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The Impact Of Audit Accountability On Campaign Fund Transparency: The Moderating Role Of Forensic Audit Integration In Indonesia

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Abstract

This study examines the impact of audit accountability on campaign fund transparency, with a focus on the moderating role of forensic audit integration. Despite regulatory requirements for audited campaign finance reports, transparency remains constrained by incomplete disclosures and limited audit depth. Grounded in Agency Theory, Legitimacy Theory, and Stewardship Theory, this study employs a quantitative approach using PLS-SEM based on survey data from auditors. The findings show that audit accountability significantly enhances transparency, while forensic audit integration exerts both direct and moderating effects. This indicates that the effectiveness of accountability is conditional upon the application of forensic techniques. The study contributes by introducing a conditional perspective in campaign finance auditing, highlighting that transparency is strengthened not only by accountability but also by audit capability. These findings underscore the importance of integrating forensic auditing into audit frameworks to achieve more substantive transparency.

Keywords: Audit Accountability; Campaign Fund Transparency; Forensic Audit Integration; Political Finance Auditing.

INTRODUCTION

Transparency and accountability are fundamental pillars of democratic governance. In electoral contexts, campaign fund audits play a crucial role in maintaining public confidence by

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ensuring that financial information is reliable, traceable, and compliant with public-interest principles. In Indonesia, the General Election Commission (KPU) requires political parties and candidate pairs to submit audited campaign fund reports under Regulation No. 14 of 2024. Despite this regulatory mandate, persistent deficiencies in disclosure practices indicate that transparency outcomes remain suboptimal. Empirical evidence shows that a significant proportion of campaign fund reports contain incomplete donor information (60%) and are submitted beyond the regulatory deadline (40%), reflecting systemic weaknesses in compliance and reporting quality (Singgih Alfiyahya & Tantina Haryati, 2024). Such deficiencies undermine public trust and highlight the gap between formal regulatory requirements and substantive transparency.

Audit accountability is a critical determinant of financial reporting quality, referring to the professional and ethical obligation of auditors to act independently, objectively, and in the public interest (Laupe et al., 2022). In politically sensitive audit environments, accountability extends beyond procedural compliance to include the ability of auditors to maintain integrity under political and institutional pressures (Urumsah et al., 2023). However, prior studies indicate that campaign fund audits in Indonesia remain largely compliance-oriented, emphasizing administrative verification rather than substantive assurance. This limits the effectiveness of audit accountability in enhancing transparency and reduces the credibility of audit outcomes (Kabullah et al., 2020a).

Recent developments in public-sector auditing suggest that the effectiveness of audit accountability depends not only on adherence to standards but also on the presence of robust assurance mechanisms, institutional independence, and the integration of forensic audit techniques (Heflin & Wallace, 2024). Forensic auditing provides a systematic investigative approach capable of detecting anomalies, hidden transactions, and financial misstatements that may not be identified through conventional audit procedures (Abidoye et al., 2023; Đukić et al., 2023). In the context of campaign-finance audits, the application of forensic techniques has been shown to enhance detection accuracy, strengthen auditor skepticism, and improve the reliability of financial disclosures(Alshurafat, 2024).

Importantly, forensic audit integration does not merely function as a complementary tool but may act as a critical mechanism that strengthens the relationship between audit accountability and transparency. Empirical studies indicate that audit-based transparency contributes to increased public trust in electoral institutions (Meier et al., 2023). However, these benefits are often constrained in environments characterized by weak enforcement and limited institutional independence (Wood, 2023). This suggests that audit accountability alone may be

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insufficient to produce meaningful transparency outcomes unless supported by advanced investigative approaches such as forensic auditing.

The theoretical foundation of this study integrates Agency Theory, Stewardship Theory, and Legitimacy Theory to explain the relationship between audit accountability, forensic audit integration, and campaign fund transparency. Agency Theory (Jensen & Meckling, 1976) highlights the role of auditing in reducing information asymmetry between political actors (agents) and the public (principals). Stewardship Theory emphasizes the ethical responsibility of auditors as stewards of public interest, driven by professional values and accountability (Joseph Seun et al., 2025). Meanwhile, Legitimacy Theory posits that transparency in financial reporting is essential for maintaining public trust and institutional credibility (Martens & Bui, 2023). Together, these perspectives suggest that the effectiveness of audit accountability in enhancing transparency depends on both institutional conditions and the credibility of audit processes.

Despite the existence of regulatory frameworks, the current system lacks a strong forensic assurance component capable of validating the accuracy of disclosed financial information. As noted by Muhammad Arsyad, (2024), limited auditor readiness and incomplete documentation practices continue to undermine the credibility of campaign finance audits. This condition indicates that improving transparency requires not only strengthening accountability but also integrating forensic audit approaches that enhance verification and detection capabilities.

Based on these arguments, this study examines the impact of audit accountability on campaign fund transparency, with forensic audit integration as a moderating variable. Specifically, this study addresses the following research questions:

1. To what extent does audit accountability influence campaign fund transparency?
2. How does forensic audit integration moderate the relationship between audit accountability and campaign fund transparency?
3. What institutional and procedural factors influence the effectiveness of audit accountability in achieving transparency?

