



Suppressing the Level of Corruption in Kampar District: A Study of The Impact of Accountability, Audit Opinions, Publication of Financial Statements, Audit Results And Follow-Up Of Audit Results

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ABSTRACT

This study aims to evaluate the effects of accountability, audit opinion, financial statement disclosure, audit findings, and follow-up on audit results in reducing corruption levels within the Regional Apparatus Organization (OPD) of Kampar Regency. Conducted through a survey method, the study utilized a purposive sample of 50 accounting and finance professionals to achieve its objectives. Consistent with the research objectives, this study adheres to a conventional academic structure, utilizing clear and objective language, precise technical terminology, and a logical progression of ideas presented in a balanced manner. Primary data was collected via questionnaire distribution. Multiple linear regression tests were utilized to analyze the data. Results indicate that accountability, audit opinion, financial statement disclosure, audit findings, and follow-up of audit results significantly suppress the level of corruption in the Kampar district. It is imperative to follow up on audits to maintain transparency and accountability in the district. Based on simultaneous testing, the evidence suggests that factors such as accountability, audit opinion, disclosure of financial statements, audit findings, and follow-up on audit results play a role in reducing the incidence of corruption in Kampar district, in 2023.

INTRODUCTION

In recent years, criticism of the government's development policies has intensified at home and abroad. Corruption remains a pervasive issue in many countries, including Indonesia. Transparency International (TI), which tracks corruption in the public sector, has identified Indonesia as one of the countries where it remains rampant. Data from Transparency International (TI) reveals that in 2021, Indonesia scored 38/100 on its Corruption Perceptions Index (CPI), slightly higher than its 2020 score of 37/100. Indonesia's CPI ranking remains below the average perceptions of ASEAN, Asia-Pacific, and the G20 Community. The country ranks lower than Singapore (85), Malaysia (48), and Vietnam (39) on the CPI (Transparency International, 2021).

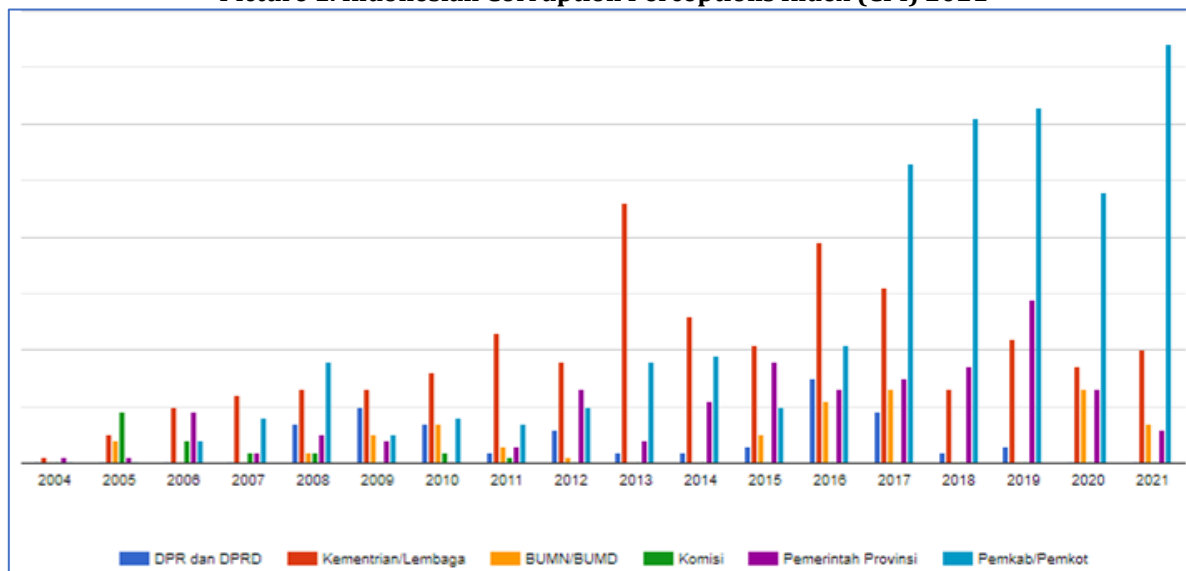
Corruption can arise from individuals who promote fraudulent behavior. Monopolistic power is among the factors that foster fraudulent activity, particularly as a means of developing policies that prioritize the interests of a specific individual or group. This dynamic contributes to the proliferation of corrupt practices by relying on power, policy monopolies, and insufficient accountability. In this context, the Indonesian government has implemented various policies in an effort to eliminate corruption, including the creation of an audit institution known as the The Audit Board Of The Republic Of Indonesia (BPK-RI), aimed at preventing





abuse of power (Rini & Damiaty, 2017). The 1945 Constitution states that the management and responsibility of state finances will be reviewed by an autonomous and impartial BPK-RI.

