

Original Articles

The Urgency of Campaign Fund Transparency for Better Elections

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Abstract:

General Elections are a mechanism that allows the people to exercise their sovereignty directly, open to all, free from interference, carried out secretly, honestly and fairly within the Unitary State of the Republic of Indonesia, on the basis of Pancasila and the Constitution of the Republic of Indonesia of 1945. Campaign finance reporting is an important aspect in maintaining integrity and fairness in the general election process, especially in the election of President and Vice President . Law no. 7 of 2017 concerning General Elections regulates in detail the obligation to report campaign funds. However, there are still various challenges faced in implementing this law. This research is a normative study namely an approach that refers to analysis based on established principles, norms, or rules. This research is descriptive in nature, where the aim is to provide a complete picture of the state of elections that are democratic as well as honest and fair. Campaign finance reporting has variations in campaign finance reporting practices indicating that not all candidate pairs and their supporting political parties consistently comply with reporting obligations in accordance with applicable law. Financial reports are submitted, but the use of campaign funds is often not transparent. This results in uncertainty in how campaign funds are used and whether their use is in accordance with the provisions of Law no. 7 of 2017 concerning General Elections .

Keywords: General Elections, Campaign Funds, Transparent.

Introduction

General Elections are a mechanism that allows the people to exercise their sovereignty directly, open to all, free from interference, carried out secretly, honestly and fairly within the Unitary State of the Republic of Indonesia, on the basis of Pancasila and the Constitution of the Republic of Indonesia of 1945. The general election process is organized periodically to determine leaders at the national, provincial and district/city levels, both for executive and legislative positions.



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This is guaranteed by our constitution, as explained in “ Article 22 (1) which stipulates that general elections are carried out directly, open to all, free from interference, carried out secretly, honestly and fairly once every five years. (2) General elections are held to elect members of the People's Representative Council, Regional Representative Council, President and Vice President, and Regional People's Representative Council. (3) Political parties are participants in general elections to elect members of the People's Representative Council and members of the Regional People's Representative Council. (4) Individuals are participants in general elections to elect members of the Regional Representative Council. (5) The implementation of general elections is carried out by the General Election Commission which is national, permanent and independent .

Law of the Republic of Indonesia Number 7 of 2017 concerning General Elections confirms that General Elections, or Elections, are a tool for popular sovereignty to elect members of the People's Representative Council, Regional Representative Council, President and Vice President, as well as members of the Regional People's Representative Council, which is carried out in the same way, namely directly, publicly, freely, confidentially, honestly and fairly, within the framework of the Unitary State of the Republic of Indonesia, based on the principles of Pancasila and the 1945 Constitution of the Republic of Indonesia. The democratic system can be seen by holding general elections . The ongoing holding of general elections is an indication that the democratic system is working well. However, in carrying out general elections, prospective participants need campaign funds to convey their vision and mission to their supporters. Because campaigns are a way to seek sympathy and attract the attention of voters. Therefore, managing campaign funds is a determining and important factor in achieving victory for candidate pairs in the general election. However, the use of campaign funds that are not transparent and accountable can open up opportunities for corrupt practices , political manipulation and will cause financial losses to the State . Therefore, it is important to implement transparency and accountability in managing campaign funds in accordance with Law Number 7 of 2017 concerning General Elections .

General elections in Indonesia are considered a real implementation of democratic principles, where ideally every citizen is actively and directly involved in electing public officials in accordance with the principle of popular sovereignty stated in Article 1 Paragraph (2) of the 1945 Constitution of the Republic of Indonesia. This is expected to create good interaction between democracy and the holding of general elections, in accordance with the spirit of the constitution. General elections are considered as a way to realize democracy on the one hand, and as a tool to transfer power from the people to elected political contestants on the other hand. The practice of democracy through general elections has been regulated and determined by constitutional principles and state policies. Although the implementation of general elections can be strengthened or adjusted according to needs in a democratic context, they must still adhere to the framework established by the state. Decisions in general elections must be based on careful consideration, through a mature thought process and experience, to ensure wise and appropriate decisions ([Amir, 2020](#)) .

