

Analysis of Fulfillment of Auditor Requirements in Conducting Audits of Election Participants' Campaign Fund Reports

Muhammad Arsyad^{1,*}

¹Department of Accounting, Politeknik Negeri Ujung Pandang, Indonesia

ARTICLE INFO

Article History:

Received: 21 Jan 2024;
Revised: 1 Mar 2024;
Accepted: 7 Mar 2024;
Available online: 14 Mar 2024;
Published regularly: Jul 2024

Keywords:

Auditor requirements;
Campaign finance reports;
Elections



ABSTRACT

This research aims to find out what requirements must be met by auditors in conducting an audit of campaign finance reports for election participants for the period of 2024-2029 in Indonesia. This research is a literature research, the data analysis method used in this research is descriptive qualitative. The data collection technique was carried out using the library research method, namely study literature that sourced from statutory regulations and literatures relating to what requirements must be met by auditors in auditing the campaign financial reports of election participants. Based on the results of this research, it can be concluded that there are two main requirements that must be met by auditors, both as AP, Chair and Team Member, in conducting an audit of the campaign finance reports of election participants. These requirements are related to Independence and Competence. The independence and competency requirements in this research are different from the results of previous researches. The requirements for independence from the results of this research are that it is not affiliated directly or indirectly with election participants and/or campaign teams, is not a member or administrator of a political party, or administrator of a political party proposing candidate pairs and does not have the status of a state civil servant. The auditor is required to make a Statement of Independence. The Competency Requirements that must be fulfilled by the Auditor are having attended training and obtained a certificate of competency in auditing Campaign Fund Reports from a valid professional association, must have audit work experience in KAP, and a minimum education of Bachelor's Degree in Accounting for the chairman and 2 (two) years' experience, for Team members have a minimum education of D3 in Accounting and 1 (one) year of experience. The auditor is required to make a statement of work ability.



© 2024 The Authors. Published by Jurusan Akuntansi PNU.
This is an open access article under the CC BY-NC-ND license
(<https://creativecommons.org/licenses/by-nc-nd/4.0>)

*Corresponding Author: Email: Muhammad_arsyad@poliupg.ac.id

How to Cite: Arsyad, M. (2023). Analysis of Fulfillment of Auditor Requirements in Conducting Audits of Election Participants' Campaign Fund Reports. *AKUNSIKA: Jurnal Akuntansi dan Keuangan*, 5(2), 44-49

Permalink/DOI: <http://dx.doi.org/10.31963/akunsika.v5i2.4635>

INTRODUCTION

Based on the Law Number 7 (2017), concerning General Elections consists of 573 articles, explanations and 4 attachments and the

provisions of Articles 325 to 339 in this law, General Election campaign activities are funded. This law also explains the responsibility of General Election Participants. (The House of Indonesian Representative, 2017)

Furthermore, in order to realize the principles of legal certainty, accountability and transparency, General Election Participants are required to record campaign funding in the Campaign Finance Report. Campaign Fund Reports consist of 3 types of reports, namely initial campaign fund reports (LADK), campaign fund contribution reports (LPSDK), and campaign fund receipt and expenditure reports (LPPDK) (Komisi Pemilihan Umum Republik Indonesia 2024)

According to that, The LADK of Political Parties Contending in the 2024 General Election must contain information on their Campaign Fund Current Account (RKDK), the initial RKDK balance or opening balance and source of acquisition, the initial accounting balance which is the remaining balance from receipts of donations and expenditures for Campaign activities if received before the accounting period, records of receipts and expenditures of Election Contesting Political Parties including prior to the opening of the RKDK. This document also includes the taxpayer identification number of each Election Contesting Political Party and accountable proof of receipts and expenditures.

The LADK includes Form 1 Initial Report of Campaign Funds, Form 2 List of Receipt of Campaign Fund Contributions, Form 3 Report of Activities for Receipt and Expenditure of Campaign Funds, Form 4 List of Inventory of Campaign Fund Goods, Form 5 Report of Activity of Receipt and Expenditure of Campaign Funds before the initial report accounting period campaign funds, Form 6 Initial Report on Campaign Funds for Candidates for Legislative Members, Form 7 Statement of responsibility for the initial report on campaign funds.