Picture 1. Indonesian Corruption Perceptions Index (CPI) 2021



Source : Transparency International, 2023

Several factors can impact the level of corruption, such as accountability, audit opinions, financial statement disclosures, audit findings, and follow-up on audit results. These variables are interconnected with each other regarding the level of corruption. Thus, the purpose of this study is to obtain empirical evidence of the effect of accountability, audit opinion, disclosure of financial statements, audit findings, and follow-up of audit results on regional apparatus organizations in Kampar district.

Agency theory, as Jensen and Mackling (1976) explain, is a framework to clarify the contractual relationships between agents and principals. These relationships can be between multiple individual persons, organizations, or groups. In a governmental context, agency theory illuminates the role of agencies acting as agents, in conflict with the public as principals. Agency theory views the government as self-interested and not acting according to public interest. Local governmental entities or officials possess direct access to pertinent financial data, which can contribute to information asymmetry, ultimately resulting in fraudulent or corrupt practices. To mitigate this agency problem, it is imperative for the government to oversee all management activities in accordance with relevant regulations (Resulvi, 2020).

Aier (2023) In contrast to prior research conducted across all district and city governments in West Java, this study focuses solely on the OPD of Kampar District. This study builds on Resulvi's 2020 research by introducing two new variables, namely audit opinion and financial statement disclosure. These additions were suggested by previous studies. In contrast to prior research conducted across all district and city governments in West Java, this study focuses solely on the OPD of Kampar District. This study aims to provide empirical evidence on the impact of accountability, audit opinion, financial statement disclosure, audit findings, and follow-up on audit results on the level of corruption. The hypotheses are developed based on previous research related to corruption levels.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Agency Theory

Agency theory is a framework developed by Jensen and Meckling (1976) that is used to understand the relationship between the owner (principal) and the representative (agent) in a business context. In this context, the owner is the party who has shares or ownership in the firm, while the agent is the management or executive who is responsible for running the day-to-day operations of the firm. Agency theory suggests that





owners and agents have different goals, which are often in conflict with each other (conflict of interest). Owners want to get the maximum profit from their investment, while agents have different motivations, such as looking for job security, high salaries, lots of bonuses, complete facilities, or in other words, agents think about how to maximize their own profits.

Apart from this, agency theory also explains that in terms of information, there has been unbalanced information (asymmetric information) between the owner and the agent. Information asymmetry is a condition where one party has more information than another party so that one party will be able to take advantage of the other party. In this case, the one with the most information is the agent. This is because agents are always with the company from the beginning of the year to the end of the year. Meanwhile, the owner gets information only from the financial reports prepared by the agent.

The reason why agency theory was chosen as the theoretical basis for this research is because agency theory explains the concept of management. According to Jeinsein and Mackling (1976), the theory of management is a concept that explains the co-contractual relationship between the principal and the agent, namely the co-contractual relationship between two or more individuals, groups or organizations. The principal is the party who gives the *weiweingang* to another party, in this case the agent, to carry out all activities. Meanwhile, the agent is the party who receives the *weiweingang* from the principal regarding the activities carried out. Interest theory describes the relationship between agent and principal through the mechanism of a coin contract. There is an improvement in the ability of the enterprise to solve two related problems, (1) management problems that arise when the enterprise is in conflict with the principal, so that it is difficult for the principal to improve the work of the enterprise; (2) problems that arise from the distribution of risks, when the agent and principal have a distribution of risks and attitudes that differ from these risks.

B. Accountability

Aier (2023) accountability is the obligation of the task holder to provide responsibility for the task holder. To find out the accountability of the LKPD, an inspection (audit) of negligence and responsibility for financial reports is required. According to Government Regulation Number 71 of 2010 concerning government accounting standards, accountability is a form of responsibility for the implementation of policies and resources that have been entrusted. Accountability in simple terms refers to the obligation of an organization or individual to provide explanations to other organizations regarding the activities and actions that have been carried out. Accountability is more focused on relationships with internal parties who have interests.

Accountability is a concept that refers to the responsibility and obligation of a person or entity to provide accountability for actions, decisions, or management of resources that have been entrusted to them. In the context of business and organizations, accountability reflects the obligation of individuals or groups to report and be responsible for their duties or responsibilities to interested parties, such as shareholders, management, or external parties.

Accountability is a critical aspect in achieving organizational goals and society in general. Organizations or individuals who practice good accountability generally build trust and integrity among interested parties.

