

Accountability and Incumbent Re-election in Indonesian Local Government

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ABSTRACT

This paper examines the relationship of financial and performance accountability towards incumbent re-election in Indonesian local election. Sample of this research is 56 regencies and cities that held local election with an observation period of 2011 until 2013. Audit opinion and audit finding data are used to measure financial accountability; meanwhile the performance score and evaluation of performance accountability are used as proxy of performance accountability. The analysis shows that higher audit finding of the weakness of internal control system decrease the probability of re-election and higher performance score increase the probability of re-election. In contrast, audit opinion, audit finding of non-compliance to the regulation and legislation, and evaluation of performance accountability have no relationship with the probability of incumbent re-election.

SARI PATI

Penelitian ini menguji hubungan antara akuntabilitas keuangan dan kinerja terhadap keterpilihan kembali petahana dalam Pemilihan Kepala Daerah (Pemilukada) di Indonesia. Sampel penelitian ini adalah 56 kabupaten dan kota yang menyelenggarakan Pemilukada pada periode 2011 sampai 2013. Opini dan temuan audit digunakan untuk mengukur akuntabilitas keuangan, sementara itu skor kinerja pemerintah daerah dan evaluasi akuntabilitas kinerja digunakan sebagai proksi untuk mengukur akuntabilitas kinerja. Analisis menunjukkan bahwa semakin tinggi temuan audit atas kelemahan sistem pengendalian intern akan semakin menurunkan peluang keterpilihan petahana dan semakin tinggi skor kinerja pemerintah daerah akan semakin meningkatkan peluang keterpilihan petahana. Sebaliknya, opini audit, temuan atas ketidakpatuhan terhadap peraturan dan perundang-undangan, serta evaluasi akuntabilitas kinerja tidak berhubungan dengan keterpilihan petahana.

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INTRODUCTION

Studies on retrospective voting have fixed for too long, how performances influence incumbent re-election, especially in economics voting studies. Economic voting theory has been showed by the studies supporting that macro-economic performance is incumbents' responsibility and they are rewarded or punished accordingly (Gelineau, 2007; Fraile & Beck, 2010; Martinsson, 2013; Lippenyi *et al.*, 2013). Different with economic voting studies, this article focus on the relationship of accountability and incumbent re-election. It examines the political consequence of the financial and performance accountability of local government in Indonesia, focusing on change in electoral support for incumbent local government. The topic is important because there is still rare research in Indonesia using financial and performance accountability as a variable to evaluate political leadership, whereas the accountability is a leader's responsibility to the voter. Voters trust to the elected leaders can depend on their accountability.

Financial accountability as one of public accountability is a responsibility of financial integrity, disclosure, obedience with rules and regulations. The target of financial accountability is Local Government Financial Statement (*Laporan keuangan Pemerintah Daerah/LKPD*). LKPD need to be audited to make sure its accountability. The audit reports are released by the Supreme Audit Council (*Badan Pemeriksa Keuangan/ BPK*). BPK categorizes audit reports in some areas; audit opinion, audit finding of weaknesses of the Internal Control System (ICS), and audit finding of non-compliance to the regulation and legislation.

This article develops Ferazz and Finan (2008) research by relating audit finding and incumbent re-election. However, this study does not codify audit irregularities as corruption rate that will influence election result. On the other hand, this study examines the number of audit finding as measurement of local government accountability

representing how well the governments manage their internal control and obey to the rules and regulations. Besides this study uses audit opinion variable as a proxy to measure local government financial accountability. So, this study examines the relationship of audit opinion, audit finding of weaknesses of the ICS, and audit finding of non-compliance to the regulation and legislation toward incumbent re-election.

Accountability in this study also can be seen from performance accountability side. Performance accountability can be realized by performance measurement. The purpose of performance measurement is to assess the success of organization (Nordiawan & Hertianti, 2010). The link between government performance and support for incumbent has been studied by James and John (2006) and Boyne et al. (2009) in English local government. This article also modifies their studies. The differences are in the dependent variable and the proxy of measuring performance. James and John (2006) and Boyne et al. (2009) use vote share as dependent variable. Where local government performance is related to how many vote share that incumbent get in second election. On the other hand, dependent variable for this article is binary and equal to 1 for those who reelected and 0 for those who not reelected.

