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LIMITATIONS OF CAMPAIGN FUND AUDIT: CASE STUDY OF 2024 WEST SUMATRA ELECTION

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ABSTRACT

Regulations on campaign finance audits limit the examination to administrative compliance, which leads to an opinion of either "compliant" or "non-compliant." Yet audited campaign finance reports often fail to reflect what actually happens during campaigns. This article examines how far audit opinions represent the accountability of campaign funds and how these regulatory limits affect the transparency and accountability of campaign finance reporting in regional elections (Pilkada). It uses a qualitative case study of the campaign finance reports of the two candidate pairs for governor and vice governor of West Sumatra in the 2024 regional election, which received different audit opinions. Data were collected through in-depth interviews, observation, and document analysis and were then analyzed thematically. The findings show that campaign finance audits test only procedural compliance. They do not verify whether campaign receipts and expenditures are substantively accurate. For both candidate pairs, there were signs of campaign activities that did not appear in their reports. Audit opinions therefore cannot guarantee that campaign finance reports are substantively truthful. The article recommends regulatory reform, including giving auditors the authority to conduct substantive, activity-based examinations, creating channels for public reporting, and enforcing strict sanctions for violations.

Keywords: regulations, audits, campaigns, regional elections, accountability

INTRODUCTION

Electoral democracy cannot be separated from political finance. Political parties need money to run their organizations, recruit members, provide political education, and communicate with their constituents. Candidates require funding to prepare for their candidacy, conduct voter surveys, engage with the public, campaign, and compensate poll witnesses. How much all of this costs depends on the voter mobilization strategies used to win the contest (Asrinaldi, 2020).

At the same time, the misuse of money in politics can lead to bribery, corruption, and cronyism (Norris & Abel van Es, 2016). Political finance is essential to politics, but without adequate regulation, it can also undermine democratic principles. The key issue, then, lies not just in the amount of money spent but also in how that money is raised, managed, monitored, and accounted for. The regulation of political finance, including campaign finance in national and regional elections, is therefore essential to safeguarding the quality of democracy.

Healthy competition in regional elections requires regulations that ensure transparency and equal access to political resources. The International Institute for Democracy and Electoral Assistance (International

IDEA) emphasizes that unequal access to political funds can lead to an unbalanced competitive environment. Uncontrolled campaign spending also risks creating the impression that the wealthy can buy political influence (Falguera et al., 2016). Without adequate rules, money can widen the gap between candidates, weaken accountability, and erode public trust. Campaign finance regulation thus plays an important role in protecting the equality of contestants and the integrity of electoral competition.

Yet electoral democracy in Indonesia, especially at the local level, increasingly exhibits the features of a high-cost democracy, in which competing for office demands substantial financial resources. This is evident both in the large budgets required to organize regional elections and in the funds that candidates must raise to run. The expenses involved in securing a nomination, campaigning, mobilizing voters, and consolidating support show that financial capacity has become a key factor in the race for regional head positions.

A 2016 study by the Financial and Development Supervisory Agency (Badan Pengawasan Keuangan dan Pembangunan, BPKP) estimated that becoming a regional head cost Rp20–30 billion. This was far more than the cost of becoming a member of the House of Representatives (Dewan Perwakilan Rakyat, DPR), which ranged from Rp300 million to Rp6 billion (BPKP, 2016). A decade later, Berenschot et al. (2026) found that winning candidates in the 2024 regional elections spent an average of Rp27.4 billion on their campaigns, or Rp36.8 billion when the cost of securing a party nomination is included. Costs this high reinforce the perception that regional head positions are more accessible to those with substantial financial capital, even though voters elect them directly.

These conditions underline the need for campaign finance regulations that are clear and can be applied effectively. Indonesia already has rules on sources of funds and contribution limits, campaign spending, financial reporting, information disclosure, audits, and law enforcement. These provisions, set out in laws and technical regulations, aim to limit the dominance of economic interests and to create electoral competition that is fair, transparent, and accountable. Their existence, however, has not fully ensured equal competition or proper accountability in the management of campaign funds.

Marcus Mietzner argues that political finance regulations in democracies often create only the appearance of transparency and accountability, without effective enforcement. This is evident in developing democracies, including Indonesia, where strict formal rules have not changed political finance practices on the ground (Mietzner, 2016, pp. 84–102). Mietzner further shows that the problem of political finance lies not in the absence of regulation but in the gap between formal rules and political

practice. A neatly designed formal framework can therefore lose its regulatory force when it lacks adequate capacity for implementation and enforcement.

Formally, campaign finance in Indonesia's regional elections is governed by Law Number 10 of 2016, General Elections Commission (Komisi Pemilihan Umum, KPU) Regulation Number 14 of 2024 and its implementing rules, and the oversight regulations of the Election Supervisory Body (Badan Pengawas Pemilihan Umum, Bawaslu). In practice, however, financial strength and vote buying still play a dominant role in determining which candidates win (Aspinall et al., 2017; Muhtadi, 2019). This situation shows that there is a difference between what the law says and what people do. Mietzner (2016) argues that formal regulation often serves as a mere façade, creating the illusion of well-regulated campaign finance. As a result, candidates' campaign finance reports may not accurately reflect actual campaign activities, which makes them unreliable.