According to (Wildan, 2023), campaign funds must be audited by a public accountant. This is also proved by prior investigations regarding the campaign and regulation to audit the the fund (Djamal, 2022; Kusumasari, 2018; Pebratama & Adnan, 2020). This is also regulated in article 335 paragraph (1) of the 2017 Election Law that the campaign finance reports of Candidate Pairs and campaign teams which include receipts and expenditures must be submitted to the public accounting office appointed by the KPU no later than 15 (fifteen) days after voting day. In paragraph (5), the public accounting firm submits the audit results to the KPU, Provincial KPU and City Regency KPU no later than 30 (thirty) days after receiving the report as intended in paragraph (1).

According to Komisi Pemilihan Umum

Republik Indonesia (2023c), in determining a public accounting firm to conduct an LADK audit, it must fulfill the requirements as regulated in article 336 paragraph (1) of the 2017 Election Law that the KPU determines a public accounting office as intended in Article 335 paragraph (1), paragraph (2), and paragraph (3) that meets the requirements in each province.

Based on the reasons and regulation mentioned above, prior work suggests that the campaign fund audit has a very important role as a control tool in providing guarantees for the management of the campaign fund budget (Ramadhan, Shoalihin, and Mansyuri, 2023). As a result, campaign funds can be managed effectively and efficiently based on transparency and accountability.

Furthermore, the previous study also revealed that campaign fund audits must be carried out by auditors who have experience, are independent and are competent, so that the results of campaign fund audits can be trusted (Ramadhan, Shoalihin, and Mansyuri, 2023). A quality audit means an auditor is able to detect and provide an opinion on compliance.

Based on (Dewan Pengurus Institut Akuntan Publik Indonesia, 2018), the audit carried out by the auditor is said to be of good quality if it meets the applicable auditing provisions or standards. According to (Noorliswati, 2023), carrying out audits of campaign finance reports using the Assurance Engagement Standard 3000 (Revised 2022) concerning Assurance Engagements other than Audits or Reviews of Historical Financial Information. In addition, Arsyad (2023) mentioned that the establishment of audit standards used in conducting the audit, from the perspective of users of financial information, will create equality in interpreting the nominal value of rupiah presented in the audited financial statements.

According to (Arsyad, 2023), audit quality is the probability that the auditor discovers and reports material misstatements in the client's financial statements. In this case, quality is a systematic process for objectively obtaining and evaluating evidence regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and established criteria. Quality should also convey the results to interested users (Natsir, et al, 2023).

Based on the investigation of Arsyad (2013), the quality of audit is determined by two main factors. The first factor is competence and the other one is independence. Competence is the auditor's ability to find and detect fraud

when conducting an audit. The auditor's competency is influenced by his knowledge and experience.

Meanwhile, independence means a mental attitude that is free from influence, not controlled by other parties and not dependent on other people (Arsyad, 2013; Bawuah, 2024; Daryaei, et al., 2024; de Almada, 2015). Independence also means the existence of honesty in the auditor in considering facts and the existence of objective, impartial considerations in the auditor in formulating and expressing his opinion. This independence makes the auditor capable and brave enough to report all the findings he obtains during the audit process.

Based on the prior study of Arifuddin (2023), The KPU as the main person responsible for organizing elections must be able to carry out its function as a center for knowledge and sharing of experiences about elections and also as a center for multi-party collaboration and cooperation. One of the parties collaborating with the KPU in making the election a success is the Indonesian Institute of Public Accountants (IAPI) through the Financial Professional Development Center (PPPK).

Moreover, according to Noorlisyati (2023), the public accounting profession can play an important role in strengthening the financial sector. Public accountants must be able to maintain their professional credibility so that they can play a role in preventing manipulation, errors and irregularities in financial reporting which can have a negative impact on economic stability, both at the micro and macro economic levels (Noorlisyati, 2023).

Public accountants can make a positive contribution to Indonesia in realizing a clean political year with integrity (Arsyad, 2023; Natsir, 2023). Public accountant can out financial audits independently and professionally and helping increase public trust in institutions or organizations.

In addition, Noorlisyati (2023) mentioned that the audit of campaign finance reports refers to the General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds which relates to reporting campaign funds of election participants and the implementation of audits of campaign fund reports of election participants. In the General Election Commission Regulations before 2023 there are no specific requirements relating to Auditors who carry out audits of election participants' campaign finance reports.

