



The Effect of Accountability, Transparency, and Abnormal Accrual Against Potential Corruption in Indonesia

Safira Nada Sabila ¹, Rindu Rika Gamayuni ²,
Saring Suhendro ³, Rialdi Azhar ⁴

^{1,2,3,4} Lampung University

Korespondensi Penulis : safirana@gmail.com

Abstract. *Corruption is a serious problem that has become a concern in many countries, including Indonesia. Regional governments as entities responsible for the provision of public services and the use of public budgets have an important role in efforts to prevent and reduce corruption. Corrupt practices undermine public trust in the government, hinder economic, social and political development, and result in significant financial losses for the state and society. Corruption results in huge losses for Indonesian society and the economy. Public funds that should be used for infrastructure development, education and health services are often misused or siphoned off by corrupt parties. This impact can hinder improving the quality of life of Indonesian people and the country's economic growth. The crime of corruption is defined as a violation of people's rights, therefore the crime of corruption is included in the category of extraordinary crimes, where extraordinary methods are needed to overcome them (Butt, 2017).*

Keywords: *Accountability, Transparency, Abnormal Accrual, Corruption*

BACKGROUND

Budget transparency carried out online (Online Budget Transparency), is defined as making it easier for the public to obtain information online regarding the budget in a complete, accurate, timely and understandable manner (OECD, 2017). The more governments use their websites to provide greater transparency through Open Government Data (OGD), the greater the public's involvement in monitoring government. Budget information through OGD has become a mechanism for securing greater performance and accountability of government activities (Reddick et al., 2017).

The government plays a role in improving financial information in financial management, for this reason it is necessary to carry out reforms in terms of presenting financial reports on a strong basis as a reference (Tumbel et al., 2019; Rombebunga et al., 2013). The Government Accounting Standards Committee (KSAP) has prepared Government Accounting Standards (SAP) as a guide to accrual-based financial reports as stipulated in Government Regulation Number 71 of 2010. With the stipulation of Government Regulation Number 71 of 2010, the application of accrual-based government accounting standards has a legal basis. . This also means that the government has an obligation to immediately implement the new SAP, namely accrual-based SAP. The enactment of Government Regulation Number 71 of 2010 concerning accrual-based SAP brought major changes to the financial reporting system in Indonesia, namely the change from a cash basis to accruals to a full accrual basis in recognizing government financial transactions. Apart from being mandated by the Minister of Finance Regulation Number 213/PMK.05/2013, this change in basis is also expected to be able to

provide a complete picture of the financial position, present actual information regarding rights and obligations and be useful in evaluating performance.

Abnormal accruals are a form of accrual policy carried out by the government to shift budgets and expenditures within one fiscal year period so that certain government objectives can be achieved, where this method is difficult to detect and is used to manipulate accrual accounting policies (Pellicer et al., 2016). The level of abnormal accruals is a calculation for researchers to find out whether abnormal accruals affect the potential for corruption. Previous research on abnormal accruals has been conducted in local governments by (Garrone et al., 2013; Ines, 2017; José et al., n.d.; Noe et al., 2017; Pellicer et al., 2016; Pilcher, n.d.). However, there is still not much research, especially in the public sector in Indonesia, regarding abnormal accruals, so research is still needed to find out how much influence abnormal accruals have on the potential for corruption in the provincial government.

LITERATURE REVIEW

Agency Theory

In connection with research by (Jensen & Meckling, 1976) agency theory itself is a relationship related to principals (business owners) and agents (business management). Agency theory is a contract in an agency relationship where one or more owners (principals) recruit other people (agents) to provide various services and delegate decision-making authority to the agent. The government acts as an agent as an information provider, and the people, represented by the DPR as principal, as users of information, will only get secondary information which is certainly less than the government. This is where an information gap or information asymmetry occurs between the principal and agent, which can give rise to the practice of manipulating or managing accounting numbers (abnormal accruals) in LKPD.

