International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

JOURNAL

THE INFLUENCE OF AUDIT FIRM SIZE, POLITICAL CONNECTION, AND LEVERAGE ON ANTI CORRUPTION DISCLOSURE

Ahmad Sofwan Sabil
Unggul Purwohedi
Nuramalia Hasanah
Email: ahmadsofwansabil@gmail.com
Faculty of Economics, Universitas Negeri Jakarta

Abstract:
Changes in forms of corruption that are increasingly varied, have made all anti-corruption activists around the world continuously try to find methods that are suitable for crushing it. Disclosure of anti-corruption is a commitment to prevent corruption in companies or organizations. This study aims to examine the effect of Audit Firm Size, Political Connections, and Leverage on Anti-Corruption Disclosures. The population in this study is the energy and basic material sectors listed on the Indonesia Stock Exchange from 2016 to 2022. The total population of companies is 118 companies, then a selection is made using a purposive sampling technique, resulting in 93 research samples with a span of 7 years. The analysis technique uses Multiple Linear Regression, using IBM SPSS 25 software as statistical tools. The results of this study indicate that Audit Firm Size, Political Connections, and Leverage have an influence on Anti-Corruption Disclosures. This Research have some implications: Company stakeholders from audit firms, namely auditors, have proven capable of recommending their client companies to have adequate anti-corruption policies, politicians or the government as one of the company's stakeholders have also proven capable of encouraging companies to have adequate anti-corruption policies, and creditors as one of the stakeholders have not been able to pressure debtors to have an anti-corruption policy.

Keywords:
Audit Firm Size, Political Connection, Leverage, Anti Corruption Disclosure.

Background

One form of violation that often occurs in every organization, whether it is profit oriented or not, is corruption. Corruption can be committed by anyone who has desires, needs and opportunities that can encourage to commit acts of corruption. Even during the Covid-19 virus pandemic in 2020 which resulted in an economic slowdown in Indonesia, there were still cases of corruption as reported by Mashabi (2020) on the Kompas news page, Indonesia Corruption Watch (ICW) said there were 169 cases of corruption that occurred during the first 6 months of 2020. The number of suspects determined reached 372 people resulting in state losses amounting to 18.1 trillion Rupiah. Unrest resulting from corruption cases that occur one after another, makes several organizations around the world make movements to fight corruption. The movements carried out vary, ranging from anti-corruption conventions that are echoed throughout the world, education to the public, and monitoring of activities that have the potential for corruption. This is done for the realization of a world environment free from corrupt behavior. Companies that are one of the places where corruption occurs, can also be used as a solution to eradicate corruption itself by implementing anti-corruption policies in it.

Otoritas Jasa Keuangan (OJK) through circular letter number 032/SEOJK.04/2015 concerning corporate governance guidelines recommends public companies to have anti-corruption policies that will be reported in their annual reports. This is mentioned in annex point 7.2 which is included in stakeholder participation which explains that good corporate governance must be able to define the role and cooperation of stakeholders in an effort to create long-term business sustainability. The content of point 7.2 among others recommends companies to implement anti-corruption policies both in the form of a code of ethics and in other forms. The scope of the policy should describe the company's prevention of all forms of corrupt practices both in a position of giving and receiving. As well as the basis for disclosure of corporate social and environmental responsibility reports, although there is an official regulation from the government that requires companies to make it, namely Law No. 40 of 2007 concerning limited liability companies, the disclosure item is still voluntary-based. Similar to the regulation from OJK, namely circular letter number 032/SEOJK.04/2015 concerning public company governance guidelines, it only recommends and does not require companies to implement anti-corruption policies.

Some organizations that publish anti-corruption policy programs include Transparency International (TI) which provides an index of 13 questions that must be answered by companies through their anti-corruption policies. In addition, GRI also publishes anti-corruption programs in its fourth generation index, namely GRI G4 in the SO3 section containing risk analysis of potential corruption, SO4 containing anti-corruption training, and SO5 containing the enforcement of corruption cases that occur. In addition to the anti-corruption policy disclosure index published by the organization, there are also those derived from research. One of the studies that assembles anti-corruption policies is research conducted by Dissanayake et al. (2012) which focuses on the type of corruption act, namely bribery. The anti-corruption disclosure index version of Dissanayake et al. (2012) contains 44 items divided into 5 points that explain accounting to combat bribery, the responsibilities of the board of directors and senior management, building human resources to combat bribery, business relationship responsibility, and external party verification and assurance.

This study tries to focus the research population on the company sector in Indonesia that has a high risk of corruption such as one of the sectors mentioned by TI, namely the extractive sector consisting of the energy and basic material sectors. The extractive sector is an important sector in Indonesia, where the country has abundant natural resources. But ironically, this sector is included in the contributors to corruption cases that harm the state the most. Reporting from Ahdiat (2020) on the KBR news page, according to ICW in 2019 the mining sector became the sector that contributed the largest losses to the state due to corruption cases. The problem that often occurs is related to licensing, where according to TI the licensing process that occurs in the field is not transparent which in the future causes a lot of problems, especially social and environmental problems. With the huge risk of corruption in this sector, researchers consider that there will be a lot of pressure from stakeholders who want this sector to implement anti-corruption policies and report them in their annual reports.

