financial reports must present reliable financial information and represent actual transactions that have occurred, not fictitious transactions. Political party financial reports, especially in campaign fund reports, must contain complete information on each transaction with the actual recording method according to the time of the incident in order to minimize errors in recording campaign fund financial transactions.

Financial reports are prepared using the accrual accounting method, meaning that transactions are recorded and recorded in the main party's accounting records when they occur, not when they are received or paid. If the right to recovery arises and its value can be determined, then the right is recognized as an asset and its receipt is recognized. Liabilities are recognized when expenses have occurred even though the money has not been paid. Past events that result in cash payments or payments through the transfer of other assets are recorded as liabilities.

This admission is in line with the clarification from the KPU staff informant in a socialization of campaign implementation technology guidance which stated that:

“Election campaign funded by the relevant election participants and other parties based on Article 275 paragraph (2) of Law Number 7 of 2017 Election Participant Campaigns can also be funded by the APBN. All receipts in encouraging the implementation of campaigns, whether tangible or intangible, movable or immovable, expendable or non-expendable, which can be used, utilized or utilized, and can be converted into money are recorded based on market prices or fair value at the time the donation is received Article 14, Article 39 PKPU 18/2023.”

Based on this, the form of reporting, both manually and through the KPU system, is an important thing that legislative candidates must do in conducting a good campaign in accordance with applicable regulations which are supported by the existence of the LADK, LPSDK and LPPDK report forms which are one of the determining requirements for eligibility as a legislative candidate in addition to the people's vote.

3) Theme 3: Accountability Assessment Based on Compliance with Submission Time

Most political parties participating in the legislative elections are required to understand the practice of campaign fund accountability as compliance with the timeliness of submitting political party campaign fund reports to the KPU. In the Election Law No. 7 of 2017 and KPU Regulation No. 24 of 2018, it explains the obligation to submit campaign fund reports and the sanctions applied. Politicians in political parties have understood the provisions on the obligation to report campaign funds, in fact they have studied all the provisions related to the election both in the Law and in the KPU regulations, but most politicians still see campaign fund reporting as an administrative matter only, and not an important thing to be handled seriously even though there are sanctions in the provisions. As stated by informant Candidate 1 as follows:

“..... campaign fund reports must still be submitted to the KPU according to schedule, so as not to be subject to sanctions, that's the key. The issue of whether the report is correct or not is a matter for later, what's important is that I have followed the guidelines for presenting data that must be completed on the SIKADEKA website and I have submitted the LADK on the last day of the closing of the revision period. In the 2024 ELECTION, I will collect the revised LADK on the last day of the closing to the KPU on January 12, 2024.... the sanctions are for submitting LADK and LPPDK reports, there are no sanctions for LPSDK reports even if they are not reported, that's what we hold. The results of the campaign fund audit cannot affect the election results and there are no sanctions if the audit results are bad. That's what the law says.”

Even politician Informan Caleg 2, who is running as a legislative candidate, considers campaign finance reports to be not very important, saying:

“... I have reported my campaign funds as needed, the important thing is that the report is submitted with evidence. I did not report all the activities, because there were some activities in the campaign that were not covered, such as the consumption of several people in the campaign. I made the campaign finance report with the help of an administrative secretary, and one field treasurer”.

Based on the responses from informants, researchers can analyze that, from the theme of accountability in terms of the timeliness of campaign fund reporting, it is done by recording and presenting all measurable transactions that will be recorded in accordance with the recognized transactions. Although the transaction of receipt and expenditure of funds during the campaign in certain areas does not directly enter the system, there are still manual records and evidence of the transactions. Recording of campaign fund finances is done based on the evidence of transactions received. It is important to follow the data presentation guidelines contained in the SIKADEKA and LADK websites and to submit the LPPDK on time. There is a schedule that must be followed for submitting LPSDK reports, opening RKDK, and others. Parties will be sanctioned if they do not submit LADK and LPPDK reports on time, including compliance, completeness, and timeliness of reporting. The audit process is carried out within 30 days after receiving the LPPDK from Election Participants.