Potential for Corruption

Corruption comes from the Latin words *Corruptus* and *Corruption*, meaning bad, depraved, deviating from purity, insulting or slanderous words. In the Black Law Dictionary in the KPK Corruption Crime module, corruption is an act carried out with the intention of obtaining some benefit that is contrary to official duties and other truths "an act of an official or someone's trust which violates the law and is full of mistakes using a number of advantages for oneself or others that are contrary to duties and other truths.

Accountability

Based on the Conceptual Framework for Government Accounting in Government Regulation Number 71 of 2010, accountability is taking responsibility for managing resources

and implementing policies entrusted to the reporting entity in achieving goals that have been set periodically. Accountability of regional government financial reports (LKPD) is important because it is a form of regional government accountability for the implementation of the regional income and expenditure budget (APBD). To find out the accountability of regional government financial reports, it is necessary to carry out an examination (audit) carried out by the Indonesian Financial Audit Agency (BPK), as an examiner of the management and responsibility of state finances as explained in Law Number 15 of 2006. Accountability is the obligation of the trustee. to give responsibility, present, disclose and report all government activities to the party who has given the mandate, namely the community. Achieving accountability is the main goal of public sector reform. The demand for public accountability requires public sector institutions to place greater emphasis on horizontal accountability, not just vertical accountability. Vertical accountability is accountability for managing funds to a higher authority, for example the accountability of work units (departments) to the local government. Regional government accountability to the central government, and central government to the DPR. Horizontal accountability is accountability to the wider community (Mardiasmo, 2018). Abdul Halim and Muhamad Ikbali (2012:83) accountability is the obligation to provide accountability or answer and explain the performance and actions of a person/legal entity or leader of an organization to parties who have the right or authority to ask for information or accountability. Accountability is a complex concept that is more difficult to realize than eradicating corruption (Turner & Hulme, 1997)

Transparency

Based on Government Regulation No. 71 of 2010 concerning Government Accounting Standards, it is stated that transparency is the principle of openness and honesty which allows the public to know openly and thoroughly about the government's responsibility for managing entrusted resources according to regulations in the form of preparing regional financial reports. (Lalolo, 2003) transparency is a principle that guarantees access or freedom for everyone to obtain information about government administration, namely information about policies, the process of making them and the results achieved. Mustopa Didjaja (2003:261) transparency is the government's openness in making policies so that they can be known by the public. Transparency will ultimately create accountability between the government and the people. In addition, transparency is an essential democratic process, every citizen can see openly and clearly the activities of their government rather than allowing these activities to be kept secret (Katz, 2004). According to (Sopanah, 2003) the budget prepared by the executive is said to be transparent if it meets the following criteria: (1) there is an

announcement of budget policy, (2) budget documents are available and easily accessible, (3) timely accountability reports are available, (4)) the people's voices/suggestions are accommodated, and (5) there is a system for providing information to the public.

Abnormal Accrual

Abnormal accruals refer to differences that cannot be explained economically between accruals and cash recognition in an entity's financial statements. In general, accrual is an accounting method that records income and costs when transactions or events occur, not when money physically moves. Abnormal accrual occurs when there is a significant difference between the expected accrual recognition and what actually occurs. Abnormal accruals are accruals that arise from transactions carried out or accounting treatments chosen to manage income (Pellicer et al., 2016). The objectives of abnormal accruals in the public sector (Pellicer et al., 2016) include: 1) reducing surpluses, unused allocations, or retaining funding for use in subsequent accounting; 2) increasing surplus or unused allocations to create a perception of efficient performance; 3) change expenditure information to prevent government or media scrutiny and criticism; and 4) provide funds for expenses that are available for use in other expenses. Accruals that differ from the "normal" amount (abnormal accruals) may indicate lower earnings quality and mislead users of financial statements (Dechow & Sloan, 2014). (Holthausen & R. Watts, 2001) defines discretionary accruals as the opportunistic behavior of leaders to mislead the use of accounting information for appropriate personal gain or for business needs. This opportunistic behavior can misinterpret the information disclosed and as a result have an effect on the stock market. According to (Marquardt & C. Wiedman, 2004) there are three individual accrual components that can be used to achieve a surplus or deficit goal for this year, namely the depreciation expense account, receivables account and payables account.