Signs of inaccurate campaign finance reporting also appeared in the 2024 gubernatorial election in West Sumatra (Sumatera Barat, Sumbar), which was contested by two candidate pairs: Mahyeldi–Vasko Ruseimy and Epyardi Asda–Ekos Albar. The audits of the two pairs produced different opinions. One pair was found compliant, and the other non-compliant. The compliant opinion was issued because the report was judged to meet the criteria of KPU Regulation Number 14 of 2024 in all material respects. The non-compliant opinion was issued because not all campaign receipts had been deposited in the Special Campaign Fund Account (Rekening Khusus Dana Kampanye, RKDK) and because some expenditures lacked supporting evidence. Even so, a preliminary review suggested that neither report fully captured the campaign activities that took place on the ground. This raises a question about whether audit opinions can assess the substantive truth of campaign finance reports.

The problem is linked to the audit design under KPU Regulation Number 14 of 2024. This design relies on a compliance audit by a public accounting firm (Kantor Akuntan Publik, KAP), with clear criteria and an examination period of 15 calendar days (Hapsari & Priono, 2024). The audit works well for checking compliance with administrative rules. However, it is not designed to verify whether reports match a campaign's actual finances and activities, especially transactions that were never reported. There is thus a gap between compliance with administrative rules and the substantive truth of campaign finance reports.

Several studies have found mismatches between campaign finance reports and conditions on the ground. Citing an evaluation by Bawaslu and a study by Kholmi et al. (2015), Darmoko et al. (2025) describe campaign finance accountability in Indonesia as often a formality, a mere administrative charade with no follow-up. Darmoko (2022) and Arsyad et al. (2026) report similar findings. They show that KAP audits tend only to fulfill

a required stage of the election process, while the results are filed away without the KPU using them to evaluate compliance or impose sanctions. The lack of effective transparency in publishing audit results has led to the continued discovery of violations in campaign finance reports (Rahmatika, 2021; Sulastio, 2021).

Previous studies have shown that campaign finance audits still face problems of accountability, follow-up, and mismatches between reports and practice. They have not, however, specifically explained how the design of compliance audits limits the ability of audits to reveal the substance of campaign financing. Darmoko (2022) and Rahmatika (2021) focus on the meaning and results of audits of political parties' campaign finances in legislative elections. Darmoko et al. (2025) and Arsyad et al. (2026) examine audits and auditor accountability through a phenomenological approach. Sulastio (2021) maps violations in candidate pairs' campaign finance reports in the 2020 regional elections, without testing the limits of the audit design used. The research gap, then, lies in the untested relationship between compliance audit design, audit opinions, and the substantive accountability of campaign finance reports.

Existing studies have examined campaign finance reporting and audit practices in Indonesian elections, but few have compared the reports and audit opinions of candidate pairs within a single regional election under KPU Regulation Number 14 of 2024, and fewer still have proposed alternative audit designs to address the regulation's limitations. This article addresses that gap. Drawing on Mietzner's (2016) work on the gap between formal regulation and political practice, it examines the extent to which compliance audits capture the substantive accountability of campaign funds.

This article makes both theoretical and practical contributions. Theoretically, it extends the literature on campaign finance audit design by identifying the limitations of compliance audits in Indonesia. Practically, it makes the case for shifting toward an audit model that ensures substantive accountability, with the aim of informing reforms to campaign finance regulation in regional elections. To this end, the analysis draws on Porter's (1993) concept of the audit expectation gap, which describes the gap between what audits can deliver and what the public expects of them. On this basis, the article proposes alternative audit designs better able to test the substance of campaign financing.

RESEARCH METHOD

This study takes a qualitative approach with an embedded single-case study design to understand the limits of compliance audits in ensuring the substantive accountability of campaign finance reports. A qualitative approach was chosen to examine the phenomenon in depth by interpreting multiple sources of data (Afrizal, 2014). A case study is suitable because it

allows researchers to examine a contemporary phenomenon in its real-life context through various sources (Creswell & Poth, 2018; Yin, 2018).

The case is limited to the campaign finance audits of the candidate pairs for governor and vice governor of West Sumatra in the 2024 regional election. It was chosen because the election involved only two candidate pairs, which received different audit opinions: one compliant and one non-compliant. A preliminary review, meanwhile, suggested that neither report fully captured the campaign activities on the ground. These differing opinions under the same regulatory framework provide the basis for examining how far audit results represent the substantive accountability of campaign finance reports.

In this embedded design, the units of analysis are the campaign finance reports and audit opinions of the two candidate pairs, along with the auditors' experience in carrying out the examinations. The study does not aim to generalize to all practices for auditing campaign finance in Indonesia. Its purpose is to understand the limits of compliance audit design in the context of this study.

