The Impact of Audit Opinion and Human Development Index on the Electoral Outcome of Incumbents in Regional Head Elections

FITRA DHARMA[1], DEDY YULIAWAN[2], ROBI CAHYADI KURNIAWAN[3]
[1]Department of Accounting,
University of Lampung,
Bandar Lampung City,
INDONESIA

[2]Department of Economics,
University of Lampung,
Bandar Lampung City,
INDONESIA

[3]Department of Government Science,
University of Lampung,
Bandar Lampung City,
INDONESIA

Abstract: - This study assesses the influence of audit opinions and the human development index on acquiring incumbent votes in Indonesia's simultaneous regional elections. Furthermore, we examine moderation's impact when audit opinion interacts with the human development index (HDI). The analysis employed a comprehensive sample encompassing all elections succeeded by incumbent regional elections in 2017, 2018, and 2020. A total of 266 local governments were utilized as data for the study. Moderate regression analysis (MRA) is employed to evaluate the hypothesis through data analysis. The results demonstrate no substantial effect of audit opinion and the HDI. Nonetheless, the interaction between audit opinion and the human development index yields positive outcomes. The findings suggest that an increase in the quality of Indonesian individuals correlates with a more favorable audit opinion.

Key-Words: - Audit opinion, local election, human index development, local government, public accountability, incumbents, voters.

Received: May 26, 2025. Revised: August 29, 2025. Accepted: September 12, 2025. Published: October 10, 2025.

1 Introduction

Studies of diverse democratic nations indicate a rise in local Government expenditure in the year preceding elections, observed in both emerging and established democracies, [1], [2], [3], [4]. Research conducted in Indonesia indicates the presence of discretionary spending or political budget cycles, characterized by heightened expenditures on social assistance and regional Government infrastructure in the year preceding regional elections, intending to serve the electoral interests of incumbent regional leaders, [5], [6], [7], [8], [9].

Despite incumbents raising infrastructure or social assistance spending before elections, such discretionary spending does not inherently enhance the probability of the incumbent regional head's re-election. In Indonesia, the presence of better-resourced non-incumbent candidates and high political competition results in social assistance spending negatively impacting the electability of regional heads, [5].

Similar occurrences are observed in various countries, where research on discretionary spending's impact on the electability of incumbents yields mixed results; some studies indicate a positive effect, while others demonstrate no effect, [10], [11], [12].

In addition to discretionary expenditure, research conducted in Canada, Israel, the United Kingdom, and other developing countries demonstrates that economic performance and economic conditions are factors that motivate voters to re-elect incumbent regional heads, [13], [14], [15], [16], [17]. Most of the previous research has concentrated on discretionary expenditure and economic success; however, there has been very

little investigation into the impact that the execution of good governance has on incumbent votes in regional head elections.

Research on Brazilian local governments indicates that a lower level of corruption correlates with a higher likelihood of the incumbent regional leader winning the election, [18]. The degree of corruption reflects the accountability of state financial management. Oversight of power, encompassing the scrutiny of public resource utilization, can mitigate corruption by enhancing public accountability and curtailing power abuse, [19]. As financial accountability rises, the probability of government expenditures being appreciated by the public increases. According to retrospective voting theory, when the public derives greater benefits from the government, they are likely to re-elect the government for its provision of advantages during its tenure.

The audit opinion of the Regional Government Financial statement as a measure of financial accountability performance is likely to impact the electoral success of the incumbent regional head. The primary objective of the audit is to oversee, guarantee, and evaluate governmental accountability to mitigate corruption, [19]. Findings from material audits in the Chinese provincial government exhibit a positive correlation with the degree of corruption, [19]. The number of audit findings in Indonesia will negatively impact the audit opinion. The government institution will receive an adverse opinion on the more administrative findings and findings that are detrimental to the state, while the state institution will obtain an unqualified opinion of the fewer audit findings that are detrimental to the state, [20].