C. Audit Opinion

Djamil (2023) An audit opinion is a professional opinion given by an independent auditor after examining an entity's financial statements. This opinion reflects the results of the auditor's evaluation of the fairness of the presentation of the financial statements, as well as conformity with applicable accounting standards. Audit opinions generally consist of several types, including unqualified opinion, qualified opinion, adverse opinion and refusal to give an opinion (disclaimer of opinion). Audit opinions provide important information to users of financial statements about the extent to which they can rely on the information contained in the financial statements.

Audit opinions have an important impact on the perceptions of users of financial statements, such as investors, creditors and other stakeholders. A clean opinion increases confidence in the financial statements, while an opinion provided with exceptions, disclaimers, or disclaimers indicates the existence of issues that need attention.





D. Financial Statement Disclosure

Financial statement disclosure refers to the additional information and details provided in a company's financial statements beyond the basic financial numbers. These disclosures are an integral part of financial reporting and are intended to provide users of financial statements with a more comprehensive understanding of the company's financial position, performance, and cash flows.

Financial statement disclosures include notes, explanations, and supplementary information accompanying the main financial statements (balance sheet, income statement, and cash flow statement). The purpose of these disclosures is to (Roussy, M., 2013):

- 1) *Clarify Accounting Policies*: Disclose the accounting policies and methods used by the company in preparing its financial statements. This helps users understand how specific transactions are accounted for.
- 2) *Provide Additional Details*: Offer additional information about specific line items in the financial statements. For example, the notes may provide details about the composition of certain assets or liabilities.
- 3) *Explain Contingencies and Risks*: Disclose any contingencies, uncertainties, or risks that could impact the company's financial health. This may include legal proceedings, potential liabilities, or market risks.
- 4) *Detail Long-Term Obligations*: Provide information about long-term obligations, such as debt terms, repayment schedules, and interest rates.
- 5) *Segment Reporting*: If applicable, disclose financial information about different business segments. This is common for companies with diverse operations in various industries.
- 6) *Related Party Transactions*: Disclose transactions with related parties, such as key executives, significant shareholders, or affiliated companies. This ensures transparency and helps identify potential conflicts of interest.
- 7) *Fair Value Measurements*: If the fair value measurement is used for certain assets or liabilities, disclose the methods and assumptions applied in determining fair values.
- 8) *Changes in Accounting Standards*: Disclose any changes in accounting standards or policies and their impact on the financial statements.
- 9) *Subsequent Events*: Provide information about events occurring after the end of the reporting period but before the financial statements are issued.
- 10) *Earnings per Share (EPS)*: Disclose the computation of earnings per share, which is required for publicly traded companies.

Financial statement disclosure enhances transparency, accountability, and the overall usefulness of financial reporting. Users, including investors, analysts, and regulators, rely on these disclosures to make informed decisions about an organization's financial health and future prospects

E. Audit Findings

Audit findings refer to the results or conclusions drawn by auditors based on their examination of an organization's financial statements, internal controls, and accounting practices. These findings may include identified issues, discrepancies, or areas of concern that deviate from established standards, policies, or regulations. Audit findings are crucial in providing insights into the accuracy, reliability, and compliance of an entity's financial reporting and internal control systems. They are typically communicated to management in the form of an audit report, detailing the specific findings, their implications, and recommendations for corrective actions if necessary. The purpose of audit findings is to assist stakeholders, such as management, board of directors, and regulatory authorities, in understanding the overall quality and integrity of the financial information presented by the audited entity (Djamil, 2023).

F. Follow-up on Audit Results

Djamil (2023) Follow-up on audit results refers to the process of monitoring and addressing the recommendations and findings identified during an audit. After an audit is conducted, the auditors provide a report that includes their findings, observations, and recommendations. The follow-up process involves actions taken by the audited entity or management to address and resolve the issues identified in the audit. The follow-up on audit results is crucial for ensuring that corrective measures are implemented, and any





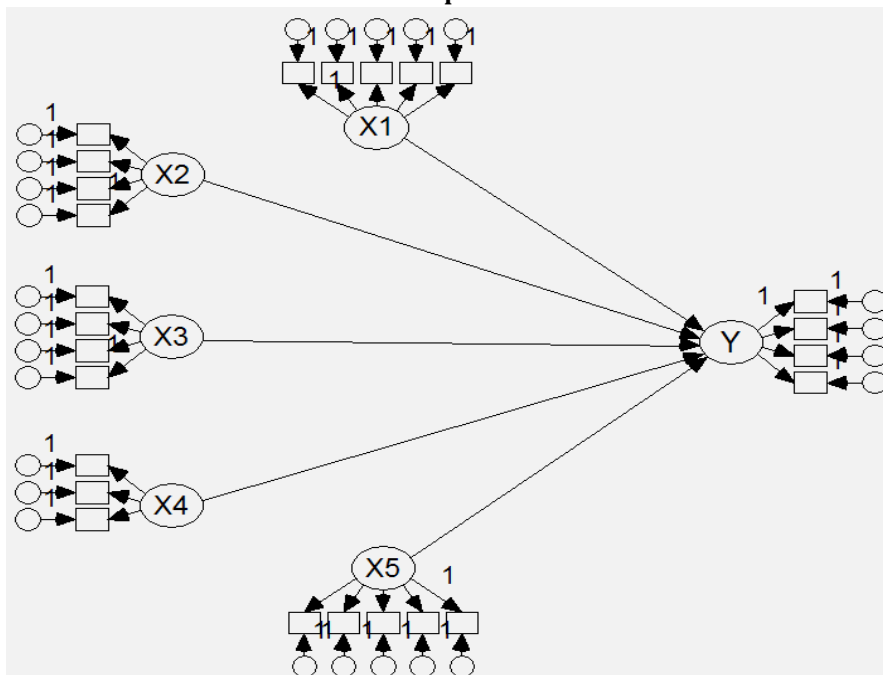
deficiencies or weaknesses identified during the audit are appropriately addressed. This process typically includes: (Liu, J., & Lin, B., 2012)