Based on the points above, researchers argue that research on anti-corruption disclosure in companies in Indonesia is relevant to be carried out. Given the problem of corruption cases in Indonesia is still relatively common. In addition, the handling of corruption cases is growing from time to time. Although researchers have not found research that reveals the direct effects of implementing anti-corruption policies on reducing corruption cases, it seems that this is still an interesting topic to research. Several factors are believed to affect anti-corruption disclosures including: Audit Firm Size, Political Connection, and Leverage. These three variables are considered to be still little studied in their effect on anti-corruption disclosure.

International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

THEORETICAL FRAMEWORK

Stakeholder Theory

Stakeholder Theory was first proposed by Freeman in 1984 (in Roberts, 1992), where this theory assumes that stakeholders can be influenced by policies or actions taken by policy makers, but stakeholders can also influence these policies and actions. Management has a major role in terms of fulfilling the wishes of stakeholders to achieve their strategic goals. The more management can fulfill the wishes of these stakeholders, the greater the chances of the company's survival. Problem solving in stakeholder theory is when management can carry out an activity that meets the interests of stakeholders and inform these activities to them (Ulum, 2017: 35). The provision of information to stakeholders is a right for them that must be fulfilled by management. By informing stakeholders, management has recognized that their company is an organization that does not run with only personal interests but also pays attention to the interests of stakeholders.

In a number of studies related to corporate social disclosure, this theory is often used as a basic concept. Researchers make this theory the basis of research to link independent variables to anti-corruption disclosure. When deciding to implement an anti-corruption policy, the company can be influenced by all interests that will make some kind of consideration. The three interests that will be tested in this study to see the effect on the tendency of companies to implement and disclose their anti-corruption policies are the interests of auditors, politics or government, and creditors.

Anti Corruption Disclosure

"Corruption literally means rottenness, ugliness, depravity, dishonesty, bribery, immorality, and deviation from chastity" (Kartin, 2018). In terms of corruption, it is the abuse of position committed by a person or group in an organization to achieve personal benefits including relatives who violate or harm the interests of the organization (Umar, 2012). Corruption is an act of fraud in companies that is difficult to detect because it is related to cooperation with involved parties and bribery. There are several types of corruption according to (Putra, 2010), namely abuse of authority for personal interests (conflict of interest), bribery, gratification (illegal gratuities), and economic extortion.

Disclosure according to Kieso et al. (2018: 2-19) is the provision of extensive and sufficient information aimed at influencing judgment and decision making by users, in this case stakeholders. Anti-corruption disclosure is a company's commitment in fighting corruption (Hartomo &; Silvia, 2019). The existence of anti-corruption disclosure is expected to be one of the company's responsibilities to stakeholders regarding its concern for the eradication of corruption. By disclosing its anti-corruption policy, the company will gain the trust of the public and improve its integrity (Joseph et al., 2016). Some anti-corruption disclosure indices that are often used in research include:

Anti-Corruption Disclosure Index List

Research Title	Researcher	Index
Corporate reporting on corruption: An international comparison	(Barkemeyer et al., 2015)	GRI G4 SO3, SO4, and SO5
Cultural Secrecy and Anti-corruption Disclosure in Large Multinational Companies	(Blanc et al., 2019)	TI *Anti Corruption Program*

Research Title	Researcher	Index
Anti-bribery disclosures: A response to networked governance	(Islam et al., 2018)	Index developed by Dissanayake et al. (2012)
The fight against corruption in Portugal: evidence from sustainability reports	(Branco & Matos, 2016)	Index Novetics/SCPC

One of the anti-corruption disclosure indices is the index developed by Dissanayake et al. (2012). The main focus of corruption violations in this index is on bribery. Bribery is one form of corruption that often occurs because the company is not transparent which can create loopholes for related parties. The index was developed from various anti-corruption programs published by international organizations. This index has 44 items spread over 5 points consisting of:

1. Accounting to combat bribery
   At this point, it contains an anti-corruption program that must be carried out and reported by the company. This includes anti-corruption commitments, policies that lead to transparency, and reporting on violations related to corruption.
2. Responsibilities of the board of directors and senior management
   At this point, it contains an anti-corruption program aimed at company officials. It regulates the commitment and responsibility of company officials regarding this anti-corruption program. As well as how the company establishes clear coordination lines related to its anti-corruption programs.
3. Building human resources to combat bribery
   This point contains an anti-corruption program that focuses on building human resources who understand and are committed to realizing anti-corruption. Training and development of human resources in the company is the main concentration at this point.
4. Business relationship responsibilities
   This point contains an anti-corruption program that regulates how companies involve their business relationships to realize this program. Focusing on regular monitoring carried out by the company to its business relations to maintain integrity so that corruption does not occur.
5. External party verification and assurance
   This point contains anti-corruption programs related to company recommendations by external parties that provide verification or guarantees. The verification or assurance is carried out to assess the level of effectiveness of this program.

Audit Firm Size

According to Indonesia Undang-undang No.5 of 2011 concerning Public Accountants, Audit Firm is a business entity established under the provisions of laws and regulations and obtaining a business license based on the Law. In another sense, Audit Firm is a place for public accountants to carry out their work. Public accountants located in the territory of Indonesia must comply with existing regulations in Indonesia. The size of Audit Firm is a division based on its reputation in the field of audit (Junaidi &; Hartono, 2015). Research conducted by Geiger & Rama (2006) divided the size of audit firm into two types, namely large-sized audit firm (Big Four) and small-sized audit firm (non-Big Four). Audit firm included in the Big Four consists of Ernest & Young, Deloitte Touche Tohmatsu, Klynveld Peat Marwick Goerdeler (KPMG), and Price Waterhouse Cooper (Harjanto, 2018).