By addressing these questions, this study contributes to both theory and practice. Theoretically, it extends the literature by positioning forensic audit integration as a moderating mechanism in the accountability–transparency relationship, which remains underexplored in political-finance research. Practically, it provides insights for policymakers and audit institutions to strengthen audit effectiveness through forensic integration, institutional reforms, and capacity building. Ultimately, this study aims to support the development of more transparent, credible, and accountable political-finance systems in emerging democracies. This study introduces a

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conditional perspective by demonstrating that the relationship between audit accountability and campaign fund transparency is significantly strengthened by forensic audit integration.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Theoretical Foundations

This study is grounded in three complementary theoretical perspectives: Agency Theory, Stewardship Theory, and Legitimacy Theory. These frameworks collectively explain how audit accountability influences campaign fund transparency and how forensic audit integration strengthens this relationship.

Agency Theory (Jensen & Meckling, 1976) explains the principal agent relationship between citizens (principals) and political actors (agents), where information asymmetry creates opportunities for opportunistic behavior. In this context, auditing serves as a monitoring mechanism to reduce information asymmetry and ensure that financial disclosures reflect actual transactions. Effective audit accountability is therefore essential to minimize moral hazard and enhance transparency (Heflin & Wallace, 2024).

Stewardship Theory offers a complementary perspective by emphasizing the ethical responsibility of auditors as stewards of public trust. Rather than acting purely as monitoring agents, auditors are expected to uphold integrity, professionalism, and accountability in safeguarding public resources (Joseph Seun et al., 2025). This perspective highlights that accountability is not merely procedural but also moral and professional in nature.

Legitimacy Theory further explains that transparency in financial reporting is essential for maintaining societal trust and institutional credibility (Martens & Bui, 2023). In the context of campaign finance, transparent and credible audit processes signal compliance with societal expectations, thereby reinforcing democratic legitimacy. However, legitimacy can only be achieved when transparency is supported by credible verification mechanisms.

Audit Accountability and Campaign Fund Transparency

Audit accountability reflects the auditor's obligation to provide objective and reliable assurance based on sufficient and appropriate evidence (Laupe et al., 2022). In campaign finance audits, accountability encompasses both procedural compliance and substantive verification of financial information (Urumsah et al., 2023).

Prior studies indicate that higher levels of audit accountability are associated with improved financial reporting quality and transparency. Auditors who maintain independence and

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professional skepticism are more likely to identify inconsistencies and ensure accurate disclosures. Conversely, weak accountability characterized by limited independence, political pressure, and resource constraints reduces the credibility of audit outcomes and weakens transparency (Kabullah et al., 2020b).

Empirical evidence in Indonesia shows that campaign fund audits often focus on administrative compliance rather than substantive assurance, limiting their effectiveness in improving transparency. This suggests that while audit accountability is necessary, its impact on transparency may vary depending on how it is operationalized in practice.

The Moderating Role of Forensic Audit Integration

Forensic audit integration refers to the incorporation of investigative and analytical techniques into conventional audit procedures to detect irregularities, anomalies, and potential fraud (Abidoye, Awolowo and Chan, 2023). These techniques include data analytics, anomaly detection models, and tools such as Benford's Law, which enhance the auditor's ability to validate financial information.

The integration of forensic auditing strengthens audit processes in several ways. First, it enhances detection accuracy by identifying patterns that are not visible through traditional audit procedures (Đukić, Pavlović and Grdinić, 2023). Second, it increases auditor skepticism, encouraging deeper investigation into suspicious transactions (Alshurafat, 2024a). Third, it improves the credibility of audit outcomes, thereby enhancing stakeholder confidence in financial disclosures.

Importantly, forensic audit integration may function as a moderating variable that strengthens the relationship between audit accountability and transparency. While accountability provides the foundation for reliable auditing, forensic techniques enhance its effectiveness by enabling more robust verification and evidence-based conclusions. Without forensic integration, audit accountability may remain procedural and insufficient to produce meaningful transparency outcomes.

Empirical studies support this argument. Celestin and Mishra, (2025) demonstrate that forensic data analytics significantly improves anomaly detection compared to traditional audit approaches. Similarly, Arsyad and Natsir, (2024) find that forensic-oriented audit systems enhance audit quality and detection capability. These findings suggest that forensic audit integration amplifies the impact of accountability on transparency.

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Hypothesis Development

Audit Accountability and Campaign Fund Transparency

Based on Agency Theory, effective audit accountability reduces information asymmetry by ensuring that financial disclosures are accurate and reliable. From a Stewardship perspective, accountable auditors act in the public interest, thereby enhancing transparency. Legitimacy Theory further suggests that transparent reporting supported by credible auditing strengthens public trust.

Empirical evidence consistently indicates that audit accountability contributes positively to financial transparency, although its effectiveness may be constrained in politically sensitive environments.

H1: Audit accountability has a positive effect on campaign fund transparency.