Ensure that elections are held fairly and competitively can be achieved through implementing rules that ensure equal funding, such as limiting the use of campaign

funds and providing public funds such as campaign grants to voters. However, an imbalance in funding can result in competitive inequality. Effective management can also be hampered when conflicts of interest arise because the value of the prize is too high, placing a burden on selected candidates. Therefore, setting reward limits can at least help reduce the chances of this happening. Implementing good financial regulations can also control corrupt practices and increase public trust in the democratic system. Political funding in Indonesia is currently generally dysfunctional. Three reasons are low public funding for political parties, low donations received by political parties from members or the public, and political funding regulations that are too complicated but cannot be implemented ([Kusmarti et al., 2023](#)). Implementing best practice campaign finance reporting systems is very important to create more transparent campaign finance reports. To understand a more transparent campaign finance reporting system, researchers borrowed concepts from The National Institute on Money in State Politics (Institute). The concept of best practice in disclosure/disclosure of campaign funds from the Institute is divided into four aspects, namely : 1) Timeliness (timeliness); 2) Completeness (completeness); 3) Data accessibility (accessibility of the data); 4) Data accuracy (accuracy of data).

Meanwhile, accountability, campaign finance reports that are published transparently should also fulfill the principle of accountability. Accountability is a vital principle in the election process. The principle of accountability ensures that political parties and candidates are responsible for obtaining and spending campaign funds rationally, according to ethics, and not violating regulations ([Supriyanto & Wulandari, 2013](#)). The key concept of accountability according to Linberg consists of ([Linberg, 2013](#)) : 1. Agent or institution given responsibility (called Agent); 2. Area, responsibility held, or domain responsible (Domain); 3. Agent or institution to which the Agent provides accountability (called Principal); 4. The right of the principal to require/force agents to inform and explain/justify their decisions regarding the domain they own; 5. The principal's right to impose sanctions on the agent if the agent fails to inform and/or explain/justify decisions taken based on the domain owned .

Meanwhile, Jose Antonio Ocampo in his article A Post The 2015 Monitoring and Accountability Framework states that there are three dimensions of accountability, namely ([Ocampo, 2015](#)) : Accountability which can be understood as the obligation of public officials to inform, explain and justify their decisions and actions by involving formal monitoring mechanisms ; Law enforcement (enforceability), is the capacity to impose sanctions on public officials who violate their obligations, where this is carried out either traditionally by other branches of power and/or by independent institutions that specialize in supervising the public sector (audit institutions, prosecutors, ombudsmen, etc) ; and which can be seen as a prerequisite for accountability and law enforcement ; and clear delimitation of responsibility , such as the requirement that all positions of authority have clearly defined obligations and performance standards so that their behavior can be assessed objectively and transparently . The general election which took place on February 14 2024 was attended by 18 political parties, which the General Election Commission has released through the Initial Campaign Fund Report (LADK). The details of parties that have reported LADK campaign funds are as follows ([Aditya Priyatna Darmawan, 2024](#)) :

1. PKB 579 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 1,005,330,806.37 Total expenditure: IDR 800,446,161.27.
2. Gerindra Party 580 out of 580 legislative candidate members have submitted