Political Connetion

According to Budiardjo (1989: 8) politics is a series of activities that exist in a political system or state related to the process of setting the goals of the system and implementing it. To achieve this goal, public policies are needed that can regulate the distribution of existing resources. Public policy can be implemented if interested parties have the power and authority that will be used to establish cooperation and build trust in an effort to minimize conflicts that may occur due to these political goals.

Political connection is a person's involvement with a particular political party or political system, whether still a member or retired (Hartomo &; Silvia, 2019). According to Faccio (2006) a company can be said to have political connections if one of the company's officials (Directors and Commissioners) or the largest shareholder owns at least 10% of the total shares and has the right to speak once or is currently a member of parliament, minister or head of government, and has close relations with state officials. In addition, political connections can also be determined through the percentage of government ownership in companies (Adhikari et al., 2006).

Leverage

Leverage is how much the company's ability to pay off its obligations or debts, both short-term and long-term debt (Wiagustini, 2010: 76) (in Novari &; Lestari, 2016). Leverage is used to see the extent to which a company gets funding from the debt side. Meanwhile, according to Brigham & Houston (2011: 160), leverage is likened to a lever that can be used to lift heavy loads with only a little power. Based on this analogy, leverage is a company's policy to obtain assets with only a small capital but assisted by loans from creditors. Leverage can be measured by calculating total debt divided by total assets (Rizqia et al., 2013).

The Effect of Audit Firm Size on Anti-Corruption Disclosure

Large public accountants will tend to be careful in choosing their clients. They will pay attention to the risk of litigation attached to their clients in order to maintain reputation. Litigation risk is a risk that allows the threat of litigation by interested parties with companies that feel aggrieved. If the risk of litigation is too great, it will threaten the reputation of the public accountant. This can be minimized if the client company can guarantee its accountability.

Research conducted by Hartomo & Silvia (2019) analyzed the effect of the size of public accounting on anti-corruption disclosure in companies listed on the Indonesian stock exchange from 2013 to 2017, finding that the size of public accounting can encourage companies to disclose their anti-corruption policies. The study is also in line with research conducted by Healy & Serafeim (2016) which analyzed the effect of the size of public accounting with corporate anti-corruption reporting on 480 large companies in the world, finding that the size of public accounting can encourage companies to disclose anti-corruption policies.

H1: Audit Firm Size has a positive effect on Anti-Corruption Disclosure

The Effect of Political Connetion on Anti-Corruption Disclosure

Companies that have political connections will have two sides of impact. On the one hand, the company will get funding more easily, so that it can run its operations properly, including in disclosing its anti-corruption policy. The anti-corruption policy can also be used by politicians who serve as company officials to increase their legitimacy in the eyes of the public. On the other hand, companies that have political connections have the potential to present conflicts of interest, where loopholes will be formed for politicians who have bad intentions to embezzle company funds for their personal interests. Therefore, companies will tend to be closed and not implement anti-corruption policies.

Research conducted by Hartomo & Silvia (2019) found that companies in Indonesia that have politically affiliated boards of commissioners will tend to disclose anti-corruption policies. Not in line with the results of the study, Yin & Zhang (2019b) found that companies in China that have a board of commissioners who have a political background will be less likely to disclose anti-corruption policies. In addition, Yin & Zhang (2019a) in another study, suggested that government intervention in companies can affect the level of anti-corruption disclosure. Where companies located in areas with low government intervention will tend to disclose their anti-corruption policies. Then, research conducted by Jannah & Adhariani (2021) found that political connections can negatively affect anti-corruption disclosure. This reinforces that the existence of political connections in the company can hinder the implementation of anti-corruption policies.

H2: Political Connetion has a negative effect on Anti-Corruption Disclosure

The Effect of Leverage on Anti-Corruption Disclosure

Leverage is an aspect of a company that can have a different influence on the company in disclosing information to stakeholders. The higher the leverage, the company will be under creditor pressure. Therefore, to ensure that the company continues to execute the agreement between the company and creditors, the company will report the necessary information including anti-corruption policies that can prove that the company has a commitment not to embezzle its funds. On the other hand, to disclose the company's anti-corruption policy requires more money. Because the company is experiencing financial difficulties due to the high level of leverage, the company will not disclose its anti-corruption policy.

Research conducted by Duho et al. (2020) analyzed the influence of corporate aspects which include leverage on anti-corruption disclosure in extractive companies in Africa, finding that companies that have a high level of leverage are less likely to disclose anti-corruption policies.

H3: Leverage has a negative effect on Anti-Corruption Disclosure

METHOD

This research uses secondary data taken from the annual reports of energy and basic material sector companies listed on the Indonesia Stock Exchange from 2016 to 2022. Sample selection is carried out by purposive sampling method. The criteria of this research sample are: (1) Energy and basic material sector companies listed on the Indonesia Stock Exchange from 2016 to 2022; (2) The annual report is accessible; (3) Companies with an accounting year ending December 31. Researchers used IBM SPSS 25 software to process research data and Microsoft office for report writing and data presentation.

