

**THE EFFECT OF ACCOUNTABILITY AND TRANSPARENCY ON CAMPAIGN
FUND COMPLIANCE WITH INTERNAL CONTROL AS A MODERATING****Zakiah Fitri Salsabila Yulzam¹, Hardi², Meilda Wiguna³****University of Riau^{1,2,3}****Correspondent Author¹: zakiahfitri45@gmail.com****Abstract**

This study aims to analyze the effect of accountability and transparency on campaign fund reporting compliance, with internal control systems as a moderating variable, in political parties participating in the 2024 General Election in Pekanbaru City. The study is motivated by the critical need for accountable and transparent campaign fund reporting to support fair and democratic elections. A quantitative approach was employed, with the population consisting of all political parties registered with the General Elections Commission (KPU) of Pekanbaru. Using purposive sampling, the study obtained a total of 102 respondents from 17 political parties. Primary data were collected through questionnaires, while secondary data included audited campaign finance reports. Data were analyzed using Structural Equation Modelling (SEM) with the Partial Least Squares (PLS) approach. The findings reveal that both accountability and transparency have a significant positive effect on campaign fund reporting compliance. However, the internal control system does not moderate the relationship between accountability and reporting compliance and instead weakens the influence of transparency on compliance. This study contributes practically to strengthening local regulations and governance mechanisms to ensure more accountable and transparent campaign finance reporting.

Keywords: Accountability, Campaign Fund Reporting, Internal Control System, Transparency

INTRODUCTION

Democracy in Indonesia has undergone significant development, especially in the aspect of funding election campaigns. Campaign funds require transparent and accountable management, in accordance with regulations such as Law No. 7 Year 2017 and KPU Regulation No. 18 Year 2023. However, there are still non-compliance with campaign fund reporting by political parties, which undermines public trust and democratic integrity. Based on a preliminary study conducted through the General Election Commission (KPU) website, it was found that the results of the compliance audit of the Public Accounting Firm (KAP) showed that there was a basis for non-compliance in the reporting of the Pekanbaru City Political Party Campaign Fund. This kind of non-compliance not only violates regulations but also damages the integrity of democracy itself (Giddens, 1984). We can see this regarding the basis of non-compliance of political parties in the reporting of campaign funds as follows:

Table 1. Summary of Audit Results Report Political Parties Participating in the Pekanbaru City Election Period 2024

Register Party	Compliance Criteria				
	RKDK	LADK	LPSDK	LPPDK	Other Terms
PKB	Non-Compliance	Compliance	Non-Compliance	Non-Compliance	Compliance
Gerindra	Compliance	Compliance	Compliance	Compliance	Compliance
PDIP	Compliance	Compliance	Compliance	Compliance	Compliance
Golkar	Compliance	Compliance	Compliance	Compliance	Compliance
Nasdem	Compliance	Compliance	Compliance	Compliance	Compliance
Buruh	Compliance	Compliance	Compliance	Non-Compliance	Compliance
Gelora	Compliance	Non-Compliance	Compliance	Non-Compliance	Compliance
PKS	Compliance	Non-Compliance	Compliance	Non-Compliance	Compliance
PKN	Compliance	Compliance	Compliance	Compliance	Compliance
Hanura	Compliance	Compliance	Compliance	Compliance	Compliance
PAN	Non-Compliance	Compliance	Compliance	Compliance	Compliance
PBB	Compliance	Non-Compliance	Compliance	Compliance	Compliance
Demokrat	Compliance	Compliance	Compliance	Compliance	Compliance
PSI	Compliance	Non-Compliance	Compliance	Non-Compliance	Compliance
Perindo	Compliance	Compliance	Compliance	Compliance	Compliance
PPP	Compliance	Compliance	Compliance	Compliance	Compliance
Ummat	Compliance	Compliance	Compliance	Compliance	Compliance
Garda	Not Submitting Campaign Fund Reports				

Source: Report on the Results of the Audit of Political Party Campaign Funds on the Pekanbaru City KPU website for the 2024 Period.

Table 1 illustrates significant non-compliance by several political parties in the 2024 Pekanbaru City Election regarding campaign fund reporting regulations. Despite these frameworks, numerous cases of non-compliance in campaign fund reporting persist, undermining the credibility of political parties and weakening public trust. A preliminary review of audit reports published by the General Elections Commission (KPU) revealed various non-compliance issues among political parties in Pekanbaru City during the 2024 election cycle. These include the absence or late submission of mandatory reports such as LADK, LPSDK, and LPPDK, improper use of special campaign fund accounts, and discrepancies in fund documentation (Rizkyah, 2020). Such violations not only breach electoral regulations but also erode the democratic ideals of fairness, transparency, and accountability.

Several studies have attempted to assess the implementation of campaign fund regulations in Indonesia; however, inconsistencies remain. For example, Maulana & Feyla

(2023) argue that campaign fund reports often fail to reflect the actual financial practices of candidates, and existing audits focus merely on formal compliance rather than substantive financial integrity. Moreover, research by Simanjuntak et al (2024) and Angi & Tiwu (2022) shows that although audit requirements are in place, many parties continue to submit reports that lack accuracy, transparency, and accountability.

While prior research has acknowledged the role of transparency and accountability in fostering trust and good governance Dien & Rahmatika (2021) and Manar (2017), findings on their actual impact on compliance with campaign fund reporting remain inconclusive. Some studies suggest a strong influence of transparency Judijanto et al (2024), while others highlight the overriding importance of institutional enforcement mechanisms (Maulana & Feyla, 2023). This inconsistency highlights a research gap concerning how accountability and transparency interact with structural factors to influence compliance behavior.

