

Corruption, Accounting Practice and Economic Growth:

Evidence of ASEAN Countries

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Abstract—This study analyzes the impact of corruption on economic growth by including the role of accounting practices. Corruption has a negative influence on economic growth in countries with poor quality accounting practices than in countries with high-quality accounting practices. The new contribution of this study concerns the relationship between the literature between corruption and separate accounting practices regarding economic growth. To our knowledge, this is a study of the first ASEAN countries documenting the impact of corruption on economic growth that depends on the quality of accounting practices in a country. We use cross-section data for 2018 for 11 ASEAN countries. Data on economic growth is taken from the World Bank, while corruption is represented by the Transparency International (TI) Corruption Perception Index (CPI). Meanwhile accounting practices are represented by the strength of auditing standards and financial reporting from the World Economic Forum (WEF), as well as the adoption of the International Public Sector Accounting Standards (IPSAS) in a country from the International Federation of Accountants (IFAC). We apply the Moderated Regression Analysis (MRA) approach for estimating results. The results of studies show that corruption inhibits economic growth. In addition, the strength of auditing standards and financial reporting weakens the relationship between corruption and economic growth. Other results show that the adoption of IPSAS does not weaken the relationship of corruption with economic growth in ASEAN countries. The findings of this study prove that high-quality accounting practices in a country can weaken corruption which can hamper economic growth. Conversely, corruption will easily grow in countries with weak quality accounting practices whose impact will hamper economic growth.

Keywords—*corruption, accounting practice, economic growth*

I. INTRODUCTION

Corruption is the practice of abuse of power from public officials for his personal interests [1-3]. Corruption becomes a global phenomenon that negatively impacts aspects of social and economic life [4-6]. Acts of corruption cause the erosion of public confidence in the government [7-9]. This has caused worldwide concern, because the impact is very real and severe,

especially for the poor. Corruption triggers inequality and dissatisfaction which causes fragility, extremism, violence, and conflict everywhere [10]. Besides corruption inhibits economic growth, because it inhibits investment [11-14]. Countries that succeed in reducing corruption can use all human and financial resources more efficiently, attract more investment so that the economy will grow faster [15-17].

Corruption in public institutions is often considered by the public to be easily corrupted by illegal practices, such as corruption [1,2,18]. Corrupt officials make use of their power to commit fraud against public funds that should be used for the benefit of the community [6,19,20]. A survey conducted by Transparency International in 2009 on public institutions affected by corruption, with a score between 1 and 5. Score 1 shows absolutely no corruption, and a score of 5 is very corrupt. Very critical results have been produced for political parties in the ASEAN region. The scores generated for political parties in the ASEAN region are very diverse, such as Brunei (2.1), Singapore (2.1), Cambodia (3.0), Philippines (4.0), Malaysia (3.9), Indonesia (4.0), and Thailand (4.1) [21].

Based on the 2013 Global Corruption Barometer, survey results showed 86% of respondents from Indonesia felt that political parties were corrupt or very corrupt, government institutions were corrupt or very corrupt, others were parliament (89%), and judicial institutions (86%), then police which is considered worse (91%). Scores for political parties, parliament, justice, and police in Cambodia are 28%, 16%, 60%, and 37% respectively. Thailand 68%, 45%, 18% and 71%. Vietnam 27%, 28%, 49% and 72%. Philippines 58%, 52%, 56% and 69%. Whereas for Malaysia 69%, 44%, 35% and 76% [22].

In the Corruption Perception Index (CPI) in 2018 Singapore is ranked 3rd in the world or ranked first in Southeast Asia, showing that this country is very clean of corruption. Next, is Brunei Darussalam ranked 31, Malaysia 61, Indonesia 89, Philippines and Thailand 99, Timor-Leste 105, Vietnam 117, Myanmar and Laos 132, and Cambodia 161 [23]. The full score for each country in ASEAN can be seen in table 1.

