

Application Model of Transparency and Accountability of Regional Government Financial Reporting: It's Influence on the Level of Regional Government Corruption in Indonesia

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ABSTRACT

This research aims to empirically analyze the influence of transparency and accountability of local government financial reports (LKPD) on the level of local government corruption. It is important to carry out this research to see that the unqualified opinion (WTP) given by the Financial Audit Agency (BPK) has increased which shows that the presentation of regional government financial reports (LKPD) is getting better, but cases of corruption in government institutions continue to increase every year. The population used in this research is the City/Regency Governments throughout Riau. The type of data used in this research is secondary data. The City Government (Pemkot) that was the sample in this study was selected based on certain criteria (purposive sampling) with the aim of obtaining a sample that met the specified criteria. There are 15 city/district governments in Riau that can be used as samples in this research. The methods used in analyzing this research data are descriptive statistical analysis and inferential statistical analysis. Data processing was carried out using the IBM Statistical Package for Social Science (SPSS) version 25 and Warp PLS application programs. The research results prove that accountability influences the regional corruption index; Transparency influences the regional corruption index. Increasing accountability and transparency in government governance is an important step in efforts to reduce corruption and improve the quality of government in the regions. Concrete actions such as improving financial reporting, strengthening supervision, and increasing public access to government information must be taken to achieve this goal.

INTRODUCTION

Background

It has always been difficult for law enforcement officers in Indonesia, particularly the Corruption Eradication Commission (KPK), to assess the anti-corruption strategy. A variety of quantitative techniques, including the Open Budget Index (OBI), the Bribe Payers Index, and the CPI, are frequently employed as measures of the effectiveness and shortcomings of Indonesia's anti-corruption initiatives (Prabowo et al., 2018). In the 2020 Corruption Perception Index, Indonesia is at number 37 on a scale of 0-100, where 0 is very corrupt and a score of 100 is very clean, with a ranking of 102 out of 180 countries surveyed. This figure is down 3 points from 2019, where in 2019 Indonesia was at number 40 with a ranking of 85. The 2019 BPKP LKJ report revealed that the SPIP maturity of Provincial Governments (level 3) reflects the quality of SPIP implementation of all Provincial Governments which is expected to be at level 3. Like the SPIP maturity of K/Ls, the SPIP maturity of Provincial Governments is also measured using a scale of 0-5. The higher the SPIP maturity value indicates the better the quality of SPIP implementation. The number of provincial governments whose SPIP maturity achieves level 3 relative to the total number of provincial governments that are BPKP's working partners—34 provincial governments—is how provincial government SPIP maturity (level 3) is determined. As of 2019, of the 34 Provincial Governments that are BPKP's working partners, there are 27 Provincial Governments that have reached SPIP maturity level 3. Thus, the realization of Provincial Government SPIP maturity (level 3) is 79.41% or reached 93.42 % of the 2019 target of 85%.

Table 1 of Development of the Number of Provincial Governments Reaching SPIP Level 3 Maturity

Government Population Province	Number of Govt Province Debra, SPIP Maturity Level 3			Provincial government Den bro, SPIP Maturity Level 3
	2018	2019	+ / (-)	
34	23	27	4	1) North Sumatra, 2) West Sumatra, 3) Riau, 4) Riau Islands, 5) Jambi, 6) South Sumatra, 7) Lampung, 8) Banten, 9) DKI Jakarta, 10) West Java, 11) Central Java, 12) Yogyakarta Special Region, 13) East Java, 14) Kalimantan West, 15) South Kalimantan, 16) East Kalimantan, 17) North Kalimantan, 18) Central Kalimantan, 19) South Sulawesi, 20) SNorth Sulawesi, 21) Central Sulawesi, 22) West Sulawesi, 23) Gorontalo, 24) Bali, 25) West Nusa Tenggara, 26) Maluku, 27) North Maluku