RESEARCH METHODS

Data Types and Sources

This research uses quantitative methods with secondary data in the form of information obtained from Regional Government Financial Reports (LKPD) and District and City Semester Examination Results Summary (IHPS) for 2020 to 2021 and has been audited by the Financial Audit Agency (BPK).

Research Population and Sample

Research Population

Based on the latest Central Statistics Agency (BPS) data for 2023 referring to data collection results for the period 2018-2022, there are 416 districts and 98 cities in Indonesia. The population in this research is the District and City Regional Governments in Indonesia, totaling 514 districts/cities.

Research Sample

The sampling technique used in this research was purposive sampling. According to Sugiyono (2013:218) purposive sampling technique is a technique for sampling data sources with certain considerations. The purposive sampling technique selects a group of subjects based on certain characteristics that are considered to be related to the traits or characteristics of the population to be studied. These characteristics are already known by researchers. So they only need to connect sample units based on certain criteria. With the following criteria:

1. The district/city government has a value of loss findings in the IHPS I softcopy attachment during the 2020-2021 research year.
2. District/city governments have official government websites during the 2020-2021 research year.

Regency/city governments have complete required data for the 2020-2021 research year.

RESULTS AND DISCUSSION

Results of Descriptive Statistical Analysis

Statistik deskriptif dalam penelitian ini digunakan untuk menjelaskan variabel-variabel independen yaitu Akuntabilitas (X1), Transparansi (X2), dan *Abnormal Accrual* (X3) serta variabel dependen yaitu Potensi Korupsi (Y). Uji statistik deskriptif ini dilihat dari nilai minimum, nilai maximum, mean dan standar deviasi.

Table 1 Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Potential for Corruption	418	.00144	.38173	.0735439	.06733087
Accountability	418	3.00	4.00	3.9737	.16008
Transparency	418	1.00	12.00	4.6420048	3.57299170
Abnormal Accrual	418	.00009	.31685	.0268498	.03182894
Valid N (listwise)	418				

Processed Data Source: SPSS (2024)

Potential for Corruption

Apart from that, based on table 1, it can be seen that the minimum value of the dependent variable potential corruption is 0.0144 because almost every regional government has potential corruption in the form of state losses. Meanwhile, the maximum value is 0.3817. Then, the table above also shows a mean value of 0.0735, which means that on average regional governments have the potential for corruption in the form of state losses which is not too high compared to others. Then, the standard deviation value is 0.0673, the standard deviation value is smaller than the mean value, this indicates that there is no large gap in the distribution of research data.

Accountability

Then, based on table 1, it can be seen that the minimum value of the independent variable institutional ownership is 3.00, which means getting a Fair Exceptions (WDP) opinion. Meanwhile, the maximum value is 4.00. Then, the table above also shows a mean value of 3.9737, which means that on average local governments have a fairly good opinion on financial reports, which is almost close to the maximum value, namely 4 in the form of an Unqualified Opinion (WTP). Then, the standard deviation value is 0.16008, the standard deviation value is smaller than the mean value, this indicates that there is no large gap in the distribution of research data.

Transparency

Transparency as an independent variable (X2) in this study was measured using data availability on the official website of the relevant district/city government based on the Instruction of the Minister of Home Affairs of the Republic of Indonesia No. 188.52/179/SJ of 2012 concerning Increasing Transparency in Regional Budget Management.

Then, the minimum value obtained in table 1 shows that the minimum value is 1.00, which shows that there are still regional governments that only upload 1 budget document related to the Minister of Home Affairs Instruction regulations. The maximum value is 12.00 and the mean value is 4.6420, which means that overall, on average, regional governments have published around 4 to 5 budget documents on the official website of each regional government, which shows the government's fairly good willingness to comply with existing regulations. Then, the standard deviation value is 3.5729, the standard deviation value is smaller than the mean value, this indicates that there is no large gap in the distribution of research data.