- LADK Total receipts: IDR 2,841,667,200.23 Total expenditure: IDR 1,097,908,714.62.
3. PDI-P575 out of 580 legislative candidate candidates have submitted LADK Total receipts: IDR 183,861,799,000.00 Total expenditure: IDR 115,046,105,000.00.
 4. Golkar Party 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 10,018,314,565.00 Total expenditure: IDR 4,651,317,912.00.
 5. NasDem Party 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 7,781,026,469.00 Total expenditure: IDR 7,631,655,294.00.
 6. Labor Party 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 4,212,094,815.00 Total expenditure: IDR 3,744,764,806.00.
 7. Gelora Party 396 out of 396 legislative candidate members have submitted LADK Total receipts: IDR 5,808,500,000.00 Total expenditure: IDR 5,648,500,000.00.
 8. PKS 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 12,711,929,760.00 Total expenditure: IDR 8,243,335,838.00.
 9. PKN 525 out of 525 legislative candidate members have submitted LADK Total receipts: IDR 453,048,200.00 Total expenditure: IDR 42,700,400.00.
 10. Hanura Party 485 out of 485 legislative candidate members have submitted LADK Total receipts: IDR 2,010,000,753.00 Total expenditure: IDR 234,035,150.60.
 11. Garuda Party 569 out of 570 legislative candidate members have submitted LADK Total receipts: IDR 5,500,000,000.00 Total expenditure: IDR 2,118,305,000.00.
 12. PAN 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 29,821,500,000.00 Total expenditure: IDR 22,421,475,000.00.
 13. PBB 470 out of 470 prospective legislative members have submitted LADK Total receipts: IDR 301,300,000.00 Total expenditure: IDR 228,300,000.00.
 14. Democratic Party 579 out of 580 legislative candidates have submitted LADK Total receipts: IDR 8,748,860,395.00 Total expenditure: IDR 3,914,375,079.00.
 15. PSI 580 out of 580 legislative candidate members have submitted LADK Total receipts: IDR 33,055,522,406.00 Total expenditure: IDR 24,130,721,406.00.
 16. Perindo Party 579 out of 579 legislative candidate members have submitted LADK Total receipts: IDR 10,148,994,025.00 Total expenditure: IDR 9,199,441,525.00.
 17. PPP 580 out of 580 legislative candidates have submitted LADK Total receipts: IDR 20,000,000,000.00 Total expenditure: IDR 13,155,000,000.00.
 18. Ummat Party 511 out of 512 legislative candidates have submitted LADK Total receipts: IDR 479,128,518.00 Total expenditure: IDR 478,137,200.00.

However, of these 18 political parties, 6 local political parties also participated in the general election, where the local political parties were the parties that participated in the election of regional legislative members. So that in the 2024 general election, 24 political parties will participate. So that campaign finance reporting becomes an important aspect in maintaining integrity and fairness in the general election process, especially in the election of President and Vice President . Law no. 7 of 2017 concerning General Elections regulates in detail the obligation to report campaign funds. However, there are still various challenges faced in implementing this law. With this background, the author sees the need to carry out more comprehensive research on campaign finance regulation so that this research can investigate the practice of reporting campaign finance in the presidential election and evaluate the extent of compliance with Law no. 7 of 2017 concerning General Elections .

Methods

This research is a normative study namely an approach that refers to analysis based on established principles, norms, or rules. This research is descriptive in nature, where the aim is to provide a complete picture of the state of elections that are democratic as well as honest and fair. So you can see phenomena or events in society in the 2024 election ([Purwati, 2020](#)) . The data used includes statutory regulations, previous research, book references, and information published in the mass media ([Muhaimin, 2020](#)). Apart from that, researchers also collect supporting data that has been published to strengthen arguments in discussions and conclusions.

Results

Campaign Fund Transparency

Elections are the biggest democratic party in a country that adheres to a democratic system. Indonesia is a country with the largest democratic system in the world. In 2024, Indonesia will hold simultaneous general elections and what is of concern to the public is the election of president and vice president. In the context of elections in Indonesia, regulations regarding restrictions on campaign funds are often not clear enough and can open loopholes for corrupt practices. During the Old Order and New Order periods, there were no regulations specifically regulating campaign funds in elections. However, after the fall of the New Order, regulations regarding campaign finance began to be introduced with a broader scope, covering legislative, regional head and presidential elections. Even though there are regulated restrictions on campaign funds, there are still several weaknesses, such as less transparent sources of funds, a complicated reporting process, a lack of regulations regarding campaign expenditures, and a lack of strict sanctions for violators.