From this report, it can be seen that there has been an increase from 2018 and 2019 which reached level 3. This shows an increase in the implementation of internal control by 4 provinces, or 11.76% of the number of provincial governments. The number of Provincial Governments with maturity levels 2 and 1 has decreased due to their rise to levels above. Corrupt practices occur in almost every region in Indonesia, ranging from small to very complex cases, for example in a small corruption case in 2013, the former UNSYIAH chancellor became a suspect in the case of corruption in the general funds for Syiah Kuala University scholarships which were sourced from the Aceh Revenue and Expenditure Budget (APBD) in 2009-2010 worth IDR 3.6 billion (Burhanudin, 2013). According to ICW (Indonesia Corruption Watch) there are complex corruption cases that have not been resolved, including: (1) the Century Bank boycott corruption case; (2) bribery of BI deputy election visitors' checks; (3) The Nazaruddin case regarding the athlete's homestead and 2 hampers; (4) The tax mafia case related to Gaius Tambunan and other mafia networks; (5) Police general's fat account. Although a lot of work has gone into trying to end corruption, the idea that locking up corrupt individuals would have a deterrent impact has not worked. This is because law enforcement in Indonesia is not free from money games and the influence of power (Panjaitan, 2018). Local governments where there is corruption have a higher level of fiscal decentralization compared to local governments where there is no corruption (Maria et al., 2019).

One of the cases that came to light during the Corruption Eradication Commission (KPK) sting operation (OTT) in South Sulawesi (Sulsel) on Friday, February 26, 2021, was the arrest of Governor Nurdin Abdullah of South Sulawesi. The first regional leader to be apprehended by the KPK in 2021 is NA. Nurdin Abdullah and two other individuals were designated as suspects on Sunday, February 28, 2021. In the purported bribery case involving infrastructure projects under the South Sulawesi Provincial Government, NA and ER were designated as suspect recipients. According to Law Number 20 of 2001 concerning Amendments to the Law 31 of 1999 concerning the Eradication of Corruption Crimes, as well as Article 55 paragraph 1 to 1 of the Criminal Code, both of them are suspected of violating Article 12 letter a, Article 12 letter b, Article 11 and Article 12B of Law (UU) Number 31 of 1999 concerning the Eradication of Corruption Crimes. The US was identified as the possible supplier in the meantime. According to Law Number 20 of 1999-2001 concerning Amendments to Law Number 31 of 1999 concerning the Eradication of Crime Corruption Jo Article 55 paragraph 1 to 1 of the Criminal Code, the US is suspected of violating either Article 5 paragraph (1) letter an or Article 5

paragraph (1) letter b or Article 13 of Law Number 31 of 1999 concerning the Eradication of Corruption Crimes.

A good government will provide the best service to the community in order to achieve goals and programs to improve the welfare of the community. One indicator of good governance is budget accountability. The important role of government in budget preparation is a gap in efforts to benefit oneself. So, in the process of budget realization, it is not uncommon for it to not be on target. Institutional performance was rated lower when participants were given brief hints of corruption or bureaucracy in the performance vignette. In other words, corruption and bureaucratic corruption have a negative influence on the ratings that respondents give to these institutions. Remember that corruption is defined as illegal activity (Caillier, 2018). The formulation of the problem in this research is How is the Effect of Accountability Implemented on the Regional Corruption Index? And how does transparency affect the regional corruption index? The objective of this study is to conduct an empirical analysis of the relationship between the degree of local government corruption and the accountability and transparency of LKPDs. This research is necessary because, although the number of corruption cases in government agencies keeps rising annually, the unqualified opinion (WTP) issued by the Indonesian Financial Audit Agency (BPK) has increased, indicating that the presentation of regional government financial reports (LKPD) is improving.

Research purposes

This study's specific goal is to analyze how publication of the Regional Government Financial Reports' (LKPD) Influence of Transparency and Accountability on the Level of Local Government Corruption (Study of City Governments around Riau) affects local government corruption. In the meantime, the functional goal of this study is to enable academics to use the research's findings as material for literature reviews.

Research Urgency

It is anticipated that the findings of this study will contribute to the body of knowledge already available on the impact of regional government financial reports' (LKPD) transparency and accountability on the degree of local government corruption, and they will offer signals that are as precise as feasible based on science.

LITERATURE REVIEW

Main Theories of Corruption

Corruption literally means rottenness, ugliness, depravity, dishonesty, corruptibility, immorality, deviation from holiness. In a broad sense, corruption means using position for personal gain. Position is a position

entrusted to someone. A person who holds a position is given the authority or power to act on behalf of an institution, both a private institution and a public institution (Ikhwan et al., 2017). Corruption can be carried out by anyone, whether individuals, legal entities or non-legal entities, community organizations, cooperatives, foundations, and political parties or governments (Butarbutar, 2016).