Moderating Role of Forensic Audit Integration

While audit accountability provides the structural foundation for transparency, its effectiveness depends on the quality of audit procedures. Forensic audit integration enhances this relationship by strengthening detection capabilities, improving evidence quality, and increasing auditor skepticism.

From an Agency perspective, forensic techniques reduce information asymmetry more effectively. From a Legitimacy perspective, they enhance the credibility of disclosures. Therefore, the presence of forensic audit integration is expected to strengthen the positive relationship between audit accountability and transparency.

H2: Forensic audit integration positively moderates the relationship between audit accountability and campaign fund transparency, such that the relationship becomes stronger when forensic audit integration is higher.

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Conceptual Model

Based on the hypotheses, this study proposes a structural model in which:

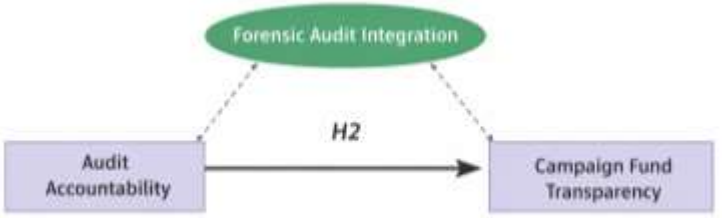


Figure 1. Conceptual Model of the Moderating Role of Forensic Audit Integration on the Relationship between Audit Accountability and Campaign Fund Transparency

RESEARCH METHODOLOGY

Research Design

This study adopts a quantitative explanatory research design to examine the causal relationship between audit accountability and campaign fund transparency, as well as the moderating role of forensic audit integration. Explanatory research is appropriate for testing theoretically grounded relationships among latent constructs and identifying causal linkages between variables.

A cross-sectional survey design is employed, allowing data to be collected at a single point in time. This approach is widely used in accounting and behavioral research to capture perceptions and professional practices (Joseph F. Hair et al., 2019).

Population and Sample

The population of this study comprises auditors from public accounting firms involved in campaign fund audits in Indonesia. Given the specialized nature of this field, a purposive sampling technique was employed to ensure that respondents possess relevant audit experience and expertise. The selection criteria required that participants have direct involvement in campaign finance audit engagements and sufficient knowledge of audit procedures.

From a target population of 120 auditors, a total of 102 valid responses were obtained and included in the analysis. This sample size is considered adequate for PLS-SEM, as it meets recommended statistical requirements and provides sufficient power for testing structural relationships, including moderating effects (Joseph F. Hair et al., 2019; Hair et al., 2021).

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Table 1. Demographic Profile of Respondents

Variable	Category	n (%)
Gender	Male	62 (60.8)
	Female	40 (39.2)
Age	< 30 years	28 (27.5)
	30–40 years	46 (45.1)
	> 40 years	28 (27.5)
Education	Bachelor's Degree	54 (52.9)
	Master's Degree	48 (47.1)
Experience	< 5 years	30 (29.4)
	5–10 years	44 (43.1)
	> 10 years	28 (27.5)

Source: Processed data (2026)

Data Collection Method

Primary data are collected using a structured questionnaire adapted from prior studies. Survey-based data collection is widely used in auditing and accounting research to measure latent constructs such as accountability and transparency.

Prior to full-scale data collection, a pilot test is conducted to ensure clarity, reliability, and validity of the measurement instrument. This step is essential to minimize measurement error and improve construct validity (Joseph F. Hair et al., 2019).

Operational Definition and Measurement

This study operationalizes three key constructs: audit accountability, campaign fund transparency, and forensic audit integration. All constructs are modeled as reflective latent variables, consistent with prior accounting and auditing research. Measurement items were adapted from established literature and contextualized to the setting of campaign finance auditing in Indonesia. Responses were captured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

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Audit Accountability

Audit accountability refers to the extent to which auditors perform their duties in an independent, objective, and transparent manner while adhering to professional standards and ethical principles (Laupe et al., 2022; Urumsah et al., 2023). In the context of campaign finance audits, accountability encompasses both procedural compliance and the auditor's commitment to safeguarding public interest under politically sensitive conditions.

This construct is operationalized through four dimensions: independence, professional skepticism, compliance with auditing standards, and transparency of the audit process. Independence reflects the auditor's ability to remain free from external influence, particularly political pressure. Professional skepticism captures the auditor's critical assessment of audit evidence. Compliance with standards indicates adherence to established auditing procedures, while transparency reflects the clarity and traceability of audit processes and reporting.

Campaign Fund Transparency

Campaign fund transparency is defined as the degree to which financial information related to campaign funding is disclosed in a complete, timely, accessible, and reliable manner (Kirby, 2021; Meier, Davis and Xu, 2023). Transparency serves as a critical mechanism for enhancing public trust and democratic accountability.

The construct is measured across four dimensions: disclosure completeness, timeliness, accessibility, and reliability. Disclosure completeness refers to the extent to which all relevant financial information, including donor identity and expenditure details, is fully reported. Timeliness reflects the punctual submission of reports in accordance with regulatory requirements. Accessibility captures the ease with which stakeholders can obtain and understand financial information, while reliability indicates the accuracy and trustworthiness of reported data.