The dependent variable in this study is anti-corruption disclosure. Anti-corruption disclosure is a company's commitment to fight corruption (Hartomo &; Silvia, 2019). Anti-corruption disclosure is expected to be one of the company's responsibilities to stakeholders in terms of accountability. This study used an anti-corruption disclosure index developed by Dissanayake et al. (2012). The index is a development of various anti-corruption policies issued by world organizations such as the OECD, UN, IT, and others. Several previous studies have also used this index as a benchmark for anti-corruption disclosure (Hartomo &; Silvia, 2019; Yin & Zhang, 2019b; and Yin & Zhang, 2019a). The following is the formula for calculating anti-corruption disclosure:

International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

$$\text{Anti Corruption Disclosure} = \frac{Number\ of\ items\ disclosed}{Number\ of\ items\ on\ index}$$

In this study, the measurement of the audit firm size variable used a dummy variable, where for Big Four affiliated audit firms were given a value of "1" while audit firms that were not affiliated with the Big four were given a value of "0". These measurements are in accordance with previous studies conducted by (Healy &; Serafeim, 2016; Hartomo &; Silvia, 2019).

Political connection is the direct or indirect involvement of a person or institution with a particular political system within the state. The measurement of political connection variables in this study used dummy variables. Where companies that have political connections are given a value of "1" while companies that do not have political connections are given a value of "0". The measurement is in accordance with previous research conducted by (Yin &; Zhang, 2019b). The criteria for companies that have political connections include: state-owned companies, have company officials (Directors and Commissioners) or 10% shareholders who have or are currently serving as members of political parties, members of parliament, ministers or heads of government, and have close relationships with state officials.

Leverage is the level of a company's ability to pay off its obligations or debts, both short-term and long-term debt. Leverage is used to see the extent to which a company is financed by debt. Leverage is measured by calculating the ratio of the number of liabilities that exist in a company divided by the number of its assets (Duho et al., 2020). Here is the formula for calculating leverage:

$$\text{Leverage} = \frac{Assets}{Liabilities}$$

RESULT

Sample Selection Results

The results of the sample selection were 93 companies that fit the criteria from a total population of 118 energy and basic material sector companies listed on the Indonesia Stock Exchange from 2016 to 2022. So that it got a total of 651 data in an observation span of 7 years. However, after the normality test was carried out, it was found that the data was not nomally distributed, therefore the researchers selected outliers with the Inter Quartile Range (IQR) method. Outliers are cases or data that have unique characteristics and are very different from other data and have a very extreme form for both a single variable and a combination variable (Ghozali, 2018: 40). The IQR method is one way to find outliers by calculating their first quartile (Q1) and third quartile (Q3) then finding IQR by subtracting Q3 and Q1. After that, classify samples that have values smaller than (Q1-1.5*IQR) and/or greater than (Q3+1.5*IQR) as outliers (Sihombing et al., 2023). The final number of data after outlier deletion was 30 to 621 data. The adjustments made to all criteria that have been set by the researcher are presented in Table as follows:

Sampling Steps

Information	Total
Energy and basic material sector companies listed on the Indonesia Stock Exchange from 2016 to 2022	118
Annual report not accessible	(20)
Companies with an accounting year that does not end as of December 31	(5)
Amount of Samples	93

International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

Amount of observations over 7 years	651
Amount after removal of outliers	621

Descriptive Statistics

Descriptive statistical analysis is presented to see a general picture of the research data. Data is described in terms of mean, standard deviation, minimum, and maximum values. The minimum and maximum values of the leverage variable before the removal of outliers have a fairly long range, namely from 0.05 to 3.39 as well as the Anti-Corruption Disclosure variable which has a relatively long range from 0 to 0.43. This can indicate that there is data that has extreme value which is then removed outliers.

Here is a descriptive statistical table of each of the study variables after removal of outliers:

Desciptive Statistic

						Dummy Frequence			
	N	***Minimum***	***Maximum***	***Mean***	***Std. Deviation***	**value 1**	**%**	**value 0**	**%**
ASize[1]	621	0.00	1.00	0.38	0.49	249	38	402	62
Pol[2]	621	0.00	1.00	0.45	0.50	295	45	356	55
Lev[3]	621	0.05	1.11	0.50	0.22				
AntiCor[4]	621	0.00	0.41	0.14	0.10				

The interpretation of the descriptive statistical table above will be explained one by one from each variable, which is as follows:

1. Audit Firm Size

   It can be seen in the table above that as many as 38% of companies in different years of the overall observation chose audit firm with a big four reputation as their company's external auditor. The total number of observation data of companies that choose big four public accountants as their external auditors is 249 data. This explains that most companies engaged in the energy and basic material sectors have less consideration to use assertion services from the big four public accountants. The mean value is smaller than the standard deviation (0.39 < 0.49) which shows that the data is more diverse.