Hamza (Ruslin, 2015) stated that corruption comes from the Latin "corruption" or "corrupts", which then appeared in many European languages, English, French "corruption", Dutch "Corruptive" which later appeared also in Indonesian "Corruption", if we refer to Indonesian-English and English-Indonesian dictionaries we will find that the meaning of the word corruption is rotten, bad, depraved, bribe able, likes to be bribed. So initially the definition of offense was limited to the meaning of bribery only. What later became widespread, in the Cyclopaedia Americana, stated that there are various types of corruption. There is corruption in the political field and material corruption. Since corruption is a multifaceted, complex phenomenon, evaluating the effectiveness of anti-corruption initiatives should go beyond simply describing what actually occurs in reality and include problematizing it as well as identifying relevant actors, issues, and relationships in order to make it more manageable (Prabowo et al. al., 2018).

Both at the local and federal government levels, perceptions of organizational performance are negatively impacted by corruption. All other things being equal, an assessment of the degree of corruption at the regional level will be most correlated with the perceived performance of local government and less with that of the central government, as confirmed, though for choices at the extremes of the corruption variable (Moldogaziev & Liu, 2020). A number of reasons, such as disparities in income or salaries between the public and private sectors, excessive consumption or lifestyle choices, insufficient government spending standards, and other circumstances, can serve as incentives for corruption. structural or systemic (Muhtari, 2019). The misuse of official authority for one's own benefit is known as corruption (Subandoro, 2017).

Financial Transparency and Accountability

According to Government Regulation Number 71 of 2010, accountability is the act of managing resources and putting policies in place that are entrusted to the reporting organization in order to achieve goals that are specified on a regular basis. There are two forms of public responsibility: vertical accountability and horizontal accountability (Mardiasmo, 2002: 21). Work units (services) are accountable to the regional government, which is

accountable to the central government, which is accountable to the people's consultative assembly (MPR), and so on. This type of accountability is known as vertical accountability. Accountability to the larger community, whether directly or via institutions that represent the people, is known as horizontal accountability.

Table 2 State of The Art/Previous Research

No.	Researcher Name	Research Title dan Year	Place Research/ Year	Research result
1	Fajar and Azhar	Perception Index Corruption and Human Development Against Economic Growth in Southeast Asian Countries	2022	Septarian corruption and, The Human Development Index has a positive and significant effect on the economic growth of countries in Southeast Asia. Furthermore, the research results also explain that together the variables of corruption and the Human Development Index have an influence on the economic growth of countries in Southeast Asia (Fajar & Azhar, 2022).
2	Woluyo	Optimization Eradicating corruption in Indonesia	2014	Operationalization of eradication Corruption must be carried out comprehensively, integrally and holistically. This is expected to increase public confidence, investors, national self-esteem, as well as have a deterrent effect, preventing potential corruptors, optimizing returns State/ people's money and other positive impacts (Waluyo, 2014)

3	Wu and Tom	Corruption and Accountability in China's Rural Poverty Governance: Main Features from Village and Township Cadres	2020	Policies and laws Anew anti-corruption measures have been implemented, corruption among village and sub-district cadres is still widespread and difficult to eradicate in the short term. Accountability also has some room for improvement (Wu & Christensen, 2020)
4	Khairudin	Influence Report Transparency and Accountability Finance Preordered Regional (Lkpd) Against the Level of Government Corruption Regional (Study of City Governments in Sumatra)	2016	Pei creased transparency regional government financial reports can be reducing the level of government corruption and lack of transparency can lead to high level of local government corruption. Increasing the accountability of local government financial reports cannot reduce the level of local government corruption (Khairudin & Erlanda, 2016).

5	Sejust now	Corruption in Indonesia (Causes, Dangers, Barriers and Eradication Efforts, and Regulations)	2018	Despite eradication facing corruption various obstacles, but efforts to eradicate them Corruption must be continuously dealt with make various changes and improvements (Wicipto Setiadi, 2018).
6	Pertiwi	Gaps in anti-corruption discourse in Indonesia: Findings from Study Literature Critical Corruption	2020	Panti-corruption practices has a gap with the daily practices of the people targeted by this movement. The gap occurs because of the dominance of global discourse a bag of local practices, and the dominance of government discourse and anti-corruption activist groups over other groups in communities that experience marginalization through narratives of universal morality (Pertiwi, 2019).