Forensic Audit Integration

Forensic audit integration refers to the extent to which forensic accounting techniques are incorporated into conventional audit procedures to enhance detection capability and audit quality (Abidoye, Awolowo and Chan, 2023; Alshurafat, 2024a). In this study, forensic audit integration is conceptualized as a moderating construct that strengthens the effectiveness of audit accountability in improving transparency.

This construct is operationalized through four dimensions: use of analytical tools, fraud detection capability, investigative approach, and auditor competence in forensic techniques. The

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use of analytical tools includes the application of data analytics and anomaly detection methods such as Benford's Law. Fraud detection capability reflects the auditor's ability to identify irregularities and suspicious transactions. The investigative approach captures the depth of examination beyond routine procedures, while auditor competence reflects knowledge, training, and expertise in forensic auditing.

Measurement Model Specification

All constructs are specified as reflective, where observed indicators are assumed to be manifestations of the underlying latent variables. This specification is appropriate given that changes in the latent construct are expected to be reflected in all measurement items. The measurement model will be assessed using standard criteria in Partial Least Squares Structural Equation Modeling (PLS-SEM), including indicator reliability (outer loadings), internal consistency reliability (composite reliability), convergent validity (average variance extracted), and discriminant validity.

Table 2. Measurement Items for Audit Accountability (X)

Code	Measurement Item	Source
X1	The auditor performs audit tasks independently without external interference	Laupe et al. (2022); Urumsah et al. (2023)
X2	The auditor is able to resist political or client pressure	Urumsah et al. (2023)
X3	The auditor demonstrates professional skepticism in evaluating audit evidence	Laupe et al. (2022)
X4	The auditor critically assesses information rather than accepting it at face value	Laupe et al. (2022)
X5	Audit procedures are conducted in accordance with professional standards	Laupe et al. (2022)
X6	Audit documentation is prepared in a complete and systematic manner	Laupe et al. (2022)
X7	The audit process is transparent and traceable	Urumsah et al. (2023)
X8	Audit reports are presented clearly and transparently	Urumsah et al. (2023)

Source: Adapted from relevant literature and refined by the authors (2026)

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Table 3. Measurement Items for Campaign Fund Transparency (Y)

Code	Measurement Item	Source
Y1	Campaign fund reports disclose donor information completely	Kirby (2021); Meier et al. (2023)
Y2	Campaign fund usage is reported in detail	Kirby (2021)
Y3	Campaign fund reports are submitted in a timely manner	Meier et al. (2023)
Y4	Campaign fund information is easily accessible to the public	Meier et al. (2023)
Y5	The financial information disclosed is reliable	Kirby (2021)
Y6	Campaign fund reports are free from manipulation or misstatement	Kirby (2021)
Y7	Financial disclosures are presented clearly and transparently	Meier et al. (2023)

Source: Adapted from relevant literature and refined by the authors (2026)

Table 4. Measurement Items for Forensic Audit Integration (Z)

Code	Measurement Item	Source
Z1	The auditor applies data analytics techniques in the audit process	Abidoye et al. (2023); Alshurafat (2024)
Z2	The auditor uses analytical tools such as Benford's Law or similar techniques	Abidoye et al. (2023)
Z3	The auditor is able to identify unusual or abnormal transactions	Đukić et al. (2023)
Z4	The auditor conducts in-depth examination beyond routine procedures	Alshurafat (2024)
Z5	The auditor traces transactions to verify their authenticity	Đukić et al. (2023)
Z6	The auditor possesses adequate knowledge of forensic auditing techniques	Abidoye et al. (2023)
Z7	The auditor has received training in forensic auditing	Alshurafat (2024)

Source: Adapted from relevant literature and refined by the authors (2026)

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Data Analysis Technique

This study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine the relationships between audit accountability, forensic audit integration, and campaign fund transparency. PLS-SEM is particularly appropriate for this study due to its suitability for predictive analysis, complex model structures, and relatively small sample sizes, as commonly found in auditing research contexts.

The analysis is conducted using a variance-based SEM approach, which enables the simultaneous assessment of the measurement model (outer model) and the structural model (inner model). In addition, PLS-SEM is well-suited for testing moderating effects, making it appropriate for examining the role of forensic audit integration as a moderator in this study.

Measurement Model Evaluation (Outer Model)

The evaluation of the model was conducted in two sequential stages, encompassing both the measurement model (outer model) and the structural model (inner model), following established guidelines in Partial Least Squares Structural Equation Modeling (PLS-SEM) (Henseler, Ringle and Sarstedt, 2015; Joseph F. Hair et al., 2019). This approach ensures that the constructs are both statistically reliable and theoretically meaningful before testing the hypothesized relationships.

The measurement model assessment aims to establish the reliability and validity of the constructs, all of which are specified as reflective. Indicator reliability was first evaluated using outer loadings, where values exceeding 0.70 indicate that the indicators adequately represent their respective latent constructs (Joseph F. Hair et al., 2019). Indicators with loadings between 0.40 and 0.70 were retained only when they contributed to the overall construct reliability and validity, consistent with recommended practices in PLS-SEM.