James and John (2006) and Boyne et al. (2009) model the published Comprehensive Performance Assessments (CPA) of local authorities in England, which make summary information about performance available to voter as measurement of performance. However, this article use local government's performance scores (*Evaluasi Kinerja Penyelenggaraan Pemerintahan Daerah/ EKPPD*) as measurement of local government's performance released by Ministry of home affairs. It also uses performance accountability evaluation score (*Evaluasi Akuntabilitas Kinerja Instansi Pemerintah/ EAKIP*) as measurement of local government's evaluation of performance accountability issued by Ministry for State Apparatus Reforms. These

score are publicly available in the official website of related ministry. The assumption underlying this study is, voter are rational and have enough and adequate information for decision making.

METHODS

Accountability and principal agent theory

Public accountability requires a specification of who is responsible and accountable for whom. This is a main material of principle-agent theory (Gailmard, 2012). In the public sector context, principal-agent relationship exists between society as voter and elected leader. Elected leader is an agent given mandate from his voters. The fundamental assumption of this relationship is that, in general, voters and elected leader are rational. They act to maximize their individual utilities. Elected leader is motivated by a desire to obtain and remain power that is why he need vote share. Voters are motivated by economic self interest. The wealth of voters depends on agent's action, so that each voter has an incentive to monitor the action of agent (Zimmerman, 1977). The application of principal-agent theory in this paper is used to control elected leader (mayor/regent) through electoral institution called local election (*Pemilihan Kepala Daerah/ Pemilukada*). Local election here is a means for voter to evaluate incumbent mayor/ regent.

Public-choice theory

Public-choice theory simply can be described as a discipline that uses the economic approach to study political behavior such as voting behavior, political parties, legislative, and bureaucratic. Public-choice theory is respect to how information can affect the production and distribution of public goods from government (Giroux, 1989). This activity can be analyzed using demand and supply approach. In this study, Mayor/Regent is assumed to have an interest in re-election, so they supply public goods (in the form of accountability) demanded by society (voters) to show their responsibility to the voters. Public-choice theory in this study provides a conceptual framework to place

public-sector accounting as accountability tools in supply and demand of government accountability.

Hypothesis development

a. The link between audit opinion and probability of incumbent re-election

The quality of local government financial management can be seen from the audit opinion, so the local government audit opinion is used as consideration by the central government in assessing the performance of local government (Mustikarini & Fitriasaki, 2012; Sudarsana & Rahardjo, 2013). Slightly different, Jesus and Eirado (2012) and Marfiana (2013) provide evidence that the audit opinion is not relevant to explain the performance. Study of Jesus and Eirado (2012) evaluate accounting information useful and audit finding in term of audit opinion. They show that qualifications in audit opinion are not relevant to explain the performance. The existence of qualifications in almost all audit opinions and their great gap decrease their ability as a proper instrument to assess management performance of the Brazilian Federal Universities. In contrast, Virgasari (2009) proves the positive relationship between audit opinion and local government financial performance. It means that the better audit opinion obtained by the local government showed good financial performance.

Using logic in retrospective voting, voters will reward incumbent by reelecting when they trust incumbent's accountability. This accountability can be seen from the audit opinion. When the local government gets unqualified opinion, it shows that incumbent financially has managed it well. This study use audit opinion two years before local election because accessed information of audit report by voters is published every September (Audit Report I) in a year before local election, and every March (Audit Report II) in local election year. So, audit report I & II that can be accessed by voter as source of local government accountability information are the audit opinion for LKPD of two years before local election.

H1: (Lag) Audit opinion is associated with the probability of incumbent re-election.

b. The link between audit findings of weakness of Internal Control System (ICS) and probability of incumbent re-election.

Weak internal control can be a major cause of irregularities and fraud. Those can be assumed as a form of corruption. Masyitoh (2014) showed that audit findings of internal control weakness are positively associated with corruption level. The weaker internal control system of a local government refers to the higher level of corruption. Related with the incumbent re-election, some studies show those corruptions influence the result of election ((Ferraz & Finan, 2008; Perez *et al.*, 2012), moreover when the information of irregularities and fraud is covered by the local media. Perez *et al.* (2012) find that the incumbent's vote loss after a corruption scandal can rise to 14% when considering cases in which the incumbent has been blamed with corruption and press coverage has been wide. It means that corruption can reduce public confidence of government's accountability. Good internal control system will make financial management become more accountable and in accordance with the goals. This can be a convincing evaluation mechanism for voters to re-elect incumbent. In this study, audit findings of internal control weakness are two years before local election.