7	Wulandari and Nuryatno	Influence Internal control, Anti-Fraud Awareness, Integrity, Independence, And Professionalism in Fraud Prevention	2018	Pentanal control, integrity, independence and professionalism have a positive effect on fraud prevention. Meanwhile, anti-fraud awareness does not have a positive effect on fraud prevention (Wulandari & Nuryanto, 2018)
8	Ahyaruddin and Faisal	Determinants of Government Performance Area	2018	There is a need for urgency for local governments to pay more attention to achieving real performance, not just a formality to obtain WTP opinions and ignore fraud or corruption that occurs. This is because corruption or fraud can create a preference for the public not elect incumbents who have poor economic performance (Ahyaruddin & Amrillah, 2018)
9	Pane	Influence the Implementation of the Government's Internal Control System Against Fraud: Survey of Provincial Governments North Sumatra	2018	System implementation Internal government control and has a significant influence on fraudulent behaviour (Pane, 2018).

10	Molgodaziev and Liu	Public sector corruption and perception government performance	2020	The negative relationship between perceptions of corruption and evaluation of government performance is weaker in contexts with higher levels of public corruption (Moldogaziev & Liu, 2020).
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Conceptual Framework



Figure 1 Conceptual Framework

Hypothesis Development

Empirical Model 1: The Effect of Accountability on the Regional Corruption Index

One of the strategies that can be implemented to eradicate corruption in regional government is by increasing accountability. Accountability is believed to contribute to efforts to reduce corrupt practices that often occur in Regional Government. The audit opinion on financial statements shows the level of fairness which reflects the level of accountability of financial reports which is believed to contribute to efforts to reduce corrupt practices. A reasonable audit opinion showing good accountability is believed to be able to reduce the level of corruption, and vice versa.

H1: accountability influences the regional corruption index

Empirical Model 1: The Effect of Transparency on the Regional Corruption Index

Because it is too risky to be permitted to continue without transparency, the closed nature of the budget management system should be modified with a focus on the transparency principle. It will be simpler to keep an eye on how the government is operating if public affairs administration is transparent. Community supervision can stop corruption and other infractions in

government operations, as well as inconsistencies in the distribution of resources. To achieve clean state administration devoid of corruption, collusion, and nepotism, the government must be transparent in providing information to interested parties about public resource management activities. It is thought that transparency can lower corruption levels and vice versa.

H2: Transparent has an influence on the regional corruption index

Empirical Framework

The impact of sustainability reports on a company's financial performance, which is influenced by the size of the board of directors, can be described using the conceptual framework as the basis for an empirical research model, as follows:

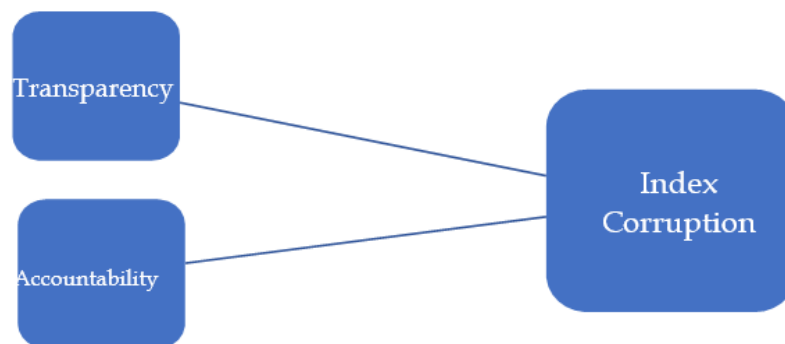


Figure 2: Empirical Research Model

Theoretical Depersonalization of Research Variables

Dimensions of Corruption

One classifies corruption as an exceptional offense. This is due to the fact that corruption undermines both the democratic process and the social and economic rights of the general public. Over Indonesia's history, corruption has spread broadly, methodically, and in both government and non-government (private) institutions. In addition to costing the State money, corruption in government organizations can make individuals miserable. Corruption in the private sector, or in corporations, has the potential to destroy the business and ultimately worsen people's lives (Sosiawan, 2019). Corruption is a complex phenomenon of various dimensions and thus measuring the performance of anti-corruption initiatives should not be limited only to describing accurately what actually happens in reality but also to problematizing it as well as to identifying related actors, problems and relationships so as to make them manageable (Prabowo et al. al., 2018). Several things that can be a motivation to commit corruption include: income or salary inequality between the public and private sectors, income or salary inequality between the public sector, excessive lifestyle or consumption patterns, inadequate government spending standards,