Moreover, few studies have incorporated internal control systems as a moderating variable in the relationship between accountability, transparency, and compliance in campaign finance reporting. Yet, internal control mechanisms are essential for preventing misreporting and ensuring that financial practices within political parties align with legal and ethical standards (Adhi & Suhardjo, 2013 and Nugraheni, 2021). According to Giddens' structuration theory (1984), organizational behavior including financial reporting is shaped by the interaction between individual agency and institutional structures. In this context, internal control systems can serve as a structuring element that reinforces or weakens the influence of accountability and transparency.

Therefore, this study addresses a critical gap in the literature by investigating not only the direct effects of accountability and transparency on campaign fund reporting compliance but also the moderating role of internal control systems—an aspect often overlooked in previous studies. The research focuses specifically on political parties participating in the 2024 General Election in Pekanbaru City, offering a timely and localized contribution.

Theoretically, this study enhances our understanding of how institutional structures (e.g., internal controls) condition the effectiveness of transparency and accountability in electoral processes. Practically, the findings are expected to provide actionable recommendations for political parties and election authorities to improve campaign fund reporting practices. The novelty of this study lies in its integration of internal control systems as a moderating factor in a campaign finance context, supported by a quantitative analysis using SmartPLS 4.0. This contributes not only to academic discourse but also to strengthening democratic governance at the local level in Indonesia.

LITERATURE REVIEW

Structuring Theory

Structuration theory by Giddens (1984) explains the dual relationship between structure and human agency. Structures (rules and resources) shape human actions, while actions reproduce or transform those structures. This theory rejects the idea that structure or agency acts independently. The core of this theory is the “duality of structure,” meaning that social structures guide behavior but are also shaped by that behavior. Giddens identifies three key dimensions of structure: Signification (communication and shared meanings), Legitimation (norms and rules), and Domination (power and control over resources) (Hariwibowo & Santana, 2020).

In this study, structuration theory helps explain how political actors, like parties and electoral bodies (e.g., KPU), influence and are influenced by rules on campaign finance. Campaign reporting is not only an individual task but is shaped by broader institutional norms and regulations. When the structure is weak or dominated by certain actors, it may lead to non-compliance such as misuse of campaign funds (Khan, 2013). The culture within political organizations can normalize these violations (Svarstad et al 2018). Therefore, strengthening rules and public oversight is essential for transparent, accountable campaign practices.

Reporting Compliance Theory

Compliance refers to adhering to legal rules and standards. It involves both external enforcement and internal motivation. From a sociological view, there are two perspectives: Instrumental: driven by personal interest or fear of punishment, Normative: based on moral values and perceived legitimacy of rules.

In this study, compliance relates to how political parties and candidates report campaign funds in line with Law No. 7 of 2017 and KPU Regulation No. 18 of 2023. These reports ensure accountability and transparency (Laraswati, 2021). Compliance reporting includes proper recording and submission of fund sources and expenditures. It is the responsibility of parties and candidates, who may be supported by staff with accounting skills. Transparent reporting builds public trust in elections. Non-compliance, such as underreporting or fund misuse, harms democratic processes. Therefore, enforcement by KPU and public monitoring are crucial to uphold accountability.

Accountability Theory

Accountability comes from the term “accountability,” According to the Oxford English Dictionary, accountability refers to the obligation to be responsible and to account for one's actions (Abror, 2024). Meanwhile, in the New International Dictionary (1996), accountability

is defined as “the quality or state of being accountable, liable, or responsible Sjamjiar (2019), which describes a state or quality that must be accounted for and can be held accountable.

With the development of the times, the concept of accountability has been adapted in various sectors, especially in the public sector. According to Denhardt & Robert B. Denhardt (2003) public accountability is an important aspect that encourages the government to focus on public service and meet the needs of the community. In this context, accountability emphasizes the importance of transparency, openness, and ease of access for the community to information related to government performance, budgets, and policies, which ultimately increases public trust and encourages oversight of the government.

Transparency Theory

Transparency is key to building trust between the government and the public. It refers to openness in providing information about decision-making, policies, and the implementation of activities carried out by the government. Transparency is the availability of information about an organization that allows external parties to monitor the organization's internal workings and performance. This includes disclosure of decision-making processes, procedures, functions, and the performance of public organizations (Curtin & Meijer, 2006; Grimmlikhuijsen, 2012).

Internal Control System Theory

An internal control system is a control process that focuses on information system management, with the aim of ensuring data accuracy and completeness. According to Mahmudi (2010:20), this control system encompasses integral actions and activities carried out by management and its staff to provide adequate assurance regarding the achievement of organizational objectives through effective and efficient activities, the reliability of financial reporting, the protection of state assets, and compliance with laws and regulations.

Previous Research

According to Sari (2022) concluded that accountability affects the effectiveness of campaign fund audit procedures, while Rizkyah (2020) found that accountability does not influence independent insurance reports of campaign funds. Regarding transparency, Judijanto et al (2024) showed its impact on financial reporting compliance, whereas Handayani (2015) stated otherwise. Adrianti et al (2023) indicated that internal control systems strengthen the relationship between transparency and the quality of financial statements. Furthermore, Hamsinar (2022) the study states that the internal control system strengthens the relationship of accountability and transparency to the quality of financial statements. On the contrary, it

Redjo (2018) concludes that a low internal control system can reduce the quality of financial reports, thereby weakening transparency and information disclosure. Therefore, based on theoretical reviews and relevant previous research, the research model is arranged as follows:

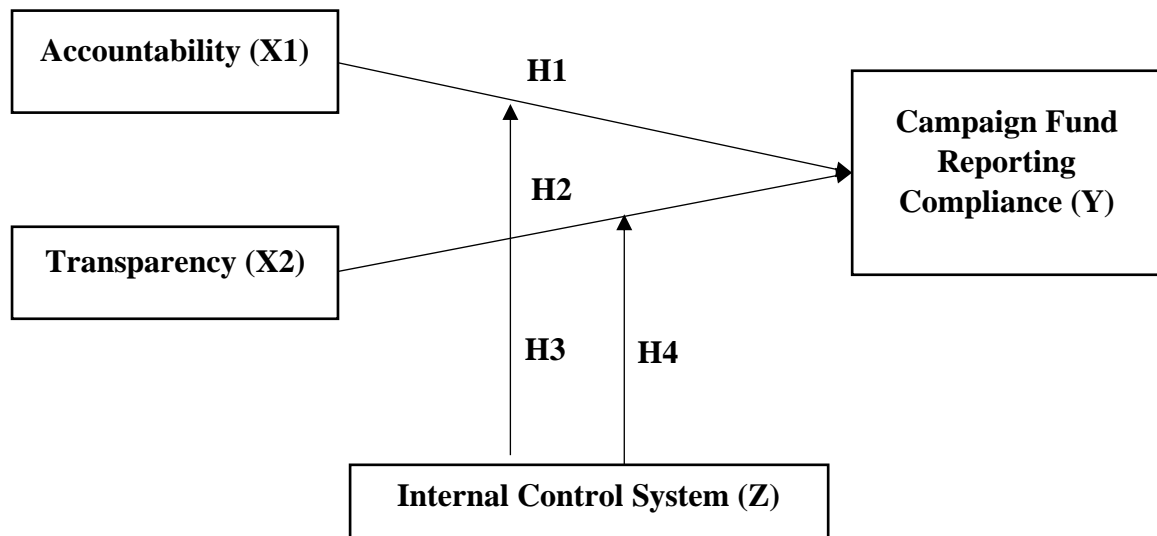


Figure 1. Research Model

HYPOTHESIS

The Effect of Accountability on Campaign Fund Reporting Compliance

The hypothesis is built on the principle that political parties must demonstrate accountability in managing public campaign funds. According to Giddens' structuration theory, accountability reflects how party actions conform to rules and reinforce institutional legitimacy. Prior research Bastian (2007:156) and (Windiarta & Priono, 2024). emphasizes that proper and transparent reporting, as regulated by KPU Regulation No. 18 of 2023, enhances compliance. Empirical studies Sari (2022) and Supriyato et al (2015:9) show that accountability improves audit effectiveness and party credibility. Therefore, the following hypothesis can be proposed:

H1: Accountability significantly affects campaign fund reporting compliance.

The Effect of Transparency on Campaign Fund Reporting Compliance

This hypothesis is grounded in the idea that transparency ensures public access to campaign finance information, reducing the risk of misuse and increasing trust. Structuration theory views transparency as part of the system that facilitates open interaction and monitoring. Research by Mandasari & Sayidah (2023) and Tosika et al (2020) confirms that transparency improves reporting practices. Therefore, the following hypothesis can be proposed :

H2: Transparency significantly affects campaign fund reporting compliance.

The Moderating Role of Internal Control on the Effect of Accountability

Internal control systems strengthen the relationship between accountability and compliance by ensuring that reporting is accurate, timely, and in line with regulations. This aligns with structuration theory, where internal control is part of the structure guiding responsible behavior. Studies by Ahyaruddin & Akbar (2017) and Hamsinar (2022) support the moderating role of internal control. Therefore, the following hypothesis can be proposed :

H3: Internal control moderates the effect of accountability on campaign fund reporting compliance.

The Moderating Role of Internal Control on the Effect of Transparency

Effective internal controls support transparency by verifying the accuracy and completeness of reported financial data. In line with structuration theory, controls serve as frameworks that facilitate consistent and credible disclosures. Prior Hamsinar (2022) and Syamsul (2020) suggest that internal control enhances the impact of transparency on compliance. Therefore, the following hypothesis can be proposed :

H4: Internal control moderates the effect of transparency on campaign fund reporting compliance.

RESEARCH METHODS

Population and Sample

The study examines all political parties participating in the 2024 Pekanbaru City Election, as registered with the General Election Commission (KPU) of Pekanbaru City. Based on the KPU Decision No. 518 of 2022, 18 national political parties are officially registered as participants. The research employs a purposive sampling technique, focusing on political parties that submitted Campaign Fund Reports to the Pekanbaru KPU for the 2024 election. The study specifically includes six party officials involved in campaign fund management:

1. Chairman of the Political Party Election Participants
2. Political Party Treasurer Election Participants
3. Secretary of Political Party Election Participant
4. Manager (*admin*) Sikadeka
5. Manager Campaign Fund Special Account (RKDK)
6. Special Staff Compiling Campaign Fund Report

The table below presents the sample selection stages based on the predetermined criteria:

Tabel 2. Sample Selection Criteria

No	Information	Total
1.	All Political Parties Candidates for Election registered at the General Election Commission (KPU) of Pekanbaru City in 2024	18
2.	Did not submit Campaign Fund Reports to the General Election Commission (KPU) of Pekanbaru City	(1)
Number of Samples		17
Political Party Management		6
Total Data Processed		102

Source: Processed by Researchers, 2024

Data Collection Technique

The data collection technique in this research is field research using a survey method, where the data collection method used in this research is field research using a survey approach (questionnaire). The questionnaire was given to the Election Participant Political Party Management involved in the management of Campaign Funds and reported it to the General Election Commission (KPU) totalling 102 Respondents. Data were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. The definitions and indicators for each variable are detailed in Table 3.

