Effect of Compliance Regulation and Accountability to Management of Legislative Election Campaign Funds and Implications on Transparency of Financial Statements

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Abstract: This study aims to examine the determinants of campaign fund management of legislative election campaigns and implications for the transparency of financial statements. The sample consists of 12 (twelve) political parties participating in the 2014 election in East Lombok Regency. It used Structural Equation Model (SEM) approach with Partial Least Square (PLS) software. From the significant value, the hypothesis is accepted if the t-statistic value is higher than 1.67 at a significant level of 5%. Hence, the results showed that H1 for regulatory and H2 for accountability compliance has a positive effect on campaign fund management, and H3 for campaign fund management has a positive effect on the transparency of financial statements. Value T-Statistic H1 is 1.90, H2 is 6.69, and H3 is 6.74 has indicated that hypothesis is accepted.

Keywords: Regulatory compliance, Financial accountability Campaign fund, Political party, Financial statement transparency

1. Introduction

Political parties as a public organization have an important role, which is the application of good management in accordance with the concept of good governance. Good Governance is one form of democratic governance. Budiardjo (1989:60) explains there are some basic conditions for the implementation of democratic governance, one of the main aspects of the view of the realization of democracy in a country is the election (general election). Elections are an important moment for a country to get new leaders or people's representatives in parliament. Therefore, the implementation of elections must be implemented in quality (Pamungkas, 2012:24). Qualified elections will increase the legitimacy and credibility of the elected government. One way to achieve quality elections with good accountability to the public.

The phenomenon of public distrust of political parties that is evidenced by various actions of society. One of the actions of the community is' not using the right to vote (being a white group) or by the name of “whites” in the election of the regional head or the legislative election (Kholmi, 2013). In relation to the above, Swift (2001) states that mistrust of the organization is a fundamental reason for the demand for corporate accountability.

Hery (2017: 65) explains that financial statements become more effective, all relevant information should be presented in an impartial, understandable, and timely manner. This is known as the full disclosure principle. The facts need to be publicly disclosed so that the financial statements are informative as much as possible and give meaning to the interested parties. One of the financial statements to be made by a political party in relation to the election is a political party campaign report (KPU Regulation No. 17 of 2013). Campaign Fund Report is a form of openness and honesty of political parties to the public. The Campaign Fund Report is audited by the Public Accounting Firm (KAP) appointed by the KPU.

The purpose of an audit conducted by the Firm is to provide an opinion on the compliance of reporting of campaign funds in legislative elections against the provisions of legislation relating to campaign funds. Through the audit, the KAP should
be able to find a variety of irregularities and various forms of the irregularities of the election campaign. The higher the number of violation findings, the lower the overall accountability of the election.

Regulatory compliance in campaign fund management is able to complement the financial accountability of political parties. According to Indonesia Corruption Watch (ICW) one of the factors causing poor quality of campaign fund management is the non-compliance of political parties to the requirements of legislation (www.antikorupsi.org). In relation to these issues, the management of campaign funds is required to comply with regulations or regulations. Based on the results of ICW monitoring on the compliance of election participants (political parties) in adhering to campaign funding rules shows an apprehensive picture. There are still many eligible participants who are ignorant of the formal fulfilment of campaign funding reports, ie aspects of the campaign fund campaign administration.

Research conducted by Sugiwa et al. (2015) that examines the level of compliance of campaign fund reporting based on audit report of campaign fund report in Bali province in 2014 legislative election. The research states that 92% of the 5 political parties with the highest votes in 5 (five) regencies / Bali complied with compliance elements of timely reporting and reporting of campaign funding resources. The results are supported by Mainar et al. (2017) and Wandari et al. (2015) proving the effect of regulatory compliance on fund management.

In addition to regulatory compliance, campaign fund management requires financial accountability to avoid dominance of people or groups within political parties, hence the limited contribution given by individuals or groups to political parties (www.keuanganlsm.com). Research that examines the effect of accountability on fund management has been done by Hanafia et al. (2016), Tonnaya et al. (2016), and Wandari et al. (2015) provide evidence that accountability affects financial management. The same is shown from the results of research by Adha et al. (2014) and Kusuma (2012) found that accountability affects financial transparency. This is reinforced by qualitative research conducted by Faridah and Suryono (2015), Hanifah and Praptoyo (2015), and Kholmi (2013) found that with the realization of accountability (financial) political party is a strategic part in minimizing allegations money politics practices. In addition, accountability is a first step towards realizing good governance of political parties.