This research aims to find out what requirements must be met by auditors in conduct-

ing an audit of campaign finance reports for election participants for the period of 2024-2029.

RESEARCH METHODS

This research is a literature research that relating to what requirements must be met by auditors in auditing campaign financial reports for election participants for the period of 2024-2029.

The data collection technique was carried out using the library research method, namely study literature that sourced from statutory regulations and literatures relating to what requirements must be met by auditors in auditing the campaign financial reports of election participants for the period of 2024-2029 in Indonesia. In this research, the data obtained was processed and explained by referring to the literature study that the researcher had carried out.

The data analysis method used in this research is descriptive qualitative. According to (Sugiono 2013), Qualitative descriptive method is a method of analyzing data where data is collected, compiled, interpreted and analyzed so as to provide complete information for solving the problems faced. In this model there are three components of analysis, namely data reduction and presentation and drawing conclusions.

RESULTS AND DISCUSSION

Based on the results of the literature research carried out, it can be seen that there are several requirements that must be fulfilled by the Auditor in carrying out an audit of the campaign finance reports of election participants.

Law Number 7 of 2017 concerning General Elections in article 336 paragraph (1) states that the KPU determines a public accounting firm as intended in Article 335 paragraph (1), paragraph (2), and paragraph (3) that meets the requirements in each province. Article 336 paragraph (2) The public accounting firm as intended in paragraph (1) must at least fulfill the following requirements (a) Make a written statement on paper with sufficient stamp duty that the partner responsible for auditing the Election Campaign Fund report is not directly or indirectly affiliated directly with Election Participants and/or campaign teams. (b) Make a written statement on sufficiently stamped paper that the partner responsible for examining the Election Campaign Fund report is not a member or administrator of a political party, or an administrator of the Political Party proposing Candidates. (Dewan Perwakilan Rakyat, 2017)

KPU Regulation No 18 of 2023 in Article 98 paragraph (1) states that the KPU determines KAP that meets the requirements in each province. Article 98 paragraph (2) states that the KAP as referred to in paragraph (1) must at least fulfill the following requirements (a) make a written statement on paper with sufficient stamps stating that the partner responsible for examining the Election Campaign Fund Report is not affiliated directly or indirectly with Election Participants and/or Campaign Teams; and (b) make a written statement on sufficiently stamped paper stating that the partner responsible for examining the Election Campaign Fund Report is not a member or administrator of a Political Party, or an administrator of the Political Party proposing Candidate Pairs. (Komisi Pemilihan Umum Republik Indonesia, 2023c)

Based on Article 336 paragraphs 1 and 2 of Law No. 7 of 2017, and Article 98 paragraphs 1 and 2 of PKPU No. 18 of 2023, it can be seen that the main requirements that must be met for Public Accountants (AP) who will carry out audits of election participants' campaign finance reports must be fulfill the independent aspect. Independent means a Public Accountant who is not affiliated directly or indirectly with Election Contestants and/or campaign teams and is not a member or administrator of a political party, or administrator of a Political Party proposing Candidates. (Komisi Pemilihan Umum Republik Indonesia, 2023c)

Requirements for auditor independence in conducting audits of campaign finance reports are strengthened in attachment 1 of KPU Decree Number 1677 of 2023 concerning Technical Guidelines for Campaign Fund Reporting. In Chapter 2 letter D paragraph (2c) the audit results of the Campaign Fund Report must contain a Statement of AP/KAP Independence. (Komisi Pemilihan Umum Republik Indonesia, 2023b)

KPU Regulation No. 18 of 2023 in Article 99 paragraph (2) letter c states that the AP does not have the status of a state civil servant. Article 99 paragraph (3) states that the AP and the head of the audit team who will carry out the audit as intended in paragraph (1) will prioritize those who have attended Campaign Fund Report audit certification training from the AP professional association. Article 99 paragraph (4) states that APs assigned to carry out audits as intended in paragraph (1) are required to attend meetings or socialization of this Commission Regulation held by the KPU, Provincial KPU or Regency/City KPU. Article 99 paragraph (5) states that the AP conducting the au-

dit as intended in paragraph (1) is responsible for the audit results report. (Komisi Pemilihan Umum Republik Indonesia, 2023c)