H2: (Lag) Audit findings of internal control weakness are associated with the probability of incumbent re-election.

c. The link between audit findings of non-compliance to regulations and legislation and probability of incumbent re-election.

Marfiana (2013) proves that audit findings of non-compliance to regulations and legislation are negatively associated with local government financial performance. That is, the more audit findings of non-compliance to regulations and legislation show the poor performance of

local government finance. The lower financial performance of local government will certainly lower the public trust to local government, which may have impact on the voting decision.

Ferazz and Finan (2008) codify the irregularities based on audit report listed into those associated with corruption and those that simply represent poor administration. They show that the release of the audit outcomes has a significant effect on incumbents' electoral performance, and that these influences are more obvious in municipalities where local radio is present to disclose the information. Disobedience of local government can be seen from the large number of findings related to non-compliance of the regulations and legislation found by BPK. When voters question the accountability of incumbent, it may reduce the possibility of incumbent re-election. This study uses two years before local election of audit finding of non-compliance to regulations and legislation.

H3: (Lag) Audit findings of non-compliance to regulations and legislation are associated with the probability of incumbent re-election.

d. The link between local government's performance and performance accountability towards the probability of incumbent re-election.

The studies about relationship of local government's performance and probability of incumbent re-election has been done by Boyne *et al.* (2009) and James and John (2006). They show that the performance of local governments matters for incumbent electoral support. They prove evidence for a non-proportional, performance threshold hypothesis, which means that voters' behavior is influenced by clear stage of performance. Only the distinctive between low performance and an average performance are significant. There is no reward for high performance.

From the above discussion, I support the idea that local government performance matters for incumbent electoral support. Public trust as voters

will be increase as well as better performance of local government. Likewise, from the application of performance accountability evaluation in local government, the better of its application means the better management of local governments. Good management means, has met the standard so that achieve the best public service. If public service is good, public trust will exist. In this study, local government performance and performance accountability evaluation will use score in the prior to the local election with a lag y-1. Because the publicly information about local government score and performance accountability evaluation score have been accessed by voters in the early years of local election year. Those score are the result of

evaluation of local government performance and performance accountability system for previous year.

H4: (Lag) Local government performance is associated with the probability of incumbent re-election.

H5: (Lag) Performance accountability evaluation is associated with the probability of incumbent re-election.

Conceptual framework

Research framework is described in the following schematic diagram.