Abnormal Accruals

Abnormal accrual as an independent variable (X3) in this study was measured using the Modified Jones model formula of total receivables, total assets, income and plant, property, equipment, obtaining a minimum value of 0.00009 and a maximum value of 0.31685. Then, for the mean value, it obtained a value of 0.26849, which means that on average regional governments have a fairly high abnormal accrual value, which is almost close to the maximum value, which shows that there are still many regional governments, which means that regional governments tend to use procedures for increasing surplus/ deficit is close to zero. Management or management of surplus/deficit value is carried out through managing accrual accounts such as depreciation, receivables, income, and PPE (Plant, Property, and Equipment). Then, the standard deviation value obtained was 0.31828, greater than the mean value, this indicates that there is a large gap in the distribution of research data.

Classic Assumption Test Results

The classic assumption test in this research is used to test the quality of data in research that uses secondary data. The classical assumption tests carried out in this research include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality test

Normality test results were obtained from district/city government data in Indonesia which consists of 419 total research samples for the 2020-2021 period with the residual data criteria being said to be normal if the significant value is greater than 0.05 or 5%.

Table 2 Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		418
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.06027849
Most Extreme Differences	Absolute	.139
	Positive	.139
	Negative	-.101
Test Statistic		.139
Asymp. Sig. (2-tailed)		.085 ^c

Processed Data Source: SPSS (2024)

Based on table 2, the results of the Kolmogorov-Smirnov test show that the sig value is 0.085, so it can be concluded that the distribution of data in local governments that meets the criteria during the 2020-2021 period is normal (Gujarti and Porter, 2013).

Multicollinearity Test

Multicollinearity is a condition where there is a correlation between independent variables or between independent variables that are not mutually independent. The quantity that can be used to detect multicollinearity is the variance inflation factor (VIF).

Table 3 Multicollinearity Test

Variabel	Collinearity Statistics		Keterangan
	Tolerance	VIF	
Akuntabilitas	.988	1.012	Tidak terjadi multikolinearitas
Transparansi	.989	1.011	Tidak terjadi multikolinearitas
<i>Abnormal Accrual</i>	.999	1.001	Tidak terjadi multikolinearitas

Processed Data Source: SPSS (2024)

Table 3 shows that the independent variable, namely accountability, obtained a tolerance value of 0.988 and a VIF of 1.012. Then, the transparency variable has a tolerance value of 0.989 and a VIF value of 1.011. And for the abnormal accrual variable, the tolerance value was 0.999 and the VIF value was 1.001.

Based on the values obtained previously, all variables obtained a VIF value < 10 and a tolerance value > 0.1 , it can be concluded that there is no multicollinearity in this study.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is inequality of variance from the residuals of one observation to another. If the variance from the residual from one observation to another is constant, it is called homoscedasticity and if it is different it is called heteroscedasticity. If the significance value of the test results is > 0.05 or 5%, it can be concluded that there is no heteroscedasticity in this research.

Table 4 Heteroscedasticity Test

Variable	Sig.	Information
Accountability	.232	Heteroscedasticity does not occur
Transparency	.582	Heteroscedasticity does not occur
Abnormal Accrual	.156	Heteroscedasticity does not occur

Processed Data Source: SPSS (2024)

Berdasarkan tabel di atas variabel independen akuntabilitas memperoleh nilai sig sebesar 0,232. Lalu, untuk variabel transparansi memperoleh nilai sig sebesar 0,582. *Abnormal Accrual* memperoleh nilai sig sebesar 0,156. Hasil uji glejser menunjukkan perolehan

signifikansi ketiga variabel independen lebih besar dari 0,05 yang berarti tidak terjadi heteroskedastisitas dalam penelitian ini.

Autocorrelation Test

The autocorrelation test shows that there is a correlation between the error and the previous period's error, which in the classical assumption test this cannot happen using Durbin-Watson. This study uses the Durbin Watson (d) test by detecting autocorrelation and comparing the results of the Durbin Watson (dw) calculation with the dtable values. The following are the results of the autocorrelation test in this study:

Table 5 Autocorrelation Test

N	K	dU	d	4-dU	information
419	3	1.84941	1.946	2.15059	Heteroscedasticity does not occur

Processed Data Source: SPSS (2024)

Based on table 5, the total research sample data is $n = 419$ with $k = 3$ independent variables, obtaining a dU value of 1.84941. Then the Watson Durbin value is 1.946 and the 4-dU value is 2.15059, which is smaller than the 4-dU value. The obtained values meet the criteria for no autocorrelation because the value of $dU < d < 4 - dU$.