Based on article 99 paragraph (2), paragraph (3), and paragraph (4) PKPU No. 18 of 2023, it can be seen that other requirements that must be met for (AP) and the Team that will carry out an audit of election participants' campaign finance reports must fulfill the aspects competence. Competence means they have attended training and obtained Campaign Finance Report audit certification from a professional association. (Komisi Pemilihan Umum Republik Indonesia, 2023c)

The requirements for auditor competency in conducting audits of campaign finance reports are strengthened in attachment 1 of KPU Decree Number 1815 of 2023 concerning Technical Guidelines for Implementing Audits of Campaign Fund Reports. In Chapter 2 Letter A paragraph (2i) that the Auditor assigned as referred to in letter h, is required to have audit work experience in KAP, and a minimum education of Bachelor's Degree in Accounting for the team leader and 2 (two) years of experience, for team members a minimum education of D3 in Accounting and 1 (one) year experience. In chapter 2 Letter A paragraph (2j) that the AP, chairman and team members must have a certificate of audit training on General Election Participants' Campaign Fund Reports held by the Public Accountant professional association which is still valid. Chapter 2 Letter A paragraph (2k) states that the KAP is obliged to submit a work capability statement that is stamped and signed by the AP according to the number of personnel in the audit team. (Komisi Pemilihan Umum Republik Indonesia, 2023a)

CONCLUSION

Based on the results of this research, it can be concluded that there are two main requirements that must be met by auditors, both as AP, Chair and Team Member, in conducting an audit of the campaign finance reports of election participants for the period 2024-2029. These requirements are related to independence and competence.

This study highlights the independence and competency requirements in this research are different from the previous result of another study (Arsyad, 2013). Prior study suggested that competency is the auditor's ability to find and detect fraud when conducting an audit. Independence means a mental attitude that is free from influence, not controlled by other parties, not dependent on other people.

However, the requirements for independence from the results of this research are that it is not affiliated directly or indirectly with election participants and/or campaign teams, is not a member or administrator of a political party, or administrator of a political party proposing candidate pairs and does not have the status of a state civil servant. In this study, the auditor is required to make a Statement of Independence.

The Competency Requirements that must be fulfilled by the Auditor are having attended training and obtained a certificate of competency in auditing Campaign Fund Reports from a valid professional association, must have audit work experience in KAP, and a minimum education of Bachelor's Degree in Accounting for the chairman and 2 (two) years' experiences, for Team members have a minimum education of D3 in Accounting and 1 (one) year of experience. The auditor is required to make a statement of work ability.

This study offers insight into the requirements for auditors who will be reviewing the campaign funding reports. However, it must be addressed that this study is limited because it only addresses situations in Indonesia. The findings of this study may not be applicable in other circumstances and nations.