Table 3. Operational Definition and Measurement of Variables

Research Variables	Variable Definition	Indicator	Scale
Campaign Fund Reporting Compliance (Y)	Refers to PKPU No. 18 Tahun 2023, which defines financial reports as relevant information for stakeholders (Laraswati, 2021).	<ol style="list-style-type: none"> 1. Special Campaign Fund Account (RKDK) 2. Initial Campaign Fund Report (LADK) 3. Campaign Fund Contribution Receipt Report (LPSDK) 4. Campaign Fund Receipt and Expenditure Report (LPPDK) 5. Other Provisions: Sources of Campaign Funds; Limitation of Contributions; Prohibited Contributions and Campaign Fund Expenditures. 	Ordinal
Source : KPU Regulation No. 18 Year 2023			
Accountability (X1)	Measured by the responsibility of parties in accurately and accountably reporting campaign funds (Edowai et al, 2021:17).	<ol style="list-style-type: none"> 1. Legal Accountability and Honesty: Indicators include officer professionalism and clarity of applicable rules. 2. Managerial Accountability: Indicators include credible reporting and accountability. 3. Programme Accountability: Indicators include programme results. 4. Financial Accountability: Indicators include financial integrity, regulatory compliance, and financial disclosure. 	Ordinal
Source : Edowai et al (2021:16)			
Transparency (X2)	Measures the openness of parties in providing information on campaign fund management (Edowai et al, 2021:31).	<ol style="list-style-type: none"> 1. Informative: Indicators include timeliness, adequate information, clear and accurate presentation, and ease of access. 2. Openness: Public information must be open and accessible to users. 	Ordinal

		3. Disclosure: Indicators include revealing activities, financial performance, and financial condition to stakeholder
		Source : Edowai et al (2021:31)
Internal Control System (Z)	Includes policies and procedures to ensure operational efficiency and legal compliance (Wibowo et al., 2009:46).	1. Control Environment: Integrity, ethics, competence, leadership, and clear delegation. 2. Risk Assessment: Clear objectives, risk management, and fraud consideration. 3. Control Activities: Duty separation, asset control, and specialized accounts. 4. Information and Communication: Quality information and timely communication. 5. Internal Control Monitoring: Regular assessments and audit follow-ups.
		Source : Wibowo et al (2009:46)

Source: Researcher Processing, 2024

RESULTS AND DISCUSSION

Respondent Participation Rate

A total of 102 respondents participated in this study, consisting of individuals who held strategic roles in 17 political parties in Pekanbaru City. These included the Party Chairman, Treasurer, Secretary, Sikadeka Manager, Campaign Fund Special Account Manager, and Campaign Fund Report Preparation Staff. The demographic distribution of respondents based on gender, education level, and working duration is presented in the table 4 below:

Table 4. Respondent Demographics

Category	Subcategory	Frequency	Percentage (%)
Gender	Male	68	66.7%
	Female	34	33.3%
Education Level	High School	24	23.5%
	Diploma	4	3.9%
	Bachelor's Degree	52	51.0%
	Master's Degree	22	21.6%
Length of Work	1-5 Year	82	80.4%
	6-10 Years	12	11.8%
	>10 Years	8	7.8%
	<1 Year	0	0.0%
Total Respondent		102	100%

Source: Researcher Processing, 2024

Descriptive Statistical Analysis

This study examines four main variables: Accountability (X1), Transparency (X2), Campaign Fund Reporting Compliance (Y), and Internal Control Systems (Z). A summary of descriptive statistics for all indicators for each variable is presented in the following table 5 below:

Table 5. Descriptive Statistics of Accountability Variables

Variable	N	Min	Max	Mean	Std. Dev
Accountability (X1)	102	1.0	5.0	3.96	1.22
Transparency (X2)	102	1.0	5.0	3.74	1.26
Compliance (Y)	102	1.0	5.0	3.78	1.28
Internal Control Systems (Z)	102	1.0	5.0	3.55	1.33

Source: Researcher Processing, 2024

In Table 5 the descriptive results, all research variables showed average values in the good. Accountability had the highest average value (3.96), reflecting that political parties were quite responsible in preparing campaign finance reports, especially in terms of financial documentation. Transparency has a lower score (3.74), indicating that information access is available, but clarity and timeliness of reporting remain weaknesses.

Meanwhile, reporting compliance has an average of 3.78, with challenges still faced in reporting procedures and deadlines, such as the LADK. Finally, the internal control system is the variable with the lowest average score (3.55), indicating that strengthening in the aspects of monitoring and evaluation of controls is urgently needed. Thus, this data indicates opportunities for improvement, particularly in strengthening public information transparency, enhancing the timeliness of reporting, and improving the effectiveness of internal control systems within political parties.

Inferential Statistical Analysis

1. Evaluation of Measurement Model (*Outer Model*)

a. Convergen Validity Test

This test aims to measure the correlation between items or indicators in a construct. The validity of convergence is assessed through the value of *the loading factor* of each indicator, where a value above 0.70 indicates high validity. However, the *loading factor* value between 0.50-0.60 is still acceptable (Ghozali, 2021:71).

Table 6 shows that all indicators of Accountability, Transparency, Campaign Fund Reporting Compliance, and Internal Control System have a *loading factor* value above 0.70. This indicates that all indicators have met the criteria of convergent validity (Ghozali, 2021:71).