Furthermore, demands in the transparent management of campaign funds are a challenge for political parties themselves. A good campaign fund management will affect the transparency of financial statements. Fund management studies that have implications for transparency are carried out by Hastuti (2015) shows that financial management has a positive and significant impact on the transparency of financial statements. The results showed that management in the presentation of financial statements affects the transparency of financial management. To strengthen this research, Adha et al. (2014) and Kusuma (2012) studies show that the transparency of financial statements is influenced by accountability. This study tries to include the determination of the management of financial funds that have implications for the transparency of financial statements as one of novelty.

By looking at the description above, the problem formulation would be as follows: do regulatory compliance and accountability affect to campaign fund management?; second, does the management of campaign funds affect the transparency of financial statements? While the purpose of this study is to test and find evidence of the effect of regulatory compliance and accountability on campaign fund management and campaign fund management on the transparency of financial statements.

2. Literature Review

This study uses compliance theory and stewardship theory as the rationale. In the perspective of compliance theory, regulatory compliance explains that the demand for compliance with timeliness in the delivery of financial statements of campaign funds under KPU Regulation No. 17 of 2013. As for the implications of this compliance, the theory is that the Government has made policies and regulations and sanctions against the deadline for submission reporting so that according to the theory of compliance describes people will tend to abide by existing norms and regulations.

Based on the perspective of stewardship theory, political parties as a trustworthy institution to act in accordance with the public interest by performing its duties and functions properly as a manager of public funds by providing good financial accountability according to public expectations. The implication of this stewardship theory is the management of political parties as stewards who will work best for the interest of the principal in this case the General Election Commission
Effect of Compliance Regulation and Accountability to Management of Legislative Election Campaign Funds and Implications on Transparency of Financial Statements

Effective application of accountability and regulatory compliance in financial management is expected to provide reliable honest financial information as a form of transparency or openness of political parties.

2.1 Regulatory Compliance to Campaign Fund Management
Consistent with the view of compliance theory, political parties as steward must obey the rules by the principal in this KPU with reference to Law Number 8 the Year 2012 and (PKPU) No. 17 of 2013. This regulatory compliance must be obeyed by the principal for the public interest so that the public knows whether the party selected by the public is obedient or not in the management of campaign funds. This is in line with Wandari et al. (2015) who found that timeliness has a positive and significant impact on budget performance for the concept of value for money. Thus the better a political party complies with regulation, the better the Campaign Fund Management. Based on the above description, the hypothesis proposed in this study are:

H1. Regulatory Compliance has a positive effect on Campaign Fund Management.

2.2 Accountability to Campaign Fund Management
In the Stewardship theory study, accountability refers to responsibility by a steward to the assignor of responsibility. The role of the steward, in this case, the political party will present useful information to constituents, donors, and especially to the General Elections Commission (KPU) as the organizer of the election. Political parties are considered to have the ability to explain financial statements that record the overall occurrence of financial transactions to the public through the KPU.

Research Adha et al. (2015) and Kusuma (2012) provide empirical evidence that there is a positive and significant influence in accountability to the transparency of financial statements. While Tonnaya and Ratnasari (2016), argued that accountability has a significant influence on local financial management. Thus the application of the accountability component is getting better, it is expected that campaign fund management will be more effective. Thus the hypothesis proposed in this study are:


2.3 Management of Campaign Funds to Transparency of Financial Statements
Campaign fund management is part of the political responsibility of political parties to the audiences/public and transparency is built on the freedom to obtain information. Political parties should have a strong desire to transparent financial statements in presenting the results of campaign fund management, thereby increasing public confidence. Hastuti’s (2015) study proves that there is a positive and significant influence of financial management on the transparency of the financial report. Based on the above description, it can be argued that with the ideal campaign fund management, it is expected to result in a more transparent campaign finance report. Thus the hypothesis proposed in this study are:


3. Methodology
3.1 Types of Research
This study includes the explanatory type of research. According to Sukandarrumidi (2006:105), explanatory research is a study to test the hypothesis that states the cause and effect relationship between two or more variables.