4) Theme 4: Accountability Practices for Management of Campaign Funds

Campaign fund reports must describe the actual activities of receiving and using campaign funds from political parties and their legislative candidates. So that stakeholders from the readers of the report, both donors, voters, and election organizers (KPU), can use it to assess the accountability of campaign funds. In campaign fund reporting activities in the 2019 legislative elections, the KPU created a campaign fund reporting application system called "SIDAKAM" or now better known as SIKADEKA for the 2024 election period. This application is used as a tool whose main purpose is to facilitate campaign fund reporting, preparation of campaign reports for fundraising for election participants.

Although the format of the campaign fund report made by political parties is accurate because it is the result of the Campaign Finance Accounting Information System provided by the KPU, where each political party politician is required to provide input that appoints the SIKADEKA system manager for them and will be submitted by administrative officers from political parties from each supporting party. However, most of the campaign fund reports produced by political parties do not reflect the actual receipt and expenditure of campaign funds, and political parties do not fully disclose real campaign fund use transactions. The following is a statement from informant Candidate 2 who stated:

"There is a separate team that helps in managing campaign finances, 1 office secretary who takes care of administrative records and 1 person who accompanies the campaign

process or field treasurer. When in the field, manual recording is done by field staff and later summarized using Ms. Excel by administrative staff. Because every transaction of receipt and expenditure of funds from political parties is not immediately recorded... not all campaign activities are immediately disbursed. Even though it has been scheduled and planned in the LADK, if the funds submitted are too large or not appropriate, then I as a legislative candidate will regulate the legislative candidate's expenses by reducing the funds that have been scheduled and using the funds for other appropriate activities.”

In practice, the management of campaign funds for legislative candidates and political parties is carried out from the beginning of the fund planning activities. Because they feel they have a strong understanding of the rules and regulations of campaign funds and are able to find loopholes that are manipulative, the process of preparing campaign fund reports becomes easy, smooth but reporting obligations are always carried out safely, without obstacles and without sanctions. Management of campaign fund finances is regulated and planned by both legislative candidate members and political parties. This is so that during the campaign period they are more focused and able to devote their energy and time to campaign activities in order to find supporters in order to gain more votes and win the election. As explained by the political party operator who is also the party admin as follows:

“...in this party I operate SIKADEKA and am responsible for preparing campaign fund reports, both party campaign fund reports and legislative candidate campaign fund reports. I do this based on an agreement from the party and all legislative candidates to make it easier to prepare reports and so that legislative candidates can concentrate on their campaigns without being burdened by reports. So the legislative candidates only need to sign the report, I prepare everything, the important thing is to submit the report on time and you will definitely not be sanctioned.”

Based on the results of interviews and observations of researchers from the LPPDK report published by the KPU, it is indeed indicated that several financial activities in campaign activities were reported smaller or had been adjusted so that they were not too large and not too small. The existence of management activities related to the use of campaign funds was caused by several things, namely, it had been planned from the start, and because of the compulsion of the obligation to submit campaign fund financial reports according to KPU regulations. Campaign fund reports for legislative candidates and political parties were made not in accordance with the actual conditions for various reasons so that the existence of regulations from the KPU regarding the collection of initial campaign fund reports and the receipt and expenditure of campaign funds became a form of coercion. Several things that made political parties assume that the submission of LADK and LPPDK was a compulsion caused by several findings that caused inconsistencies in the accountability of campaign funds.

The first finding was that several legislative candidates and political parties did not have supporting evidence of the receipt and expenditure of campaign funds because they were not used to requesting and storing evidence of financial transactions or evidence of financial activities because they did not understand the importance of evidence of transactions, so that when making a report there was no supporting evidence that could be inputted and finally they were forced to make a report on the use of campaign funds as is, even with irrelevant supporting evidence. This is supported by a statement from a politician (Informant Candidate 1) as follows:

“... because the party has also given instructions to prepare an initial report and a report on income and expenditure in the implementation of this campaign, during my time as a politician at the local level and currently as a candidate for the Indonesian

House of Representatives, my experience in preparing campaign fund financial reports has indeed become a burden that must also be made and reported. Although in the report, not all campaign activities, whether in the form of spending activities or several donations of goods or special donations of services, are not fully written in the report. Because many of these activities do not have proof of receipts or cards for recording expenses or receiving donations from several participants in my volunteer team”.