Table 6. Convergen Validity Test

Variable	Indicators	<i>Loading Factor</i>	<i>Cut Off</i>	Decision
Accountability (X1)	X1.1	0,841	0,70	Valid
	X1.2	0,748	0,70	Valid
	X1.3	0,741	0,70	Valid

		X1.4	0,709	0,70	Valid
		X1.5	0,702	0,70	Valid
		X1.6	0,800	0,70	Valid
		X1.7	0,847	0,70	Valid
		X1.8	0,712	0,70	Valid
	Transparency (X2)	X2.1	0,828	0,70	Valid
		X2.2	0,874	0,70	Valid
		X2.3	0,867	0,70	Valid
		X2.4	0,779	0,70	Valid
		X2.5	0,849	0,70	Valid
		X2.6	0,795	0,70	Valid
		X2.7	0,775	0,70	Valid
	Campaign Fund reporting compliance (Y)	Y.1	0,704	0,70	Valid
		Y.2	0,712	0,70	Valid
		Y.3	0,714	0,70	Valid
		Y.4	0,704	0,70	Valid
		Y.5	0,717	0,70	Valid
		Y.6	0,720	0,70	Valid
		Y.7	0,710	0,70	Valid
		Y.8	0,714	0,70	Valid
		Y.9	0,702	0,70	Valid
		Y.10	0,743	0,70	Valid
		Y.11	0,745	0,70	Valid
		Y.12	0,787	0,70	Valid
		Y.13	0,776	0,70	Valid
		Y.14	0,804	0,70	Valid
		Y.15	0,821	0,70	Valid
		Y.16	0,753	0,70	Valid
		Y.17	0,775	0,70	Valid
		Y.18	0,732	0,70	Valid
		Y.19	0,762	0,70	Valid
		Y.20	0,777	0,70	Valid
		Y.21	0,786	0,70	Valid
		Y.22	0,752	0,70	Valid
		Y.23	0,797	0,70	Valid
		Y.24	0,704	0,70	Valid
	Internal Control System (Z)	Z.1	0,846	0,70	Valid
		Z.2	0,822	0,70	Valid
		Z.3	0,850	0,70	Valid
		Z.4	0,786	0,70	Valid
		Z.5	0,883	0,70	Valid
		Z.6	0,842	0,70	Valid
		Z.7	0,809	0,70	Valid
		Z.8	0,765	0,70	Valid
		Z.9	0,755	0,70	Valid
		Z.10	0,835	0,70	Valid
		Z.11	0,795	0,70	Valid
		Z.12	0,755	0,70	Valid
		Z.13	0,845	0,70	Valid
		Z.14	0,836	0,70	Valid
		Z.15	0,844	0,70	Valid

Source: Researcher Processing, 2024

b. Discrimination Validity Test

The discriminatory validity test is an important step in the measurement model with reflective indicators, assessed using *the Fornell-Larcker criterion*. Validity is achieved if the correlation value of a variable is greater than its correlation with other variables. The results of this test are shown in the following table:

Table 7. Discrimination Validity Test

	X1	X2	Y	Z
X1	0,765			
X2	0,402	0,825		
Y	0,592	0,539	0,747	
Z	0,419	0,438	0,516	0,819

Source: Researcher Processing, 2024

Table 7 shows that the correlation between the latent variable and other latent variables is smaller than the correlation of the variable with itself. This shows that the measurement used has met the validity of the discrimination. The results of the discrimination validity test using *the Heterotrait-Monotrait Ratio* (HTMT) are presented as follows:

Table 8. Heterotrait-monotrait ratio (HTMT)

	X1	X2	Y	Z
X1	0,432			
X2	0,617	0,561		
Y	0,438	0,462	0,525	
Z	0,322	0,160	0,148	0,067

Source: Researcher Processing, 2024

In table 8 it can be seen that the value of *the Heterotrait-monotrait ratio (HTMT)* is less than 0.90, so it is considered to have excellent discriminatory validity.

c. Reliability Test

The reliability test was carried out using *Composite Reliability* and *Cronbach's Alpha*. *Composite Reliability* measures the reliability of an indicator on a variable, while *Cronbach's Alpha* shows the extent to which items in a set are positively correlated. A variable is considered reliable if *the Composite Reliability* and *Cronbach's Alpha* values > 0.70 (Ghozali, 2021: 71).

Table 9 shows that the *Composite Reliability* and *Cronbach's Alpha* values for each construct are above 0.70. This indicates that the average correlation between items in the reliable testing model. Thus, all variables have met the criteria for good reliability.

Table 9. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability
Accountability (X1)	0,898	0,905
Transparency (X2)	0,922	0,927
Campaign Fund Reporting Compliance (Y)	0,965	0,967
Internal Control System (Z)	0,965	0,967
Criterion	> 0.70	> 0.70
Information	Reliable	Reliable

Source: Researcher Processing, 2024

2. Structural Model Evaluation (*Inner Model*)

a. Coefficient of Determination and Relevance (R-Square)

The R-Square *assessment* is used to measure the degree of influence of external latent variables on endogenous latent variables, which reflects the predictive power of structural models. According to Chin (1998), an *R-Square value* of 0.67 indicates a strong model, 0.33 moderate, and 0.19 (Ghozali, 2021:73). The following is a table explaining the results of the determination coefficient test:

Table 10. Determination Coefficient Test (R-Square)

Structural Model	R-Square	R-Square Adjusted
Campaign Fund Reporting Compliance (Y)	0,528	0,504

Source: Researcher Processing, 2024

Table 10 shows an R-Square Adjusted value of 0.504, meaning that Accountability, Transparency, and the Internal Control System explain 50.4% of Campaign Fund Reporting Compliance, with the remaining 49.6% influenced by other factors. This indicates a moderate level of explanatory power.