3.2 Research Settings and Sample
The place of this research was conducted in East Lombok Regency of West Nusa Tenggara Province. The consideration of the researchers taking the location of the research is East Lombok Regency is the densest district in the Province of West Nusa Tenggara which will represent the participation of the community in distributing the right to vote (BPS, 2016), the implementation of campaign fund management at the Branch Board of East Lombok Regency, the number of findings of non-report on the procedures agreed in the management of the financial statements of the legislative election campaign funds of East Lombok Regency Year 2014. Determination of sample using slovin technique to get 72 respondents. The sample consists of Chairman and/or Vice Chairman, Secretary, Treasurer and/or Vice Treasurer.
3.3 Types and Data Sources
The type of data in this study is the subject data that is the type of research data in the form of opinion, attitude, experience or characteristics of a person or group of people who become the subject of research (respondents). Data source in this research is primary data. The data is obtained directly from the respondent by using a list of statements in the form of a questionnaire to collect information from the object of the study.

3.4 Method of Collecting Data
The method of data collection is by using survey method. The steps taken to anticipate the low response rate is by directly delivering the questionnaire and also contacting the respondent by telephone to ensure that the questionnaire delivered has been filled by the respondent, after which it is collected back by picking it up instantly.

3.5 Operational Definition of Variables
To avoid the occurrence of different interpretations of the variables used in this study, the authors need to create a limit or definition of each variable as follows:

### Table 1: Operational Definition of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition of Operational Measurement</th>
<th>Indicator</th>
<th>Scale</th>
</tr>
</thead>
</table>
| Regulatory Compliance (KR)      | Regulatory compliance is described that people will tend to abide by existing norms and regulations. The Government has made policies and regulations and sanctions against the deadline for submission of reporting. | 1. Timeliness  
2. Campaign Fund Source  
3. Sanctions and Law Enforcement | The ordinal scale is measured by a 5-point likert scale |
| Accountability (AK)             | The obligation of the holder (agent) to provide accountability, presenting, reporting and disclosing all activities and activities it is responsible to the principal that has the right and authority to hold the responsibility. | 1. Public Fund Accountability  
2. Types and Form of Financial Report on Investigation Result  
3. Examination (audit)  
4. Fast Response | The ordinal scale is measured by a 5-point likert scale |
| Campaign Fund Management (PDK)  | Overall financial activities of political parties in legislative elections. | 1. Planning  
2. Implementation  
3. Administration  
4. Reporting | The ordinal scale is measured by a 5-point likert scale |
| Financial Statement Transparency (TLK) | Openness and responsibility to the public on campaign funding reports | 1. Openness  
2. Standard of Public Service  
3. Public Service Facilities | The Ordinal scale is measured with a 5-point likert scale |

**Source:** Data Processed (2017)

3.6 Measurement Scale
Scale used to assess a concept of respondents revelation in this study is Likert scale 5 points. Interpretation or description of intervals in the category of research variables using class intervals. Value Category on each class interval is follows:

### Table 2: Value Category on Each Class Interval

<table>
<thead>
<tr>
<th>Variable Category</th>
<th>Interval</th>
<th>1 - 1.80</th>
<th>1.81 -2.60</th>
<th>2.61 – 3.40</th>
<th>3.41 – 4.20</th>
<th>4.21 – 5.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>KR (X1)</td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Disagree</td>
<td>Agree</td>
<td>Strongly agree</td>
<td></td>
</tr>
<tr>
<td>AK (X2)</td>
<td>Very No Good</td>
<td>Not good</td>
<td>Not good</td>
<td>Good</td>
<td>Very good</td>
<td></td>
</tr>
<tr>
<td>SPI (X3)</td>
<td>Very incomplete</td>
<td>Not complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Very complete</td>
<td></td>
</tr>
<tr>
<td>PDK (Y1)</td>
<td>Very inappropriate</td>
<td>Not suitable</td>
<td>Less suitable</td>
<td>Matches</td>
<td>accordingly</td>
<td></td>
</tr>
<tr>
<td>TLK (Y2)</td>
<td>Very Unsecured</td>
<td>Not Guaranteed</td>
<td>Less Guaranteed</td>
<td>Guaranteed</td>
<td>Very Guaranteed</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Data Processed (2017)
3.7 Data Analysis Method
This research is done by approach of Structural Equation Model (SEM) by using Partial Least Square (PLS) software that is SmartPLS 3.0. There are 2 models in the PLS: (1) outer model or measurement model showing how the variable manifest or observed variables represent latent variables to be measured, and (2) inner models or structural models showing the strength of estimation between latent variables or constructs (Ghozali and Latan, 2015:7). Outer model testing is done by validity test (convergent validity and discriminant validity) and reliability test (composite reliability). Inner Model is done by looking at R square, predictive relevance (Q square) and assessing significance by comparing the t-statistic value with t-table and, if t-statistic greater than t-table this means supported a hypothesis.