TABLE I. CORRUPTION PERCEPTION INDEX OF COUNTRIES IN SOUTHEAST ASIA AND WORLD RANK 2018

No	Country	Score				World Rank
		2018	2017	2016	2015	
1	Singapore	85	84	84	85	3
2	Brunei Darussalam	63	62	38	-	31
3	Malaysia	47	47	49	50	61
4	Indonesia	38	37	37	36	89
5	Philippines	36	34	35	35	99
6	Thailand	36	37	35	38	99
7	Timor-Leste	35	38	35	28	105
8	Vietnam	33	35	33	31	117
9	Myanmar	29	30	28	22	132
10	Laos	29	29	30	25	132
11	Cambodia	20	21	21	21	161

Source: Transparency International, 2018 [23]

We build this study from the literature on the relationship of accounting, corruption and economic growth that are analyzed separately (e.g., Changwony and Paterson [24], Wu [25], Paterson, Changwony, and Miller [26], Saha and Ben Ali [27], Ben Ali and Gasmi [28]). Specifically, the public sector accounting literature is focused on the adoption of accounting standards by referring to the strength of auditing standards and financial reporting in a country (eg, Adhikari and Gårseth-Nesbakk [29], Christiaens, Vanhee, Manes-Rossi, Aversano, and Van Cauwenberge [30], Pina, Torres, and Yetano [31]). High-quality accounting practices can increase the credibility of financial information through the presentation of financial reports on a regular and timely basis so as to increase transparency and accountability in the public sector, and have an impact on reducing corruption [32-34]. At present several studies focus on the relationship between accounting practices and corruption [1,2,24,35], with overall results showing that reducing corruption can be done by the state countries with high quality accounting practices compared to countries with low quality accounting practices.

Our study includes economic growth to determine the impact of applying high-quality accounting practices in reducing corruption. We build this study through Moderated Regression Analysis (MRA) to find out whether accounting practices in a country are able to weaken the effects of corruption on economic growth. This study not only refers to the accounting and corruption literature but also refers to the literature of corruption and economic growth (eg, Mo [36], Kuncoro [37], Nawatmi [38], Moustafa [39]). Some literature shows that corruption in a country will reduce the level of economic growth e.g., Hariyani, Priyarsono, and Asmara [40], Junaidi and Patra [41], Rinse, Bošnjak, and Franc [42], an impact that endangers people's lives, due to corruption poverty levels will be high [43,44].

The general view is that corruption will disrupt economic activity by distorting the allocation of resources controlled by the government because investment is hampered [11,45]. Corruption causes low incomes and plays an important role in creating poverty traps [16,46]. Incumbent politicians will try to reimburse their political costs during elections by taking state assets through their power [13,47]. State assets that should be used for people's prosperity are drained away by corruptors who are public officials in power [39,48].

In this study, we argue that high-quality accounting information quality can reduce corruption because monitoring becomes effective. We argue that in countries with high-quality accounting practices, they are able to weaken corruption so that

economic growth increases. Conversely, in countries with low-quality accounting practices, acts of corruption will be even higher, due to weak monitoring through auditing and will have an impact on stunted economic growth. Thus there is a complementary relationship between accounting practices, corruption, and economic growth.

The new contribution of this study concerns the relationship between the literature on accounting practices, corruption and economic growth, which was analyzed separately before. We combine this literature to find out whether accounting practices in a country are able to weaken the relationship of corruption with economic growth. To our knowledge, this is the first study that combines accounting practices, corruption, and economic growth. We conducted this study of 11 ASEAN countries through cross-sectional data from various data sources.

This paper continues as follows. In the second part, we outline our hypothesis, and the third part identifies data sources, explains variables and discusses empirical approaches. Then the fourth section reports the results of our empirical analysis, and the fifth section summarizes the conclusions and explains the limitations of the study.

II. HYPOTHESIS DEVELOPMENT

In this section, we discuss how to weaken the adverse effects of corruption on economic growth through accounting practices in a country. An explanation of this relationship is evident in the theoretical foundation and empirical analysis of the literature on accounting practices, corruption, and economic growth previously examined separately. Some literature provides clues as to why high-quality accounting practices can weaken the relationship of corruption to economic growth in a country.

First, acts of corruption will result in hampered economic growth in a country, because public funds that should be used for development in all sectors are not optimal because some are taken by corrupt officials [18,49,50]. The general view has been that corruption can distort the efficient allocation of resources in the economy [38,40,43]. Most economists claim that corruption can be a major factor that can inhibit economic growth [51,52,53]. In addition, corruption disrupts development by distorting the rule of law and weakening the institutional foundation as the basis for economic growth [27,54,55].