Internal consistency reliability was assessed using both composite reliability (CR) and Cronbach's alpha, with threshold values of 0.70. Composite reliability was emphasized due to its ability to account for varying indicator loadings, providing a more precise estimation of construct reliability (Joseph F. Hair et al., 2019). Convergent validity was evaluated through the Average Variance Extracted (AVE), where values above 0.50 indicate that constructs explain more than half of the variance of their indicators, thereby confirming adequate convergence.

Discriminant validity was then assessed to ensure that each construct is empirically distinct from the others. This was evaluated using both the Fornell–Larcker criterion and the Heterotrait–

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Monotrait Ratio (HTMT). HTMT values below 0.90 indicate satisfactory discriminant validity and confirm that the constructs capture different conceptual domains (Henseler, Ringle and Sarstedt, 2015).

Following the validation of the measurement model, the structural model was evaluated to examine the hypothesized relationships among constructs. The explanatory power of the model was assessed using the coefficient of determination (R^2), with values of 0.25, 0.50, and 0.75 interpreted as weak, moderate, and substantial, respectively (Joseph F. Hair et al., 2019). The strength and direction of the relationships were analyzed using path coefficients, and their statistical significance was determined through a bootstrapping procedure with at least 5,000 resamples. Hypotheses were considered supported when t-values exceeded 1.96 and p-values were below 0.05.

In addition, effect sizes (f^2) were calculated to assess the relative contribution of each exogenous construct to the endogenous variable. Values of 0.02, 0.15, and 0.35 indicate small, medium, and large effects, respectively, providing further insight into the practical significance of the model relationships (Joseph F. Hair et al., 2019).

Moderation Analysis

To test the moderating effect of forensic audit integration (Z) on the relationship between audit accountability (X) and campaign fund transparency (Y), an interaction term (X × Z) is created.

The moderation effect is evaluated using the product indicator approach in PLS-SEM. The significance of the interaction term is assessed through bootstrapping. A significant interaction effect indicates that the strength of the relationship between audit accountability and transparency depends on the level of forensic audit integration.

The structural equation of the model can be expressed as follows:

$$Y=\beta0+\beta1X+\beta2Z+\beta3(X\times Z)+\varepsilon$$

Where:

X = Audit Accountability

Y = Campaign Fund Transparency

Z = Forensic Audit Integration

X×Z = Interaction term (moderating effect)

A positive and significant coefficient for the interaction term (β3) indicates that forensic audit integration strengthens the relationship between audit accountability and transparency.

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Model Fit and Predictive Relevance

Although Partial Least Squares Structural Equation Modeling (PLS-SEM) is primarily prediction-oriented, the evaluation of model quality was further strengthened by assessing predictive relevance and overall model fit. In line with established methodological guidelines, predictive relevance was examined using the Stone Geisser Q^2 value obtained through the blindfolding procedure. A Q^2 value greater than zero indicates that the model has adequate predictive relevance, meaning that the exogenous constructs are capable of accurately predicting the endogenous construct (Joseph F. Hair et al., 2019). This measure is particularly important in PLS-SEM as it reflects the model's out-of-sample predictive capability rather than mere in-sample explanatory power.

In addition to predictive relevance, model fit was assessed using the Standardized Root Mean Square Residual (SRMR) as a supplementary goodness-of-fit indicator. Although global fit indices are not the primary focus in PLS-SEM, SRMR provides a useful approximation of the discrepancy between the observed and predicted correlations. An SRMR value below 0.08 is generally considered indicative of an acceptable model fit (Henseler, Ringle and Sarstedt, 2015). The inclusion of this metric enhances the robustness of the model evaluation by ensuring that the proposed structural relationships are not only predictive but also empirically well-fitted.

Ethical Considerations

This study adheres to established ethical standards in academic research. Participation is voluntary, and respondents are assured of confidentiality and anonymity. No personal or identifiable information is disclosed in the analysis or reporting of results.

RESULTS

Measurement Model Evaluation

Indicator Reliability

The indicator reliability was assessed by examining the outer loadings of each measurement item. As presented in Table 5, all indicators exhibit loadings above the recommended threshold of 0.70, indicating satisfactory indicator reliability (Joseph F. Hair et al., 2019) Therefore, no items were removed from the model.

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Table 5. Outer Loadings

Construct	Code	Loading
Audit Accountability (X)	X1	0.812
	X2	0.835
	X3	0.861
	X4	0.844
	X5	0.879
	X6	0.852
	X7	0.821
	X8	0.837
Campaign Fund Transparency (Y)	Y1	0.845
	Y2	0.868
	Y3	0.812
	Y4	0.834
	Y5	0.879
	Y6	0.861
	Y7	0.842
Forensic Audit Integration (Z)	Z1	0.821
	Z2	0.847
	Z3	0.873
	Z4	0.856
	Z5	0.868
	Z6	0.832
	Z7	0.845

Source: Processed data using SmartPLS (2026)

This result implies that the measurement items used in this study are conceptually consistent and empirically robust. Each indicator contributes meaningfully to capturing the underlying construct, suggesting that respondents interpreted the questionnaire items in a

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coherent and theoretically aligned manner. In practical terms, this indicates that constructs such as audit accountability, transparency, and forensic audit integration are well operationalized and measurable within the context of campaign finance auditing.