- 1) *Management Response*: Management of the audited entity provides a formal response to the audit findings. This response includes their agreement or disagreement with the findings and outlines the action plan to address any identified issues.
- 2) *Implementation of Corrective Actions*: Management takes steps to implement the corrective actions outlined in their response. This may involve changes to internal processes, policies, or controls to address the identified deficiencies.
- 3) *Monitoring Progress*: The progress of implementing corrective actions is monitored over time. This may involve regular updates, reports, or communication between management and auditors to ensure that the recommended changes are being effectively implemented.
- 4) *Verification by Auditors*: In some cases, auditors may perform a follow-up review to verify that the corrective actions have been implemented as intended. This verification ensures that the issues identified during the audit have been adequately addressed.
- 5) *Documentation*: The entire follow-up process is documented, including management's responses, actions taken, and any additional communication between the auditors and the audited entity. Proper documentation is essential for accountability and transparency.

The follow-up on audit results is an integral part of the audit process, emphasizing the importance of continuous improvement and accountability within organizations. It ensures that the recommendations made during the audit are not only acknowledged but also lead to positive changes that enhance the effectiveness and reliability of an organization's internal controls and financial reporting processes.

G. Conceptual Framework

Picture 2. Conceptual Framework



Source : Collection of Research (2023)

Variable Description:

- Y : Suppressing the level of Corruption
- X1 : Accountability
- X2 : Audit Opinion
- X3 : Financial Statement Disclosure





- X4 : Audit Findings
X5 : Follow-up on Audit Results

Research Hypothesis:

Accountability in local government is crucial as it provides a means of assessing the performance of local authorities responsible for managing and utilizing regional resources. By promoting accountability, the public can actively monitor the effectiveness of local government operations, thereby promoting efficient and responsible governance. Studies conducted by (Rahayuningtyas and Setyaningrum, 2018) and (Ariana, 2016) stated that accountability has effect on the Suppressing the level of level of corruption.

- H1. Accountability impacts the suppressing the level of corruption in regional bureaucratic organizations operating in Kampar district during 2023.

The audit opinion indicates the degree to which the financial statements are fairly presented and can reflect their level of accountability. It is thought that this can help reduce corrupt practices. Research by (Ismunawan, 2016) and (Jehandou, 2020) has shown that there is relationship between audit reports and corruption in local government.

- H2. Audit opinion impacts the suppressing the level of corruption in regional bureaucratic organizations operating in Kampar district during 2023.

Referring to PP No. 71 of 2010, it is mandated that financial statements of provincial or local governments report existing information accurately. Elkagiani and Wibowo (2021) found that regions with a small population have lower levels of disclosure, whereas regions with a high independence ratio have higher levels of disclosure. Additionally, regions that obtain Unqualified opinion or have many audit findings display higher levels of disclosure.

- H3. Financial statement disclosure impacts suppressing the level of the corruption in regional bureaucratic organizations operating in Kampar district during 2023.

Audit findings result from BPK-RI examinations that reveal issues with internal control or non-compliance with legislation. The greater the number of findings, the weaker the internal control and the higher likelihood of corruption. Rahayuningtyas and (Setyaningrum, 2018) and (Jehandou, 2020) studies suggest that audit findings positively correlate with corruption.

- H4. Audit findings impacts suppressing the level of the corruption in regional bureaucratic organizations operating in Kampar district during 2023.

The follow-up on audit results by a local government agency is a crucial form of accountability for the BPK-RI's findings on local government financial statements. Without this settlement action, these findings hold no value in ensuring government accountability. Studies by (Resulvi, 2020) and (Masyitoh, 2016) reveal that follow-up on audit results correlates negatively with the corruption level.