Second, past research has emphasized the impact of accounting practices on powerful officials (eg, Paterson et al. [26], Changwony and Paterson [24], Umar [56]). Incumbent politicians will adopt high-quality accounting practices to guarantee the transparency and credibility of financial statements so that they hope to be re-elected in the next period [57-59]. This condition is caused by threats from competing politicians to demand more information on monitoring political processes [60-64]. Thus, high-quality accounting practices can enable incumbent politicians to better demonstrate political accountability, so as to be able to fend off the attacks of competing politicians [1,9,65]. From credible and transparent financial information, the potential for corruption can be monitored early, so that it can focus on investments to increase economic growth [2,8,24].

Third, conversely, it can also incumbent politicians tend to impede high-quality accounting practices or enforcement

mechanisms for their interests, especially in countries that have high political connections and strongly rooted vote-buying schemes [26,34]. In this case, weak quality accounting practices provide opportunities for them to commit acts of corruption by hiding their own self-seeking behavior by manipulating monitoring information [6,20,33]. With this condition, corrupt practices will have strong roots and hamper economic growth in a country [11,13,17].

Fourth, high-quality accounting practices in a country can be measured by the adoption of public sector accounting standards and the strength of auditing standards and financial reports as in previous literature on accounting practices (eg, Kassem and Higson [66]; Changwony and Paterson [24], Paterson et al. [26], Zelizer [67]). Institutional pressure from a professional and well-organized government will demand compliance or the application of good financial reporting practices [35,68], all of which are likely to influence the adoption of modern and innovative accounting practices with the aim of providing disclosed information in full [34,64,69]. Likewise, a strong government and independent oversight bodies, such as auditing agencies, ombudsman offices, and anti-corruption institutions, will likely put a lot of pressure on the government and demand accountability information [9,65,70,71]. All this can increase the effectiveness and reduce the costs of monitoring the political process and realizing a government that is clean of corruption so that it is focused on increasing economic development [51,52,58].

Fifth, on the contrary in countries with weak accounting and government practices tend to have ineffective and weak monitoring mechanisms [1,4,6] thereby causing monitoring and information costs to be inefficient [21,60]. In these countries it is likely that violations from powerful officials cannot be punished, frauds can be covered up through manipulation of records and most likely independent oversight institutions are entangled in corruption networks (Changwony and Paterson [24], Paterson et al. [26], Ruiz-Cantero, Guijarro-Garvi, Bean, Martínez-Riera, and Fernández-Sáez [72]). Therefore, monitoring mechanisms will not work effectively in countries with weak quality accounting practices [3,50,56], so economic growth is hampered [12,18,55]

Overall, all of the above statements show that high-quality accounting practices will weaken the relationship of corruption to economic growth and vice versa low-quality accounting practices will strengthen the relationship of corruption to economic growth. Thus the hypothesis to be tested is:

- Hypothesis: Countries with high-quality accounting practices can weaken the impact of corruption on stunted economic growth compared to countries with low-quality accounting practices.

III. METHODS

A. Research Design

To test the hypothesis, we use Moderated Regression Analysis (MRA) to find out whether high-quality accounting

practices are able to weaken corruption which results in stunted economic growth. This study is based on assumptions in the discussion about developing hypothesis, which explain that countries with high-quality accounting practices will weaken actions related to corruption that impact on economic growth. Conversely, countries with poor quality accounting practices are not able to weaken actions related to corruption that has hampered economic growth.

Data on accounting practices are represented by the strength of auditing standards and financial reporting from the World Economic Forum (WEF) in 2018, as well as the adoption of the International Public Sector Accounting Standards (IPSAS) in a country from the International Federation of Accountants (IFAC) in 2018. Then data on corruption represented by the Transparency International (TI) Corruption Perception Index (CPI) in 2018. Furthermore, data on economic growth is represented by GDP growth (annual%) produced by the World Bank in 2018 [10].

B. Data

Data sources used and how measurements from each variable will be discussed in this section. The dependent variable in this study is economic growth represented by GDP growth (annual%) produced by the World Bank in 2018 [10], which reports the economic growth of countries in the world every year (eg used by D'Agostino et al. [15], Kunieda et al., [48], Ichvani and Sasana [73]), with a high percentage indicating that economic conditions are growing better and a low percentage indicates that the economy is getting worse in a country.