Multiple Linear Regression Analysis

Multiple regression analysis aims to determine the magnitude of the influence of the independent variable on the dependent variable.

Table 6 Multiple Linear Regression Results

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.778	.074		10,566	.000
Accountability	-.177	.019	-.421	-9,524	.000
Transparency	-.001	.001	-.075	-1,707	.088

Processed Data Source: SPSS (2024)

Based on the results of hypothesis testing in table 6, a multiple linear regression equation can be formulated in this research, namely:

$$PK_{it} = 0.778 - 0.177AK_{it} - 0.001TR_{it} - 0.224AA_{it} + e$$

The regression model equation shows that:

- The constant value is 0.778, meaning that if the independent variable (x) is equal to zero, then the value of Potential Corruption is 0.778.

- b. Accountability has a coefficient value of -0.177, meaning that every increase of 1 unit of accountability indicates that the potential for corruption in district/city regional governments in Indonesia will decrease by -0.177 with the assumption that other variables are constant.
- c. Transparency has a coefficient value of -0.001, meaning that every increase of 1 unit of accountability indicates that the potential for corruption in district/city regional governments in Indonesia will decrease by -0.001, assuming that other variables are constant.
- d. Abnormal Accrual has a coefficient value of 0.224, meaning that every 1 unit increase in Abnormal Accrual indicates that the potential for corruption in district/city local governments in Indonesia will increase by 0.224 with the assumption that other variables are constant.

Hypothesis Test Results

T test

Table 7 Hypothesis Testing Results

Variable	Hypothesis Direction	B grade	Sig t	Conclusion
Accountability	Negatif	-.177	.000	H1 Supported
Transparency	Negatif	-.001	.088	H2 Not Supported
Abnormal Accrual	Positif	.224	.016	H3 Supported

Processed Data Source: SPSS (2024)

The t test is used to determine the individual influence of the independent variable on the dependent variable. This test uses multiple regression with an alpha of 5% or 0.05. Based on the results from table 7

1. Accountability has a regression coefficient value in the negative direction of -0.177 and obtains a significance value of 0.000. The significance value is smaller than 0.05. This means that accountability as an independent variable in this research has a negative effect on the potential for corruption (H1 is supported).
2. Transparency has a regression coefficient with a positive direction of -0.001 and obtains a significance value of 0.088. The significance value is greater than 0.05. This means that transparency as an independent variable in this research has no effect on the potential for corruption (H2 is not supported).
3. Abnormal Accrual has a coefficient value of 0.224 and obtains a significance value of 0.016. The significance value is smaller than 0.05. This means that Abnormal Accrual as

an independent variable in this research has a positive effect on the potential for corruption (H3 is supported).

F test

The F test or model feasibility test is used to test whether there is a significant influence of the independent variable on the dependent variable. This test can be carried out when a research model consists of two or more independent variables. The test method used for the f test in this research is the ANOVA test by looking at the significance value of the test results.

Table 8 F Test

ANOVA ^a					
	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.376	3	.125	34,263	.000 ^b
Residual	1,519	415	.004		
Total	1,895	418			

Processed Data Source: SPSS (2024)

Based on table 8, the significance value obtained is 0.000. This shows that the significance value is smaller than 0.05, which means that the linear regression model in this research is appropriate or suitable for use. Based on this test, it can be concluded that the independent variables, namely accountability, transparency and abnormal accrual, together have a significant influence on the potential for corruption.

Coefficient of Determination

Table 9 Coefficient of Determination

Model Summary		
R	R Square	Adjusted R Square
.446 ^a	.199	.193

Processed Data Source: SPSS (2024)

In table 9 the R-Square results are 0.199 or 19.9%. Obtaining this value shows that the variables accountability, transparency and abnormal accrual are able to influence the potential for corruption by 19.9% while the remaining 80.1% is influenced by other variables.