Rahmat Bagja, who currently serves as chairman of Bawaslu RI, stated in Kompas Daily that in the future, control over campaign funds must be strengthened to ensure funding sources are more open and accountable. He emphasized the importance of reporting campaign funds from the start to prevent donations from parties whose origins are unclear, including funds originating from corrupt activities. Bagja suggested that the KPU and Bawaslu work together to strengthen the campaign finance reporting mechanism, considering that he saw that the existing regulations were still too loose. He believes that the KPU Regulations and Bawaslu Regulations must be revised to make campaign finance reporting more stringent, with the aim of making it more transparent and accountable. Furthermore, Bagja expressed his hope that campaign finance reports could be opened to the public as a whole ([Isabela, 2023](#)) .

Campaign funds are an important instrument in carrying out massive efforts to build public trust in political parties. Campaign funds are provided by the government through procedures regulated in Law Number 7 of 2017 concerning General Elections. The use of campaign funds is funded by the State Revenue and Expenditure Budget (APBN), so it requires proper accountability in the use of the . Looking at what Muhtadi found, campaign funds will have a large portion informally contributed to finance political money. This condition then encourages candidates to open as wide a source of financing as possible, including unreported (informal) sources. This situation confirms that practices in the field, both sources and expenditure, are not in line with legal provisions. Muhtadi in his research at least provides an overview of the problem of funding candidates in regional elections which from an audit perspective cannot yet be

reached. This suggests that there were receipts and expenditures that were missed by the audit and led to the conclusion that not all receipts and expenditures of campaign funds were reported ([Muhtadi, 2019](#)).

General elections and election budgets are two interrelated things. In general elections, political costs are unavoidable, although money is sometimes given directly to the masses or certain groups as an incentive to attend campaign events. Although this practice is often categorized as money politics, it is part of the inevitable costs of politics. Money politics refers to the practice of providing financial or other material compensation to prospective or potential voters to influence their vote in an election. Political funds play an important role in various aspects of general elections, including campaign implementation, logistics costs, staff financing, meetings with potential voters, and allocation of funds for monitoring activities between candidates. Thus, in a positive context, financial aspects in general elections can help candidates achieve government positions in a more organized manner ([Nail, 2018](#)).

Regulations on the use of campaign funds in general elections, especially for the president, are regulated in articles 325, 326, 327 and 328, which read ([Law Number 7 of 2017 concerning General Elections, 2017](#)) : Article 325 , Regulates the responsibilities of Candidate Pairs for campaign funds for the Presidential and Vice Presidential Elections. They can obtain funds from the Candidate Pairs themselves, the political parties that nominate them, and legitimate contributions from other parties, including the APBN. Campaign funds can be in the form of money, goods or services. Article 326 , explains that campaign funds from other parties must be donations that are legally valid, non-binding, and can come from individuals, groups, companies or non-governmental business entities. Article 327 , sets limits on the amount of campaign funds, where funds from individuals may not exceed IDR 2,500,000,000.00 and from groups, companies or non-governmental business entities may not exceed IDR 25,000,000,000.00. Donors must report their donations to the KPU and include clear identification. Article 328 , Regulates the recording of campaign funds, which must be recorded specifically and placed in a special account at the bank. Funds in the form of goods or services must be recorded based on the fair market price when received, and the recording must be separate from the financial bookkeeping of the Candidate Pair. Campaign finance bookkeeping begins after the Candidate Pair is determined as Election Contestants and closes before the campaign finance report is submitted to the public accounting firm appointed by the KPU .

So with the presence of these campaign funding regulations, the government hopes that political parties will be open in reporting campaign funds, so that the democratic party in the 2024 presidential election will be an honest and fair election in accordance with election adages. In Law Number 7 of 2017 concerning General Elections, General Election campaign activities are funded and are the responsibility of General Election Participants. To uphold the principles of legal certainty, accountability and transparency, General Election Participants are required to record campaign funding in the form of a Campaign Fund Report which consists of three types of reports, namely the initial campaign fund report (LADK), the campaign fund contribution report (LPSDK), and the report receipt and expenditure of campaign funds (LPPDK).