The audit opinion positively influences local government performance in Indonesia, [21]. Despite numerous unqualified opinions from local governments, the performance of local government in Indonesia, as assessed by the Evaluation of Local Government Implementation Performance (EKPD), receives a high rating, indicating the successful adherence to the principles of good governance and meeting the primary performance metrics as intended.

The fundamental objective of government audits is to monitor, assure, and assess government accountability, [19]. The financial statement of the local government, which received an unqualified opinion, revealed no audit findings that contravened significant legislation, [20]. When government expenditure is executed in accordance with regulations, the key performance indicators (KPIs) are attained. This indicates that public welfare may be enhanced efficiently.

Because many regional heads and local governments still believe that financial accountability is limited to following regulations, research on the impact of audit views on incumbent vote acquisition is necessary in Indonesia. Financial accountability positively influences individuals' welfare. According to retrospective voting theory, the electorate will decide to retain or dismiss an incumbent based on previous performance.

The electorate will select an incumbent demonstrating commendable performance and advantages for the community. An increasing number of unqualified audit opinions indicates that the incumbent's financial management is adequate and the populace is experiencing the benefits.

The socioeconomic realities of the community pose a challenge to the incumbent's re-election, in addition to accountable performance. Socioeconomic differences may influence the re-election of the current regional leader. Regional welfare refers to the electorate's inclination to re-elect the sitting official.

A metric of welfare is the Human Development Index (HDI). The HDI is a composite metric that evaluates a region's accomplishments across three primary dimensions of human development: longevity and health, educational access, and adequate living standards, [22]. This index offers a more thorough evaluation of a region's development trajectory, extending beyond economic measures like gross domestic product.

Research conducted in India indicates that the human development index influences political engagement. Nevertheless, no studies have demonstrated that the HDI influences the incumbent's electoral support.

This research contributes to the fact that audit opinions influence the incumbent's vote acquisition. The human development index influences the outcomes of regional elections. It aims to demonstrate that, at elevated levels of human welfare and quality, the impact of audit opinions on regional electoral outcomes is significantly more significant.

2 Theoretical and Hypotheses Development

Governance refers to the guiding framework inside a political institution, whereas good governance signifies a robust value assessment advocating for governmental retrenchment and economic

efficiency, [23]. The foundation of effective governance, from a global perspective, is New Public Management, [23].

New public management (NPM) is the concept of managing government organizations that adopt corporate to increase effectiveness and efficiency, [24]. Specifically, the concept and practice of NPM consists of an emphasis on "performance" through measuring output, evaluating performance, and emphasizing service to the community as "consumers", [25].

Accounting is an integral part of NPM, [26]. The NPM implementation to local governments in the UK improves accounting practices, accountability and performance, [27]. NPM has political consequences, The government's performance influence the electability of the incumbents' in general elections, [17].

Retrospective voting is defined as the voter strategy by looking at the past performance of incumbent politicians whether they have met or exceeded the given standard, [28]. The voter will re-elect politicians incumbent in general elections based on performance during the administration, [5]. Voters predict future performance of incumbent form their past, [29]. People re-elect an incumbent if its performance meets or exceeds the expected performance standards of the voter. The voters are rational individuals and elections are a method of people's selection of politicians who will be the holders of government power, [5], [30]. The voters will choose a government that gives benefits to them, [30]. Voters tend to use the model of retrospective voting because it is a simple way to make political choices, [31].

2.1 Hypotheses Development

Implementation of New Public Management increases accountability for government performance, [27]. The Indonesian government provides fiscal autonomy and decentralization to districts and cities. Decentralization of financial management has implications for accountability and transparency in managing regional finance. Local governments (executive and legislative) jointly establish regional budgets. The amount of funds, outputs, and outcomes is written in the Regional Budget details. If the government implements the budget according to the rules, the output and outcome will be achieved and the government will improve social welfare.

Indonesia's Supreme Audit Board (BPK) is responsible for conducting an audit of the local government financial statement (LKPD) after every fiscal year. After examining the regional financial accounts, the Supreme Audit Board (BPK) offers its opinions on such statements. The regulations' implementation and presentation of accountable regional finance resulted in an unqualified opinion. The BPK issues an adverse or disclaimer opinion to local governments with inadequate financial management.