4. Results and Discussion
The administrators of the political parties used as samples in this study were 72 people consisting of Chairman and / Vice Chairman, Secretary, Treasurer and / Vice Treasurer. Based on the questionnaire returned and can be processed, obtained as many as 72 people who can be used as the final respondents in the study or in other words the rate of return of 100%.

4.1 Research Instrument Test Results
A reliability test is performed to prove the accuracy, consistency, and accuracy of the instrument in measuring the construct. In addition, reliability testing of a construct with reflective indicator can be done in composite reliability of cronbach's alpha. According to Sholihin and Ratmanto (2013: 16) which explain that internal consistency reliability with cronbach alpha > 0.70 (in exploratory research, 0.60-0.70 is still acceptable).

Table 3: Value Composite Reliability Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>KR</td>
<td>0.811</td>
<td>0.691</td>
</tr>
<tr>
<td>AK</td>
<td>0.771</td>
<td>0.610</td>
</tr>
<tr>
<td>PDK</td>
<td>0.814</td>
<td>0.712</td>
</tr>
<tr>
<td>TLK</td>
<td>0.875</td>
<td>0.785</td>
</tr>
</tbody>
</table>

Source: Output PLS Algorithm (2017)

4.2 Inferential Statistics Analysis
4.2.1 Outer Model
Outer model evaluation is used to assess the reliability and validity of each construct of the study. Validity test is done by looking at the value of convergent validity (seen from loading factor value) and discriminant validity while reliability test is by looking at composite reliability value. The results of outer model evaluation as follows:

Table 4: Value Convergent Validity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Loading Factor</th>
<th>Description</th>
<th>Indicator</th>
<th>Loading Factor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Requirement</td>
<td>Value</td>
<td>Requirement</td>
<td>Value</td>
<td>Requirement</td>
</tr>
<tr>
<td>AK1</td>
<td>0,734</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,754</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>AK2</td>
<td>0,729</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,683</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>AK3</td>
<td>0,604</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,699</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>AK4</td>
<td>0,632</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,527</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>KR1</td>
<td>0,890</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,847</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>KR2</td>
<td>0,795</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,881</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>KR3</td>
<td>0,599</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,780</td>
<td>&gt; 0,5</td>
</tr>
<tr>
<td>PDK1</td>
<td>0,781</td>
<td>&gt; 0,5</td>
<td>Valid</td>
<td>0,780</td>
<td>&gt; 0,5</td>
</tr>
</tbody>
</table>

Source: Output PLS algorithm (2017)
Table 4 above shows that the loading factor for each constructor indicator gives a value above 0.5. It means the indicators used in this study are valid or have fulfilled the convergent validity.

4.2.2 Structural Model (Inner Model)
Evaluation of the structural model used to test the construct relationship (hypothesis testing). Evaluation of structural model is done by looking at the value of R square (R2), Q2 predictive relevance and significance value.

R Square (R2)
R square values are used to explain the effect of certain exogenous constructs on endogenous constructs whether they have substantive effects. R square values of 0.75, 0.50, and 0.25 for each endogenous latent variable in the structural model can be interpreted as substantial, moderate, and weak (Sholihin and Ratmanto, 2013: 16) The R square value of the analysis result using the bootstrap resampling method at the 5% significance level as presented in the following table:

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDK</td>
<td>0.383</td>
</tr>
<tr>
<td>TLK</td>
<td>0.276</td>
</tr>
</tbody>
</table>

Source: Output PLS algorithm (2017)

Based on the table it can be seen that the R square value of the relationship between regulatory compliance variable (KR) and accountability (AK) to Campaign Fund Management (PDK) is 0.383. These results indicate that 38% of the diversity of the financial accountability variables can be explained by the variable of regulatory compliance and accountability variables. The remaining 62% is explained by other variables outside the model built in this study. Based on R square value can be concluded that model is the weak category.