Internal Consistency and Convergent Validity

Table 6 presents the results of internal consistency reliability and convergent validity. All constructs demonstrate Cronbach's alpha and composite reliability (CR) values exceeding the recommended threshold of 0.70, confirming internal consistency. Additionally, the average variance extracted (AVE) values are above 0.50, indicating adequate convergent validity (Fornell & Larcker, 1981)

Table 6. Construct Reliability and Validity

Construct	Cronbach's Alpha	CR	AVE
Audit Accountability (X)	0.931	0.943	0.673
Campaign Fund Transparency (Y)	0.918	0.935	0.694
Forensic Audit Integration (Z)	0.924	0.939	0.688

Source: Processed data using SmartPLS (2026)

These findings indicate that the indicators within each construct share a high proportion of variance, meaning they consistently measure the same underlying concept. Convergent validity suggests that the conceptual definitions of audit accountability, transparency, and forensic integration are empirically supported. Substantively, this strengthens the credibility of the measurement model, ensuring that subsequent structural analysis is based on reliable and valid constructs.

Discriminant Validity

Discriminant validity was assessed using the Heterotrait–Monotrait ratio (HTMT). As shown in Table 7, all HTMT values are below the threshold of 0.90, indicating that the constructs are empirically distinct (Henseler, Ringle and Sarstedt, 2015).

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Table 7. HTMT Ratio

Construct	X	Y	Z
X	—	0.72	0.68
Y	—	—	0.74
Z	—	—	—

Source: Processed data using SmartPLS (2026)

This result confirms that each construct is empirically distinct from the others. In other words, audit accountability, campaign fund transparency, and forensic audit integration represent different conceptual domains rather than overlapping phenomena. This distinction is critical because it validates the theoretical framework of the study, ensuring that the observed relationships are not driven by measurement redundancy but reflect genuine conceptual differences.

Structural Model Evaluation

Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to assess the explanatory power of the model. As shown in Table 8, the R^2 value for campaign fund transparency is 0.58, indicating a moderate to substantial level of explanatory power (Joseph F. Hair et al., 2019)

Table 8. R^2 Value

Endogenous Variable	R^2
Campaign Fund Transparency (Y)	0.58

Source: Processed data using SmartPLS (2026)

This level of explanatory power can be considered moderate to substantial, suggesting that the proposed model captures a meaningful portion of the factors influencing transparency. Substantively, this indicates that audit-related mechanisms particularly accountability and forensic integration play a central role in shaping transparency outcomes in campaign finance reporting. However, it also implies that approximately 42% of the variance is explained by other factors, such as regulatory enforcement, political dynamics, or institutional capacity, which are beyond the scope of this study.

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Hypothesis Testing

The structural relationships were evaluated using path coefficients obtained through bootstrapping with 5,000 resamples. The results are presented in Table 9.

Table 9. Path Coefficients

Hypothesis	Relationship	β	t-value	p-value	Result
H1	X → Y	0.41	5.87	0.000	Supported
H2	X × Z → Y	0.29	3.96	0.000	Supported

Source: Processed data using SmartPLS (2026)

The results indicate that audit accountability has a positive and significant effect on campaign fund transparency (β = 0.41, p < 0.001), supporting H1. Furthermore, the interaction effect between audit accountability and forensic audit integration is also positive and significant (β = 0.29, p < 0.001), supporting H2.

This finding suggests that improvements in audit accountability such as stronger independence, higher professional skepticism, and adherence to auditing standards directly enhance the transparency of campaign fund reporting. From a practical perspective, this means that strengthening auditor professionalism and ethical responsibility can lead to more credible and transparent financial disclosures.

However, the magnitude of the coefficient indicates that the effect, while significant, is not dominant. This implies that accountability alone is not sufficient to fully ensure transparency, highlighting the need for complementary mechanisms.

Effect Size (f^2)

The effect size was examined to assess the contribution of each exogenous variable to the endogenous construct. As shown in Table 10, audit accountability has a medium effect size, while the moderating effect of forensic audit integration is small to moderate.

Table 10. Effect Size (f^2)

Relationship	f^2
X → Y	0.21

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Relationship	f^2
X × Z → Y	0.12

Source: Processed data using SmartPLS (2026

A medium effect size suggests that audit accountability is an important predictor of transparency, but not the sole determinant. This reinforces the idea that transparency is a multifaceted outcome influenced by multiple institutional and procedural factors.

Moderation Analysis

To examine the moderating role of forensic audit integration (Z) on the relationship between audit accountability (X) and campaign fund transparency (Y), an interaction term was incorporated into the structural model. The moderating effect was tested using the product indicator approach within the PLS-SEM framework.