The Candidate Informant further explained:

“...because during the campaign process, the majority of candidates only focus on advertising and seeking public sympathy in order to gain votes from the public, some small expenses but yes, it can be said that there are quite a lot of them without any real proof of receipts. Just think of this... a meeting with several volunteers who are not many but still need funds for consumption. Yes... sometimes there are receipts for purchasing consumption but sometimes my secretary does not keep all the receipts and sometimes they are just thrown away. Finally, only a few receipts were submitted to the admin who helped my finances.”

A similar thing was also conveyed by the political party's admin staff who manage their party's campaign funds, also saying:

“.... if the problem of campaign fund financial reports is like a burden for the legislative candidates. Because the political parties also force them to submit both plans, LADK, and LPPDK which have been scheduled for the deadline for submission, making them feel as if the report is a coercion that must be fulfilled and this is also only done when we have reprimanded them to submit the legislative candidate's campaign fund report as soon as possible. Because I also have to report it as one with the political party's campaign funds. The collection of data from several legislative candidates that took a long time is what hampered the political party's LADK process and some were even forgotten. So that when the time of submission to the KPU, some were not yet complete and had to be revised again.”

The second related finding, the lack of understanding and mastery of the campaign fund financial information system prepared by the KPU, especially SIKADE, caused several SIKADEKA political party system organizers to have to enter data and in the end the reports given by the system were unreasonable. As experienced by the political party admin, who recounted the following:

“... even though there was a technical guidance from the KPU, there are still many things in the SIKADEKA system that are confusing. I only input data and reports automatically come out in SIKADEKA, when I was asked by the auditor about the campaign fund report in the previous election in the 2019 period, I answered that it was an automatic result from the SIDAKAM system and could not explain in detail and the auditor said there were several transactions that should have been included in the receipt of donations in the form of services such as advertisements from volunteers through the Google Ads platform but were included in the report, in addition, from the files collected there were several notes that did not clearly state the donor's name and the transaction date.”

5) Theme 5 Accountability as Communication

To find out the extent of accountability and transparency of each legislative candidate, the KPU collaborates with BAWASLU and PPATK as well as accounting institutions under the auspices of IAI in monitoring and analyzing the flow of campaign funds in accordance with applicable accounting standards and knowing the conformity of campaign fund receipts permitted in accordance with KPU regulations. This was explained by KPU staff that:

“In conducting the evaluation of campaign fund reporting that has been submitted either directly or through the SIKADEKA system, the LPPSDK report will be audited by the appointed KAP to cooperate in conducting the audit of the campaign fund report in accordance with the technical guidelines in each district or provincial level regarding the number of KAPs and auditor members who are mandatory requirements for KAPs that can cooperate to obtain a mandate to carry out the campaign finance report audit process. This rule has been explained in KPU Decree Number 210 of 2024 which was previously presented in PKPU Number 1815 of 2023. In addition, the KPU also cooperates”

Based on the statement, it is recommended that the financial statements be audited by an organization that demonstrates a high level of professionalism in carrying out assessments in accordance with current and fair financial reporting standards, by an official auditor with IAI certification who has valid credentials and legitimacy from KAP. Transactions that have occurred and have reached the financial reporting stage are considered quite transparent and can be accounted for to users of political party financial statements. Because in presenting financial statements, each political party has tried to maximize the method of writing financial statements accurately and in accordance with current standards, although in reality this is still very simple because of the limited understanding of legislative candidates and political party accountants regarding financial reporting guidelines and financial statement presentation systems for political parties in accordance with the provisions of PSAK No. 45, as stated in the guidelines relating to financial reporting of non-profit organizations regarding the form of financial statements that must be taken.