Data were collected through in-depth interviews, document analysis, and field observation. Informants were selected purposively based on their direct experience with campaign finance audits. They were three auditors from KAPs appointed by the KPU of West Sumatra Province to audit campaign finances in regional and national elections. The interviews were conducted via Zoom or WhatsApp calls in August 2026. Each lasted about one hour and followed a prepared interview guide.

The documents analyzed included regulations and technical audit guidelines, campaign finance reports, audit reports, and related institutional documents. They were used to compare formal provisions with audit procedures and empirical findings. The researchers carried out observations during the campaign period of the 2024 West Sumatra gubernatorial election, from September 25 to November 23, 2024. These covered the installation of billboards and large campaign events in the form of concerts. Because the observations did not follow a structured protocol, the cost estimates based on them were drawn from campaign prop suppliers and professional event organizers (EOs). These estimates are treated as preliminary indications, not as definitive evidence.

The researchers are employees of the KPU of West Sumatra Province and were directly involved in organizing the regional election. This position provided contextual understanding and access to documents, but it could also influence how the data were interpreted. To control for bias, the analysis compared informants' accounts, official documents, and observation results. The researchers also documented their coding and interpretive decisions through reflective notes and an audit trail so that the process of drawing conclusions can be traced. Potential conflicts of interest were disclosed

openly to the informants, and internal documents were used only within the researchers' authority and in line with applicable confidentiality rules. Before each interview, informants were told about the purpose of the study and how the data would be used. Consent was obtained verbally, and the informants' identities are anonymized in this article. Interview data and documents are stored with restricted access to protect confidentiality.

The data were analyzed thematically in six stages: (1) reading the data repeatedly to become familiar with it; (2) assigning initial codes to relevant passages; (3) grouping the codes into provisional themes; (4) reviewing the themes against the interview and documentary data; (5) defining and naming the themes; and (6) writing the analysis. Initial codes included "examination limited to documents," "limited audit period," and "proposals for field monitoring." These codes were developed into themes on the limited object and period of audits, the limited authority of auditors, and alternative audit designs. The themes were checked by tracing them back to supporting evidence, comparing data sources, and testing whether any data contradicted the initial interpretation.

RESULTS AND DISCUSSION

Campaign Finance Reporting and Auditing in the 2024 West Sumatra Gubernatorial Election

Besides KPU Regulation Number 14 of 2024, campaign finance reporting and auditing are governed by KPU Decisions Number 1364, 1775, and 1616 of 2024 (Komisi Pemilihan Umum [KPU], 2024a, 2024d, 2024b). Reports are submitted through the Campaign and Campaign Finance Information System (Sistem Informasi Kampanye dan Dana Kampanye, Sikadeka) under KPU Decision Number 1764 (KPU, 2024c). Both candidate pairs were required to open an RKDK separate from their personal accounts and to deposit all campaign receipts in it before using them. They then submitted their Initial Campaign Fund Report (Laporan Awal Dana Kampanye, LADK), which contains account information, the taxpayer identification number (NPWP), the opening balance and its source, and details of receipts and expenditures. One pair's report was initially rejected because it did not state the opening balance of the RKDK. The pair then corrected the report, and it was accepted.

The next stage was the submission of the Campaign Contribution Receipt Report (Laporan Penerimaan Sumbangan Dana Kampanye, LPSDK), which lists the contributions received by the candidate pair and by the supporting political party or coalition of parties. Both pairs submitted this report by the deadline of October 24, 2024, although one report was returned for correction. The final reporting stage was the Campaign Fund Receipt and Expenditure Report (Laporan Penerimaan dan Pengeluaran Dana Kampanye,

LPPDK), which covers all receipts and expenditures during the campaign, whether in money, goods, or services. The LPPDK had to be submitted no later than one day after the campaign period ended, that is, by 11:59 p.m. Western Indonesia Time (WIB) on November 24, 2024. Both pairs submitted their reports on schedule, and both reports were accepted. Late submission can lead to sanctions under the applicable rules.

Once the LPPDK was received, the appointed KAP audited it over 15 calendar days. The audit aims to assess whether the report complies with campaign finance rules. The audit results for both pairs were submitted to the KPU of West Sumatra Province. They form the basis for examining why the audit opinions differed and how limited they are in representing the substantive accountability of campaign funds. The process for reporting campaign finance in the 2024 West Sumatra regional election is summarized in Table 1.