and other factors. systemic or structural (Muhtari, 2019). Corruption is the abuse of entrusted public power for personal gain (Subandoro, 2017).

Dimensions of Financial Accountability

According to Government Regulation Number 71 of 2010, accountability is the act of managing resources and putting policies in place that are entrusted to the reporting organization in order to achieve goals that are specified on a regular basis. There are two forms of public accountability: horizontal accountability and vertical accountability. Vertical accountability pertains to the management of funds by work units (services) to a higher authority. This includes the regional government to the central government, the central government to the people's consultative assembly (MPR), and so on. Accountability to the larger community through direct or indirect means through institutions that represent the people is known as horizontal accountability. (Khairudin & Erlanda, 2016; Kusumastuti, R., Sam, I., & Touriano, D. 2023).

Dimensions of Financial Transparency

Based on Government Regulation Number 71 of 2010, transparency means providing open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly about the government's accountability in managing the resources entrusted to it and its compliance with statutory regulations. To realize state administration that is clean and free from corruption, collusion and nepotism, one of the principles of openness must be fulfilled. The principle of openness in question is the principle of opening up to the public's right to obtain correct, honest and non-discriminatory information about state administration while still paying attention to the protection of personal, group and state secrets and human rights (Law Number 21 of 1999).

Research Objectives and Benefits

Research purposes

The specific aim of this research is to analyze the influence of disclosure of the Influence of Transparency and Accountability of Regional Government Financial Reports (LKPD) on the Level of Local Government Corruption (Study of City Governments throughout Riau). Meanwhile, the functional objective of this research is so that the results of the research can be utilized and used by academics as literature review material.

Research benefits

The results of this research are expected to provide signals that are as accurate as possible based on science and add to existing literature regarding

the Influence of Transparency and Accountability of Regional Government Financial Reports (LKPD) on the Level of Local Government Corruption.

METHODOLOGY

Research design

Research design is a plan based on activities, time, and research questions as well as instructions for selecting information and a framework to explain the relationships between variables. This type of research is causality research. (R. Cooper & S. Schindler, 2014).



Population and Sample

The population used in this research is the City/Regency Government throughout Riau. The type of data used in this research is secondary data. Transparency data was obtained from the websites of each city government in Sumatra. Accountability data is obtained from opinions issued by BPK RI Representatives of each region through audit results reports (LHP). Corruption level data is obtained from the national integrity index published by the Corruption Eradication Commission (KPK). Data collection in this research was carried out by means of documentation and literature study.

The city governments (Pemkot) that were the samples in this study were selected based on certain criteria (purposive sampling) with the aim of obtaining samples that met the specified criteria. There are 15 city/district governments in Riau that can be used as samples in the research, namely Pekanbaru City Government, Dumai City Government, Siak Regency, Rokan Hulu Regency, Rokan Hilir Regency, Pelalawan Regency, Kuantang Singingi Regency, Meranti Islands Regency, Indragiri Hulu Regency, Indragiri Hilir Regency, Bengkalis Regency.

Data Collection Procedures

The type of data used in this research is secondary data. Transparency data was obtained from the websites of each city government in Sumatra.

Accountability data is obtained from opinions issued by BPK RI Representatives of each region through audit results reports (LHP). Corruption level data is obtained from the national integrity index published by the Corruption Eradication Commission (KPK). Data collection in this research was carried out by means of documentation and literature study.