The leaders of the Golkar Party, NasDem Party and Kebangkitan Nasional Party have tried to create and present financial statements that are as ideal as possible to be used as accountability for the use of campaign funds to the KPU and for users of political party financial statements. So that it can be understood and accessed by parties who need information.

6) Theme 6 Accountability as a Responsibility for Campaign Finance Reports

Publication of campaign fund reports and publication of campaign fund audit reports conducted by the KPU is still very minimal, because not all financial report formats received from political parties are published by the KPU. Publication of campaign fund reports by the KPU does not constitute full disclosure of political party campaign funds. In KPU Regulation No. 18 of 2023, it is explained that the KPU announces LADK and LPSDK no later than one day after being received from political parties on the local KPU announcement board and/or website. And the KPU announces the results of the campaign fund report audit no later than ten days after receiving the audit results from the KAP on the announcement board and/or KPU website. The campaign fund audit report is not published on the KPU announcement board. However, based on the 2019 election, the KPU actually published the LPPDK report with the LPPDK2-Parpol Model regarding the receipt and expenditure of campaign funds, which is actually a report that is the object of the audit. Meanwhile, on the KPU website, the audit report is published. Results of interviews with KPU staff

“... for the LADK and LPSDK reports in the 2019 election, only the summary made by the KPU was announced, not the original report, while for the campaign fund audit report that was announced, the LPPDK report submitted by the political party was not the audit report. Meanwhile, the results of the audit of the 2024 election campaign fund report have not yet been published.”

In theme 6 related to responsibility, it is also implemented when the process of completing the campaign fund audit by KAP is merely a formality because it is carried out solely to implement the operational program that has been determined as a mandatory step in the election process chain. The benefits of campaign finance audits are still unclear because the results do not affect the voting results in the election.

Law Number 7 of 2017 concerning the 2019 Election explains that political party campaign funds must be audited by KAP as well as in the 2024 election. Furthermore, in KPU Regulation No. 7 of 2017 concerning the stages, programs and schedules for the implementation of the 2019 election, the last of which is KPU Regulation No. 32 of 2018, it is explained that the implementation of campaign fund audits is a program of activities included in the election stages.

In the 2024 Election, all political party campaign fund reports from 18 political parties that have submitted LPPDK will be audited simultaneously by KAP without exception on February 23 to March 29, 2024, and the audit report must be submitted to the KPU on March 29, 2024. Based on KPU Regulation No. 24 of 2018, it is explained that campaign fund audits are carried out to assess compliance with campaign fund reporting in accordance with the provisions of laws and regulations governing campaign funds.

Public accountants explained that the audits conducted were limited by the time set by the KPU, and the time for submitting the audit results had also been scheduled by the KPU. The campaign fund audit was conducted only on the data contained in the campaign fund report received from the KPU, and did not audit data outside the campaign fund report, although there was a tendency that the audited report was manipulative. This is as stated by the accountant as follows:

“...campaign fund audits are different from company audits, there is a time schedule set by the KPU, and KAP must not violate the existing schedule. KAP audits what has been reported by political parties, what is not reported is not the work of KAP. So if there are campaign activities that are not included in the report, they are not audited.”

To see the extent to which the objectives of implementing campaign fund audits have been achieved, the KPU as the election organizer must monitor all reports on the results of the audit of the campaign funds of its political parties by checking compliance with political regulations in disclosing campaign fund finances both during planning, receipt and expenditure. The audit report, to disclose the results of the audit of political party campaign funds, is not just a document that is stored properly. This should be evaluated by each political party after receiving the report on the results of the campaign fund audit completed by the AP who is affiliated with the KPU. As explained in KPU Decree Number 1. 1781 / PL.01.6-Kpt / KPU / XI / 2018 regulated by KPU Decree Number 1815 of 2023 concerning Technical Instructions for the Implementation of Audits of Campaign Fund Reports of Election Participants regarding the guidelines for election campaign audits campaign funds audits conducted by certified public accountants (AP) to evaluate compliance with legal requirements in declaring campaign funds by election participants. It is also explained that by conducting campaign fund audits, it is hoped that it can increase public trust in the election process that is direct, open, free, confidential, and impartial, in a real and fair manner.