2. Political Connetion

   Data from the Political Connection variable, researchers obtained from the results of reading profiles of company officials listed in the company's annual report, as well as biographies available on the internet, social media, and national and international news pages. The profile of the shareholders is also obtained by reading the annual report of the company. The average value shows a fairly high number of 45%. A total of 295 observational data proved to have connections with politics. Which means that companies engaged in the energy and basic material sectors almost half have connections with politics. The average value is smaller than the standard deviation, which is (0.45 < 0.50), this shows that the data has a wide diversity nature. From 295 observational data of political connections, researchers found that in one company in a given period can have more than one type of connection. Here's how the data from each connection type is distributed:

---

[1] Audit Firm Size
[2] Political Connetion
[3] Leverage
[4] Anti Corruption Disclosure

International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

Political Connetion Type

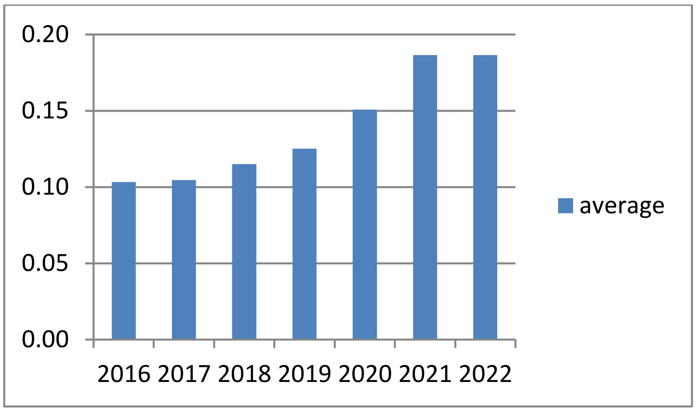
Connection Type	Total 2016-2022	Percentage
State-Owned Companies & Subsidiaries	68	11%
State Officials	213	34%
Relationship	123	20%
Members of Political Parties	8	1%

The most common type of connection owned by companies in the energy and basic material sectors is state officials with 213 data with a percentage of the overall data of 34%. This number is quite large, which means that many state officials, both still in office and no longer in office, have a role in the extractive industry. Then the number of connections from high-ranking and shareholder relations is 123 data with a percentage of 20%. This proves from a number of officials and shareholders of energy and basic material sector companies quite a lot who have relations with officials or politicians. Then as many as 68 data showed that it was owned by the state with a percentage of 11% of all observations. This means that the state has enough involvement in the extractive sector, especially because in this sector there are many people's livelihoods. Political connections from members of political parties only show a figure of 1%, this means that companies listed in the energy and basic material sectors are not too directly tied to practical politics.

3. Leverage
The minimum value is at 0.05 which shows the company has a level of debt smaller than the amount of assets while the maximum value is at 1.11 which means the company has the amount of debt that can be guaranteed by the amount of assets of 111%. The average value on this variable is 0.53 or 53%, which means that companies that have leverage levels below or above 53%, will be below or above average. This shows that from the entire sample of companies, most of them have a fairly stable financial condition seen from a fairly low leverage ratio and indicate that they have low financial risk as well. Standard deviation has a greater value than the average value of (0.53 > 0.32), so the level of data distribution is considered to tend to be narrower.
4. Anti Corruption Disclosure
The lowest value of the results of descriptive statistical analysis is 0%, meaning that the company does not meet or disclose anti-corruption information in accordance with the research index. While the highest value is 0.41 or 41%, meaning that companies disclose anti-corruption information almost half of the total number of indexes. On average, companies in the energy and basic material sectors disclose their anti-corruption information by 0.14 or only about 14%. Comparison of the average value with the standard deviation value of (0.14 > 0.10), this means that the average value is greater than the standard deviation value, so the distribution of data tends to have a narrower level. The following is a graph of the average value of the anti-corruption index per year:

International Journal of Current Economics & Business Ventures, 3 (2) 2023, 38-53
International Journal of Current Economics & Business Ventures
https://scholarsnetwork.org/journal/index.php/ijeb

Average Anti-Corruption Index Value Graph



When viewed from the average value of the anti-corruption index obtained by companies in the energy and basic material sectors per year, it has increased every year and the largest is in 2020 towards 2021. This shows that starting from 2021, the company has implemented a better anti-corruption policy than the previous year.

Hypothesis Test

1. Simultaneous Significance Test (F test)

F test Result

Model	F	Sig
Regression	53,34	0,000

This test is carried out to see the effect of all independent variables simultaneously on the dependent variable. Based on the table of F statistical test results above, the significance value is less than 0.05. Then the calculated F value has a value of 53.34, where when compared to F the table has a greater level of (53.34 > 3.01). This shows that the independent variable has a simultaneous effect on the dependent variable, and it can be said that the research model is feasible to use.

2. Partial Regression Coefficient Test (t test)

t test Result

Model	T	Sig
(*Constant*)	11,422	0,000
ASize	8,34	0,000
Pol	7,73	0,000
Lev	-2,47	0,014