The objective of government audit fundamentals is to monitor, assure, and assess government accountability, [19]. Monitoring of public power, especially the use of public resources through government audits, will reduce corruption because it strengthens public accountability and decreases abuse of authority, [19]. The number of irregularities in the audit have a positive correlation with the level of corruption, and the lower level of corruption positively affects the incumbent votes, [32].

We argue that if the local government financial statement got an unqualified opinion, more and more people would benefit from regional government spending, and that expenditure impacts social welfare. If the BPK gives an adverse/ disclaimer opinion, the expenditure of the regional government is likely not to reach the output target and does not improve social welfare.

If regional government expenditures positively affect people's welfare, based on the retrospective voting theory, the public will reward regional heads who improve their welfare by re-electing incumbents in the local elections for the second period.

In light of the information presented above, the following hypothesis is put forward:

H1: Audit opinion positively affects the vote acquisition of incumbent regional heads in regional elections

The Human Development Index is a widely used measure of a country's level of human development, capturing dimensions of health, education, and standard of living. In India, regions with a higher Human Development Index (HDI) exhibit increased participation in general elections, [33].

A country's quality of democracy is determined by its human development index, [34]. People who live in places with a high human development index are less likely to be persuaded by candidates' promises of instant benefits. Individuals with a high HDI will likely select the existing regional leader judiciously. The incumbent regional head, demonstrating commendable performance, particularly in

financial accountability, will secure re-election with the highest number of votes in the forthcoming general election.

The hypothesis developed from the description above is as follows:

H2: The human development index has a positive effect on the vote acquisition of incumbent regional heads in regional elections

H3: The effect of audit opinion on the vote acquisition of incumbents increases in regions with a high level of human development index.

3 Research Method

3.1 Data and Sample

The population comprises local governments around Indonesia. Regional governments in Indonesia comprise provinces, districts, and cities. District and city administrations are equivalent levels, operating beneath the provincial tier. The district primarily comprises villages, whilst urban dwellers predominantly populate the city. For uniform analysis, the samples consist of districts and cities.

The audit opinion of local government financial reports (LKPD) is issued by the Supreme Audit Board (BPK). Data on incumbents' votes is sourced from the General Election Commission (Indonesia: Komisi Pemilihan Umum / KPU). The Human Development Index data is sourced from the Central Statistics Agency. Two hundred sixty-six districts and cities that held local elections in 2017, 2018, and 2020 were investigated. There are three years of observations; however, local elections in one district or city occur once every five years, constituting a cross-sectional analysis.

3.2 Research Model

To identify the interaction effects, a moderated regression analysis (MRA) was utilized, [35]. Additionally, a two-way interactive model was utilized in order to investigate both the main impact and the interaction effect for the variables that were considered independent.

$$iVote = \beta_0 + \beta_1 AU_i + \beta_2 HDI + \beta_3 TG_i + \beta_4 TB_i + \beta_5 LGT_i + \beta_6 TC_i + \varepsilon_i \quad (1)$$

$$iVote = \beta_0 + \beta_1 AU_i + \beta_2 HDI + \beta_3 AU*HDI_i + \beta_4 TG_i + \beta_5 TB_i + \beta_6 LGT_i + \beta_7 TC_i + \varepsilon_i \quad (2)$$

where:

iVote: proportions of the incumbent's votes in the election

AU_i: Audit Opinion, from Local government financial statement.

HDI: Human Development Index

Control Variables

TB: total local government budget

LGT: local government type (district or city)

TG: Type of Geographic

TC: Total Candidates

MRA features two equations; the first evaluates the direct effect, while the second assesses the interaction effect between the two variables, [35], [36]. Equation 1 focuses on how the independent variables, precisely audit opinion and human development index, predict the results of regional elections. Equation 2 analyses how the interaction between audit opinion and HDI influences the incumbent's vote acquisition outcome. The coefficient β3 in equation 2, representing the interaction variable between opinion and HDI, indicates whether the HDI variable strengthens or weakens the association between opinion and vote acquisition.

