



**Analysis of Correlation Between Corruption of Regional Government and Pattern of Regional Expenditure Allocation**

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**Abstract**

**Objective**-This study aims to analyze whether there is a correlation between certain pattern of expenditure allocation and corruption of regional government.

**Design/Methodology/Approach** - This research employed descriptive qualitative approach by analyzing the comparison of expenditure planning in regional governments having above-average score of corruption perceptions index (CPI) and that in regional governments having below-average score of corruption perceptions index (CPI). Data consisted of secondary data taken from appendices of regional budget from each regional government group.

**Findings** – There are certain patterns of expenditure allocation in regional governments with below average-score of CPI. The allocation patterns are divided into three levels of expenditure allocation patterns. At level three, certain expenditure allocation pattern is found in grant expenditure, direct employee expenditure, goods and service expenditure and capital expenditure. At level four, expenditure allocation pattern includes grant expenditure to agencies/institutions / organizations, grant expenditure for community groups/members, civil servant honorarium, non-civil servant honorariums, office services expenditure, food and beverage expenditure and capital expenditure for equipment and machinery. Meanwhile, at level five, expenditure allocation pattern includes resource persons or expert service expenditure, service expenditure for supporting personnel implementing activities, food and beverage expenditure activities and capital expenditure for procurement of motorized land transportation means.

**Limitations/Implications** - This research has an implication that practitioners of auditors and prevention and eradication of money laundering crimes should be more aware of certain expenditure patterns in regional governments.

The limitation of this research is that it was not conducted directly at the four municipal governments in question, namely Makassar City Government, Medan City Government, Pontianak City Government, Pekanbaru City Government.

**Originality /Value**- Certain expenditure allocation in expenditure planning can be made as a reference to increase awareness of corruption crime in regional government's expenditure. In addition, this research correlates the capability of regional officials in determining regional expenditure planning that is at risk of corruption crime.

**Keywords:** fraud, corruption, corruption perceptions index, regional expenditure.