The structural equation of the model can be expressed as follows:

$$Y=0.00+0.41X+0.27Z+0.29(X\times Z) + \varepsilon$$

Where:

X = Audit Accountability

Y = Campaign Fund Transparency

Z = Forensic Audit Integration

X × Z = Interaction term (moderating effect)

The estimated structural equation indicates that campaign fund transparency is jointly determined by audit accountability, forensic audit integration, and their interaction effect. The coefficient of audit accountability ($\beta_1 = 0.41$) demonstrates a positive and statistically significant relationship, suggesting that higher levels of auditor independence, professional skepticism, and compliance with auditing standards contribute to increased transparency in campaign finance reporting.

The direct effect of forensic audit integration ($\beta_2 = 0.27$) further indicates that the application of forensic techniques such as data analytics and anomaly detection independently enhances the quality and credibility of financial disclosures. This finding implies that forensic approaches are not merely supplementary but play a substantive role in improving transparency outcomes.

Most importantly, the interaction coefficient ($\beta_3 = 0.29$) reveals a positive moderating effect, indicating that forensic audit integration strengthens the relationship between audit

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accountability and campaign fund transparency. This suggests that the impact of audit accountability is conditional rather than constant. Specifically, the effectiveness of accountability increases as the level of forensic audit integration rises.

From a marginal effect perspective, the influence of audit accountability on transparency can be expressed as:

$$\partial X/\partial Y=0.41+0.29Z$$

This implies that when forensic audit integration is low, the effect of audit accountability on transparency remains moderate. However, as forensic audit integration increases, the effect becomes substantially stronger. In practical terms, this demonstrates that accountability alone may lead to procedural compliance, whereas the integration of forensic auditing transforms accountability into a more investigative and substantively effective mechanism.

The findings provide strong empirical support for the argument that transparency in politically sensitive audit environments is not solely driven by formal accountability structures, but also depends on the depth and rigor of audit procedures. Consequently, forensic audit integration functions as a critical enabler that amplifies the effectiveness of audit accountability in achieving meaningful transparency outcomes.

The results suggest that audit accountability becomes significantly more effective in enhancing campaign fund transparency when supported by forensic audit integration, highlighting the importance of combining procedural compliance with investigative audit approaches.

DISCUSSION

The empirical results of this study demonstrate that the proposed model exhibits satisfactory measurement quality and meaningful explanatory power, indicating that the constructs of audit accountability, forensic audit integration, and campaign fund transparency are both empirically valid and theoretically coherent. Building upon these results, the following discussion interprets the substantive implications of the findings.

Audit Accountability and Transparency

The structural results indicate that audit accountability contributes positively to campaign fund transparency, suggesting that auditors who demonstrate independence, professional skepticism, and adherence to auditing standards are more likely to produce credible and transparent financial reports. This finding reinforces the core premise of Agency Theory and its

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subsequent development by Bendickson et al., (2016). which conceptualizes auditing as a monitoring mechanism designed to reduce information asymmetry between principals and agents.

Importantly, the strength of this relationship, as indicated in the results, suggests that accountability plays a meaningful but not exhaustive role in explaining transparency outcomes. This nuance is critical. It implies that while accountability mechanisms are functioning, they may still be constrained by the procedural nature of audit practices. This interpretation is consistent with prior findings that highlight the dominance of compliance-oriented auditing in politically sensitive contexts (Kabullah et al., 2020b; Laupe et al., 2022; Urumsah et al., 2023).

The empirical patterns observed in this study align closely with evidence reported by Arsyad, (2024), which reveals discrepancies between reported campaign finance data and actual financial conditions. Such discrepancies indicate that without investigative depth, accountability mechanisms may fail to detect hidden irregularities.

From a theoretical standpoint, this conditional relationship extends the explanatory scope of Legitimacy Theory, which posits that transparency enhances institutional credibility (Martens and Bui, 2023). The findings suggest that legitimacy is not only influenced by disclosure itself, but also by the perceived rigor of the audit process behind that disclosure.

Similarly, within the framework of Stewardship Theory, auditors are expected to act in the best interest of stakeholders. However, the results indicate that fulfilling this role effectively requires not only ethical commitment but also advanced analytical capabilities. This reinforces the argument that professional competence, particularly in forensic auditing, is essential for achieving substantive accountability.

Bridging Measurement Validity and Substantive Findings

The robustness of the measurement model, as demonstrated in the results, further strengthens the credibility of these interpretations. The high reliability and validity of the constructs indicate that the observed relationships are not artifacts of measurement error, but reflect genuine patterns in audit practice. This provides confidence that the identified relationships between accountability, forensic integration, and transparency are theoretically meaningful and empirically grounded.

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Bridging Formal and Substantive Transparency

Taken together, the results and their interpretation reveal a critical gap between formal and substantive transparency. Formal transparency, reflected in compliance with reporting standards, may be achieved through accountability mechanisms alone. However, substantive transparency defined by accuracy, completeness, and reliability requires deeper verification processes enabled by forensic auditing.