3.2.1 Variabel Definition

An audit opinion (AO) is an audit opinion on the local government's financial statements every year during the reign of regional heads. The audit opinion represents an expression of audit quality, [37], [38]. The audit opinion is the outcome of the Supreme Audit Board's (BPK) evaluation of local government financial statements (LKPD). The audit opinion comprises Unqualified Opinion (UO), Unqualified Opinion with Explanatory Language (UOEL), Qualified Opinion (QL), Adverse Opinion (AO), and Disclaimer of Opinion (DO). For research reasons, we quantify audit opinions as follows: UO = 5; UOEL = 4.5; QL = 4; AO = 2; and DO = 1.

Audit opinion indicates the quality of financial accountability. The opinion of UO means that the local government implements the budget and manages finances according to the rules, and the output and outcomes are achieved. While the adverse or disclaimer opinion indicates the poor management of regional finance, violating the rules, may not meet the output and the outcome's budget. For the study purpose, we measure the audit opinion by summing all the audit opinions of the regional head during his administration.

HDI (Human Development Index) quantifies the quality of life within a specific region or nation. HDI indicates a region's population quality based on education, health, and purchasing power.

Incumbent Votes (iVote) is the proportion of votes cast by the regency/city heads of incumbents participating in local elections. The dependent variable in this study is incumbent votes.

Control variables

Control variables are **TB (total Budget), LGT (local government type), TG (type of Geographic), and TC (Total Candidates)**.

The total budget (TG) shows the size and complexity of local government agencies. The complexity and structure that local governments must deal with increase with budget size. The LGT (local government type) measure uses local dummy variables, which are 1 for the regency and 0 for the city. TG is assessed according to regional governments on the island of Java and beyond, while TC denotes the number of candidates competing in the regional electoral process within a specific region.

4 Results

The data presented in Table 1 (Appendix) indicates that the incumbent obtained an average of 54.3% of the votes in the regional election. In the Arfan Mountains Regency election in West Papua Province, the incumbent's vote acquisition was the highest at 99.9%, as it was only contested by one contestant. Conversely, the Bireuen Regency election in Nagroe Aceh Darussalam Province saw the incumbent lose with a vote acquisition of 14.6%.

The average audit opinion, which measures financial accountability performance, is 22.85, with a maximum value of 25. It indicates that the local government received an unqualified audit opinion (UO) during the incumbent's five-year leadership. The mean value of the audit opinion variable is 22.86, while the median stands at 24.00. The proximity of these two figures suggests a relatively symmetrical distribution.

The mean Human Development Index (HDI) stands at 69.26, with the maximum recorded value being 85.49 and the minimum at 27.870. Cities and regencies across Indonesia fall into the moderate HDI category, according to the average HDI score of 69, based on UNDP standards. The city of Yogyakarta, located in Yogyakarta Province, has Indonesia's highest HDI score, and citizens of Papua Province's Nduga Regency have the lowest HDI. The Mean (69.26) and Median (69.25) values in the HDI variable are nearly identical, indicating a balanced distribution.

Table 2 (Appendix) presents the output of a multiple regression analysis examining the impact of audit opinion and the human development index on regional head election results. The initial premise posits that audit opinion positively influences the incumbent's electoral support. The direct test regression results in Table 2 (Appendix) indicate that the Audit Opinion coefficient is 0.00169, with a significance level of 0.4279. it signifies that hypothesis 1 does not have support.

The audit opinion confirms that regional financial management conforms to the rules and that the output set out in the budget has been attained. The audit opinion is a long-term performance during the 5-year leadership era of the regional head. Results that deviate from the hypothesis suggest that the public needs to consider the long-term performance of regional chiefs when selecting them. The second hypothesis posits that the human development index influences the incumbent's electoral support. The regression coefficient of the human development index in the direct test is -0.0088, with a significance level of 0.4882 (exceeding alpha 0.05). It signifies that hypothesis 2 has no support. The study's results also directly reveal that the human development index does not affect the incumbent's vote acquisition.