In the 2024 presidential and vice presidential elections, the initial report on campaign funds from the three pairs of presidential-vice presidential candidates (capres-cawapres) in the 2024 presidential election, pair number 2, Prabowo Subianto-

Gibran Rakabuming Raka, recorded the amount of initial campaign funds collected biggest. They received support from the Gerindra, Golkar, Democrat, PAN, PSI, Gelora, PBB, Garuda and Prima parties, with total initial campaign funds reaching IDR 31.4 billion. Meanwhile, pair number 3, Ganjar Pranowo-Mahfud MD, has received campaign fund donations of more than IDR 23 billion. They are supported by PDI Perjuangan, PPP, Hanura Party, and Perindo, and are in second place in the amount of initial campaign funds received. Pair number 1, Anies Baswedan-Muhaimin Iskandar, recorded the lowest initial campaign fund receipts. They are supported by the Nasdem Party, PKB, PKS, and Ummat Party, with total initial campaign funds worth IDR 1 billion (Farisa, 2023).

An auditor is an individual who has special qualifications to audit the financial reports or activities of a company or other organization. This role reflects a person's position in the social structure with the rights, obligations, power and responsibilities attached to it. In order to interact with other people, humans need certain mechanisms to anticipate other people's behavior. Roles serve to fulfill these needs in a social system. So variations in campaign finance reporting practices indicate that not all candidate pairs and their supporting political parties consistently comply with reporting obligations in accordance with applicable law. This can create uncertainty and doubt in the public regarding the transparency and accountability of the campaign process. So the important role of regulation and supervision in ensuring compliance with campaign finance reporting rules. A more effective mechanism is needed to ensure that all candidate pairs and their supporting political parties report campaign funds accurately and transparently. So inconsistent reporting practices can damage the credibility of candidate pairs and political parties, as well as reduce public trust in the political process as a whole. This emphasizes the importance of integrity and transparency in managing campaign funds to maintain the legitimacy of general elections.

Implementation of campaign finance reporting is in accordance with the provisions of Law Number 7 of 2017 concerning General Elections

A campaign is a well-organized effort that aims to gain support for presidential and vice presidential candidates so that they can be elected or re-elected for a period of office. In general, campaigns require large financial resources to finance all the needs necessary for the campaign to run smoothly and in accordance with the goals desired by each presidential and vice presidential candidate. Because the amount of funds required to carry out a campaign is very large, it is important to implement transparency and accountability through reporting campaign funds. The main principle of campaign finance reporting is to maintain transparency and accountability so that the use of campaign funds can be clearly accounted for.

Reporting the receipt and expenditure of campaign funds has the potential to strengthen enforcement of regulations regarding campaign finance, which in turn can act as a tool to control acts of corruption and as a source of information for voters. Because campaign funds are funds spent by candidates to make efforts to introduce themselves to the local community in their electoral area if the candidate is a legislative candidate for the DPR RI, Provincial DPRD or Regency/Municipal DPRD. Openness or transparency in campaign finance reporting allows the public, as well as supervisors and auditors, to monitor campaign fund managers' compliance with existing

regulations. By consistently implementing regulations regarding campaign finance, acts of corruption in the management of campaign funds, such as misuse for money politics, personal enrichment, or promises of special benefits to donors when a candidate is elected, can be avoided or followed up.

General elections (Pemilu) are a mechanism where the people can express their sovereignty by providing them with the opportunity to elect government officials and members of parliament in accordance with the vision, mission and campaign promises of each elected candidate. Elections have been held 11 times in Indonesia, and an open proportional system was implemented for the first time in the 2009 legislative elections. With an open system, people do not choose political parties, but directly elect legislative candidates. The determination of elected candidates in an area is based on the majority of votes obtained. Naturally, both direct and indirect elections provide different impacts and opportunities for each candidate. The role and function of political parties is considered very important in the context of a democratic society. As intermediaries between society and the government, political parties formulate and combine people's aspirations. Political parties are not only in the midst of society, but also depend on their support. However, political parties' dependence on donors can cause political parties to change their focus from public interests to private interests. In situations like this, regulating political party finances is important to ensure that donations from both individuals and business entities do not lead to a loss of focus of political parties as public institutions that must always prioritize the interests of the people.