Table 1.
Overview of Campaign Finance Reporting by the Candidate Pairs for Governor and Vice Governor of West Sumatra, 2024

No.		Stage/Item	Candidate Pair 1	Candidate Pair 2
1.	LADK	Submission date	9/24/2024	9/27/2024 (corrected)
		Opening balance	Rp100,114,000	Rp1,000,000
		Receipts	Rp100,114,000	Rp14,000,000
		Expenditures	Rp112,000	Rp13,000,000
		Campaign fund balance	Rp100,002,000	Rp1,000,000
2.	LPSDK	Submission date	10/24/2024	10/25/2024 (corrected)
		Personal contributions	Rp2,550,000,000	Rp1,000,000,000
		Contributions from political parties/party coalitions	Rp200,000,000	0
		Individual contributions	Rp850,000,000	0
		Total contributions	Rp3,600,000,000	Rp1,000,000,000
3.	LPPDK	Submission date	11/24/2024	11/24/2024
		Receipts	Rp10,865,114,000	Rp6,590,784,412
		Expenditures	Rp10,737,375,500	Rp6,590,784,412
		Balance	Rp127,738,500	Rp0
4.	Audit results	Receipts	Rp10,865,114,000	Rp6,590,784,412
		Expenditures	Rp10,737,375,500	Rp6,590,784,412
		Balance	Rp127,738,500	Rp0
		Opinion	Compliant	Non-compliant

Source: Compiled from the candidate pairs' campaign finance reports (LADK, LPSDK, and LPPDK) held by the KPU of West Sumatra Province and the audit reports of KAP Heliantono & Rekan (2024) and KAP Hendrawinata Hanny Erwin & Sumargo (2024)

Beyond the written reports, the researchers' observations revealed that campaign teams were careless in completing their transaction evidence. Supporting documents were sometimes prepared only shortly before the reporting deadline, rather than when the transactions took place. Campaign

finance administrative staff even deleted transactions without invoices or receipts on some occasions.

The mismatches became clearer when the reports were compared with campaign activities on the ground. One example is the installation of introductory billboards by one of the candidate pairs long before the campaign period. These billboards appeared in large numbers at strategic locations across all regencies and cities in West Sumatra. However, the campaign finance report did not document this extensive billboard procurement prior to the campaign period. Based on estimated costs of Rp15–50 million per billboard at strategic sites, the total cost of this activity is estimated at more than Rp2 billion. The pair's report, by contrast, recorded only Rp13 million for activities before the bookkeeping period and Rp1.2 billion for the installation of campaign props.

The other pair's large-scale campaign events in nine regencies and cities also exhibit a similar mismatch. These concerts mobilized large crowds and involved a nationally known event organizer, celebrities, and top artists. The spending on these events, however, was supported by only two receipts totaling Rp1 billion, without the level of detail one would expect for events of this scale. A review of standard concert costs charged by event organizers suggests that the events may well have cost more than the amount reported. The reported figure might still be reasonable if the performers received no fees and the budget covered only technical and operational needs. Yet the report on campaign contributions recorded no in-kind contributions of services from anyone involved in the concert.

These findings point to a substantive problem that goes beyond administrative carelessness: a potential mismatch between campaign activities, the costs incurred, and the transactions reported. Under the current audit scheme, however, auditors do not have sufficient authority to examine these substantive issues.

Accountability, Transparency, and Public Trust: Why Audits Matter

Managing campaign funds requires mechanisms that ensure accountability and transparency. Both are achieved through campaign finance reports that are submitted to the KPU and made public. This allows citizens to judge whether the financing of political competition has been managed transparently and in a way that supports fair competition. In practice, however, accountability is often understood as mere administrative compliance, without any verification of whether the content of the reports is honest (Darmoko, 2022).

Assessing whether reports comply with the regulations requires an audit by a competent and independent party. Here, the appointed public accountants help the KPU examine campaign finance reports according to the applicable rules. Under the current regulations, compliance is judged by

the format and timeliness of reports, the completeness of donors' identities, the availability of evidence for expenditures, and adherence to contribution limits.

The main question is not only whether a report receives a compliant opinion. It is whether its content truly reflects how the campaign was actually financed. Administrative compliance does not always mean being honest about the substance. A report may meet every formal requirement, yet its information may not capture all of the transactions and actual uses of funds. As the 2024 West Sumatra gubernatorial election case described above shows, incomplete transaction evidence, record keeping aimed only at meeting requirements, or the use of estimated figures can make a report look orderly without giving a full picture of where campaign funds came from and how they were spent. This reveals a gap between procedural compliance and substantive accountability.

Under KPU Regulation Number 14 of 2024, reporting and auditing form part of the mechanism for overseeing campaign finance in regional elections. These rules are needed to promote fair and transparent competition and to limit the excessive influence of financial resources in the electoral process. Audits, therefore, should not stop at checking whether documents are complete. They should also help make the information presented to the public trustworthy. An audit is not merely an administrative step after reports are submitted. It is a tool for assessing whether the sources and uses of funds can be traced, explained, and tested for reasonableness. A problem arises when the success of an audit depends more on formal compliance than on its ability to verify whether reports match the reality of campaign financing.

Transparency in campaign finance is also a form of political accountability to the public, not just an administrative duty that candidate pairs owe to election organizers. As the parties seeking a mandate, candidates have a duty to provide credible information to the citizens who grant them that mandate. Information on the sources and uses of campaign funds matters to the public because financing can affect the fairness of competition, make candidates dependent on particular financiers, and shape the quality of accountability once candidates take office.