Hypothesis 3 argues that audit opinions influence the incumbent's vote acquisition more when the human development index level increases. The findings of the moderation regression in model 2 suggest that the interaction coefficient between audit opinion and human development index is 0.0006 with a coefficient of 0.0004 (lower than alpha 0.01). The data demonstrate substantial support for hypothesis 3.

According to Hypothesis 3's findings, HDI is a pure moderator. The pure moderator category includes significant variables during moderation but not significant during direct testing, [36]. HDI is a pure moderator for audit opinion because it has no discernible effect in the direct influence test. However, when the interaction test between audit opinion and the Human Development Index is conducted, the interaction results show significant results.

The regression results for hypothesis 3 indicate that in local governments with a high development index, audit opinion influences the vote acquisition of the incumbent. The results demonstrate that higher population quality correlates with improved public response to the regional leader's

performance. Communities characterized by high education, health, and economic stability standards will retain regional leaders who demonstrate effective performance.

These findings align with the retrospective voting theory, which posits that the incumbent's previous performance influences electoral decisions. Studies on the Indonesian regional elections indicate that populations exhibiting a high human development index tend to react favourably to the performance of regional leaders measured by audit opinion. The F-test value in this regression model is 0.000 less than 0.05). It shows that the independent factors are legitimate in explaining the dependent variable. The adjusted R-squared value of the research is 0.581341. The independent variables account for 58.13 percent of the variance in the dependent variable.

In actuality, the findings of this research indicate that the incumbent's vote acquisition will be higher if there are a greater number of municipalities with a high HDI level. At the same time, the local government accumulates more audit opinions without qualifications during the five-year term of office. Based on the statistics, this fact can be observed in the elections for regional heads in Denpasar, Semarang, and Batam, where the regional head achieved WTP audit results for five consecutive years during their tenure as regional head. Furthermore, the four cities have an HDI figure greater than 80, and it has been discovered that the current regional head received a high number of votes in the election for the regional head, which was greater than 70 percent.

While this happened, the incumbent's vote acquisition only reached forty percent in Asmat Regency, even though it had gotten an average WTP opinion during the government time. This was because the HDI level of the community was sixty. It has been demonstrated via this research that when a community has a high human development index (HDI), the community is better able to appreciate the performance of the incumbent regional head, as evidenced by the fact that they are more likely to re-elect them for their second term as regional head.

5 Conclusion

Research on Indonesia's simultaneous regional elections in 2017–2018–2020 revealed no direct correlation between audit opinions and the human development index. Nevertheless, the moderation test indicated that the human development index amplified the favorable impact of audit views on the vote acquisition for incumbent regional leaders. This study is noteworthy as it suggests that higher quality human resources in a region correlate with a more sensible selection of a leader possessing a commendable management history. Communities with a high Human Development Index will select leaders who effectively govern their territories. An unqualified audit opinion signifies that the government budget is administered by regulations, resulting in outcomes that benefit the community. The past performance of regional leaders over their tenure is the foundation for people's decision to re-elect the current regional head. It conforms with the forecasts of retrospective voting theory.

Future studies evaluating long-term performance affecting incumbent votes must incorporate more particular aspects of governmental success, such as infrastructure performance and educational outcomes, which are primary responsibilities of local government.

References:

[1] J. Klomp and J. de Haan, "Political budget cycles and election outcomes," *Public Choice*, vol. 157, no. 1–2, pp. 245–267, 2013, doi: 10.1007/s11127-012-9943-y.

[2] G. Giroux, "Political Interest and Govermental Accounting Disclosure," *J. Account. Public Policy*, vol. 8, pp. 199–217, 1989, doi: 10.1016/0278-4254(89)90004-5.

[3] T. S. Aidt, F. J. Veiga, and L. G. Veiga, "Election results and opportunistic policies : A new test of the rational political business cycle model," *Public Choice,* vol. 148, no. 1, pp. 21–44, 2011, doi: 10.1007/s11127-010-9644-3

[4] T. C. Nguyen and T. L. Tran, "The political budget cycles in emerging and developing countries," *J. Econ. Dev.*, vol. 25, no. 3, pp. 205–225, 2023, doi: 10.1108/JED-01-2023-0015.

