

ABSTRACT

Corruption in Indonesia has become more rampant every year, with the country's corruption index ranking 110th in 2022, scoring 34. This score is a decline from the previous year, indicating an increase in corrupt practices. Most perpetrators of corruption are government officials or high-ranking officials, leading to public distrust in the government. To regain public trust, the government needs to enhance the effectiveness of its anti-corruption programs, such as strengthening fiscal decentralization oversight, ensuring accountable responsibility, and improving the efficiency of government financial performance.

This research aims to prove the effectiveness of these programs. The aspects studied include fiscal decentralization, accountability measured by audit opinions, and the financial performance of provincial governments measured by regional investments.

The objects of this study are the 34 provincial governments in Indonesia from 2018 to 2022, using secondary data from the Corruption Statistics published by the Corruption Eradication Commission (KPK), Budget Realization Reports (LRA) from the provincial government websites in Indonesia, and Audit Reports (LHP) from the Indonesian Supreme Audit Agency (BPK RI) on the examination of Regional Government Financial Statements (LKPD). After sampling, 122 samples met the criteria out of 170 populations in this study. This research uses panel data regression methods with Economic Views (Eviews) software.

There is a significant simultaneous influence on the level of corruption, but the independent variables in this study can only explain 4.4%, with the remaining 95.6% explained by other variables. Fiscal decentralization is one of the variables that has a significant positive influence in this study, which can serve as a reference for the government to improve Indonesia's handling of corruption cases by implementing strict supervision from the central government. This is useful for applying the functions and objectives of effective fiscal decentralization.

This study has many limitations, which can serve as material for developing this research. The researchers suggest using other variables that could reveal indications of corruption, expanding the objects of research, and extending the research period.

Keywords: *Corruption, Decentralization, Accountability, Financial Performance, Provincial Government*