- H5. Audit findings impacts suppressing the level of the corruption in regional bureaucratic organizations operating in Kampar district during 2023.

METHODS

The study encompassed 10 OPD units located in Kampar District in 2023, with a sample size of 50 respondents, specifically employees from the accounting, finance, planning and budgeting, reporting, monitoring, and goods and services procurement sections. The study employed a purposive sampling technique and the results of the sample determination can be found in Table 1 below.



**Table 1. Research Sample**

OPD Name	Responden
Dinas Pekerjaan Umum dan Penataan Ruang	5
Dinas Pertanian, Pangan, dan Holtikultura	5
Dinas Pendidikan, Kepemudaan, dan Olahraga	5
Dinas Pariwisata dan Kebudayaan	5
Dinas Pengelolaan Keuangan dan Aset Daerah	5
Dinas Pendapatan Daerah	5
Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu	5
Inspektorat Daerah Kampar	5
BAPEDA	5
Badan Penanggulangan Bencana	5
Jumlah	50

Source : Processed Data, 2023

The study utilized primary data obtained directly from data sources. Specifically, a questionnaire was administered to respondents at the Kampar District OPD as the measuring tool. The statistical methods utilized in this investigation involve descriptive statistical analysis, data quality assessment, classical assumption examination, and multiple linear regression analysis.

RESULTS AND DISCUSSION

1. Descriptive statistics

Descriptive statistics provide a basic understanding of the structure and characteristics of a data set. The following are the results of descriptive statistics:

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Accountability	50	20	30	26,58	2,408
Audit Opnion	50	19	35	29,64	3,901
Financial Statement Disclosure	50	17	29	23,06	2,78
Audit Findings	50	11	20	16,88	2,336
Follow-up on Audit Results	50	11	20	17,68	1,911
Suppressing the level of Corruption	50	6	12	7,92	1,915
Valid N (listwise)	50				

Source : Processed Data, 2023

The minimum response from respondents was 6 and the maximum was 12, with an average total response of 7.92 and a standard deviation of 1.915. The standard deviation is far from 0 (good enough). Accountability has a mean of 26.58 and a standard deviation of 2.408, which is away from 0 (good enough). The minimum value is 19 and the maximum audit opinion is 35. The audit opinion variable has a mean of 29.64. This average value indicates that the audit opinion variable, taken as a sample, is good. Meanwhile, the standard deviation value is 3.901, which is far from 0, so it can be said that the data distribution is quite good. The minimum value is 17 and the maximum is 29. The average value is 23.06. This average value indicates that the financial statement disclosure variables taken as a sample are good. The standard deviation value is 2.780, which is far from 0, so it can be said that the data distribution is quite good. The mean value of the audit findings variable is 16.88 and the standard deviation value is 2.336. This value stays away from 0 and it can be said that the data distribution is quite good. The minimum value is 11 and the maximum is 20, with an average total response of 17.68 and a standard deviation of 1.915. The value of the standard deviation is far from 0 and it can be said that the distribution of the data is quite good.



**2. Validity Test****Table 3. Validity Test**

Variable	Item	R Count	R Table	Description
Accountability	X1.1	0,585	0,2907	Valid
	X1.2	0,498	0,2907	Valid
	X1.3	0,472	0,2907	Valid
	X1.4	0,620	0,2907	Valid
	X1.5	0,626	0,2907	Valid
	X1.6	0,592	0,2907	Valid
Audit Opinion	X2.1	0,755	0,2907	Valid
	X2.2	0,688	0,2907	Valid
	X2.3	0,647	0,2907	Valid
	X2.4	0,715	0,2907	Valid
	X2.5	0,774	0,2907	Valid
	X2.6	0,788	0,2907	Valid
	X2.7	0,608	0,2907	Valid
Financial Statement Disclosure	X3.1	0,618	0,2907	Valid
	X3.2	0,678	0,2907	Valid
	X3.3	0,407	0,2907	Valid
	X3.4	0,607	0,2907	Valid
	X3.5	0,525	0,2907	Valid
	X3.6	0,643	0,2907	Valid
Audit Findings	X4.1	0,659	0,2907	Valid
	X4.2	0,750	0,2907	Valid
	X4.3	0,744	0,2907	Valid
	X4.4	0,728	0,2907	Valid
Follow-up on Audit Results	X5.1	0,442	0,2907	Valid
	X5.2	0,419	0,2907	Valid
	X5.3	0,481	0,2907	Valid
	X5.4	0,608	0,2907	Valid
Suppressing the level of Corruption	Y.1	0,698	0,2907	Valid
	Y.2	0,713	0,2907	Valid
	Y.3	0,620	0,2907	Valid
	Y.4	0,654	0,2907	Valid
	Y.5	0,698	0,2907	Valid
	Y.6	0,715	0,2907	Valid

Source : Processed Data, 2023





Validity testing is a procedure used to ensure that the questionnaire being used to measure the research variables is valid. To find out whether the statement item is valid, it can be seen from the person correlation. If the statement item $r\text{-count} >$ from the $r\text{-table}$, it can be said that it is valid (Ghozali, 2018). The results showed that all statement items had a positive coefficient value and were greater than the $R\text{-table}$. This shows that the data obtained is valid and further data testing can be carried out.