[5] F. Dharma, A. Syakhroza, and D. Martani, "Does the Social Assistance Budget Realization Affect Incumbents' Votes? (Study in Indonesia Local Election)," *Int. J. Prof. Bus. Rev.*, vol. 7, no. 6, pp. 1–16, 2022, doi: 10.26668/businessreview/2022.v7i6.636.

[6] F. Dharma, "Regional Heads' Discretionary Spending in Local Election," *WSEAS Transactions on Business and Economics*, vol. 20, pp. 1178–1184, 2023, https://doi.org/10.37394/23207.2023.20.105.

[7] B. S. Sjahrir, K. Kis-Katos, and G. G. Schulze, "Political budget cycles in

Indonesia at the district level," *Econ. Lett.*, vol. 120, no. 2, pp. 342–345, 2013, doi: 10.1016/j.econlet.2013.05.007.

[8] D. Darmastuti and D. Setyaningrum, "The effect of discretionary spending on incumbent victories in elections," *Humanit. Soc. Sci. Rev.*, vol. 7, no. 4, pp. 685–693, 2019, doi: 10.18510/hssr.2019.7488.

[9] S. Priyono and N. Wagner, "Political Budget Cycles At Subnational Level: Evidence From The Indonesian Simultaneous Regional Election In 2015," *J. Perenc. Pembang. Indones. J. Dev. Plan.*, vol. 2, no. 3, pp. 203–218, 2018, doi: 10.36574/jpp.v2i3.38.

[10] A. Brender, "The effect of fiscal performance on local government election results in Israel: 1989-1998," *J. Public Econ.*, vol. 87, no. 9–10, pp. 2187–2205, 2003, doi: 10.1016/S0047-2727(02)00045-2.

[11] A. Brender and A. Drazen, "Political budget cycles in new versus established democracies," *J. Monet. Econ.*, vol. 52, no. 7, pp. 1271–1295, 2005, doi: 10.1016/j.jmoneco.2005.04.004.

[12] I. García and B. Hayo, "Political budget cycles revisited: Testing the signalling process," *Eur. J. Polit. Econ.*, vol. 69, no. March, p. 102030, 2021, doi: 10.1016/j.ejpoleco.2021.102030.

[13] G. A. Boyne, O. James, P. John, and N. Petrovsky, "Democracy and government performance: Holding incumbents accountable in english local governments," *J. Polit.*, vol. 71, no. 4, pp. 1273–1284, 2009, doi: 10.1017/S0022381609990089.

[14] A. Brender and A. Drazen, "Elections, leaders, and the composition of government spending," *J. Public Econ.*, vol. 97, no. 1, pp. 18–31, 2013, doi: 10.1016/j.jpubeco.2012.08.011.

[15] J. R. Happy, "The Effect of Economic and Fiscal Performance on Incumbency Voting: The Canadian Case," *Br. J. Polit. Sci.*, vol. 22, no. 1, pp. 117–130, 1992, doi: 10.1017/S0007123400000375.

[16] C. Vergne, "Democracy, elections and allocation of public expenditures in developing countries," Eur. J. Polit. Econ., vol. 25, no. 1, pp. 63–77, 2009, doi: 10.1016/j.ejpoleco.2008.09.003.

[17] O. James and P. John, "Public management at the ballot box: Performance information and electoral support for incumbent english local governments," *J. Public Adm. Res. Theory*, vol. 17, no. 4, pp. 567–580, 2007, doi: 10.1093/jopart/mul020.

[18] C. Ferraz and F. Finan, "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments," *Am. Econ. Rev.*, vol. 101, no. 101, pp. 1274–1311, 2011, doi: 10.1257/aer.101.4.1274.