While R square of the relation between campaign fund management variable and transparency of financial report is 0.276. These results indicate that 28% of the diversity of the financial statement transparency variables can be explained by campaign fund management variables. While the rest of 72% can be explained by other variables outside the model built in this study. Based on the value of R square can be concluded that the model is the weak category.

Q2 Predictive Relevance
In addition to seeing the magnitude of R-squared, evaluation of the PLS model can also be done with Q2. Q-squared values greater than zero indicate that exogenous latent variables have predictive relevance in endogenous latent variables that are affected (Sholihin and Ratmono, 2013: 16). The value of Q2> 0 indicates that the model has predictive relevance and if the value is Q2 <0 indicates that the model lacks predictive relevance (Ghozali and Latan, 2015: 79). The value of Q2 predictive relevance is obtained from the following calculation:

\[ Q^2 = 1 - (1 - 0.449)(1 - 0.271) \]
\[ Q^2 = 1 - (0.551)(0.729) \]
\[ Q^2 = 1 - 0.401679 \]
\[ Q^2 = 0.598321 \]

Based on the above calculation results obtained the value of Q2 predictive relevance of 0.598 or the value of Q2 predictive relevance> 0. This indicates that the model has predictive relevance.
Significance Value
The value of significance to determine the influence between constructs (hypothesis testing) is by comparing the t-statistics with t-table generated from the bootstrapping process in PLS. According to Siregar, 2015:514, the hypothesis is accepted if the t-statistic value is higher than the t-table value (t-statistics> 1.67 for the one-tailed hypothesis at a significant level of 5%). The result of bootstrapping process in PLS for t-statistic value in this research is presented in the following figure:

**Figure 1:** The result of bootstrapping process
*Source: Output PLS Bootstrapping (2017)*

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>T-statistic</th>
<th>T-table</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Regulatory Compliance has a positive effect against Campaign Fund Management</td>
<td>1.900</td>
<td>1.67</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: Accountability has a positive effect against Campaign Fund Management</td>
<td>6.689</td>
<td>1.67</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: Campaign Fund Management has a positive effect to Financial Report Transparency</td>
<td>6.741</td>
<td>1.67</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

*Source: Output PLS Bootstrapping (2017)*

Equation of Structural Model (Inner Model)
Coefficient values for each relationship of exogenous latent variables (regulatory compliance and accountability) to campaign fund management and financial report transparency can be seen from the path coefficient value of the bootstrapping analysis result.

<table>
<thead>
<tr>
<th>AK</th>
<th>KR</th>
<th>PDK</th>
<th>TLK</th>
</tr>
</thead>
<tbody>
<tr>
<td>AK</td>
<td>0.531</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KR</td>
<td>0.175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDK</td>
<td></td>
<td>0.525</td>
<td></td>
</tr>
<tr>
<td>TLK</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Output PLS Algorithm (2017)*

Based on the coefficient value of the path can be prepared equation of structural model (inner model) as follows:

\[ PDK = 0.175 \text{ KR} + 0.531 \text{ AK} \]
\[ TLK = 0.525 \text{ PDK} \]

4.3 Discussion

4.3.1 Influence of Regulatory Compliance to Campaign Fund Management

Test results using PLS found that Regulatory Compliance has a positive effect on Campaign Fund Management. The path coefficient of 0.175 and the value of t-statistics of 1.900 (greater than t-table 1.67, level of significance at $\alpha = 5\%$). The results show that the accepted H1 hypothesis means that the better a political party complies with the regulation, the better its Campaign Fund Management. This is because regulatory compliance is undertaken to assess the consistency between practices performed by political parties and the prevailing standards established by law and regulation. So that regulatory compliance will serve as a guarantee of the performance of political parties that ensure the management of campaign funds conducted can run efficiently and effectively in accordance with the plan and the provisions of the legislation as a representation of the good management of campaign funding legislative election.