3. Reliability Test

The reliability test is used to measure a questionnaire which is an indicator of the variable. The questionnaire is said to be reliable if the answers to the statements are constant or stable over time. The data reliability test is used with the Cronbach Alpha method where an instrument is said to be reliable if it has a reliability coefficient greater than 0.60 (Ghozali, 2018).

Table 4. Reliability Test

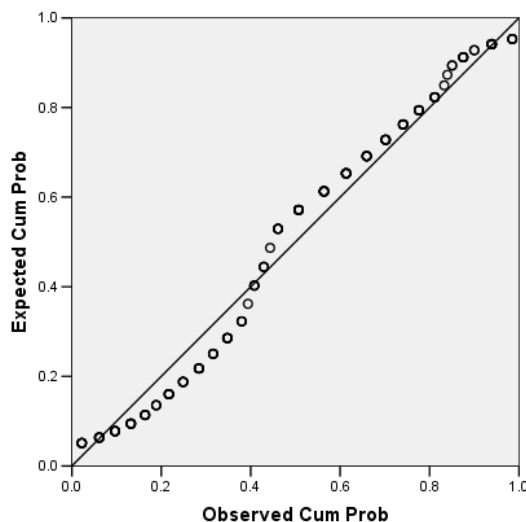
No	Variable	Cronbach's Alpha	Description
1	Accountability	0,681	Reliable
2	Audit Opinion	0,837	Reliable
3	Financial Statement Disclosure	0,605	Reliable
4	Audit Finding	0,704	Reliable
5	Follow-up on Audit Results	0,760	Reliable
6	Suppressing the Level of Corruption	0,769	Reliable

Source : Processed Data, 2023

The results showed that the magnitude of the Cronbach Alpha value on all variables was greater than 0.60. In accordance with the basis for decision making, the statement items are reliable and can be used in research.

4. Normality Test

Picture 2. Normality Test Normal P-P Plot of Suppressing the level of Corruption



Source : Processed Data, 2023

Since the PP plot exhibits a linear trend, it can be inferred that the research data adheres to a normal distribution.





5. Multicollinearity Test

Table 5. Multicollinearity Test

Variable	Colonearity Statistic		Description
	Tolerance	VIF	
Accountability	0,940	1,064	Free of Multicollinearity
Audit Opinion	0,950	1,052	Free of Multicollinearity
Financial Statement Disclosure	0,829	1,206	Free of Multicollinearity
Audit Finding	0,707	1,415	Free of Multicollinearity
Follow-up on Audit Results	0,655	1,526	Free of Multicollinearity