b. Model Fit Test (Model Fit)

The *fit model* test is used to find out if a model has a match with the data. In the fit model fit test, the Standardized Root Mean Square Residual (*SRMR*) criteria were used. Here is a table regarding the Fit Test:

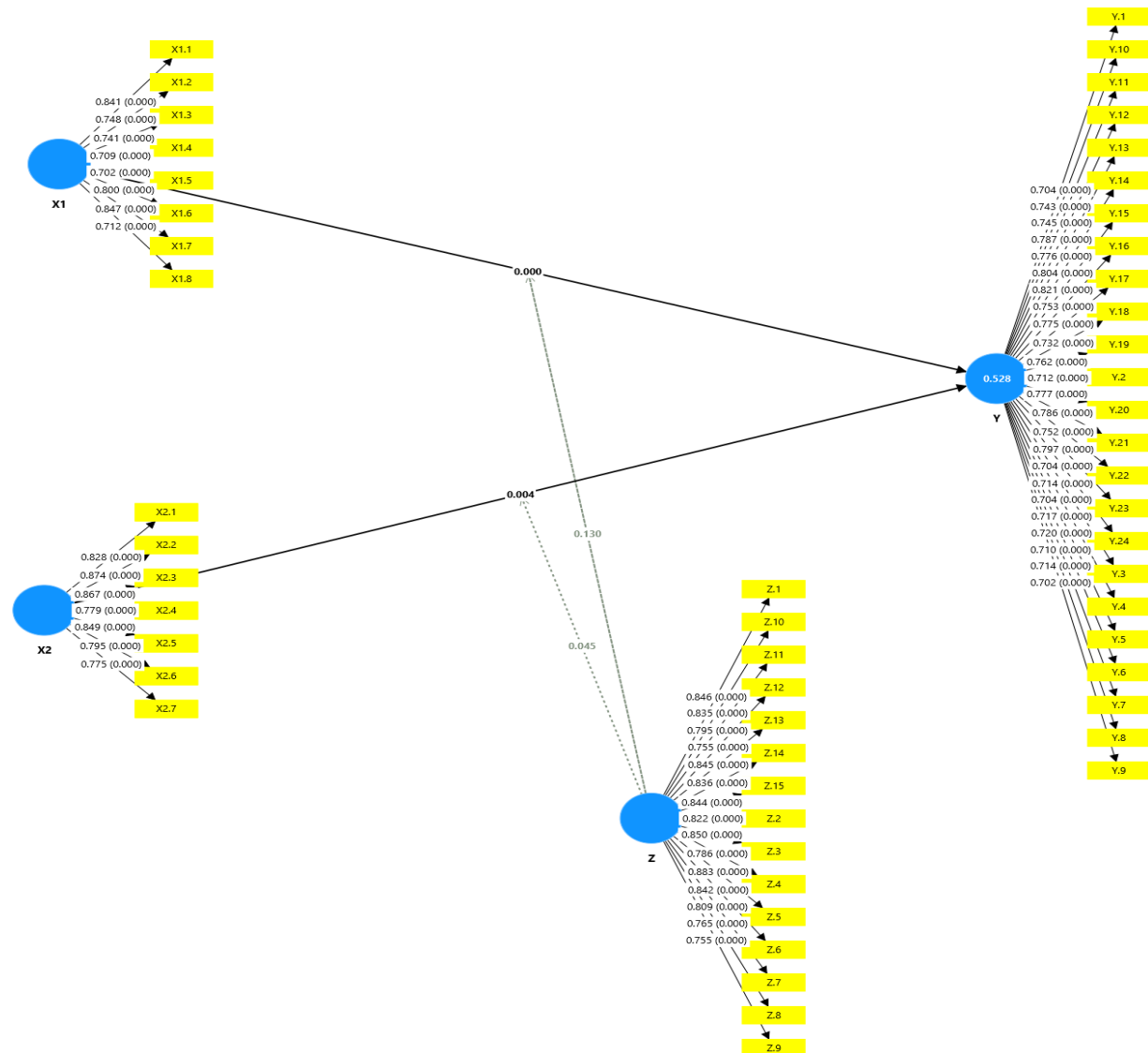
Table 11. Fit Test (*Fit Model*)

	Saturated model	Estimated model
SRMR	0,082	0,082
d_ULS	9,964	9,878
d_G	17,880	17,962
Chi-square	5202,084	5200,834
NFI	0,419	0,420

Source: Researcher Processing, 2024

In table 11 it can be seen that the SRMR value is 0.082 which shows that *the model is a good fit* because it is close to the SRMR requirement must be below 0.08 (Ghozali, 2021:79).

Based on the research results described above, the following research model diagram on figure 2.



Source: Research Processed Data, 2024

Figure 2. Structural model diagram of the SmartPLS

3. Hypothesis Testing

In SmartPLS 4.0, the bootstrap method is used for statistical testing to minimize data abnormalities. The bootstrapping test results are as follows:

Table 12. Research Hypothesis Testing

Hypothesis	Original Sample (O)	T-Statistic (O/STDEV)	P Values	Ket
Accountability (X1) → Campaign Fund Reporting Compliance (Y)	0,415	4,030	0,000	Effect

Transparency (X2) → Campaign Fund Reporting Compliance (Y)	0,248	2,852	0,004	Effect
Internal Control System (Z) * Accountability (X1) → Campaign Fund Reporting Compliance (Y)	0,097	1,515	0,130	No Effect
Internal Control System (Z) * Transparency (X2) → Campaign Fund Reporting Compliance (Y)	-0,154	2,007	0,045	Effect

Source: Researcher Processing, 2024

1. The Effect of Accountability on the Compliance of Campaign Fund Reporting of Political Parties Participating in the Pekanbaru City Election

Based on hypothesis 1 testing indicate that accountability significantly affects campaign fund reporting compliance among political parties participating in the 2024 Pekanbaru City election ($p\text{-value} = 0.000 < 0.05$, $T\text{-statistic} = 4.030 > 1.96$, path coefficient = 0.415). These findings affirm that higher levels of accountability are associated with stronger compliance. Political parties are not only accountable to regulators but also to the broader public and other stakeholders.