Law Number 7 of 2017 concerning General Elections and General Election Commission Regulation Number 18 of 2023 which regulates in detail campaign funds in general elections, which include elections for president, vice president and the House of Representatives, with the aim of using campaign funds to increase public awareness of the importance of the general election process for the smooth running of democracy in Indonesia. General elections are carried out to ensure that political circulation of government runs well. However, with the presence of this rule, violations and fraud still occur in the general election process. These violations and fraud can be committed by election organizers, election participants, and even by the public. Therefore, strict supervision is needed so that general elections can be carried out in accordance with the principles of direct, general, free, secret, honest and fair (Kolang et al., 2022).

So the important role of general elections is maintaining political stability in a country, especially Indonesia, holding general elections indicates that democracy in a country is running very well. By highlighting the main functions of elections, it emphasizes how important this process is in determining the political direction of a country and maintaining community involvement in public affairs. In addition, moving conflicts of interest into the formal political arena is also considered an important step in strengthening the representative system and creating social harmony. The general election process which will be held on February 14 2024 is the simultaneous general election of the President and Vice President, DPR RI/DPRD Provincial/Regency/City and Regional Representative Council. So, by holding general elections, campaign funds are needed to attract public attention by introducing the candidates for President and Vice President, DPR RI/DPRD Provincial/Regional/City and Regional Representative Councils by conducting social media to deliver the mission directly or advertising (electorally) or by using billboards or banners. So Law Number 7 of 2017 concerning

General Elections clearly regulates campaign funds. The government's seriousness regarding regulating campaign funds can be seen by the issuance of general election commission regulation number 18 of 2023 concerning General Election Campaign Funds.

In the general election for president and vice president, campaign finance is specifically regulated. General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds (PKPU) Number 18 of 2023 concerning General Election Campaign Funds : Article 5 (1) Presidential and Vice Presidential Election Campaign Funds can be obtained from: a. The Candidate Pair concerned; b. Political Parties and/or Associations of Political Parties proposing Candidate Pairs; and c. legally valid donations from other parties. Meanwhile, Article 6 paragraph (3) states that the acquisition of campaign funds originating from legally valid donations from other parties as intended in Article 5 paragraph (1) letter c originates from: a. individual; b. group; c. company; and/or d. non-governmental business entities (General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds, 2023) . This regulation reflects an effort to clearly regulate the sources of funds and prevent misuse of funds in the presidential and vice presidential election process. So regarding the origins of campaign funds, the regulation aims to ensure that the sources of funds used in campaigns come from legal sources and can be legally accounted for. In this way, it is hoped that this can increase integrity and transparency in the political process and minimize the risk of corrupt practices or financial abuse in general elections .

Furthermore, regarding PKPU campaign funds, it clearly regulates the amount of donations given. The text is Article 8 paragraph (1) Presidential and Vice Presidential Election Campaign Funds originating from individuals as intended in Article 6 paragraph (3) letter a, at most a total of IDR 2,500,000,000.00 (two billion five hundred million rupiah) during the Campaign period. Paragraph (2) Presidential and Vice Presidential Election Campaign Funds originating from groups, companies and/or non-governmental business entities as intended in Article 6 paragraph (3) letter b, letter c, and/or letter d, a maximum of IDR 25,000,000 ,000.00 (twenty five billion rupiah) during the campaign period ([General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds, 2023](#)) . This article explains that there are strict limits regarding the maximum amount of campaign funds that can be received by presidential and vice presidential candidates. This aims to prevent misuse of funds in the campaign process and ensure equal opportunities between pairs of candidates. By setting these limits, it is hoped that it can create a fairer and more transparent political environment in general elections.