[19] J. Liu and B. Lin, "Government auditing and corruption control: Evidence from China's provincial panel data," *China J. Account. Res.*, vol. 5, no. 2, pp. 163–186, 2012, doi: 10.1016/j.cjar.2012.01.002.

[20] T. Ismail and W. M. Adha, "The Effect of Audit Findings , Local Government Losses , and Follow-up of Audit Recommendations on the Public Services Quality Through the Audit Opinion of Local Government Financial Statements in Sulawesi," ," *Int. J. Appl. Bus. Int. Manag.*, vol. 8, no. 3, pp. 306–321, 2023, doi: 10.32535/ijabim.v8i3.2639.

[21] Iis Istianah, Nia Pramita Sari, and V. Indriani, "A systematic review of public sector audits in Indonesia," *J. Taken*, vol. 10, no. 1, pp. 33–54, 2024, doi: 10.28986/jtaken.v10i1.1544.

[22] S. Sururi and D. Septiyani, "The Influence of Gross Regional Domestic Product on Mean Years of Schooling," vol. 400, *no. Icream* 2019, pp. 294–296, 2020, doi: 10.2991/assehr.k.200130.187.

[23] G. B. Reschenthaler and F. Thompson, "Public management and the learning organization," *Int. Public Manag. J.*, vol. 1, no. 1, pp. 59–106, 1998, doi: 10.1016/S1096-7494(99)80086-5.

[24] C. HOOD, "a Public Management for All Seasons?," *Public Adm.*, vol. 69, no. 1, pp. 3–19, 1991, doi: 10.1111/j.1467-9299.1991.tb00779.x.

[25] Derick W Brinkerhoff and Anna Wetterberg, "Performance-based public management reforms: experience and emerging lessons from service delivery improvement in Indonesia," *Int. Rev. Adm. Sci.*, vol. 79, no. 3, pp. 433–457, Sep. 2013, doi: 10.1177/0020852313491059.

[26] A. L. Watkins and C. E. Arrington, "Accounting, New Public Management and American Politics: Theoretical Insights into the National Performance Review," *Crit. Perspect. Account.*, vol. 18, no. 1, pp. 33–58, 2007, doi: 10.1016/j.cpa.2005.02.003.

[27] A. Goddard, "Accounting and NPM in UK Local Government - Contributions Towards Governance and Accountability," Financ.

Account. Manag., vol. 21, no. 2, pp. 191–218, 2005, doi: 10.1111/j.1468-0408.2005.00215.x.

[28] D. R. Kiewiet, D. Rivers, and D. Roderick, "A Retrospective On Retrospective Voting," *Polit. Behav.*, vol. 6, no. 4, pp. 369–393, 1984. doi: 10.1007/BF00987073

[29] N. Markwat, "The policy-seeking voter: evaluations of government performance beyond the economy," SN Soc. Sci., vol. 1, no. 1, pp. 1–26, 2021, doi: 10.1007/s43545-020-00030-4.

[30] J. Jensen, "Anthony Downs and the Equilibrium Theory of Democracy", *OEconomia*., vol. 11, no. 1, pp. 29-47, 2021, doi: 10.4000/oeconomia.10467

[31] J. Woon, "Democratic Accountability and Retrospective Voting: A Laboratory Experiment," *Am. J. Pol. Sci.*, vol. 56, no. 4, pp. 913–930, 2012, doi: 10.1111/j.1540-5907.2012.00594.x.

[32] C. Ferraz and F. Finan, "Exposing corrupt politicians: The effects of Brazil's publicly released audits on electoral outcomes," *Q. J. Econ.*, vol. 123, no. 2, pp. 703–745, 2008, doi: 10.1162/qjec.2008.123.2.703.

[33] B. B. Dash and S. Mukherjee, "Political Competition and Human Development: Evidence from the Indian States," *J. Dev. Stud.*, vol. 51, no. 1, pp. 1–14, 2015, doi: 10.1080/00220388.2014.947280.

[34] M. C. Tsai, "Does political democracy enhance human development in developing countries?: A cross-national analysis," *Am. J. Econ. Sociol.*, vol. 65, no. 2, pp. 233–268, 2006, doi: 10.1111/j.1536-7150.2006.00450.x.