Several copies of campaign finance audit reports are prepared by the KAP, for political parties, the KPU and Bawaslu. Technically, all reports are sent to the KPU and the KPU then distributes them to political parties and Bawaslu. The KPU as the election organizer should be

very interested in the results of campaign finance audits to verify political parties' compliance with legal regulations and to determine the level of public trust in the election process. But in reality, until the implementation of the election which has been repeated, it has never followed up on the results of the campaign finance audit report that it received from the KAP. This is as stated by the KPU Campaign Fund Staff as follows:

"... The audit report on campaign funds received from KAP distributed to political parties and Bawaslu, part of the KPU, is stored in document form by the KPU and may not be used as evaluation material for the performance of the campaign fund report. For that reason, whatever the results of the campaign fund audit, no sanctions are imposed on political parties participating in the election."

Similar statements were also expressed by political party campaign fund administrators:

"... I have never read the campaign fund audit report that I received from the KPU until now. After I received it, I just left it, because it had no influence on the election results."

According to the KPU, the implementation of regulations related to the obligation to launch political party campaign funds and the establishment of a political party campaign fund audit mechanism are mandatory steps in the 2019 legislative elections and the current 2024 elections. This illustrates a real effort to implement the concept of "Accountability as a mechanism". While in practice, the quality of reporting and auditing of political party campaign funds tends to reflect the poor accountability of political party campaign funds, and the benefits of disclosing campaign fund financial reports have not yet been reflected in real terms. Therefore, there is no conformity between the concept of "accountability as a virtue" and the practice of campaign fund financial accountability carried out by political parties today.

There are provisions stating that political party campaign funds will result in sanctions against political parties and politicians who do not comply with these provisions. This regulation must also be followed by sanctions against the results of audits of political parties and politicians. If the audit results are considered "taboo" because they have the potential to influence the voting results in the current election, then indirect sanctions can be imposed, for example becoming a prerequisite for political parties and politicians to participate in the next election. If the audit report is not in accordance, then the political party cannot participate in the next election. However, political power sometimes determines all laws in the world today.

7) Theme 7 Campaign Fund Report Transparency Practices

Transparency and accountability are closely related concepts, because without transparency there will be no accountability. On the other hand, transparency will not have much effect without accountability. The preparation of financial reports is one form of transparency, the requirement for accountability is publicity in management activities. The goal is to explain how accountability can be achieved. With a transparent explanation, the public will know what the organization is doing, how much budget is spent, and what the results of these actions are. For political parties, disclosure of campaign fund reports plays a very important role in ensuring the success of a political campaign. However, how to collect and use this money is still a concern. This is why transparency in election campaign funding is very important. The following are dimensions in knowing the extent of transparency of election campaign funds in Indonesia:

a) Subtheme 7 Transparency: Provision of clear information about responsibilities.

In order to supervise the receipt and use of campaign funds from election participants, both legislative candidates and presidential candidates and vice presidential candidates,

Bawaslu is given authority to supervise the activities of the use of funds during the campaign period.

Campaign fund management is very important to provide equal space for competing candidate pairs. Therefore, campaign funds must be managed in such a way that the campaign funds obtained and used by candidate pairs are truly legitimate funds according to the law. This is in accordance with the statement from the KPU which explains that:

"... to monitor each legislative candidate, the KPU carries out several stages in the process of submitting campaign fund reports starting from campaign fund planning, namely the LADK which contains several initial plans for the use of campaign funds, the provision of special campaign fund accounts and information on what spending plans will be issued in the campaign process."

Financial reporting The submitted campaign funds are divided into three parts, namely the initial part of the campaign funds. Report (LADK), Campaign Fund Donation Collection Report (LPSDK), and Campaign Fund Income and Expenditure Report (LPPDK). From the three reporting periods, stakeholders and the public can consider the indicators in their decisions to choose campaign fund management control. In order to provide open information space to the public regarding the responsibility for income and use of campaign funds in accordance with PKPU Regulation No. 18 of 2023, there are limitations to the rules that apply.

b) Subtheme 7 Transparency: Ease of access to information.