Meanwhile, the form of campaign funds is also regulated in Article 9. Campaign funds as referred to in Article 6 can be in the form of: a. Money; b. goods; and/or c. services ([General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds, 2023](#)) . Campaign funds can be in the form of cash or electronic transfers given to candidate pairs or campaign teams to be used for campaign activities, such as procuring promotional materials, transportation costs, and other purposes. Campaign funds can also take the form of goods, such as campaign equipment, promotional tools, or other items needed to support campaign activities. These items can be given directly to candidate pairs or campaign teams. Apart from money and goods, campaign funds can also take the form of services. These services include services such as graphic design services, printing services, transportation

services, or other services needed for the smooth implementation of campaign activities. So to indicate flexibility in the forms that campaign funds can take, allowing candidate pairs or campaign teams to utilize a variety of available resources according to their campaign needs. However, it is important to note that all use of campaign funds must comply with applicable regulations and be reported transparently to ensure accountability and integrity in the political campaign process.

Management of campaign funds, as regulated in Law Number 7 of 2017 concerning General Elections, is a closely related concept. The concepts of transparency and accountability are two principles that cannot be separated in managing campaign funds. Transparency ensures that all information related to the source and use of campaign funds is available to the public clearly and easily accessible. Meanwhile, accountability ensures that those responsible for managing campaign funds can be held accountable for their actions and decisions. By implementing these two principles effectively, we can minimize the potential for misuse of campaign funds and increase public confidence in the general election process. Therefore, the principles of transparency and accountability support each other to create a clean, fair and democratic political environment.

Transparent and accountable political funding is an important prerequisite for public trust in political parties. However, without adequate financial sources, political parties will have difficulty carrying out their operations effectively. Political parties require quite large funds to carry out their function as a liaison between society and the government. To ensure that the principles of transparency and accountability are realized, political parties need to routinely make financial reports as part of good governance practices ([Udoyono, 2012](#)). So the importance of transparency and accountability in the political funding system is the key to gaining public trust. However, sufficient financial resources are an important factor in carrying out the functions of a political party. By requiring political parties to make regular financial reports, this aims to increase accountability and maintain the integrity of political parties in their political practices.

Every sector requires financial reports as a form of accountability for an entity. Financial transparency and accountability require reporting in accordance with financial accounting standards as regulated in PSAK 45, as well as following audit guidelines that apply to political parties. This is a demand to uphold the values of good governance in political parties, because political parties are considered public organizations. The level of accountability in financial management and reporting is very important to support the implementation of good political party governance ([Hafild, 2008](#)). So the importance of financial reports in maintaining accountability and transparency in various sectors, including in the context of political parties. By referring to applicable accounting standards and audit guidelines, political parties are expected to provide accurate and reliable information regarding their financial management. This not only shows the obligations of political parties as public organizations, but is also important in building public trust in the integrity and transparency of political parties in carrying out their functions.

One form of financial reporting from political parties is through transparency in the management of election campaign funds. The campaign finance audit process is included in efforts to ensure accountability and transparency, which is carried out through reporting of incoming funds and expenditures. According to General Election Commission Regulation Number 18 of 2023 concerning General Election Campaign

Funds (General Election [Commission Regulation Number 18 of 2023 concerning General Election Campaign Funds, 2023](#)), Fund Reports in section three (3) governing the audit engagement, mentioned in paragraph (1) that the Public Accountant appointed to carry out the audit must have a letter of assignment from the Public Accounting Firm determined by the KPU. In paragraph (2), it is stated that the Public Accountant conducting the audit must make a written statement stating: a. has no direct or indirect relationship with Candidate Pairs and Political Parties or Combinations of Political Parties proposing Candidate Pairs or candidates for members of the DPR, provincial DPRD and district/city DPRD, and DPD; b. not a member of a Political Party and/or Association of Political Parties proposing a Candidate Pair or Candidate Pair Campaign Team; and c. does not have the status of a state civil servant.