Furthermore, corruption is represented by the Transparency International Corruption Perception Index (TICPI), which ranks the country through surveys of business practitioners and state experts on corruption perceptions among public officials and politicians [23], (eg used by Changwony and Paterson [24], Nahartyo and Haryono, [55]), with high scores indicating less corruption and low scores indicating high corruption.

To measure accounting practices in a country, we use an index produced by the World Economic Forum (WEF) which captures the power of auditing standards and financial reports in 2018. This data is part of the Executive Opinion Survey of the World Economic Forum originating from the opinions of business leaders in various countries, on a scale from 1 (bad) to 7 (best). This data has been used in various studies on accounting (eg, Changwony and Paterson [24], Karabrahimoglu and Cangarli [74], Rich and Koch [75], Wsocki [76]). In addition, we measure accounting practices by looking at the extent to which the adoption of the International Public Sector Accounting Standards (IPSASADAPTION) is applied in a country extracted from detailed reports produced by The International Federation of Accountants (IFAC) in 2018 (eg used by Changwony and Paterson [24]). Data sources and variable descriptions can be seen in the following table 2.

TABLE II. DATA SOURCES AND DESCRIPTION OF THE VARIABLES

Variable	Definition	Year	Source
Economic growth measures <i>GDP</i>	Economic growth is measured by GDP Growth (annual%). A high percentage shows that economic conditions are growing very well and a low percentage indicates that economic conditions are getting worse.	2018	World Bank [10]
corruption measures <i>TICPI</i>	Corruption in a country is measured through the Transparency International Corruption Perception Index (TICPI), with a score of 0-100. A high score indicates less corruption and a low score of high corruption.	2018	Transparency International [22]
accounting measures <i>FARS</i>	This measurement uses the perception of the power of auditing standards and financial reporting, with a score of 1 (poor) to 7 (best).	2018	World Economic Forum (WEF)
<i>IPSASADAPTION</i>	This measurement uses IPSAS adoption as a reference for accounting standards in a country with a score of 0 and 1. Score 0 if a country does not adopt IPSAS and a score of 1 if a country adopts IPSAS.	2018	International Federation of Accountants (IFAC)

C. Empirical Approach

In this study, we use Moderated Regression Analysis (MRA) to examine high-quality accounting practices in weakening the impact of corruption on economic growth in ASEAN countries. To enable the comparison of previous studies that analyzed separately between accounting practices, corruption, and economic growth, we ran the following 3 models:

$$GDP = a + bTICPI + e \tag{1}$$

$$GDP = a + b_1TICPI + b_2FARS + b_3TICPI.FARS + e \tag{2}$$

$$GDP = a + b_1TICPI + b_2IPSASADAPTION + b_3TICPI.IPSASADAPTION + e \tag{3}$$

The dependent variable of GDP is economic growth with a high percentage showing the condition of the economy growing very well and vice versa. TICPI is an index of corruption perception of a country with a high score representing less corruption and vice versa. Then FARS with high scores shows the strength of auditing standards and financial reporting applied very well and vice versa, while IPSASADAPTION with a score of 0 indicates IPSAS is not adopted as an accounting standard, while score 1 shows that IPSAS is adopted through national standards in a country.

IV. RESULTS AND DISCUSSION

A. Results

A description of corruption, accounting practices, and economic growth can be seen in the following table 3.

TABLE III. DESCRIPTIVE STATISTICS

	N	Minimum	Maximum	Mean	Std. Deviation
<i>TICPI</i>	11	20.00	85.00	41.0000	18.28661
<i>FARS</i>	11	.00	5.71	3.7591	1.92798
<i>IPSASADAPTION</i>	11	.00	1.00	.5455	.52223
<i>GDP</i>	11	.05	7.52	4.8691	2.22122
<i>Valid N (listwise)</i>	11				