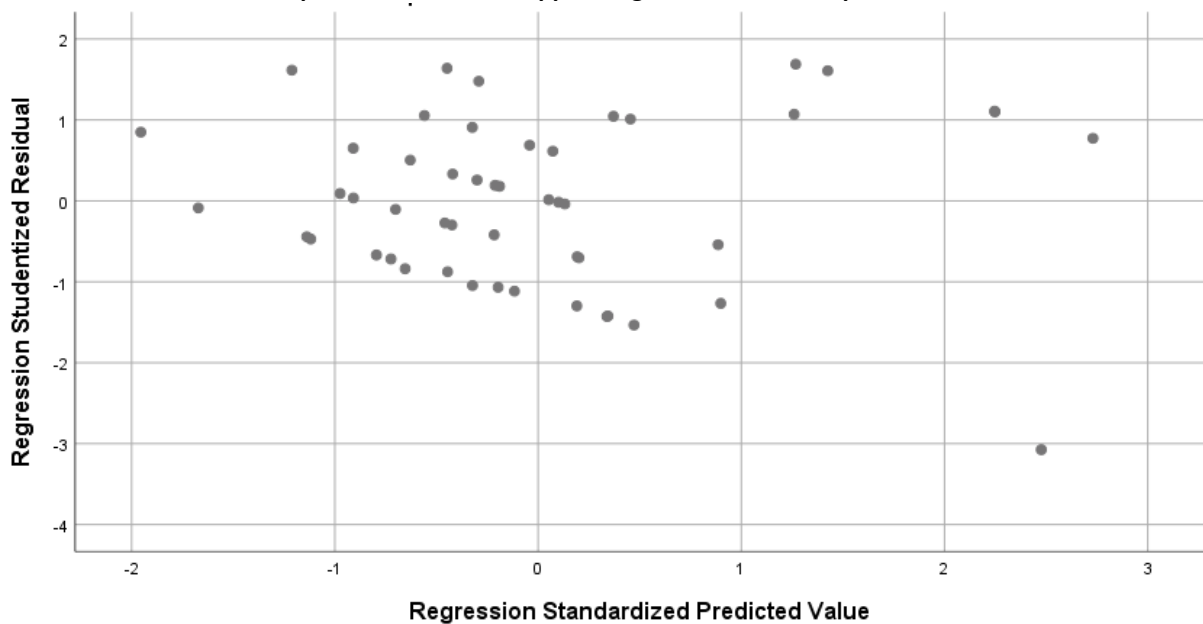
Source : Processed Data, 2023

Based on the test results, it can be inferred that there is no multicollinearity present in the data.

6. Heteroscedasticity Test

**Picture 3. Heteroscedasticity Test
Scatterplot**

Dependent Variable : Suppressing the level of Corruption



Source : Processed Data, 2023

Based on the picture above, it can be concluded that the research data is free from heteroscedasticity



**7. Hypothesis Test****a) Determination Coefficient Test:****Table 6. Determination Coefficient Test
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,867 ^a	,852	,845	2,08819

a. Predictors: (Constant), Accountability , Audit Opinion, Financial Statement Disclosure, Audit Findings, Follow-up on Audit Results

Source : Processed Data, 2023

According to the data in Table 6, the adjusted R² value is 0.845, indicating that the suppressing the level of corruption variable can be explained and influenced by the five independent variables by 84.5%. The remaining variables (15.53%) are influenced by other factors.

b) F Test**Table 7. F Test
ANOVA^b**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1272,300	3	424,100	97,259	,000 ^a
	Residual	418,610	96	4,361		
	Total	1690,910	99			

a. Predictors: (Constant), Accountability , Audit Opinion, Financial Statement Disclosure, Audit Findings, Follow-up on Audit Results

Source : Processed Data, 2023

Based on the data presented in Table 7 above, it is evident that the calculated F value is 97.259, with a probability of 0.00. Consequently, the study concludes that there is a significant impact of Accountability, Audit Opinion Financial Statement Disclosure, Audit Findings, Follow-up on Audit Result on Suppressing level of Corruption.

c) T Test**Table 8. T Test
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19,507	4,799		4,065	,000
	Accountability	-,372	,102	-,467	-3,629	,001
	Audit Opinion	,402	,063	,003	,027	,048
	Financial Statement Disclosure	,261	,094	,137	1,000	,032
	Audit Findings	,167	,155	,167	1,081	,029
	Follow-up on Audit Result	,200	,122	,243	1,640	,008

Source : Processed Data, 2023





Based on the information presented in Table 8, it is evident that the significance value of all independent variables is below 0.05. Due to the significantly small probability being less than 0.05, it can be inferred that all research hypotheses are accepted.

Based on the previous hypothesis testing results, the following statistical equation can be formulated:

$$\text{Suppression the Levels of Corruption} = 19.507 - 0.372 \text{ Accountability} + 0.402 \text{ Audit Opinion} + 0.261 \text{ Financial Statement Disclosure} + 0.167 \text{ Audit Findings} + 0.200 \text{ Follow - up on Audit Result}$$

The impact of Accountability on Suppression the level of Corruption

High levels of accountability in Kampar District or anywhere else are crucial to suppressing corruption. Accountability establishes a robust system of checks and balances, minimizes opportunities for corrupt practices, and reinforces transparency and integrity principles. Thus, it is essential to examine the positive effects accountability has on curtailing corruption (Aier, 2023).

High accountability establishes a transparent environment, making financial information and decisions readily available to interested parties. This transparency results in better oversight by the public, media, and watchdog institutions, minimizing the chances of corrupt acts going unnoticed (Apriastanti, 2022).

Strong accountability also reinforces internal and external oversight mechanisms. Internal and external auditors have a vital responsibility in recognizing and deterring potential acts of corruption. With high accountability, they have a more robust foundation to carry out their roles effectively (Djamil, 2023).

The impact of Audit Opinion on Suppression the level Corruption

A positive audit opinion can help decrease corruption in Kampar District. An audit opinion indicates that independent auditors have thoroughly examined financial statements and found them accurate (Mutia, 2022). This fosters transparency in financial management and reduces opportunities for corrupt behavior. A favorable audit opinion also boosts public confidence in the reliability and integrity of government financial statements. A society that values transparency and accountability is more inclined to engage in monitoring and oversight, which can have a positive effect on curbing corruption (Arsana, 2016).