Hence the importance of openness and transparency in managing political party campaign funds, as well as the audit process as a mechanism to ensure compliance with applicable regulations. Clear and strict rules regarding who can conduct audits and the conditions that auditors must fulfill aim to avoid conflicts of interest and ensure the integrity of the audit process. This shows a commitment to ensuring that political party financial reporting is in accordance with the principles of accountability and transparency needed to build public trust. Audits on the use of campaign funds are part of compliance audits , which include examining evidence to ensure conformity between activities carried out with applicable regulations and standards ([Fatkhurohman, 2011](#)).

The campaign finance audit process has an important role in ensuring compliance with applicable rules and regulations in the use of campaign funds. By involving the KPU and KAP, this audit can be carried out independently and objectively. The resulting campaign finance reports are an important instrument in providing information to the public regarding the sources and use of campaign funds, thereby ensuring transparency and accountability in the political process. The difficulty in tracking the right source of funding is the difficulty in tracking the exact origin of the funds received. Some campaign finance reports may lack sufficient detail about funding sources, making it difficult to determine whether funds come from legitimate sources and comply with applicable regulations. This limited information may cast doubt on the integrity and legality of campaign financing. Even though financial reports are submitted, the use of campaign funds is often not transparent. This results in uncertainty in how campaign funds are used and whether their use is in accordance with the provisions of Law no. 7 of 2017 concerning General Elections . This lack of transparency can fuel doubt and suspicion about the integrity and true purpose of campaign activities. Transparency and accountability in campaign finance reporting to maintain integrity and public trust in the political process. By understanding and overcoming these obstacles, relevant parties can ensure that campaign funds are used correctly and in accordance with applicable regulations, thereby strengthening the integrity and legitimacy of the political process as a whole.

Conclusion

Campaign finance reporting has variations in campaign finance reporting practices indicating that not all candidate pairs and their supporting political parties consistently comply with reporting obligations in accordance with applicable law. This can create uncertainty and doubt in the public regarding the transparency and accountability of the campaign process. So the important role of regulation and

supervision in ensuring compliance with campaign finance reporting rules. A more effective mechanism is needed to ensure that all candidate pairs and their supporting political parties report campaign funds accurately and transparently. So inconsistent reporting practices can damage the credibility of candidate pairs and political parties, as well as reduce public trust in the political process as a whole. This emphasizes the importance of integrity and transparency in managing campaign funds to maintain the legitimacy of general elections.

Implementation of campaign finance reporting This limited information may cast doubt on the integrity and legality of campaign funding. Even though financial reports are submitted, the use of campaign funds is often not transparent. This results in uncertainty in how campaign funds are used and whether their use is in accordance with the provisions of Law no. 7 of 2017 concerning General Elections . This lack of transparency can fuel doubt and suspicion about the integrity and true purpose of campaign activities. Transparency and accountability in campaign finance reporting to maintain integrity and public trust in the political process. By understanding and overcoming these obstacles, relevant parties can ensure that campaign funds are used correctly and in accordance with applicable regulations, thereby strengthening the integrity and legitimacy of the political process as a whole.

Suggestions

The government and related institutions need to increase awareness and education about the importance of transparent and accountable campaign finance reporting. This can be done through outreach, training and information campaigns aimed at candidate pairs, political parties and the general public. It is necessary to strengthen monitoring and law enforcement mechanisms to ensure compliance with Law no. 7 of 2017. Election monitoring institutions and law enforcement need to work together to audit campaign finance reports regularly and investigate reported or suspected violations. Candidate pairs and political parties need to build a culture of transparency in managing campaign funds. They must actively communicate the sources and use of campaign funds to the public, as well as provide greater access to the public to monitor and assess their compliance with applicable regulations. Civil society has an important role in monitoring and reporting potential violations related to campaign finance reporting. Further support needs to be provided to civil society organizations to facilitate independent monitoring of the practices of using campaign funds by candidate pairs and political parties .

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