Source: data processed

Corruption represented by TICPI has the lowest score of 2.00 and the highest score of 85.00, with an average score of 41.0000 and a standard deviation of 18.28661. The average score shows that in general corruption in ASEAN countries is still relatively high because the scores obtained are still far from 100. Furthermore, the accounting practices represented by the FARS have the lowest score of 0.00 and the highest score of 5.71, with an average score of 3.76 and standard deviation 1.93. The average score shows that in general the strength of auditing standards and financial reporting is in the medium category in ASEAN countries because it is in the middle position of the values between 1-7. Then the accounting practices represented by IPSASADAPTION have the lowest score of 0.00 and the highest score of 1.00, with an average score of 0.5455 and a standard deviation of 0.52223. The average score shows that in general IPSAS was adopted by some countries in ASEAN through national standards. Meanwhile economic growth represented by GDP had the lowest score of 0.05 and the highest score of 7.52, with an average score of 4.8691 and a standard deviation of 2.22122. The average score shows that economic conditions in ASEAN countries grew by 4.87% in 2018.

In the first step in testing the hypothesis, we do with a simple regression to find out the effect of corruption on economic growth which can be seen in Table 4 below.

TABLE IV. COEFFICIENTS^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.346	1.291		6.463	.000
	TICPI	-.085	.029	-.698	-2.926	.017

^a. Dependent Variable: *GDP*

Source: Data Processed

The results of this analysis explain that TICPI has a negative effect on GDP. The statement was proven from the beta unstandardized coefficients which had a negative value of -0.085 with a significance level of 0.017 less than $\alpha = 0.05$, which means that corruption would hamper economic growth in ASEAN countries. To find out the magnitude of the effect of TICPI on GDP, it can be seen in table 5.

TABLE V. MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 ^a	.487	.431	1.67619

a. Predictors: (Constant), TICPI

Source: Data Processed

The value of Adjusted R Square explains that the TICPI has an effect of 43.1% of GDP, while the rest is influenced by other factors not examined in our study. These results indicate that corruption is able to inhibit economic growth by 43.3% in ASEAN countries. The second step in testing the hypothesis is carried out with the Moderated Regression Analysis (MRA) test, to find out the extent to which accounting practices represented by FARS and IPSASADAPTION are able to weaken corruption which results in stunted economic growth in ASEAN countries. The results of the analysis in this step can be seen in the following table 6.

TABLE VI. COEFFICIENTS^A

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.631	4.415		5.579	.003
	TICPI	-.630	.135	-5.186	-4.677	.005
	TICPLFARS	.099	.025	6.129	3.993	.010
	TCPLIPSASADAPTION	.055	.057	.471	.966	.378
	FARS	-2.856	.831	-2.479	-3.435	.019
	IPSASADAPTION	-1.736	2.164	-.408	-.802	.459

a. Dependent Variable: GDP

Source: Data Processed

The analysis shows that the accounting practices represented by FARS are able to weaken the TICPI relationship with GDP because the significance value of 0.010 is smaller than $\alpha = 0.05$, which means that the strength of auditing standards and financial reporting will weaken corruption which results in stunted economic growth in ASEAN countries. While the accounting practices represented by IPSASADAPTION were not able to weaken the TICPI relationship with GDP because the significance value of 0.378 was greater than $\alpha = 0.05$, which means the adoption of IPSAS in ASEAN countries was unable to weaken corruption which impacted stunted economic growth.

However, if FARS and IPSASADAPTION are integrated into an accounting practice in ASEAN countries, it can weaken the relationship between TICPI and GDP, which can be seen in Table 7 below. If seen in the table, the value of Adjusted R Square is 0.800, which means that the strength of auditing standards and financial reporting can simultaneously weaken as much as 80% of the impact of corruption on economic growth.

TABLE VII. MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.949 ^a	.900	.800	.99445

a. Predictors: (Constant), IPSASADAPTION, FARS, TICPI, TCPLIPSASADAPTION, TICPLFARS

Source: Data Processed

In addition, if you compare Adjusted R Square in the first step (see table 5) with the second step (see table 7) the value

will increase by 0.369 (0.800-0.431) or increase by 36.9%. These conditions provide strong evidence that after the existence of FARS and IPSASADAPTION further weakened the relationship between TICPI and GDP, meaning that the existence of accounting practices represented by the power of auditing standards and financial reporting could weaken corruption which has hampered economic growth in ASEAN countries.

The final step is to test the model used in this study, the results of which can be seen in Table 8 below.