[35] F. G. H. Hartmann and F. Moers, "Testing contingency hypotheses in budgetary research using moderated regression analysis: A second look," *Accounting, Organ. Soc.*, vol. 24, pp. 291–315, 1999, doi: 10.1016/S0361-3682(03)00019-9.

[36] S. Sharma, R. M. Durand, and O. Gur-Arie, "Identification and Analysis of Moderator Variables," *J. Mark. Res.*, vol. 18, no. 3, p. 291, 1981, doi: 10.2307/3150970.

[37] S. Y. Sabandar, K. Sambara, A. D. S. Sipi, and L. Sasabone, "The Influence of Audit Tenure, Audit Rotation, Public Accounting Firm Size, and Audit Opinion on Audit Quality (Study of Large Trading Companies Listed on the Indonesian Stock Exchange)," *WSEAS Transactions on Business and Economics*, vol. 21, pp.1988–1996, 2024, https://doi.org/10.37394/23207.2024.21.161.

[38] A. Alassuli, "The Impact of Adopting the Joint External Audit Approach on the Auditor's Opinion and its Reflection on Information Asymmetry: An Applied Study at Firms Registered on Amman Stock Market Exchange," *WSEAS Transactions on Business and Economics*, vol. 20, pp. 836–847, 2023, https://doi.org/10.37394/23207.2023.20.77.

Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

Fitra Dharma explains the conceptual research on financial responsibility, regional expenditures, regional government performance, and their connection to incumbent votes. Meanwhile, Roby Cahyadi strengthens the political side of the case. Dedy Yuliawan focuses on the research method and data analysis.

The three researchers contributed significantly to the explanation of the findings, consequences, and conclusions of the study.

Sources of Funding for Research Presented in a Scientific Article or Scientific Article

The University of Lampung, the research institution, funds the research.

Conflict of Interest

The authors have no conflicts of interest to declare.

Creative Commons Attribution License 4.0 (Attribution 4.0 International, CC BY 4.0)

This article is published under the terms of the Creative Commons Attribution License 4.0
https://creativecommons.org/licenses/by/4.0/deed.en_US

APPENDIX

Table 1. Descriptive Statistics

	Min	Max	Mean	Std.Dev	Skewness
iVote	0,146	0,999	0,543	0,153	0,64480
TG	-	1	0,218	0,414	1,36567
TGL	-	1,000	0,789	0,408	-1,42009
TC	1,000	7,000	2,654	1,176	0,76565
HDI	27,870	85,490	69,260	6,989	-1,31146
AO	4,000	25,000	22,859	3,625	-3,06316
Valid N	266				

Description:
dep variable: iVote (proportion of incumbent vote)
AU: Audit Opinion; HDI: Human Development Index
HDI: Human Development Index; LGT: local government type TB: total local government's budget; TG: type of geographic; TC: Total Candidate

Table 2. Regression Result

Model	**Hi**	**Model 1**		**Hi**	**Model 2**	
		Direct			Moderating	
		coeff.	Sig coeff.		Coeff	Sig coeff
C		0.91493	0.0000		1.656945	0.0000
AU	H1	0.00169	0.4279		-0.03755	0.0009
HDI	H2	-0.00088	0.4882		-0.01278	0.0004
AU*HDI	H3			H3	0.000629	0.0004*
TG		0.01466	0.3495		0.019391	0.3317
TB		-0.00323	0.3861		-0.00495	0.1789
TGL		-0.00651	0.7319		0.011112	0.4694
TC		-0.09737	0.0000		-0.09603	0.0000
R^2		0.572046			0.592400	
Adjusted R2		0.562132			0.581341	
F		57.70090			53.56759	
F sig		0.000000			0.000000	

Description:
iVote (proportion of incumbent vote) as the dependent variable
AU: Audit Opinion; HDI: Human Development Index
HDI: Human Development Index; LGT: local govenment type TB: total local government's budget; TG: type of geographic; TC: Total Candidate