Definition and Operation of Research Variables

Variable Definition

A variable is a symbol of an event, action, characteristic, special trait or attribute that can be measured and categorized (R. Cooper & S. Schindler, 2014). This research consists of independent variables, namely the Regional Corruption Index, the dependent variable is regional financial transparency which will be explained as follows:

Dependent Variable

The dependent variable is the variable that is the researcher's main concern (Sekaran, 2011). The dependent variable in this research is the transparency and accountability of local government financial reports. The dependent variable in this research is the level of local government corruption. The national integrity index is an index in the form of a numerical scale that measures the level of corruption in Regional Government, the index range is from 0 to 10. The index shows that the closer to 10, the better the service integrity and vice versa, if it is close to 0, the service integrity gets worse. The variable level of local government corruption is measured using a modified national integrity index (Setiawan, 2012). The modification process uses a logical basis, if the national integrity index value is 0 then the level of corruption is 10 (very high corruption occurs) and if the national integrity index value is 10 then the level of corruption is 0 (no corrupt practices occur).

$$\text{Corruption Level} = 10 - \text{National Corruption Index Value}$$

Independent Variable

An independent variable is a variable that takes the dependent variable, either positively or negatively. If there is an independent variable, a dependent variable will also be present, and with every unit increase in the independent variable, there is also an increase or decrease in the dependent variable (Sekaran, 2011). Independent in this research is the transparency and accountability of regional government financial reports. The measure of transparency used in this research looks at how much Regional Government information is contained on the Regional Government website. The indicators used in this research refer to research by Aminah and Tarmizi (2013) who used the six criteria for measuring transparency are as follows:

1. There is a budget policy announcement.

2. Budget documents are available and easy to access.
3. Timely accountability reports are available.
4. Accommodating people's voices/suggestions.
5. There is a system for providing information to the public.

Other information published by the Regional Government is related to other important activities which are not limited by criteria, such as information on open procurement/tenders, information on investment opportunities in the region, information on natural wealth, green government information, and so on which contain important information. This research uses transparency measurements on a scale of 1 to 4. If the six criteria are met and the difference is one criterion, the Regional Government will be given a score of 4, and so on. The more information the Regional Government releases on the website, the higher the level of transparency of the Regional Government is assumed to be. The audit opinion of the Indonesian Financial Audit Agency (BPK) consists of four opinions, namely unqualified opinion (WTP), qualified opinion (WDP), unqualified opinion (TW), and no opinion (TMP). /Disclaimer opinion). Opinion measurement uses a scale of 1 to 4 with WTP given a value of 4, WDP given a value of 3, TW given a value of 2, and TMP given a value of 1.

Variable Operational

Operationalization of variables is an explanation and theoretical understanding of variables so that they can be observed and measured according to the measuring instruments described. where in measurable terms by reducing it from its level of abstraction through describing its dimensions and elements (Sekaran, 2011). The operational variables in this research can be seen in the following table:

Table 3. Operational Variables

Variable	Variable Concept	Indicator	Skala
<i>Transparent the Financial Report (X)</i>	Transparency means giving open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in managing the resources entrusted to it and its compliance with statutory regulations (Khairudin & Erlanda, 2016)	Stages 1 to 4 with WTP was given a value of 4, WDP was given a value of 3, TW was given a value of 2, and TMP was given a value of 1.	Stim

<p><i>Remember</i> <i>Regional</i> <i>Corruption</i> (Y)</p>	<p>The Corruption Perception Index (IPK) is an aggregate indicator that combines various sources of information about corruption, making it possible to compare the level of corruption in each country. Obtaining GPA data uses a scale from 0-100. If a country's GPA score is close to "0" then the level of corruption in that country is very high and conversely, if a country's GPA score is close to "100" then that country has a low level of corruption or in other words is free from corruption. Despite the various weaknesses of the existing measurement system, the published IPK rankings and scores have succeeded in triggering countries with the lowest GPA rankings to be serious about handling and fighting corruption in their countries (Fajar & Azhar, 2019)</p>	<p>Corruption Level = 10 - Corruption Index Value National</p>	<p>Stim</p>
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Analysis Method

The method used in data analysis for this research is descriptive statistical analysis and inferential statistical analysis using SEM causality analysis, structural equation modeling (Structural Equation Modeling) with the PLS (Partial Least Square) analysis tool. hereinafter abbreviated as SEM. Data processing was carried out using the IBM Statistical Package for Social Science (SPSS) application program version 25 and Warp PLS. One component-based SEM program or variance-based SEM (PLS-SEM) that can be used to analyse data is Warp PLS. This research uses Warp PLS version 7.0 to analyse structural equation models. There are six process stages in analysing data using PLS-SEM which cannot be skipped and affect the next stages (Latan & Ghozali, 2014), while the stages in PLS-SEM are: Model Conceptualization, Determining

Algorithm Analysis, Determining Resampling Methods, Drawing Path Diagrams, Model Evaluation, Reporting Analysis Results.

