



FINANCIAL ACCOUNTABILITY OF POLITICAL PARTIES IN MAKASSAR

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ABSTRACT: This study aims at determining the effect of competencies, commitments and internal control systems on financial accountability of political parties. The object of this study was ten political parties in Makassar with respondents from the leadership and treasurers of political parties. Data collection is done through the distribution of questionnaires. Data were analyzed by quantitative approach through multiple linear regression analysis. The results of the study show that: (1) competence has a positive effect on political party financial accountability; (2) commitment has a positive effect on financial accountability of political parties; and (3) the internal control system has a positive effect on political party financial accountability. Therefore, political parties should consider these aspects in developing strategies to support financial accountability.

Key words: *competence, commitment, internal control system, financial accountability of political parties*

1. INTRODUCTION

There are important problems for political parties in managing funds, which are related to the sources of political parties' funds that come from donations from sympathizers or from a certain group of individuals and companies / business agency (Hafild: 2008). This is feared to result in certain elements of interest in the formulation of policies taken by a political party. The mode most prevalent is that donations are given directly to political party administrators who hold executive positions, but donors do not want to state their identities. Some of the results of the study state that the level of accountability of political parties is still very low. The results of the Public Perception Survey on the people of Makassar City held by Indonesian *Carta Politika* in August 2018 showed that Political Parties were at the highest level of distrust among other high-level state institutions. This is supported by data on Participation in the 2014 Election that the high phenomenon of abstentions or people who do not use their voting

rights in the 2014 Makassar City legislative elections amounted to 38.55% (Nurhasim et al. 2014). Meanwhile, according to a survey conducted by Cirus Surveyor Group (CSG) and Indonesia Indicators, almost all political parties in Indonesia do not in function (Zuryani, et al: 2016). This research is a replication of the research of Mariska (2018) and Budiana (2019).

2. LITERATURE REVIEW

Stewardship theory assumes the existence of a relationship that describes the maximization of principal functions and stewards (Donalson and Davis: 1991). This study discusses the implementation of political party financial accountability. The leader and the finance department of the political party act as stewards who accept the mandate in managing political party funds. Financial management can be said to be successful if done accountably. The implications of the stewardship theory for this research can explain the existence of political party administrators (stewards) as someone who can be trusted and act in the public interest by carrying out their duties and functions appropriately.

Competence is the basic capital of a person or organization in realizing the achievement of organizational goals. Political party organizations emphasize the ability of good service to the community, so that organizations must have good and accountable performance. Several previous studies have examined the relationship of competency and financial management accountability such as Nofianti and Novie (2014), Herry, et al (2017), Atmadja and Saputra (2018), Mariska (2018), and Budiana (2019). The results showed that competency has a positive effect on the implementation of financial management accountability. However, this result is contrary to the findings of Widyatama, et al (2017) and Rofika and Ardianto (2014) which state that competence does not affect accountability. From this explanation, the following hypotheses can be formulated.

H1: Competence has a positive effect on financial accountability of political parties

Commitment is a success keyword that must be adhered to by all employees in achieving organizational goals. As assumed by the stewardship theory that stewards feel that shared interests and behaving in accordance with the interests of the principal are rational considerations because stewards look more at efforts to achieve organizational goals (Raharjo, 2007). Some previous studies such as Kitta, et al

(2014) and Mada, et al (2017) whose research results show that organizational commitment has a positive effect on financial management accountability. However, the results of this study are different from the findings of Aimbue et al. (2017) which show that organizational commitment has no effect on financial management accountability. From this explanation, the following hypotheses can be formulated.

H2: Commitment has a positive effect on financial accountability of political parties

Internal control is a way to direct, supervise, and measure the resources of an organization, and play an important role in the prevention and detection of fraud, so that financial reporting provides reliability for accountability. Indriasari and Nahartyo (2008) examine the effect of internal control on financial accountability resulting in an internal control system that has a positive and significant effect on financial accountability. However, the results of this study are different from the findings of Yusdianto and Sugiarti (2018) which show that the organization's internal control system does not affect financial management accountability. From this explanation, the following hypotheses can be formulated.

H3: The Internal Control System has a positive effect on financial accountability of political parties

3. METHODOLOGY

This study is a survey research that is an information gathering technique that is carried out by compiling a list of questions posed to respondents. This study aims at testing hypotheses about the influence of competency variables, commitment, and internal control systems on political party financial accountability. This research was conducted on 10 Political Parties in Makassar City, South Sulawesi. The population in this study was 65 leaders and treasurers of political parties in Makassar City. The sample in this study is the entire population (saturated sample). Analysis of the data research used SPSS 22.

4. RESULT AND DISCUSSION

The results of testing hypothesis 1 indicate that the proposed hypothesis is accepted. Thus the hypothesis that competency has a positive effect on financial accountability of political parties empirically proven. The results of this study are in accordance with the theory of stewardship, which emphasizes the standard /executive as a manager who is motivated to do the best for the organization's main interests.

Stewardship theory emphasizes that staff /executives as managers have a role in achieving organizational goals.

The results of testing hypothesis 2 indicate that the proposed hypothesis is accepted. This finding shows that commitment significantly influences the implementation of political party financial accountability in Makassar. These results prove that the leadership and treasurer have optimized their commitment both in terms of affective commitment, ongoing commitment, and normative commitment to improve the implementation of political party financial accountability.

The results of testing hypothesis 3 indicate that the proposed hypothesis 3 is accepted. Thus the hypothesis which states that the Internal Control System has a positive effect on the financial accountability of political parties can be empirically proven. The findings of this study are consistent with the stewardship theory which suggests that the steward and principal interests are convergence which means that both have the same goal towards one point, namely for the benefit of the organization, if the organization's interests are achieved then the individual's interests are met.

5. CONCLUSION

Based on the results of hypothesis testing and discussion of the influence of competencies, commitments, and internal control systems on political party financial accountability, it can be concluded that competency, commitment and internal control systems have a positive effect on political party financial accountability. This means that the increasing of commitment competence, and an internal control system will be followed by increasing of political party financial accountability. The results of this study can have implications for political parties in order to consider the factors in this study which are considered to have an effect on financial accountability of political parties. This is important because understanding these factors can be the first step in developing the right strategy in integrating this to increase political party financial accountability.

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