Therefore, a positive audit opinion holds significance not only as a technical evaluation of financial statements, but also as a means to promote an environment that discourages corrupt practices. In light of this, a favorable audit opinion can contribute to efforts aimed at reducing the prevalence of corruption in Kampar District.

The impact of Financial Statement Disclosure on Suppression the level of Corruption

Effective financial report disclosure can help reduce corruption levels in Kampar District. Transparency in financial management and budget allocation strengthens government accountability to both the public and stakeholders, making it more challenging to commit acts of corruption without being noticed (Mutia, 2022). Clear and objective financial disclosures allow the public to comprehend the utilization of public funds. This knowledge enables an informed public to monitor and oversee government financial management, creating a more challenging environment for corrupt practices to remain unnoticed (Aier, 2023).

Effective financial disclosure is not only a legal requirement, but also a crucial tool in fostering an environment that discourages corrupt behavior. By enhancing transparency, accountability, and oversight, disclosing financial statements can play a key role in suppressing corruption levels in the Kampar District.

The impact of Audit Findings on Suppression the level of Corruption

Positive audit results can effectively decrease the incidence of corruption in Kampar District by detecting instances of unauthorized or non-compliant activities or transactions. Through the identification of potential violations or fraudulent behavior, auditors can suggest and implement measures to reduce the likelihood of corrupt practices (Mutia, 2022). The information obtained from an audit report can provide valuable insight into strengthening internal control systems. By evaluating audit findings, entities can enhance the efficiency of their internal controls, hence diminishing the chance of corruption.

Audit results including those of non-compliance or weaknesses may form the basis for improvement and reform (Aier, 2023). Governments and public entities that respond well to audit reports are more inclined to make changes to improve their governance and financial management, eventually reducing the likelihood of corruption. Audit findings can support external oversight, including oversight bodies and independent





auditors. This strengthens the role and impact of such institutions in overseeing and making recommendations to minimize the potential for corruption.

The impact of Follow-up on Audit Result on Suppression the level of Corruption

Effective and systematic follow-up of audit results can positively impact reducing corruption levels in Kampar District. The follow-up creates an effective oversight and accountability mechanism. If audit results identify non-compliance or deficiencies, appropriate follow-up can ensure corrective measures address the issues. This promotes adherence to procedures and standards, reducing opportunities for corruption (Aier, 2023).

Follow-up on audit results can form the foundation for enhancing the internal control system. If audits expose control weaknesses, follow-up action could involve revising financial and administrative management policies and procedures, thus reducing the risk of corruption. Following up on audit results enhances the effectiveness of the internal control system. Addressing audit findings can enhance a government or public entity's internal controls and bolster its capacity to identify and prevent potential corrupt practices (Djamil, 2023).

Additionally, reviewing audit outcomes can improve transparency and accountability for stakeholders. Should an audit uncover noncompliance or illicit actions, swift and effective follow-up action communicates that infractions will not be condoned and will be pursued.

CONCLUSION

This study examines the factors that affect the reduction of corruption in Kampar Regency in 2023, focusing on Accountability, Audit Opinion, Financial Statement Disclosure, Audit Findings, and Follow-up of Audit Results.

1. The findings emphasize that a robust: Accountability system is vital to lowering corruption levels. Kampar Regency must ensure accountability of every entity and public official for policies, decisions, and financial management.
2. A positive audit opinion, based on research, can promote transparency and enhance public trust. Local governments must partner with auditors to guarantee an independent and comprehensive audit process, creating an environment that is not conducive to corrupt practices.
3. Financial Statement Disclosure for Public Participation: Effective financial statement disclosure was identified as a crucial element in enhancing public participation in oversight. Kampar district ought to intensify efforts in improving public comprehension of financial statements to enable them to actively participate in monitoring and curtailing corruption.
4. Audit Findings as Opportunities for Improvement: The study findings demonstrate that audit findings serve as opportunities for improvement and not just as indicators of wrongdoing. Local governments should utilize audit findings as a foundation for revising policies and procedures in order to proactively prevent corruption.
5. Follow-up of Audit Results as Implementation of Improvements: The follow-up of audit outcomes is deemed a crucial step in executing improvements. By promptly and effectively responding to audit findings, the Kampar district government can exhibit its dedication to accountability and the prevention of corrupt activities.

Research Implications:

This study has critical implications for the Kampar District government's endeavors to diminish levels of corruption. Recommendations for improving financial audits include enhancing accountability mechanisms, increasing collaboration with external auditors, simplifying financial statement disclosures, and bolstering capacity to effectively respond to and implement improvements based on audit findings.

Research Limitations:

The study has limitations due to its reliance on currently available data and specific contextual conditions as of 2023. Therefore, in light of potential situational changes and policy dynamics, it is important to apply the results of this study with caution.



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