RESEARCH RESULT

Summary Table 4 of Hypothesis Test Results

Hypothesis	Coefficient Regression: β	P value
H1	-0.421	$p < 0.05$
H2	-0.356	$p < 0.05$

1. *Effect of Accountability on Regional Corruption Index: Regression Coefficient: $\beta = -0.421$ ($p < 0.05$)*

The negative regression coefficient (-0.421) indicates a negative relationship between the level of accountability and the regional corruption index. Every one unit increase in the level of accountability is accompanied by a decrease of around 0.421 points in the regional corruption index. A p value that is less than 0.05 indicates that this relationship is statistically significant.

2. *Effect of Transparency on Regional Corruption Index: Regression Coefficient: $\beta = -0.356$ ($p < 0.05$)*

The negative regression coefficient (-0.356) indicates a negative relationship between the level of transparency and the regional corruption index. In other words, every one unit increase in the level of transparency is accompanied by a decrease of around 0.356 points in the regional corruption index. A p value of less than 0.05 indicates that this relationship is statistically significant.

DISCUSSION

Accountability Affects the Regional Corruption Index

Accountability refers to the obligation for public officials and government institutions to be responsible for their actions and use of the funds they manage. Accountability includes proper reporting, monitoring, and legal consequences that may arise if there is misuse of authority or public funds. In the context of regional corruption indices, strong accountability can reduce the risk of corruption because officials will be more careful in their actions if they know that their actions will be monitored and could trigger sanctions. Accountability has an important role in managing corruption risks, especially in the context of regional corruption indices. This concept refers to the obligations of public officials and institutions governments to be responsible for their

actions and management of the funds they handle. With strong accountability, officials tend to carry out appropriate reporting, submit to supervision, and are aware of the legal consequences they can face if there is abuse of authority or public funds. In relation to the regional corruption index, effective accountability can be the main safeguard against corrupt practices. Officials who are aware of their obligations to maintain transparency and integrity in their actions will tend to be more careful. They know that their actions will be closely monitored, and violations of the principle of accountability may trigger legal sanctions or other consequences. Thus, the results of the analysis which show a negative relationship between the level of accountability and the regional corruption index confirm the importance of implementing strong accountability principles in order to reduce the risk of corruption at the regional government level.

Transparency Affects the Regional Corruption Index

Transparency refers to the level of openness and traceability of information in government. When the government and public institutions act transparently, this means that information regarding their policies, budgets, decisions and activities can be easily accessed by the public. With high transparency, acts of corruption are more difficult to carry out because public officials know that their actions can be seen by the public and supervisory institutions. This puts additional pressure on maintaining integrity. Transparency, with a high level of openness and traceability of information in government, emerged as a critical factor that had a significant negative impact on the regional corruption index. In this context, when the government and public institutions operate with a high level of transparency, this means that all information related to their policies, budgets, decisions and activities can be easily accessed by the public. The high level of transparency creates a natural monitoring mechanism, where acts of corruption become more difficult to carry out. Public officials are aware that every step they take is visible to the eyes of the public and regulatory agencies, which in turn creates additional pressure for them to maintain integrity. In other words, transparency is not only a tool for providing access to information to the public, but also an effective defence in reducing risks and opportunities for carrying out corrupt practices that are detrimental to the sustainability of regional government.

CONCLUSIONS AND RECOMMENDATIONS

Accountability influences the regional corruption index; transparency influences the regional corruption index. Increasing accountability and transparency in government governance is an important step in efforts to reduce corruption and improve the quality of government in the region. Concrete actions, such as improvements in financial reporting, strengthening

supervision, and increasing public access to government information, must be taken to achieve this goal.

ADVANCED RESEARCH

In writing this article the researcher realizes that there are still many shortcomings in terms of language, writing, and form of presentation considering the limited knowledge and abilities of the researchers themselves. Therefore, for the perfection of the article, the researcher expects constructive criticism and suggestions from various parties.

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