Ideally, then, campaign finance audits should detect unusual financing and identify possible fraud. If they worked substantively, audits could help create more equal competition and prevent access to power from depending even more on candidates' financial resources. The urgency of these audits becomes clearer given the high cost of the 2024 regional elections. Berenschot et al. (2026) report that winning candidates spent an average of Rp27.4 billion, rising to Rp36.8 billion when the cost of securing a nomination is included. Costs on this scale raise questions about where the money came from, how it was used, and whether official reports can

capture the full picture of campaign financing. The fundamental issue, therefore, is not simply whether reports and audit opinions exist. It is how far the audit mechanism can ensure substantive accountability for political financing.

Limitations of Compliance Audits

The current audit mechanism struggles to detect campaign funds that flow outside what is reported. Under KPU regulations, campaign finance audits take the form of a compliance audit that provides assurance, and their scope covers the LADK, LPSDK, and LPPDK. The audit must be finished within a certain amount of time after the public accountant receives the reports (Hapsari & Priono, 2024). Darmoko (2022) found that, in practice, public accountants examine only the information in the reports they receive from the KPU and have no authority to trace transactions outside those reports, even when there are signs of manipulation. One of the auditors interviewed for this study confirmed that campaign activities not listed in the reports fall outside the KAP's scope of work.

With this scope, compliance audits rarely detect illegal campaign funds, since candidates almost never report them. Compliance audits are designed only to examine administrative matters within a traditional audit paradigm, in which public accountants verify only the RKDK and the campaign finance reports, along with the evidence for the transactions recorded in them. As a result, funds that do not pass through the RKDK may go unidentified. Examples include money from relatives, such as siblings, parents, or spouses, which is then declared as the candidate's personal wealth. This is not mere speculation. Berenschot et al. (2026) found that 49.2 percent of candidates' campaign funds came from personal or family wealth. The same study cites findings by Indonesia Corruption Watch (ICW) that total spending reported to the KPU generally did not exceed Rp3.5 billion, far below the estimated actual spending, which averaged Rp20.1 billion for all candidates surveyed and Rp27.4 billion for winning candidates.

These findings reveal a wide gap between reported spending and the estimated real cost of campaigns. In the 2024 West Sumatra regional election, the discrepancy raises the suspicion that candidates' actual spending exceeded the funds recorded in their RKDK. This suspicion, however, cannot be confirmed through the current compliance audit mechanism, because the examination is limited to the information and transactions that were reported.

A similar problem applies to contributions in the form of goods and services, which must be reported. If they are left out, such contributions are difficult to detect, because compliance audits focus on administrative rather than substantive matters. Darmoko et al. (2025) note that, formally, Indonesia has adopted a mandatory audit approach for all participants in

general and regional elections. However, when compared to the U.S. Federal Election Commission's (FEC) functional investigative system or the strict vetting mechanisms of election commissions in the United Kingdom and France, audits in Indonesia remain limited to administrative compliance, often resulting in a gap between formal reports and actual on-the-ground expenditures. This is precisely what Mietzner (2016) warns about: an audit system that appears to function can create an illusion of compliance, while much of the actual financing takes place outside the system being examined.

Informant 1 confirmed this methodological limitation: "*The assurance method only looks at documents and relies solely on the assertions"* (Informant 1, Zoom interview, 2026). From the perspective of audit expectation gap theory, this admission is an important starting point for understanding the boundary between what auditors can reach with their methods and what the public expects from an audit.

The limitations of compliance audits can weaken their contribution to a healthy democracy, fair competition, and inclusive contests. Darmoko et al. (2025) found that KAP auditors generally worked professionally, prepared their audits well, and upheld ethical standards. Such professionalism, however, does not guarantee that substantive fraud will be uncovered, because the audit design limits the scope of the examination. As a result, an audit is more likely to give assurance that a report has been examined than to confirm that its content is true and free from manipulation.

The period and duration of the audit are also limiting factors. An examination that focuses on transactions during the campaign period risks missing contributions from prohibited sources made before the campaign or even before the candidates were formally designated. It also risks missing vote buying, which is concentrated in the quiet period just before voting. Berenschot et al. (2026) confirm this pattern, showing that important political finance transactions can take place outside the period covered by official audits.

This point was echoed by Informant 3, who highlighted one limitation of the audit currently in place:

> *"The costs of candidates' image-building activities carried out long before the campaign period should also fall within the scope of the audit, because they can influence the public. But the scope of the audit only covers the campaign period.*" (Informant 3, WhatsApp call, 2026)

The gap between audit opinions and the substantive reality of campaign finance is not unique to West Sumatra. ICW's monitoring report on campaign finance in the 2024 regional elections recorded similar irregularities in many regions, including campaign spending patterns that were out of proportion to the officially reported campaign funds (ICW, 2025a). ICW's 2024 corruption trend data also show that regional government employees and other local actors consistently ranked as the most frequent

perpetrators of corruption in 2022–2024 (ICW, 2025b). This pattern cannot be separated from the cycle of political financing at the regional level.