The conduct of this test is to see how strong the influence of the independent variable on the dependent variable partially (Ghozali, 2018: 98). From the results of the statistical test t above, an interpretation can be taken of the hypothesis of the influence of each independent variable on the dependent variable that has been proposed, as follows:

a. The first hypothesis (H1) in this study is that the audit firm size has a positive influence on Anti-Corruption Disclosure. It can be seen in the table above that the calculated t value is 8.34 and has a significance level of 0.000. This means that the calculated t value is greater than the table t value (8.34 > 1.96) and the significance value is smaller than 0.05, indicating that audit firm size has a positive significant influence on Anti-Corruption Disclosure. Thus, the proposed hypothesis is accepted or H1 is accepted.
b. The second hypothesis (H2) in this study is that Political Connections have a negative influence on Anti-Corruption Disclosure. It can be seen in the table above that the calculated t value is 7.73 and has a significance level of 0.000. This means that the calculated t value is greater than the table t value (7.73 > 1.96) and the significance value is smaller than 0.05, indicating that Political Connection has a positive significant influence on Anti-Corruption Disclosure. Thus, the proposed hypothesis is rejected or H2 is rejected.
c. The third hypothesis (H3) in this study is that Leverage has a positive influence on Anti-Corruption Disclosure. It can be seen in the table above that the calculated t value is -2.47 and has a significance level of 0.014. This means that the absolute calculated t value is greater than the table t value (2.47 > 1.65) and the significance value is smaller than 0.05, indicating that leverage has a negative significant influence on Anti-Corruption Disclosure. Thus, the proposed hypothesis is accepted or H3 is accepted.

3. Coefficient of Determination Test

To determine the degree to which the regression model explains the variation of the independent variable, the coefficient of determination test is used. The interpretation of the coefficient of determination test is to look at the adjusted R square value. Where if the value is close to number one, then the variables in the study can provide a broad explanation of the dependent variable. Based on the results of the coefficient of determination test, it was found that the adjusted R square value was 0.22 or 22%. This means that the independent variable in this study can only explain the dependent variable by 22%, while the other 78% is explained by other variables outside the study.

DISCUSSION

Audit Firm Size

The hypothesis proposed regarding the effect of Audit Firm Size on Anti-Corruption Disclosure is that it has a positive influence. This is in line with the test results which say that the size of the Public Accounting Firm has a significant positive influence on Anti-Corruption Disclosure. Thus, Audit Firm that has a great reputation can encourage client companies regarding the implementation of anti-corruption policies and then disclose them in annual reports and / or sustainability reports.

Large public accountants already have a reputation at the international level. With such a big reputation, of course, large Audit Firm also has higher than average quality standards. The professionalism of the auditor's work is required to conform to these quality standards. Therefore, large public accountants are very concerned about various kinds of audit risks, one of which is litigation risk.

If a client of Audit Firm is involved in corrupt practices, this can provide significant litigation risk for the auditor. The existence of corruption in the activities of client companies can lead to violations of the law, which can then lead to prosecution from various aggrieved parties. The auditor must ensure that he is not involved in potential litigation because he is considered to have failed to identify the potential impact of corrupt activities in the client company. Therefore, litigation risk is an important aspect that must be considered by auditors before carrying out the audit process. In addition, auditors can try to recommend clients to have a qualified anti-corruption policy, so as to reduce all risks arising from corruption.

The results of this study are in line with research conducted by Healy & Serafeim (2016) and Hartomo &; Silvia (2019), where both concluded that the size of public accounting can positively affect Anti-Corruption Disclosure. Therefore, the stronger the argument is that companies that choose to use assertion services from large public accountants tend to have adequate anti-corruption policies so that they have a broad level of anti-corruption disclosure in their reports.

Political Connection

The results of hypothesis testing show that Political Connections have a significant positive influence on anti-corruption disclosure. The hypothesis proposed in this study is to have a negative influence, so the hypothesis is not accepted. Thus, the existence of political connections within a company is proven to be able to encourage the implementation of anti-corruption policies.

The lack of evidence of the negative influence of Political Connections on Anti-Corruption Disclosure, indicates a commitment from politicians who have influence in the company to fight corruption in Indonesia. This was realized inseparable from the interference of the Presidential Instruction of the Republic of Indonesia (2016) concerning actions to prevent and eradicate corruption in 2016 and 2017. In the instruction, the President of the Republic of Indonesia gave responsibility to the National Standardization Agency (BSN) to initiate an anti-corruption certification standard similar to the International Organization for Standardization (ISO) 37001 concerning anti-bribery management systems for the private sector and government. Then in 2020 the Ministry of State-Owned Enterprises (BUMN) requires all SOEs to implement the Indonesian National Standard (SNI) ISO 37001 through the Letter of the Ministry of State-Owned Enterprises (2020) number S-17 / S.MBU / 02/2020.

The obligation for state-owned companies to implement SNI ISO 37001 makes companies have a more qualified anti-corruption policy so that in this case the company will have a high anti-corruption disclosure index value. In the description of research data in the descriptive statistical analysis section, the number of state-owned enterprises from the total research data is 11%. This means that improving the quality of anti-corruption policies in this study is proven to have contributed by state-owned companies. In addition, as many as 34% were driven by current or former state officials and 20% were driven by relations with politicians, and 1% were driven by members of political parties. This shows that the momentum of the anti-corruption issue is well utilized by politicians to contribute to the eradication of corruption.

The results of this study are in line with research conducted by Hartomo & Silvia (2019) which states that companies that have members of the board of commissioners who are affiliated to politics can encourage the implementation of anti-corruption policies so that they will disclose anti-corruption information more widely. In contrast to these results, research conducted by Yin & Zhang (2019a) and Yin & Zhang (2019b) actually said the opposite, namely companies that have a political background and are in areas with high government intervention tend not to have anti-corruption policies so that they have a narrow level of anti-corruption disclosure. Likewise, it is different from research conducted by Jannah & Adhariani (2021), which states that companies with political connections tend to disclose little anti-corruption information.