Regulatory compliance also serves the control tool in order to avoid deviations towards the direction of achieving organizational goals, so as to improve the effectiveness of financial management and implicate the good transparency of financial statements of political parties. In the case of the presentation of campaign funds reports can be seen in the normative perspective in the sense that an individual tends to comply with the provisions, in this case, the timeliness of financial reporting because it is considered as a normative commitment through morality and because the authoring authority of that provision dictates the behavior to report its finances appropriately at a predetermined time (normative commitment through legitimacy).

Regulatory compliance can improve the reliability of financial management and reporting with the ability to provide financial information in a timely manner while maintaining the quality of information presented as a form of accountability and transparency of political parties over the management of public funds entrusted to them. The findings of this study support the theory of compliance (compliance theory) in which well designed and executed regulations ensure the implementation of good management principles.

The results of this study support the results of research conducted Wandari et al. (2015) who found that timeliness has a positive and significant impact on budget performance for the concept of value for money.

4.3.2 Influence of Accountability to Campaign Fund Management

The result of the second hypothesis test shows that the influence of accountability on campaign fund management has the coefficient value of 0.531 and the t-statistic value of 6.689 (greater than t-table 1.67, the level of significance at $\alpha = 5\%$). The results show that the accepted H2 hypothesis means that the application of improved accountability components, then campaign management funds will be more effective.

Financial accountability is a responsibility not only of vertical accountability (higher authority) but more emphasis on horizontal accountability (community). Accountability becomes the media of responsibility of Political Parties as the recipient of the authority of the community, be it contributor or constituency, to the management of public funds. Therefore the party must account for its management activities to constituents and donors. Accountability can improve the quality and reliability of campaign fund management that has implications for the transparency of party financial statements. These results support the stewardship theory in which a political party as a steward will present useful information to constituents, donors, and especially to the General Elections Commission (KPU) as the organizer of the election. Political parties are considered to have the ability to explain financial statements that record the overall occurrence of financial transactions to the public through the KPU.

Previous research in line with the results of the second hypothesis test is a study conducted by Adha et al. (2015) and Kusuma (2012) provide empirical evidence that there is a positive and significant influence in accountability to the transparency of financial statements. While Tonnaya and Ratnasari (2016), argued that accountability has a significant influence on local financial management. This means that the implementation of an improved accountability component, then campaign fund management will be more effective.
4.3.3 The Effect of Campaign Fund Management on Financial Report Transparency

The result of the third hypothesis test shows that the effect of campaign fund management on the transparency of financial report has the coefficient value of 0.525 and the t-statistic value is 6.741 (bigger than t-table 1.67, the level of significance at α = 5%). These results indicate that the accepted H3 hypothesis means that the more optimal the management of campaign funds, the more transparent the campaign's financial report will be. Campaign fund management is carried out to assess the consistency between government practice and the prevailing standards so as to assure the performance of the government that is to ensure the financial management carried out by the local government in an efficient and effective manner in accordance with the plan and the provisions of the legislation as a representation of good accountability government finance.

The results of this study support the theory of stewardship in which political parties act as stewards who direct all their capabilities and expertise in presenting and providing information useful to organizations and users of campaign fund information, either directly or indirectly through the General Elections Commission (KPU) realizing transparency in financial management of legislative election campaign funds. The results of this study are in line with previous research conducted by Hastuti's research (2015) proves that there is a positive and significant influence of financial management on the transparency of financial statements.

5. Conclusion

This research has tried to answer the research problem regarding whether testing compliance of regulation and accountability have the positive effect to campaign fund management and campaign fund management have the positive effect to the transparency of financial report at significant level 95%.

From the analysis, these research findings are as below:

1. The significance value of the regulatory compliance of a positive effect against the campaign fund Management resulted in a 1.90 t-statistic greater than the t-table of 1.67. Conclusion This first hypothesis is accepted. This means that political parties are increasingly obedient to the regulation, the more optimal in the management of campaign funds.

2. The significance value of accountability has a positive effect on Campaign Fund Management resulting in a t-statistic of 6.69 is greater than the t-table of 1.67. The second hypothesis conclusion is accepted. This means that the application of good accounting principles to political parties, the campaign management funds will be more optimal.

3. The significance value of the Campaign Fund Management has a positive effect on Financial Report Transparency resulting in a t-statistic of 6.74 larger than the t-table of 1.67. The conclusion of this third hypothesis is accepted. This means that optimal campaign fund management, the better the transparency of financial statements.

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