The direct experience of one informant in this study supports these findings:

> *"This pattern also happens in many other provinces. We found regional head candidates whose campaign finance reports showed only tens of millions of rupiah. That is simply not rational."* (Informant 3, WhatsApp call, 2026)

This testimony adds qualitative depth to the quantitative patterns mapped by ICW. The figure of "tens of millions" mentioned by Informant 3 matches ICW's findings on campaign spending that is out of proportion to the actual scale of campaign activities. The consistency of these findings across regions, drawn both from civil society monitoring data and from the direct testimony of public accountants, strengthens the argument that the problem in West Sumatra is systemic. It stems from the design of audit regulations that apply nationwide, not merely from an implementation failure in one region. Although the data in this study are limited to one province and three informants, a generalization can still be drawn. However, it is an analytical generalization about a regulatory design that is uniform across the country, rather than a statistical generalization indicating that campaign finance reporting practices are identical in every region.

These findings confirm the concept of the audit expectation gap (Porter, 1993), that is, the gap between what audit users expect and what audits can actually deliver. The public tends to read a "compliant" opinion as a guarantee that a report is honest in every respect, whereas the opinion only shows that the documents meet administrative criteria. This gap is mainly a performance gap, not a reasonableness gap. The problem does not lie in unreasonable public expectations. It lies in the limits of the audit's design and authority to meet those expectations.

This limitation is evident in an examination that focuses on the RKDK, LADK, LPSDK, LPPDK, and the information supplied by the candidate pairs. Auditors have no authority to independently trace all campaign activities, uncover transactions that were deliberately left unreported, or compare all activities on the ground with recorded spending. As a result, a compliance opinion only shows that the documents meet the requirements. It does not confirm that all actual receipts and expenditures have been reported.

The audit expectation gap, then, is not just a matter of public perception. It is also rooted in the limits of audit design and regulation. Making auditors more thorough is not enough if the object of the audit, the auditors' authority, and their sources of information remain confined to the reports submitted by election participants. Transactions that are never reported will remain difficult to examine unless access to information and the scope of the audit are expanded.

Therefore, administrative compliance cannot be equated with accountability and transparency in a more substantive sense. A candidate pair may be deemed administratively compliant, yet at the same time lack substantive accountability if there are actual campaign activities not recorded in official reports. A "compliant" opinion merely confirms that the candidate pair has met administrative requirements. However, this opinion cannot yet serve as a guarantee that the reported figures are accurate, because the audit does not uncover or verify the truth of the actual transactions behind the submitted documents.

The informants' accounts consistently show that the gap is a performance gap, not a reasonableness gap. Informant 1 expressed this gap most clearly, in a statement that forms one of the key findings of this article. Asked how auditors try to identify hidden transactions, Informant 1 replied: "*Our job is to examine the campaign finance report, not to look for transactions outside of it"* (Informant 1, Zoom interview, 2026). This statement is a direct admission from those who carry out the audits that their assignment was designed to be narrow from the start. It did not become narrow through any failure to follow procedures. This is the very boundary between a substantive audit and a compliance audit. It is also the exact boundary that separates what the public expects from an "audit" and what a campaign finance compliance audit is designed to deliver.

Viewed through Mietzner's framework, these limitations show that the main problem is not simply low compliance among election participants. Rather, it is a gap between regulatory capacity and enforcement capacity. Regulatory capacity is already in place in the form of reporting obligations, examination standards, and fairly detailed audit procedures. Enforcement capacity, however, requires more than examination procedures. It needs the authority and the tools to detect unreported transactions, to verify whether reports match the campaign activities actually taking place, and to impose consequences when violations are found. When auditors may only test the documents that election participants choose to submit, enforcement capacity stops at the edge of those documents. In other words, the narrow audit design has created an enforcement gap. Regulations can set out what must be reported, but institutions lack the matching capacity to ensure that every reportable activity actually appears in the report.

Informant 3 opened their assessment with a blunt statement about what compliance audits currently do:

> *"Many campaign finance reports are widely known to be unreasonable. The compliance audit today is a mere formality. Its narrow scope cannot reveal all the real transactions."* (Informant 3, WhatsApp call, 2026)

The criticism went further when Informant 3 questioned whether current practice could even be called an audit and tied the issue directly to what an audit is meant to achieve: transparency and accountability.