Leverage

After testing the hypothesis on the Leverage variable, the results were obtained that the effect of Leverage on Anti-Corruption Disclosure was negative and significant. These results are in line with the hypothesis formulated in this study, namely that Leverage has a negative relationship with Anti-Corruption Disclosure. This suggests that companies that have a high level of leverage are more likely to disclose fewer anti-corruption policies. As well as proving that creditors are unable to encourage their debtor companies to implement anti-corruption policies.

The existence of debt that is too high and not balanced with a large amount of assets will make the company fall into a difficult financial position. The risk of default will continue to overshadow decision making, which will lead to budget efficiency so that the company can survive and not go bankrupt. No exception is the budget to implement anti-corruption policies which can be cut due to the company's difficult financial condition. Companies tend to focus more on strengthening their financial position rather than developing themselves by implementing qualified anti-corruption policies. Therefore, companies will have a narrow level of anti-corruption disclosure.

The results of this study are in line with research conducted by Duho et al. (2020) which concluded that leverage cannot encourage companies to disclose broader anti-corruption information. This further proves that with a high level of leverage, companies tend not to implement adequate anti-corruption policies.

CONCLUSION

From the results of the research on the influence of these three variables on Anti-Corruption Disclosure, it can be concluded that, auditor as one of the stakeholders of the company is able to encourage its clients to implement qualified anti-corruption policies so that companies tend to disclose broad anti-corruption policies. Then politicians, in this case, the government as one of the stakeholders of the company is able to encourage companies to implement anti-corruption policies with regulations issued so that companies tend to disclose broad anti-corruption policies. In addition, creditors as one of the stakeholders of the company have not been able to encourage companies to implement adequate anti-corruption policies so that companies tend to disclose narrow anti-corruption policies.

Here are the suggestions that researchers convey to the next researcher:

1. Further research is expected to be able to examine other sectors in order to provide comparisons in each sector.
2. Researchers are then expected to provide a more comprehensive explanation of each research variable taken from credible sources, in order to provide better conclusions.
3. Researchers are then expected to add independent variables in order to explain more broadly their influence on dependent variables, namely Anti-Corruption Disclosure.
4. Further researchers are expected to consider using more accurate measurements of Anti-Corruption Disclosure, so that later it will not focus only on disclosure items but further on the quality of companies in implementing anti-corruption policies.

BIBLIOGRAPHY

Adhikari, A., Derashid, C., & Zhang, H. (2006). Public policy , political connections , and effective tax rates : Longitudinal evidence from Malaysia. *Journal of Accounting and Public Policy*, *25*(5), 574–595. https://doi.org/10.1016/j.jaccpubpol.2006.07.001

Ahdiat, A. (2020). ICW: Korupsi Paling Besar 2019 Terjadi di Sektor Pertambangan. *KBR*. https://kbr.id/nasional/02-2020/icw__korupsi_paling_besar_2019_terjadi_di_sektor_pertambangan/102332.html

Barkemeyer, R., Preuss, L., & Lee, L. (2015). Corporate reporting on corruption: An international comparison. *Accounting Forum*, *39*(4), 349–365. https://doi.org/10.1016/j.accfor.2015.10.001

Blanc, R., Branco, M. C., & Patten, D. M. (2019). Cultural Secrecy and Anti-corruption Disclosure in Large Multinational Companies. *Australian Accounting Review*, *29*(2), 438–448. https://doi.org/10.1111/auar.12231

Branco, M. C., & Matos, D. (2016). The fight against corruption in Portugal: evidence from sustainability reports. *Journal of Financial Crime*, *23*(1), 132–142. https://doi.org/10.1108/JFC-05-2014-0027

Brigham, E. F., & Houston, J. F. (2011). *Dasar-Dasar Manajemen Keuangan* (Edisi 11). Salemba Empat.

Budiardjo, M. (1989). *Dasar-Dasar Ilmu Politik*. Gramedia Pustaka Utama.

Surat Kementerian Badan Usaha Milik Negara, S-17/S.MBU/02/2020 (2020).

Dissanayake, T., Islam, M. A., & Dellaportas, S. (2012). *Corporate Disclosure on Combating Bribery: A Study of Two Global Companies in the Telecommunication Industry*.

Duho, K. C. T., Agyenim-Boateng, C., Asare, E. T., & Onumah, J. M. (2020). Convergence and determinants of anti-corruption disclosure among extractive firms in Africa. *Journal of Financial Crime*. https://doi.org/10.1108/JFC-06-2020-0109

Faccio, M. (2006). Politically Connected Firms. *THE AMERICAN ECONOMIC REVIEW*, *96*(1), 369–386.

Geiger, M. A., & Rama, D. V. (2006). Audit firm size and going-concern reporting accuracy. *Accounting Horizons*, *20*(1), 1–17. https://doi.org/10.2308/acch.2006.20.1.1

Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25 Edisi 9*. Badan Penerbit Universitas Dipenogoro.

Gujarati, D. (1998). *Ekonometrika Dasar, Alih Bahasa: Sumarno Zain*. Erlangga.