This finding resonates with broader discussions in auditing literature, which emphasize the need for more adaptive and investigative audit approaches in response to evolving financial manipulation practices (Prabowo, 2022; Wood, 2023). The integration of forensic techniques thus represents a shift from procedural auditing to a more analytical and evidence-based paradigm.

Implications for Theory and Practice

From a theoretical perspective, this study advances the literature by demonstrating that transparency is best understood as a function of both institutional accountability and audit capability. By integrating Agency Theory, Legitimacy Theory, and Stewardship Theory, the study provides a more comprehensive explanation of transparency in campaign finance auditing.

From a practical standpoint, the findings suggest that improving transparency requires more than strengthening accountability frameworks. Regulatory bodies should incorporate forensic audit requirements into campaign finance regulations, while audit institutions should invest in developing forensic competencies among auditors. This is consistent with Napitupulu and Djaddang, (2025), who emphasize the importance of evolving audit paradigms and professional ethics in ensuring credible financial reporting.

The results of this study demonstrate that while audit accountability is a necessary condition for transparency, its effectiveness is significantly enhanced when supported by forensic audit integration, which transforms audit practices from procedural compliance into substantive verification.

CONCLUSION

This study set out to examine the impact of audit accountability on campaign fund transparency, with a particular focus on the moderating role of forensic audit integration within the context of Indonesia's 2024 electoral environment. Drawing on a PLS-SEM approach and grounded in Agency Theory, Legitimacy Theory, and Stewardship Theory, the study provides both empirical and theoretical insights into the determinants of transparency in campaign finance

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auditing.

The findings demonstrate that audit accountability constitutes a fundamental driver of campaign fund transparency. Auditors who adhere to principles of independence, objectivity, and professional skepticism contribute to more credible and reliable financial disclosures. However, the results also reveal that accountability alone is insufficient to fully explain transparency outcomes. This reflects the persistence of procedural, compliance-oriented audit practices that may not adequately capture underlying financial irregularities.

A key contribution of this study lies in identifying the critical role of forensic audit integration. The findings show that forensic audit techniques not only enhance transparency directly but also strengthen the effectiveness of audit accountability. This moderating effect highlights the conditional nature of audit effectiveness, where accountability becomes more impactful when supported by investigative and analytical audit approaches.

Taken together, the study concludes that transparency in campaign finance reporting is not solely a function of formal accountability mechanisms, but rather the result of an interaction between institutional accountability and audit capability. This interaction explains the gap between formal compliance and substantive transparency observed in many electoral audit contexts.

This study underscores that achieving meaningful transparency in campaign finance auditing requires more than formal accountability it demands the integration of forensic audit capabilities that enable deeper, more rigorous, and more credible verification of financial disclosures.

Theoretical Implications

This study contributes to the literature by advancing a more integrative understanding of transparency in campaign finance auditing through the combined lenses of Agency Theory, Legitimacy Theory, and Stewardship Theory. It demonstrates that transparency is not solely determined by the presence of accountability mechanisms as traditionally emphasized in agency-based frameworks, but is also contingent upon the methodological rigor of audit processes. By empirically confirming the moderating role of forensic audit integration, this study extends prior research by introducing a conditional perspective in which audit effectiveness depends on the interaction between institutional accountability and technical audit capability. In doing so, it bridges the gap between normative expectations of auditor behavior and the practical realities of audit implementation in politically sensitive environments, thereby enriching theoretical

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discourse on public-sector auditing and governance.

Policy And Practical Implications

From a policy perspective, the findings highlight the need for regulatory reform in campaign finance auditing frameworks. Election oversight bodies should move beyond compliance-oriented audit requirements by mandating the integration of forensic audit techniques into standard audit procedures. This includes the adoption of data analytics, transaction tracing, and anomaly detection to ensure the credibility and completeness of financial disclosures. Strengthening institutional independence is equally critical, as audit effectiveness depends on the ability of auditors to operate free from political pressure. Existing evidence indicates that structural constraints such as limited documentation and restricted audit scope continue to undermine the effectiveness of campaign finance audits, thereby necessitating more robust regulatory interventions.

From a practical standpoint, audit institutions should adopt a more integrated audit approach that combines accountability principles with forensic methodologies. This requires substantial investment in capacity building, particularly in developing auditors' competencies in investigative techniques and digital analysis. Furthermore, collaboration between regulators, audit practitioners, and academic institutions should be strengthened to develop context-specific audit frameworks that respond to the complexities of political finance. By shifting from procedural compliance toward substantive verification, audit practices can more effectively enhance transparency and public trust in electoral processes.

Limitations And Future Research

Despite its contributions, this study has several limitations that open avenues for future research. The use of cross-sectional data limits the ability to capture temporal dynamics in audit practices, suggesting that longitudinal studies could provide deeper insights into how audit accountability and forensic integration evolve over time. Additionally, the focus on Indonesia may restrict the generalizability of the findings, and comparative cross-country studies would be valuable in testing the robustness of the proposed model across different institutional contexts. Future research may also explore additional moderating or mediating variables, such as regulatory enforcement intensity, political pressure, or technological adoption, to further refine the understanding of transparency in campaign finance auditing.

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