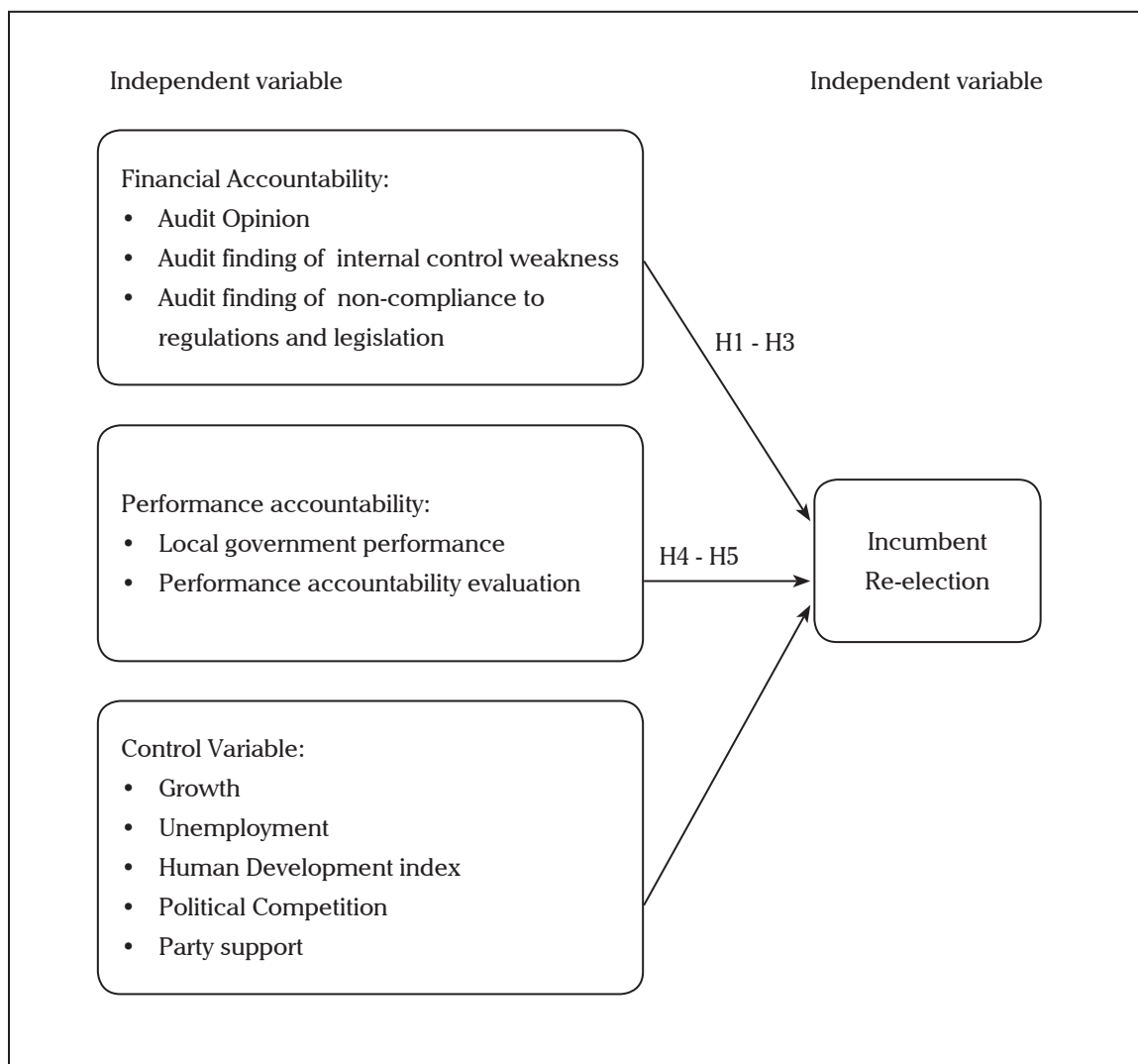


Figure 1. Research framework

Data and Variables

To test this research, I studied 56 Indonesian regions at the municipal/district level over the period 2011-2013 which its Mayor/Regent run second local election. Local election data for year 2011-2013 have been collected from General Election Commission (*Komisi Pemilihan Umum/ KPU*), the audit reports released by The Supreme Audit Council (BPK), local government's performance scores (*Evaluasi Kinerja Penyelenggaraan Pemerintahan Daerah/ EKPPD*) from ministry of home affairs, and performance accountability evaluation score (*Evaluasi Akuntabilitas Kinerja Instansi Pemerintah/ EAKIP*) from Ministry for State Apparatus Reforms. I also use some information from the Indonesia Statistics Bureau (BPS).

This research uses incumbent as dependent variable. Incumbent means Mayor/Regent who runs the second local election. The independent variables are; (1) Audit opinion (DUMMY_OPINI), expressed by dummy, 1 for unqualified audit opinion, and 0 others; (2) Audit finding of internal control weakness (TEMU_SPI), measured by the number of cases that become audit findings in the two years before the local election; (3) Audit finding of non-compliance to regulations and legislation (TEMU_UU), measured by the number of cases that become audit findings in the two years before the local election; (4) Local government's performance (EKPPD), measured by local government's performance score from Evaluation Report of Rankings and Performance Status of Regional Government released by Ministry of Home Affairs year 2011-2013. The range of scores for EKPPD is 0 - 4. The higher the score means the better performance of the organization; (5) Performance accountability evaluation (EAKIP), measured by performance accountability score from Evaluation Report of performance Accountability of Government Agencies released by Ministry for State Apparatus Reforms. The range of score for EAKIP is 1 – 100. The higher the score means the better performance accountability. The control variables in this research are

economic growth (GROWTH), unemployment (UNEMPLOY), human development index (IPM), political competitions (COMPETE) (measured by how many candidates who run the election), and party support (PARTY) (measured by the percentage of the number of district legislative council (*Dewan Perwakilan Rakyat Daerah/ DPRD*) seats from certain party who support the candidate, its dummy variable, 1 for candidate who supported by more than 50% seats in district legislative council, 0 for others).