> *"What we have now does not deserve to be called an audit. An audit should guarantee adequate transparency and accountability. With a scope this narrow, that goal is not achieved, and elections with integrity are impossible."* (Informant 3, WhatsApp call, 2026)

Informant 3's criticism was especially relevant to the concept of enforcement capacity because the informant traced these limitations to what the authors read as a failure of regulations to provide suitable tools: "*The ideal audit is semi-investigative, because the current audit scope restricts authority to formal reports alone."* (Informant 3, WhatsApp call, 2026)

From Mietzner's perspective, how well a regulation works depends not only on the rules themselves but also on an institution's ability to examine reports. It also depends on the behavioral effect the regulation has on political actors. A regulation has real regulatory force when political actors expect that violations may be detected and punished and so adjust their behavior to the rules. The findings of this study point to a different situation. Transaction evidence was put together just before reporting deadlines. Transactions were dropped when no supporting evidence was available. Campaign activities visible on the ground did not match the transactions reported. Together, these practices show that administrative obligations have not yet changed behavior in favor of honest and substantive reporting. The problem, then, is not just that some political actors fail to comply. It is that the regulatory system has not created incentives strong enough to change how they calculate their choices.

Taken together, the findings in this subsection support a central conclusion. The current campaign finance compliance audit is not merely limited in practice. By design, it is not meant to reach substantive truth. The gap appeared consistently, even for the candidate pair that received a compliant audit opinion. This map of limitations provides the basis for the reform proposals set out in the next subsection.

Alternative Audit Designs

Indonesia needs to reform the design of its campaign finance audits so that they can reach substantive matters. Before setting out the proposed model, several alternatives deserve consideration. The current compliance audit has clear strengths. Its examination criteria are well defined, and it helps keep administration orderly. Its examination, however, is limited to the documents reported within the set campaign period. Auditors also lack the authority to verify all field activities directly.

The first alternative is an agreed-upon procedures engagement. Here, auditors examine reports using specific procedures set in advance, for example, by matching a list of campaign activities against the costs reported. They then present their procedural findings without giving an audit opinion (International Auditing and Assurance Standards Board [IAASB], 2020). This

model is more flexible and does not require major changes. Its results, however, cover only the agreed procedures and offer no overall assurance about the report. Its usefulness therefore still depends on how broad the procedures set by the election management body are.

The second alternative is an activity-based substantive audit, which examines campaign activities directly rather than only the reporting documents. This model could uncover activities that were never recorded. Putting it into practice, however, requires field authority and resources that public accounting firms may not have. It also risks overlapping with Bawaslu's oversight. And it raises questions of independence when auditors must rely on activity data supplied by others. For these reasons, recording activities and examining costs need to be handled as separate functions.

The third alternative is an investigative or forensic audit, which allows funds to be traced in depth. This model, however, is costly and requires powers beyond the KPU's mandate (Badan Pemeriksa Keuangan [BPK], 2026), so it is not well suited to every candidate pair. An investigative audit works better as a follow-up step, used when a substantive audit or a public complaint reveals strong signs of a violation. A social audit, meanwhile, involves the public in reporting suspected campaign spending that was left unrecorded. This includes cash transactions that leave no trace in bank accounts (Berenschot et al., 2026). Nevertheless, every public report must be verified to ensure its validity and prevent its misuse in political attacks.

Based on these considerations, the proposed reform combines two elements. The first strengthens the compliance audit through an activity-based substantive audit. Auditors or an independent body would be allowed to carry out sample-based field verification. This could cover face-to-face campaign events, the installation of campaign materials, and large-scale online activities, with the results then compared against the spending reported in the LPPDK. The second element builds a social audit channel through an active and structured public reporting mechanism. Election management bodies would be required to follow up on reports of suspected unrecorded campaign activities as part of the audit process. This mechanism needs clear procedures for verification and follow-up, as well as legal consequences in line with applicable regulations.

This combined model is not just a normative construct drawn by the authors from the literature. It also matches what the informants recommended. Asked how to overcome the inability to reach unreported transactions, Informant 2 proposed setting up a field monitoring unit separate from the audit function of public accounting firms:

> *"To address unreported fund flows, the KPU needs to form a special team* that *follows all candidates and records all of their activities."* (Informant 2, Zoom interview, 2026)

Informant 2 then closed by explaining the institutional conditions needed for this proposal to work, while again pointing to the limits of the current regulations. The framework described here is structurally identical to the idea of an activity-based substantive audit outlined above:

> *"If the regulations were adequate and the audit scope were expanded, the findings of the KPU's special team could actually be handed over to public accountants as the basis for an investigative audit. But current regulations do not provide for such a framework, and we, too, have our limitations."* (Informant 2, Zoom interview, 2026)

Informant 3 added a more detailed institutional design, placing Bawaslu in charge of recording campaign activities on the ground as the basis for the auditors' work:

> *"Audits should be based on campaign activities. Once Bawaslu has recorded all of a candidate's campaign activities, public accountants can examine and recalculate the costs based on that record. Vote buying, on the other hand, should fall under Bawaslu's remit to record, and the results could serve as the basis for an investigative audit."* (Informant 3, WhatsApp call, 2026)

Informants 2 and 3 made these proposals independently, drawing on field experience and without reference to the concept of an activity-based substantive audit. Even so, both rest on the same logic. They separate the detection and recording of campaign activities, which would sit with the KPU or Bawaslu, from the calculation and verification of costs, which would remain with public accounting firms. This convergence matters methodologically. It indicates that the reform this article derives from the theory of the audit expectation gap is not foreign to auditors in the field. The same idea has also emerged on its own from their direct experience of conducting audits within existing constraints.