The ease and speed of accessing information is now getting better thanks to the Internet. This ease of access (Accessibility) of information by a system or organization can improve the development of a better system or organization. The following is an explanation from the KPU staff.

"The public or society is given open access to monitor political parties and legislative candidates in the implementation of the campaign, both in limited meetings that can be attended by several practitioners, open meetings in general. Well... from here the public can participate in conducting supervision and Bawaslu can also supervise what activities are carried out in the limited meeting. Bawaslu must report to the KPU how the activities of political parties and legislative candidates are during the campaign period as evaluation material in conducting the audit process. The KPU can provide additional input orders to the Auditor based on the findings from Bawaslu."

This is also supported by a statement from Bawaslu staff, that:

"We have an actual supervisory role related to what is done during the campaign process, both the campaign agenda and who are the donors, both from private companies and other donors involved in the campaign cycle of each political party. Findings that are considered unreasonable, both in terms of financial transactions and excessive campaign activities, will always be accommodated. Especially those involving activities that are indicated to use large funds, we will coordinate with the KPU as material for analysis considerations during the audit."

Results of interviews with community A:

"Not all people know how the circulation of campaign funds is received or used by legislative candidates or political parties. Because from year to year the KPU only makes brief publications related to the LPPSDK that have been audited. As far as I know, the original campaign fund financial report is only limited to being submitted to the KPU. There is no publication of financial reports that are officially published by each political party like a public company that is required from an official website that can be accessed openly by the public."

Based on the interview results, researchers can analyze transparency practices reviewed from the theme of ease of access to information supported by the development of an accounting information system to assist campaign fund financial management through the SIKADEKA system which can also be accessed by legislative candidates, political parties as admins who submit and the public as monitors. The existence of this system provides space as an effort to facilitate legislative candidates to input campaign fund financial management reports that are under the supervision of political party managers and verified by the KPU with the aim of providing each other with ease and speed of accessing information that is increasingly better based on the Internet. Easy access to information by the interconnected SIKADEKA system can improve better developments in transparency efforts.

The public is also given open access to supervise political parties and legislative candidates during the campaign. The public can participate in supervision, and Bawaslu supervises campaign activities for evaluation. Bawaslu reports political party and legislative candidate activities to the KPU for audit evaluation. The KPU provides input to the Auditor based on Bawaslu's findings. Bawaslu supervises the agenda and donors during the campaign and accommodates findings that are considered unreasonable. They work together with the KPU for audit analysis.

3.2. Discussion

3.2.1. Confirmation of findings with a Systematic Literature review

a. Campaign Fund Financial Accountability Practices

Based on the findings, it shows that most political parties participating in legislative elections are required to understand the practice of campaign fund accountability as part of the transparency by carrying out a series of stages including the submission of political party campaign fund reports to the KPU in a timely manner in accordance with Election Law No. 7 of 2017 and KPU Regulation No. 24 of 2018. Although politicians have understood this obligation, many still consider campaign fund reporting as an ordinary administrative matter. For some legislative candidates who are members of political parties, they have various perceptions regarding campaign fund reporting as just a formality, even though there are sanctions for non-compliance.

This is in accordance with Informant Candidate 1 emphasizing the importance of submitting campaign fund reports on time to avoid sanctions, although whether the report is true or not is considered a secondary matter. The audit process for campaign funds does not affect the election results and there are no sanctions for poor audit results, in accordance with the Law. Meanwhile, Informant Candidate 2, a legislative candidate, also considers campaign fund reports as a form of compliance in organizing in politics and in accordance with existing regulations. Legislative candidates input reports related to the receipt and expenditure of campaign funds as needed with the assistance of the administrative secretary and field treasurer, who assist in the process of presenting financial reports in accordance with applicable reporting regulations along with evidence of transactions that can be documented during the campaign process, both donations in the form of goods, services and money.