Research Model

To test the hypothesis 1-5, I develop this following specification:

$$Pr(INCUMBENT_{it}) = F(\beta_0 + \beta_1 DUMMY_OPINI_{it-2} + \beta_2 TEMU_SPI_{it-2} + \beta_3 TEMU_UU_{it-2} + \beta_4 EKPPD_{it-1} + \beta_5 EAKIP_{it-1} + \beta_6 GROWTH_{it-1} + \beta_7 UNEMPLOY_{it-1} + \beta_8 IPM_{it-1} + \beta_9 COMPETE_{it} + \beta_{10} PARTY_{it})$$

Pr (*INCUMBENT*) represents probit incumbent where 1 if re-election and 0 if other. The letter i represents region and t represents year. Probit model in this research is used to test the relationship between financial and performance accountability toward the probability of incumbent re-election.

RESULTS AND DISCUSSION

Table 1 reports descriptive statistic of dependent variable. It describes the number of Mayor/Regent who reelected and not reelected.

Table 1. Summary of total incumbent based on electability

	Number	%
<i>Reelected incumbent</i>	34	60,71
<i>Not-reelected incumbent</i>	22	39,29
Total	56	100

Table 1 shows that in local election as long as observation years, there is a tendency for

Table 2. Descriptive statistic for independent variable

	N	Mean	Median	Max.	Min.	Std. Dev.
Independent Variables:						
TEMU_SPI	56	9,37	9	21	2	4,37
TEMU_UU	56	13,53	13	35	2	6,81
EKPPD	56	2,44	2,45	3,21	1,24	0,36
EAKIP	56	37,05	37,32	57,11	14,13	11,42
Control Variables:						
GROWTH	56	6,03	6,09	8,49	2,15	1,34
UNEMPLOY	56	5,32	5,26	13,91	0,32	2,82
IPM	56	71,61	72,78	79,3	61,7	3,7
COMPETE	56	4,76	4	10	2	1,92

Notes: Independent variables; TEMU_SPI: Audit finding of internal control weakness, TEMU_UU: Audit finding on non-compliance of regularities and legalities, EKPPD: Local government's performance, EAKIP: Performance accountability of government. Control variables; GROWTH: economic growth, UNEMPLOY unemployment, IPM: human development index, COMPETE: political competitions.

incumbent to be reelected. It can be seen from 56 local elections which followed by the incumbent, as many as 34 (60, 71%) can be won by the incumbent. There are several factors that led to the winning of the incumbent, because popularity and mastery of public opinion (Romli, 2008) or because the incumbent have shown good performance during She/he lead the region (Hamid, 2011)

Table 2 reports descriptive statistic for independent variable.

The average number of audit opinion of internal control weakness is 9.375 which were showed in table 2. This finding is most commonly found in Kabupaten Minahasa Tenggara and Rote Ndao as many as 21 findings. While kabupaten Parigi Moutong had the lowest audit finding of weakness internal control that was 2 findings. The greater audit findings of internal control weakness implied that local governments need to strengthen the internal control in local governments. Audit opinion of non-compliance to regulations and legislation had average number of 13.53 findings. Kabupaten Minahasa Tenggara had the biggest number of finding that was 35 findings and

Kabupaten Magetan and Kota Madiun had the lowest number that was 2 findings. The greater audit findings of non-compliance to regulations and legislation indicated that local government did not yet implement rules and regulations properly.

The average number of EKPPD was 2.44, it represented that the average performance score was good because it was in "high" criteria of achievement status. On the other hand, the average number of EAKIP showed 37.05 that were in "C" category. It implied that on average, the local government in the samples had a system for performance management but was less reliable and still need much improvement.

Table 3 presents summary of local government based on audit opinion and electability. It showed that qualified audit opinion place bigger proportion of 80.35% (45 from 56 local governments), it was still few local government in sample which obtain unqualified audit opinion. However, most local government have obtained qualified opinion, this show many local government already have done the appropriate procedure and in accordance with the regulation for the presentation of financial statements.