This combined model can narrow the performance gap identified by Porter (1993). Election management bodies, in administering candidates' campaign finance reports, would gain results that help build more accountable governance of campaign finances. At the same time, voters could treat the audit results of candidates' campaign finances as a more credible indicator of their integrity in managing political finance.

CONCLUSION

This study indicates that the audit for campaign finance compliance in the 2024 West Sumatra regional election could not guarantee substantive accountability. A "compliant" opinion only shows that the documents meet administrative criteria. It does not confirm that all campaign receipts and expenditures have been reported accurately. Signs of campaign activities missing from the reports were found for both candidate pairs, the one with a compliant opinion and the one with a non-compliant opinion. A difference in

audit opinions, therefore, does not necessarily mean a difference in how honest the reports are in substance.

These findings are consistent with Mietzner's (2016) analysis, which shows that political finance regulations that look strict can create an illusion of effectiveness when they are weakly implemented and enforced. In the West Sumatra election, a similar gap appears between the completeness of the formal regulations and the ability of audits to reveal how campaigns were actually financed. The regulations have not fully produced the expected behavioral effect, which is to encourage election participants to report their sources and uses of funds honestly and transparently. In other words, the problem lies not only in participants' compliance but also in the institutional capacity to ensure that the rules work in practice.

The findings also consistently confirm that, in terms of Porter's (1993) audit expectation gap, the gap between audit results and the substantive reality of campaign finance is a performance gap, not a reasonableness gap. Auditors were aware of signs of irregularities in the field, but they had no formal authority to follow them up. This pattern stems from regulations that apply nationwide, so it cannot be seen as a purely local problem, although its generalizability needs further testing. What is needed, then, is more than better audit work by public accounting firms. It is structural reform. Such reform would combine a stronger activity-based substantive audit with a social audit channel that involves the public, election monitors, and Bawaslu, with Bawaslu's records of field activities serving as the basis for the audit. Together, these measures would help ensure accountable and transparent campaign finance reporting.

This article recommends the following improvements to campaign finance report audits:

1. Developing an activity-based substantive audit

   This audit would be developed in three steps:

   a. The audit paradigm should shift from a purely administrative compliance audit to a substantive audit of campaign activities. This would not need to go as far as an investigative or forensic audit, which is costly and beyond the KPU's authority.
   b. The scope of the audit needs to be expanded by shifting the focus of the examination from reports (LADK, LPSDK, and LPPDK) to the activities themselves, given that not all activities can be fully reflected in reporting documents. The audit period should also be extended from the campaign period alone to the time from candidate registration through the election, in anticipation of

campaign contributions and expenditures that may occur outside the official campaign period.

c. The audit should be conducted in cooperation with the Indonesian Financial Transaction Reports and Analysis Center (PPATK) to detect unusual transactions outside the candidates' official accounts, such as those of volunteers and campaign teams. The results could serve as the basis for sampling in field verification or for escalation to an investigative audit.

2. Developing *a social audit*

A social audit is needed to cover gaps that an activity-based substantive audit cannot reach, especially cash transactions that leave no trace in bank accounts. It involves the following steps:

a. The public should be given open access to Sikadeka as reviewers, similar to the viewer access Bawaslu currently has, without needing permission from the KPU. Campaign finance data should be displayed by activity rather than by amount or transaction type. A direct complaint channel should also be available to support active and structured public reporting.

b. Open access and the complaint channel should be tied together by stronger regulations. These should:
   - State that all goods and services supporting campaign activities count as in-kind contributions;
   - Explicitly regulate how all the alternatives are to be applied;
   - Update the standards for public accountants; and
   - Enforce sanctions for non-compliance, which have so far been vague, so that field findings and public complaints carry real legal consequences.

This study has several limitations. First, it covers only one province and two candidate pairs in the 2024 regional elections. Its findings are therefore not meant to be generalized statistically. Instead, they offer an analytical generalization at the level of audit design, which is uniform nationwide because the same regulations apply. Second, the interview data come from three auditors from public accounting firms and were collected in 2026. The time lag since the audits were conducted in 2024 may have affected the informants' recall. Third, some of the data come from internal documents of the West Sumatra Provincial KPU that are not publicly available, which makes them difficult for others to verify. Fourth, the views of the candidate pairs, Bawaslu, PPATK, and the public have not yet been explored. As a result, the institutional, legal, and financial feasibility of the proposed activity-based substantive audit and social audit has not been tested. Future research should therefore use multi-case studies across regions and involve these stakeholders.

DISCLOSURE STATEMENT

The authors used generative AI tools in a limited capacity: Claude (Anthropic) to assist in searching for and tracing relevant references, and ChatGPT (OpenAI) at the final stage to edit sentences so that they are more concise and clear and stay within the word limit. The substance, the analysis, and responsibility for the entire content of the manuscript remain with the authors.

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