Harjanto, K. (2018). Pengaruh Ukuran Perusahaan, Profitabilitas, Solvabilitas, dan Ukuran Kantor Akuntan Publik terhadap Audit Delay. *Jurnal ULTIMA Accounting*, *9*(2), 33–49. https://doi.org/10.31937/akuntansi.v9i2.728

Hartomo, O. D., & Silvia, B. M. (2019). Anteseden Pengungkapan Kebijakan Anti Korupsi Perusahaan di Bursa Efek Indonesia. *Jurnal Kajian Akuntansi*, *3*(2), 196. https://doi.org/10.33603/jka.v3i2.2919

Healy, P. M., & Serafeim, G. (2016). An analysis of firms' self-reported anticorruption efforts. *The Accounting Review*, *91*(2), 489–511. https://doi.org/10.2308/accr-51191

Instruksi Presiden Republik Indonesia, Nomor 10 (2016).

Islam, M. A., Dissanayake, T., Dellaportas, S., & Haque, S. (2018). Anti-bribery disclosures: A response to networked governance. *Accounting Forum*, *42*(1), 3–16. https://doi.org/10.1016/j.accfor.2016.03.002

Jannah, M., & Adhariani, D. (2021). Determinants of Anti-Corruption Disclosure in State-Owned Enterprise in Indonesia. *Proceedings of the Asia-Pacific Research in Social Sciences and Humanities Universitas Indonesia Conference (APRISH 2019)*, *558*(Aprish 2019), 412–417. https://doi.org/10.2991/assehr.k.210531.053

Joseph, C., Gunawan, J., Sawani, Y., Rahmat, M., Avelind Noyem, J., & Darus, F. (2016). A comparative study of anti-corruption practice disclosure among Malaysian and Indonesian Corporate Social Responsibility (CSR) best practice companies. *Journal of Cleaner Production*, *112*, 2896–2906. https://doi.org/10.1016/j.jclepro.2015.10.091

Junaidi, & Hartono, J. (2015). Non-Financial Factors In The Going-Concern Opinion. *Jurnal Ekonomi & Bisnis Indonesia*, *25*(3), 369–378. https://doi.org/10.22146/jieb.6290

Kartin, A. P. (2018). Kerangka Pemberantasan Korupsi Di Usa Dan Dampaknya. *Jurnal Ekonomi, Manajemen, Akuntansi Dan Perpajakan*, *1*(1), 110–128. https://doi.org/10.24167/jemap.v1i1.1587

Surat Edaran Nomor 032/SEJOK.04/2015 tentang Pedoman Tata Kelola Perusahaan, 032/SEJOK.04/2015 (2015).

Kieso, D. E., Weygandt, J. J., & Warfield, T. D. (2018). *Intermediate Accounting IFRS Edition* (Edisi 3). Wiley.

Mashabi, S. (2020, September). ICW: Ada 169 Kasus Korupsi Sepanjang Semester I 2020. *Kompas*. https://nasional.kompas.com/read/2020/09/29/16112851/icw-ada-169-kasus-korupsi-sepanjang-semester-i-2020

Novari, P. M., & Lestari, P. V. (2016). PENGARUH UKURAN PERUSAHAAN, LEVERAGE, DAN PROFITABILITAS TERHADAP NILAI PERUSAHAAN PADA SEKTOR PROPERTI DAN REAL ESTATE. *E-Jurnal Manajemen Unud*, *5*(9), 5671–5694.

Putra, Y. H. S. (2010). Praktik Kecurangan Akuntansi Dalam Perusahaan. *El Muhasaba Jurnal Akuntansi*, *1*(1), 1–14. https://doi.org/10.18860/em.v1i1.1878

Rizqia, D. A., Aisjah, S., & Sumiati. (2013). Effect of Managerial Ownership , Financial Leverage , Profitability , Firm Size , and Investment Opportunity on Dividend Policy and Firm Value. *Journal of Finance and Accounting*, *4*(11), 120–131.

Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society*, *17*(6), 595–612. https://doi.org/10.1016/0361-3682(92)90015-K

Sihombing, P. R., Suryadiningrat, S., Sunarjo, D. A., & Yuda, Y. P. A. C. (2023). Identifikasi Data Outlier (Pencilan) dan Kenormalan Data Pada Data Univariat serta Alternatif Penyelesaiannya. *Jurnal Ekonomi Dan Statistik Indonesia*, *2*(3), 307–316. https://doi.org/10.11594/jesi.02.03.07

Ulum, I. (2017). *INTELLECTUAL CAPITAL: Model Pengukuran, Framework Pengungkapan& Kinerja Organisasi*. UMM Press.

Umar, H. (2012). PENGAWASAN UNTUK PEMBERANTASAN KORUPSI. *Jurnal Akuntansi & Auditing*, *8*(2), 109–122. https://doi.org/10.14710/jaa.8.2.109-122

UU No. 40 Tahun 2007 tentang Perseroan Terbatas, 40 (2007).

UU No.5 Tahun 2011 tentang Akuntan Publik, 5 (2011).

Yin, H., & Zhang, R. (2019a). Determinants of Corporate Anti-Corruption Practice Disclosure : Evidence from Chinese Firms. *International Journal of Industrial Distribution & Business*, *10*(3), 7–16. https://doi.org/10.13106/ijidb.2019.vol10.no3.7.

Yin, H., & Zhang, R. (2019b). The nature of controlling shareholders, political background and corporate anti-corruption practice disclosure. *Journal of Asian Finance, Economics and Business*, *6*(1), 47–58. https://doi.org/10.13106/jafeb.2019.vol6.no1.47.