Table 3. Summary of local government based on audit opinion and electability

	Reelected	Not reelected	Total	%
Unqualified audit opinion	2	2	4	7,14
(%)	(50)	(50)	(100)	
Qualified audit opinion	28	17	45	80,35
(%)	(62,2)	(37,8)	(100)	
Adverse audit opinion	0	1	1	1,78
(%)	(0)	(100)	(100)	
Disclaimer	4	2	6	10,71
(%)	(67)	(33)	(100)	
Total	34	22	56	100

Table 4. Summary of the probability of incumbent re-election based on party support

	Elected	Not reelected	Number	%
Supported by more 50% seats in DPRD	12	1	13	23.3
(%)	(92.3)	(7.6)		
Supported by less 50% seats in DPRD	22	21	43	76.8
(%)	(51.2)	(48.8)		
Total	34	22	56	100

Table 5. Summary of normality test result

	N	Std.Dev	Skewness	Kurtosis	Jarque-Bera	Prob.
RESID	56	0,36	0,24	3,35	0,86	0,64

Note: This table shows the result of normality test for RESID (error).

Table 4 represented the summary of the probability of incumbent re-election based on party support. Observation of 56 samples showed that 23.2% incumbents (13 candidates) were support by more 50% seats in DPRD and 12 candidates (92.3%) from 13 were reelected. While 43 candidates who were not supported by more 50% seats in DPRD, only 51.2% that won the re-election. It indicated that candidates who supported by more 50% seats in DPRD had more opportunities compare with candidates with less support.

Test normality assumption made to ensure that the use of model in this research is consistent with the

probit model assumption, where the error terms are normally distributed. This test is done by using the Jargque-Berra (JB) test of normality. Table 5 presents a summary of the results of the normality test on the residuals. Normality of the error term can be seen from the Jarque-Bera value of 0.86 or less than 2 means insignificant, the errors follow a normal distribution.

Table 6 present the probit regression result on the relationship between financial and performance accountability towards the probability of incumbent re-election. The result of probit regression showed that the value of Pseudo R2 or McFadden R-square

Table 6. The result of probit regression

Variable	coefficient	z-statistic	Prob.
Independent variables			
DUMMY_OPINI	-1,08	-1,32	0,18
TEMU_SPI	-0,13	-1,95	0,05**
TEMU_UU	0,03	0,73	0,45
EKPPD	2,12	2,02	0,04**
EAKIP	-0,02	-0,79	0,42
Control Variables			
GROWTH	0,07	0,40	0,68
UNEMPLOY	-0,27	-3,07	0,00***
IPM	-0,01	-0,22	0,8
COMPETE	-0,15	-1,26	0,20
PARTY	1,95	2,42	0,01***
McFadden R-squared	0,39		
Prob (LR Statistic)	0,00		
N	56		

Note: This table shows the result of probit regression for research model. Dependent variable, INCUMBENT is categorical variable, 1 = reelected incumbent dan 0 = other. Independent variable DUMMY_OPINI: dummy audit opinion, 1 = unqualified opinion; 0 = others. TEMU_SPI: Audit finding of internal control system weakness, TEMU_UU: Audit finding on non-compliance of regularities and legalities, EKPPD: Local government's performance, EAKIP: Performance accountability of government. Control variables; GROWTH: economic growth, UNEMPLOY: unemployment, IPM: human development index, COMPETE: political competitions, PARTY: dummy party support, 1 = for candidate who supported by more than 50% seats in district legislative council, 0 = others.

*, **, and *** indicate significance at the 10%, 5%, 1%.

is 0,39. The value of Pseudo R2 between 0.2 – 0.4 is regarded as a good value, but the value is not absolutely reflect that this model is better at predicting something.

Independent variable for DUMMY_OPINI showed that the relationship between audit opinion and the probability of incumbent re-election is statistically insignificant. It can be seen from the z-stat score under 2 (-1,32) and the probability more than 5%. It means that there is no different opportunity of incumbent electability on candidate who have unqualified opinion or other opinion. This research does not prove that audit opinion is one of the indicators to enhance the probability to be reelected. This can be caused by several factors. First, most voters think that public accountability is limited to report financial accountability without doing an assessment of the results and benefits

that truly felt by the public. Audit opinion with the highest confidence can be considered as accountable, but the basic question is whether the fund has been managed by the local government can be beneficial or not for the welfare of society (Khalid, 2010). This is the important note for BPK to increase the audit quality. Second, audit opinion is not relevant to measure Regent/Mayor performance. Jesus and Eirado (2012) stated that audit opinion is not relevance to describe performance. The criteria in the audit opinion are not relevant to explain the performance of an institution. Limitations in the audit opinion make its parameter almost same. The capacity to explain the differences in performance between local governments is very poor, so that the audit opinion cannot be used as reliable information for voters to evaluate the performance of incumbent.