Descriptive statistics show that the mean score for accountability was 3.96 (Standar Deviation = 1.22), which falls within the moderate-to-good range. This suggests that political parties are making a clear effort to fulfill accountability obligations by preparing and submitting campaign fund reports in accordance with applicable regulations, supported by sufficient evidence. This empirical finding is consistent with real conditions observed in the field. For instance, all nine political parties in Pekanbaru submitted their campaign finance reports through the official reporting system (Sikadeka), and these were audited by public accounting firms appointed by the General Election Commission (KPU).

The reports included both LADK (Initial Campaign Fund Report) and LPPDK (Final Campaign Fund Receipt Report), as required by KPU Regulation No. 18 of 2023 and KPU Decree No. 1677 of 2023. These documents ensured that all financial transactions during the campaign were traceable and could be verified. The audit process served not only as a compliance check but also as a feedback mechanism, highlighting weaknesses and recommending improvements in the accountability practices of political parties. These findings align with Simanjuntak et al (2024) who noted that audits of campaign funds are often hindered by lack of accounting capacity, incomplete documents, and errors in digital reporting systems.

This research also supports Giddens (1984) Structuration Theory, which sees accountability as a structural rule that shapes organizational behavior—in this case, the conduct of political parties in managing campaign finances. The results also align with findings by Sari (2022) research that states that accountability affects the effectiveness of campaign fund audit procedures. These results show that the better the accountability, the better the compliance with campaign fund reporting.

Moreover, the results confirm that accountability is mandated in KPU Regulation No. 18 of 2023 articles 325–339 of the General Election Law, where political parties must submit campaign fund reports to the KPU, which are then publicly disclosed after being audited. These mechanisms institutionalize the concept of accountability in Indonesia's electoral process. In summary, this study not only confirms theoretical expectations but is also supported by practical evidence and previous literature. It also highlights the role of accountability as a critical element in promoting democratic values, maintaining transparency, and encouraging public trust in political institutions.

2. The Effect of Transparency on the Compliance of Campaign Fund Reporting of Political Parties Participating in the Pekanbaru City Election

Based on Hypothesis 2 testing revealed that transparency has a significant effect on campaign fund reporting compliance ($p\text{-value} = 0.004 < 0.05$, $T\text{-statistic} = 2.852 > 1.96$, path coefficient = 0.248). Descriptive data support this result, with an average transparency score of 3.74 (Standar Deviation = 1.26), indicating that political parties have demonstrated moderately good transparency in reporting campaign funds.

These findings are confirmed by the fact that KPU Regulation No. 18 of 2023, particularly Article 103 (2), requires audited campaign fund reports to be published on the KPU's official website. This regulation provides unrestricted public access to campaign finance data and ensures that parties are held accountable not only by auditors but also by citizens. The audit results, typically released within 10 days after submission, include public-facing summaries of donations, expenses, and any irregularities.

Field observations also support these findings. For example, the KPU Pekanbaru election information portal publicly displays audit results of all political parties, including financial inflows and outflows, and sources of campaign donations. However, political parties expressed concern during interviews that overly transparent disclosures might expose them to political attacks from opponents—especially concerning the identities of donors or sensitive expenditures.

This tension between regulatory compliance and political strategy reflects the findings of Fang dan Arthur (2016), who noted that full donor disclosure can shift political priorities and create unintended consequences for elected officials. Despite such concerns, transparency remains crucial in promoting electoral integrity and preventing corruption.

These findings are also consistent with (Mandasari dan Sayidah, 2023), who found that transparency improved due to regulatory requirements that mandate the publication of audit results. Likewise, Judijanto et al (2024) concluded that transparency positively influences financial compliance in political finance.

Theoretically, the results support Structuration Theory by Giddens (1984), which holds that transparency functions as a social structure enabling mutual accountability between political organizations and society. The provision of open, verifiable information about campaign financing allows for public scrutiny and strengthens public trust.

In conclusion, transparency when institutionalized through clear regulations, accessible platforms, and mandatory public audits significantly enhances compliance with campaign fund reporting. However, full transparency must be accompanied by stronger safeguards and education to mitigate the political risks perceived by party actors.

3. The Effect of Accountability on the Compliance of Campaign Fund Reporting of Political Parties Participating in the Pekanbaru City Election Moderated by the Internal Control System

Based on hypothesis 3 testing indicate that the internal control system does not significantly moderate the relationship between accountability and campaign fund reporting compliance among political parties in the 2024 Pekanbaru City election. This is reflected in a p-value of 0.130 (> 0.05), T-statistic of 1.515 (< 1.96), and a moderation path coefficient of 0.097. This suggests that the presence of an internal control system does not necessarily strengthen the impact of accountability on reporting compliance.

Descriptive statistics show a moderate implementation of internal control systems by political parties, with a mean score of 3.68 and standard deviation of 1.25. While internal controls are in place, their effectiveness is insufficient to enhance accountability, particularly in terms of supervision and enforcement of campaign finance regulations.