Discussion

The Effect of Accountability on Potential Corruption

Based on the results of the hypothesis test, it shows that accountability has a significant effect on F of 0.000 (smaller than 0.05) and obtained a regression coefficient value of -0.177 in a negative direction and a significance value of t of 0.000 which means it is smaller than 0.005 so that H1 is supported. This means that based on the results of this research, accountability is proven to influence the potential for corruption. The higher level of accountability (indicated by the opinion of the Indonesian Financial Audit Agency (BPK) on the quality of provincial government financial reports) has proven to have a significant effect on reducing the number of acts of corruption in provincial governments in Indonesia.

Based on the Conceptual Framework for Government Accounting in Government Regulation Number 71 of 2010, accountability is taking responsibility for managing resources and implementing policies entrusted to the reporting entity in achieving goals that have been set periodically. Accountability of regional government financial reports (LKPD) is important because it is a form of regional government accountability for the implementation of the regional income and expenditure budget (APBD). To find out the accountability of regional government financial reports, it is necessary to carry out an examination (audit) carried out by the Indonesian Financial Audit Agency (BPK), as an examiner of the management and responsibility of state finances as explained in Law Number 15 of 2006. Accountability is the obligation of the trustee. to give responsibility, present, disclose and report all government activities to the party who has given the mandate, namely the community. Achieving accountability is the main goal of public sector reform. The demand for public accountability requires public sector institutions to place greater emphasis on horizontal accountability, not just vertical accountability. Vertical accountability is accountability for managing funds to a higher authority, for example the accountability of work units (departments) to the local government. Regional government accountability to the central government, and central government to the DPR. Horizontal accountability is accountability to the wider community (Mardiasmo, 2018). Abdul Halim and Muhamad Ikbil (2012:83) accountability is the obligation to provide accountability or answer and explain the performance and actions of a person/legal entity or leader of an organization to parties who have the right or authority to ask for information or accountability. Accountability is a complex concept that is more difficult to realize than eradicating corruption (Turner & Hulme, 1997).

The results of this research are in line with the level of accountability of local governments in Indonesia which is measured by public opinion, which on average has a fairly good score (showing an average score of 4 or WTP). Based on the results of this research, accountability in the Indonesian government is proven to reduce the potential for corruption

because the BPK Opinion issued after the audit ensures that state financial management has been carried out using generally accepted accounting principles and high transparency, thereby increasing the public's ability to monitor and supervise government activities. Thus, BPK opinion acts as an important indicator of accountability in reducing the potential for corruption in Indonesia.

The results of this research are also in line with research (Triwibowo, 2019; Ikhwan et al., 2016; Rini & Sarah, 2014) that the accountability of public financial management as reflected in audit opinions influences the level of corruption in a region. Based on previous research conducted by (Brusca et al., 2018) that accountability has the effect of reducing corruption scores in the political system so that the scores become better. At the same time, research conducted by (Rasul, 2002) states that the implementation of good governance, namely accountability, can limit opportunities for corruption so that efforts to eradicate corruption become effective. Compliance with legislation can be said to mean that the more disobedience is found, the more easily it will be indicated as an indication of corruption (Heriningsih, 2014).

The Effect of Transparency on Potential Corruption

Based on the results of hypothesis testing, it shows that transparency has a significant effect on F of 0.000 (smaller than 0.05) and improves

The Influence of Abnormal Accrual on Corruption Potential

Based on the results of the hypothesis test, it shows that abnormal accrual has a significant effect on F of 0.000 (smaller than 0.05). The results of the t test obtained a regression coefficient value of 0.224 with a positive direction and a significance of 0.016, which means it is smaller than 0.005 so that H3 is supported. Based on the results of multiple regression testing, the Abnormal Accrual variable has a positive and significant effect on the level of corruption. The higher Abnormal Accrual is proven to significantly increase the amount of potential corruption in district/city governments in Indonesia. The average Abnormal Accrual value for provincial governments in Indonesia shows a positive figure of 0.40, meaning that regional governments tend to use procedures to increase surplus/deficit close to zero. Management or management of surplus/deficit value is carried out through managing accrual accounts such as depreciation, receivables, income, and PPE (Plant, Property, and Equipment).