The second independent variable is TEMU_SPI. Based on the hypothesis testing, found that the relationship between audit finding of internal control weakness and the probability of incumbent electability is statistically significant. The probability is 0.05 (significant at $\alpha=5\%$). The negative sign on the coefficient means that the greater audit finding of internal control weakness will reduce the probability of the incumbent re-election. The result of this study indicates that voter can use this finding for voting decision. Weak internal control will lead to the occurrence of irregularities and fraud or corruption (Masyitoh, 2013). The greater degree of deviation, especially if the information is blown up by media, will reduce the probability of incumbent re-election (Ferraz & Finan, 2008; Perez et al., 2012).

The test for variable TEMU_UU showed that the link between audit finding of non-compliance to regulations and legislations and the probability of incumbent re-election is statistically insignificant. It is seen from a probability of 0.45. It means that voters do not use the information on audit finding of non-compliance of regulations and legislations in voting decision. This could be happen due to not enough mass media in disseminating information related to non-compliance where have been proved by Ferraz and Finan (2008) and Perez et al. (2012) that the role of local media in publishing information intensely related to non-compliance can significantly affect the outcome of the election.

Variable EKPPD showed that the link between local government's performance and probability of incumbent re-election is statistically significant. The probability is 0.04 (significant at $\alpha=5\%$). It showed that local government's performance score have a positive relationship with the probability of incumbent re-election. The greater local government's performance score will increase the probability of incumbent re-election. This finding is consistent with Boyne et al. (2009) which found that performance assessment stated in CPA is associated with an increase or decrease

of vote share. This result indicates that voter can rely on EKPPD as consideration of performance information for voting decision.

Testing the EAKIP variable showed that the relationship between performance accountability evaluation a year before local election with the probability of incumbent re-election were not statistically significant. It is seen from the probability of 0.42. The results showed that voters do not use the information for voting decision. This is because the voters are not interested in the accountability report (Hay, 1994; Christensen & Skaerbaek, 2007).

Some control variable in this study were significant associated with the probability of incumbent re-election, such as UNEMPLOY and PARTY, whereas for GROWTH, IPM, and COMPETE are not significant. GROWTH variable influenced positively insignificant, in other words it proved that the greater economic growth did not increase the probability of incumbent re-election. UNEMPLOY variable showed the negative significant relationship. It means the greater unemployment rate would decrease the probability of incumbent re-elections. IPM variable was negatively not significant, the greater IPM score did not increase the probability of incumbent re-election.

COMPETE variable showed negatively insignificant relationship; the greater politic competition did not decrease the probability of incumbent re-election. Dummy variable for party support was showed by PARTY proved that there was positive significant relationship between party support and probability of incumbent re-election. It means that there was the difference in opportunities of incumbent re-election. The probability of candidate who supported by more than 50% seats in district legislative council was greater.

MANAGERIAL IMPLICATIONS

Result of this study implies that the performance of local governments is important for incumbent

electoral support. This study provides insight to improve performance and accountability in local governance because high perform and accountable Regional Head will be rewarded by re-election in the next election period. Center and local government can take active role to continually disseminate and update information about accountability of local government. This study also looks into the audit report used to evaluate the performance of the incumbent political leadership. The result of this study can strengthen the role of auditor to improve audit quality and continually publish the audit report of local government.

CONCLUSION

The study examines retrospective voting theory in different point a view, how financial and performance accountability influence the incumbent re-election in local government. The

results show that higher performance score increase the probability of re-election and higher audit finding of the weakness of internal control system decrease the probability of re-election. On the contrary audit opinion, audit finding of non-compliance to the regulations and legislations, evaluation of performance accountability have no relationship with the probability of incumbent re-election.

The limitations of this study are that the study assumed that the voters are rational. In reality, it may be different and need more observation to know how far the voters use the accountability report for voting decision. Another limitation is the sample of this study is small because of the unavailability of the complete data from each district and municipal in Indonesia. Therefore it is suggested that future research widen the year and sample scope, because in recent year the data about accountability is more available. ■

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