Field evidence supports this conclusion. For instance, although political parties have conducted audits and submitted financial reports, interviews and observations reveal ongoing issues, including: Lack of trained accounting personnel, Poor understanding of technical KPU regulations (especially KPU Regulation No. 18 of 2023 and KPU Decision No. 1677 of 2023), and System-related errors in Sikadeka, the digital platform for campaign finance reporting.

These findings align with Simanjuntak et al (2024) who argue that administrative and technological limitations hinder the practical implementation of accountability in campaign reporting. Many political parties prepare reports primarily to avoid sanctions, not to fulfill democratic ideals or transparency standards. In fact, 8 out of 17 political parties in Pekanbaru were found non-compliant with reporting standards, according to the official KPU Pekanbaru election portal.

This evidence indicates that, despite internal control systems being present, they are often ineffective due to weak institutional capacity, inadequate training, and limited oversight mechanisms. As such, internal control systems do not meaningfully alter or enhance how accountability influences reporting compliance.

These findings contradict Giddens' Structuration Theory, which posits that structures (such as internal control systems) should facilitate responsible action and reinforce accountability. Instead, political parties often treat such regulations as administrative formalities and may withhold full financial disclosure to avoid political consequences, thereby undermining the accountability mechanism.

This study also aligns with research by Adrianti et al (2023), which found that internal control systems did not moderate the relationship between accountability and the management of village fund assistance. Both findings suggest that internal controls, in their current form, lack the effectiveness and authority to ensure accountability translates into real compliance.

In conclusion, strengthening internal control systems alone is insufficient without accompanying improvements in regulation enforcement, training, and oversight. A more comprehensive reform is needed, both at the institutional level of political parties and in the supervisory frameworks established by electoral authorities.

4. The Effect of Transparency on the Compliance of Campaign Fund Reporting of Political Parties Participating in the Pekanbaru City Election Moderated by the Internal Control System

Based on Hypothesis 4 testing reveals that the internal control system significantly moderates the relationship between transparency and compliance with campaign fund reporting among political parties in Pekanbaru's 2024 election. This is supported by a p-value of 0.045 (< 0.05), T-statistic of 2.007 (> 1.96), and a negative moderation path coefficient of -0.154. These results indicate that a stronger internal control system weakens the positive effect of transparency on compliance.

This counterintuitive result is explained by several factors. First, while internal controls are intended to promote better oversight, they may also lead political parties to be more cautious and less transparent, especially when they perceive transparency as a political liability. Interview findings confirm that some parties avoid full disclosure of donor identities or sensitive expenses out of fear they could be used by political opponents to damage their image.

Additionally, although campaign fund audits are required, they are typically administrative in nature and not investigative. As a result, audits often only verify basic documentation without probing the substance and legality of transactions. This allows political parties to meet formal compliance while avoiding full transparency in spirit.

This is in line with Simarmata (2018), who noted that transparency requirements could constrain campaign activities, especially when expenditures are politically sensitive or involve informal transactions. (Savenco, 2015) further emphasized that such opacity can open the door to corruption when financial disclosures are incomplete or manipulated.

The problem is further compounded by limited human resource capacity. Many parties rely on liaison officers without sufficient training in accounting or financial management, resulting in reports that are formally compliant but substantively lacking. The descriptive statistics support this, with internal control systems scoring moderately (mean = 3.68), yet failing to ensure genuine transparency.

These findings are consistent with Giddens' Structuration Theory, particularly the concept of agency within structures. While internal controls are intended to facilitate transparency, the actors (in this case, political parties) often exercise agency by resisting full disclosure, using structural limitations or political strategy to justify opaque behavior. This is exacerbated by a lack of public oversight and limited awareness among voters about campaign finance reporting.

Hamsinar (2022) also supports this conclusion, finding that internal control systems can moderate the relationship between transparency and financial reporting quality in a negative direction, reducing the effectiveness of transparency mechanisms.

In summary, while internal control systems are essential, their current implementation can paradoxically discourage transparency. Political parties may comply with regulations superficially, but resist meaningful disclosure to protect their political interests. This highlights the need for improved audit practices, capacity building, and public engagement to ensure transparency is both enforced and embraced.

CONCLUSION

The conclusion of this study shows that accountability and transparency have a significant influence on the compliance of political parties participating in the 2024 Pekanbaru City Election campaign fund reporting. High accountability encourages political parties to fulfill their responsibilities, while transparency improves the quality of reports and provides public access to campaign fund information. However, the internal control system does not play a role in strengthening the influence of accountability on campaign fund reporting compliance due to non-compliance with regulations and the timing of reporting campaign funds of political parties participating in the election. Instead, it moderates the influence of transparency on campaign fund reporting compliance. The existence of a strong internal control system can weaken transparency on the compliance of political parties participating in the election with campaign fund reporting. However, the internal control system does not strengthen the relationship between accountability and compliance, primarily due to weak adherence to reporting regulations and deadlines. Interestingly, the internal control system was found to moderate the relationship between transparency and compliance, suggesting that when internal controls are not optimally implemented, they can reduce the effectiveness of transparency in encouraging compliance.

These findings underscore the need for political parties to reinforce their internal accountability mechanisms and implement effective internal controls in order to ensure consistent and timely campaign fund reporting. The limitations of the research include focusing on the Pekanbaru City sample and only covering political parties participating in the Regency/City DPRD Elections. Further research is suggested to involve a wider area and examine additional moderation variables. The practical implications of this study include providing input for political parties to improve transparency and internal control systems, as well as providing benefits to the public and election organizers in increasing trust and integrity of the electoral system.

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