The results of the study, the theme of accountability in terms of the timeliness of campaign fund reporting is important, including in recording and presenting all transactions that can be measured in accordance with existing guidelines. The audit process is carried out within 30 days after receiving the report from the Election Participants, with sanctions for negligence in submitting the LADK and LPPDK reports. Themes 5 and 6 related to accountability as management and responsibility that must be presented and published

campaign fund reports and campaign fund audits by the KPU have not been able to run optimally. This is indicated by only a few campaign fund financial reports that are published to the public, only a summary of the LPPDK audit results are published. According to KPU Regulations, LADK and LPSDK are announced no later than one day after being received from political parties. The results of the campaign fund audit are announced no later than ten days after the audit by the KAP. Although the audit report is not published by the KPU, the LPPDK2-Parpol model is published on the KPU website. The campaign fund audit process is carried out as a mandatory step, but the results do not affect the voting results. In the 2024 Election, all campaign fund reports will be audited by KAP without exception. Campaign fund audits are conducted to assess compliance with reporting in accordance with statutory provisions. The audit only looks at data on campaign fund reports, the audit time is determined by the KPU. The audit report is forwarded to political parties and Bawaslu by the KPU. Although, the disclosure of the results of the audit report is published in summary. But this is expected to increase public trust.

These findings require the KPU to have an obligation to always monitor campaign fund audit reports to verify compliance with political party legal regulations. However, there has been no follow-up from the KPU on the audit results. The audit reports kept by the KPU are not used as material for evaluating political party performance. The implementation of campaign fund audit regulations is a mandatory step in elections, but the quality of reporting is still poor. Sanctions against political parties and politicians who do not comply with the provisions must be enforced. However, political power can still determine the law in today's world.

b. Campaign Fund Financial Transparency Practices

Based on the results of the analysis related to theme 7 transparency of campaign fund reports in the aspect of clear information disclosure, in practice it is carried out as a supervisor of the receipt and use of campaign funds for election candidates, Bawaslu is given the authority to monitor the use of funds during the campaign. Campaign fund management must be carried out properly in accordance with regulations to ensure equality for all candidates. The KPU pays attention to campaign fund planning through LADK, special accounts, and spending plans. With improved access to information via the Internet in the SIKADEKA system, the public can monitor political parties and legislative candidates during the campaign.

In the practice of transparency, stakeholders can consider campaign fund reporting indicators for decision making. The KPU encourages orderly campaign fund financial reports in accordance with PKPU Regulation No. 18 of 2023. The public is given an open information space to monitor the activities of political parties and legislative candidates during the campaign. Bawaslu monitors the campaign agenda and donors and reports any unusual findings to the KPU.

The results of the interview showed that the public is not fully aware of the circulation of campaign fund finances. The limited publication of LPPSDK by the KPU has resulted in a lack of transparency in financial reporting. The SIKADEKA system was developed to facilitate reporting on campaign fund financial management and improve access to information. This system allows candidates, political parties, and the public as monitors to access information easily. With open access to information, both the public and Bawaslu can monitor activities and finances in the campaign for audit evaluation. The cooperation between Bawaslu and KPU in monitoring political parties and candidates during the campaign provides space to increase transparency and accountability in the management of campaign funds. The SIKADEKA

system plays an important role in improving transparency and ease of access to information for all related parties.

4. Conclusion

Accountability practices in campaign finance reports show six themes that political parties use as performance measurement tools. These include assessment based on applicable accounting, balance of campaign fund receipts and expenditures, evidence of compliance, financial management of campaign funds, communication media between legislative candidates, political parties, and stakeholders, and responsibility to the government and donors according to KPU rules. Transparency in campaign finance reports is also a consideration for the KPU in accepting legislative candidates, who must provide clear information and separate financial reports according to applicable reporting standards.

Future research needs to involve more informants, especially from the ruling party, to make the data more accurate. Research is also expected to use the constructivism paradigm approach, which views that reality is the result of human construction. In addition, the knowledge of political party administrators in preparing financial reports still needs to be improved, especially since party financial reports should be presented monthly according to PSAK No. 45. Therefore, party administrators, especially treasurers, are expected to have a background in economic education (accounting), and the government needs to ensure the mastery of accounting information systems by parties and reporting according to applicable standards.

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