REFERENCES

- Arifuddin, Muhammad. 2023. "Kolaborasi Dan Sinergi KPU Sukseskan Pemilu 2024." *Komisi Pemilihan Umum*: 1. <https://www.kpu.go.id/berita/baca/11335/kolaborasi-dan-sinergi-kpu-sukseskan-pemilu-2024>.
- Arsyad, Muhammad. 2013. "Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Audit (Studi Pada Akuntan Publik Dan Calon Akuntan)." *Masagena 8(Kopertis Wilayah IX Sulawesi)*: 347–346. https://drive.google.com/drive/folders/1Ve1eLU-iE-GUIS_dBPZeQPcb6icNRzyZrf.
- . 2023. "Dampak Redenominasi Rupiah Terhadap Penyajian Laporan Keuangan Audited." *AKUNSIKA: Jurnal Akuntansi dan Keuangan* 4(2): 6. <http://jurnal.poliupg.ac.id/index.php/akunsika>.
- Bawuah, I. (2024). Audit committee effectiveness, audit quality and earnings management: evidence from Ghana. *Cogent Business & Management*, 11(1), 2315318.
- Daryaei, A. A., Balani, A., & Fattahi, Y. (2024). Audit committee quality and cosmetic accounting: an examination in an emerging market. *Corporate Governance: The International Journal of Business in Society*.
- de Almeida, B. M. (2015). Empirical observation of the criteria for independence in auditing: Perception of auditors and teachers. *Tékhne*, 13(1), 12-24.
- Dewan Pengurus Institut Akuntan Publik Indonesia. 2018. *Panduan Indikator Kualitas Audit Pada Kantor Akuntan Publik*. Indonesia. <https://iapi.or.id/panduan-indikator-kualitas-audit-pada-kap/>.
- Djamal, S. M. (2022). Discourse on Reporting Political Campaign Funds in Regional Head Elections in Indonesia. *Journal of Contemporary Local Politics*, 1(1), 25-31.
- The House of Indonesian Representative, Presiden Republik Indonesia. 2017. *Undang Undang Republik Indonesia No 7 Tahun 2027 Tentang Pemilu*. Republik Indonesia. <https://peraturan.bpk.go.id/Details/37644/uu-no-7-tahun-2017>.
- Ellya Noorlisyati, Sekti Widihartanto. 2023. "PERSEPSI Kolaborasi Antara PPPK Dan IAPI Ajak Seluruh Akuntan Publik Refleksi Akhir Tahun Dan Bersiap Untuk Audit Dana Kampanye." *Kementerian Keuangan Republik Indonesia*: 1. <https://pppk.kemenkeu.go.id/in/post/persepsi-kolaborasi-antara-pppk-dan-iapi-ajak-seluruh-akuntan-publik-refleksi-akhir-tahun-dan-bersiap-untuk-audit-dana-kampanye>.
- Komisi Pemilihan Umum Republik Indonesia. 2023a. *Pedoman Teknis Pelaksanaan Audit Laporan Dana Kampanye Peserta Pemilihan Umum*. Republik Indonesia. <https://jdih.kpu.go.id/detailkepkpu-464d-5456526b39424a544e454a544e45>.
- . 2023b. *Pedoman Teknis Pelaporan Dana Kampanye Pemilihan Umum*. Republik Indonesia. <https://jdih.kpu.go.id/detailkepkpu-464d5456526b31524a544e454a544e45>.
- . 2023c. *Komisi Pemilihan Umum Peraturan Komisi Pemilihan Umum Nomor 18 Tahun 2023 Tentang Dana Kampanye Pemilihan Umum*. Republik Indonesia. <https://jdih.kpu.go.id/detailpkpu-4a4e546b5251253344253344>.
- . 2024. "Rilis KPU Penyampaian Laporan Awal Dana Kampanye (LADK) Partai Politik Peserta Pemilihan Umum Tahun 2024 Tingkat Pusat.Pdf." *Berita KPU*: 1. <https://www.kpu.go.id/berita/>

- baca/12205/rislis-kpu-penyampaian-laporan-awal-dana-kampanye-ladk-partai-politik-peserta-pemilihan-umum-tahun-2024-tingkat-pusat.
- Kusumasari, L. (2018). The disclosure of audited fund campaign accounting in Indonesia. *International Journal of Engineering & Technology*, 7(3.21), 93-101.
- Muhammad Arsyad, Sukriah Natsir. 2023. "The Role of Forensic Accounting in Improving Audit Quality." In *International Journal of Environmental, Sustainability, and Social Science*, Atlantis Press SARL, 1606–18. http://dx.doi.org/10.2991/978-2-38476-202-6_115.
- Pebratama, R., & Adnan, M. F. (2020, March). Management of the campaign funds in election of regional head. In *International Conference on Public Administration, Policy and Governance (ICPAPG 2019)* (pp. 94-99). Atlantis Press.
- Ramadhan, R, S Shoalihin, and M I Mansyuri. 2023. "Faktor-Faktor Yang Mempengaruhi Kualitas Audit Dana Kampanye Partai Politik." *Jurnal Pendidikan Tambusai* 7: 26930–43. <https://jptam.org/index.php/jptam/article/view/10970%0Ahttps://jptam.org/index.php/jptam/article/download/10970/8713>.
- Sukriah Natsir, Muhammad Arsyad, Rastina, Zoel Dirga. 2023. *Audit Dasar*. Makassar: PT Nasmedia Pustaka. <https://isbn.perpusnas.go.id/Account/SearchBuku?searchTxt=9786231552549&searchCat=ISBN>.
- Wildan, Muhammad. 2023. "Dana Kampanye Harus Diaudit Akuntan." *DDTC News*: 1. <https://news.ddtc.co.id/dana-kampanye-harus-diaudit-akuntan-publik-begini-ke-tentuannya-1795705>.