Abnormal accruals refer to differences that cannot be explained economically between accruals and cash recognition in an entity's financial statements. In general, accrual is an accounting method that records income and costs when transactions or events occur, not when money physically moves. Abnormal accrual occurs when there is a significant difference

between the expected accrual recognition and what actually occurs. Abnormal accruals are accruals that arise from transactions carried out or accounting treatments chosen to manage income (Pellicer et al., 2016). The objectives of abnormal accruals in the public sector (Pellicer et al., 2016) include: 1) reducing surpluses, unused allocations, or retaining funding for use in subsequent accounting; 2) increasing surplus or unused allocations to create a perception of efficient performance; 3) change expenditure information to prevent government or media scrutiny and criticism; and 4) provide funds for expenses that are available for use in other expenses. Accruals that differ from the "normal" amount (abnormal accruals) may indicate lower earnings quality and mislead users of financial statements (Dechow & Sloan, 2014). (Holthausen & R. Watts, 2001) defines discretionary accruals as the opportunistic behavior of leaders to mislead the use of accounting information for appropriate personal gain or for business needs.

The results of this research support that Abnormal Accrual can detect accounting fraud (Dechow et al., 2014; Powell et al., 2005). Abnormal Accrual practices lead to fraud or corruption in financial statements (Hasnan et al., 2013; Rahman et al., 2016). Lower quality accounting or higher Abnormal Accrual will result in higher levels of corruption. Supported by further research (Xu et al., 2019), there are discretionary accruals in local government financial reports and in local governments that commit fraud or corruption. In line with research conducted on local governments in England (Stalebrink, 2007; Pilcher & van der Zahn, 2010), there is management in recording Regional Government Financial Reports (LKPD) in Indonesia which aims to achieve a surplus/deficit approaching zero. Based on research conducted by (Ines, 2017), it explains that earnings management or related to accrual manipulation is positively related to corruption. High levels of corruption will be associated with higher earnings management. According to (Kamarudin et al., 2012) earnings management is considered as the opportunistic behavior of leaders to mislead the use of accounting information to suit personal gain or for business needs. Referring to various literature, for example (Schipper, 1989) earnings management is a deliberate intervention in the external financial reporting process with the intention of gaining personal benefit.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on previous research and discussions regarding the influence of accountability, transparency and abnormal accruals on the potential for corruption in district and city governments, conclusions can be drawn, namely:

1. Accountability is proven to have a significant negative influence or is proven to reduce the potential for corruption in district/city governments in Indonesia. The level of accountability of district/city governments in Indonesia as measured by the BPK's opinion on Regional Government Financial Reports (LKPD) shows good accountability values, this has been proven to be able to reduce the potential for corruption in district/city governments in Indonesia.
2. Transparency has not been proven to have a significant negative impact or has not been proven to reduce the potential for corruption in district/city governments in Indonesia due to the low level of transparency in provincial governments in Indonesia. Transparency is measured by the availability of website financial information.
3. Abnormal Accrual is proven to have a positive and significant effect (increases) the potential for corruption. There are Abnormal Accrual management practices that lead to corruption in district/city governments in Indonesia.

Suggestion

Regarding transparency and accountability, the government should make regulations regarding transparency policies for the disclosure of regional government financial information, make better planning and budgeting, and implement a better monitoring system. Regarding abnormal accruals, policies are needed to control accrual accounts (such as income, receivables, depreciation, buildings and equipment) which can create gaps in manipulation so that the surplus/deficit approaches zero.

1. For future researchers, it is hoped that they will be able to use measurements of potential corruption through the combined loss values contained in the IHPS I and IHPS II softcopy attachments.
2. For future researchers, it is hoped that they can increase the observation period to obtain better and more significant research results.
3. For future researchers, it is hoped that they can add variables with different indicators that influence the potential for corruption, not only limited to accountability, transparency and abnormal accrual.
4. For future researchers, it is hoped that they can use different measures for the transparency and accountability variables because there are several measures to measure these variables.

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