TABLE VIII. ANOVA^B

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.394	5	8.879	8.978	.015 ^a
	Residual	4.945	5	.989		
	Total	49.338	10			

a. Predictors: (Constant), IPSASADAPTION, FARS, TICPI, TCPLIPSASADAPTION, TICPLFARS

b. Dependent Variable: GDP

Source: Data Processed

The results of this analysis indicate that the model used in this study is feasible to be used to explain the relationship between TICPI, FARS, IPSASADAPTION, and GDP. The statement is proved by the significance of the F value of 0.015 smaller than $\alpha = 0.05$. The results of our study found that partially FARS has a significant negative impact on GDP, because the beta unstandardized coefficients of -2,856 with a significance level of 0.019 (see table 6) are smaller than $\alpha = 0.05$, which means that if FARS is directly related to GDP it has a significant negative impact in ASEAN countries. While IPSASADAPTION partially has an insignificant negative impact on GDP, because the beta unstandardized coefficients of -1,736 with a significance level of 0.459 (see table 6) is greater than $\alpha = 0.05$, which means that if IPSASADAPTION is directly related to GDP it has a negative impact but insignificant in ASEAN countries.

So we conclude if FARS and IPSASADAPTION are directly linked to GDP without any interaction, the results are not expected, because it will have a negative impact on ASEAN countries. We assume these results that accounting practices in ASEAN countries are used by powerful officials to manipulate financial information for personal gain so that public funds are not focused on economic development, which causes growth in this sector will be hampered.

B. Discussion

Various literature has explained that accounting practices as an important anti-corruption mechanism have been promoted by various supranational organizations, which are expected to have an impact on increasing economic growth in a country. The assumption is that high-quality accounting practices can promote strong control over various acts of corruption because high-quality accounting practices will increase the transparency and credibility of financial information so that public funds can be focused on economic development. Conversely, low-quality accounting practices will be used by powerful officials for personal and group benefits by manipulating financial information, so that public funds are not focused on economic development.

However, the two strands of literature that are referred to in this study document mixed empirical evidence. In accounting

literature, especially in studies in public sector organizations, several studies have shown that high-quality accounting practices are able to minimize corruption [3,33,66,70], but other studies also provide evidence that accounting can facilitate corruption even in countries with high-quality accounting practices [6,34]. Likewise, there is evidence to support that corruption can inhibit economic growth [11,36,37,41], as a whole the previous literature on corruption and economic growth obtained consistent results.

Overall, we find support for our main hypothesis that countries with high-quality accounting practices can weaken the impact of corruption on stunted economic growth compared to countries with low-quality accounting practices. The results of our study make several contributions to the literature. First, we extend two separate strands of literature to date on the relationship between accounting practices, corruption, and economic growth. For this purpose, when put together in a model without any conditions for interaction, we prove that high-quality accounting practices in a country are able to weaken corruption which results in stunted economic growth. These results are consistent with findings in previous studies of accounting (eg, Changwony and Paterson [24], Kimbro [70], Malagueño et al. [33], Houque and Monem [77]), the results of which show that high-quality accounting practices in a country are able to reduce acts of corruption compared to countries with low-quality accounting practices. Meanwhile, the results regarding the negative impact of corruption on economic growth are consistent with the findings of previous studies [11,27,28,73], the results of which show that corruption can hamper economic growth.

Second, our study is the first to provide an overview of the relationship between accounting practices, corruption and economic growth in a country that was previously examined separately. Third, we find that accounting practices represented by the power of auditing standards and financial reporting are able to weaken corruption which results in stunted economic growth in a country. While the accounting practices represented by the adoption of IPSAS through national standards do not weaken corruption which has an impact on slowing economic growth. However, when the two forces are combined, the results are able to weaken corruption which results in stunted economic growth in a country.

Fourth, partial accounting practices represented by the strength of auditing standards and financial reporting have a significant negative effect on economic growth, while accounting practices represented by the adoption of IPSAS through national standards partially have a negative but not significant effect on economic growth. These results provide new knowledge about the direct impact of accounting practices on economic growth, which is assumed that accounting will be utilized by the ruling official to manipulate financial information so that public funds are not focused on economic development. These results might be different if examined in developed countries.

V. CONCLUSION

We conclude that the role of accounting practices in a country is very important to minimize corruption because of the impact of hampering economic growth. The strength of auditing standards and financial reporting as well as the adoption of modern accounting standards will strengthen the

monitoring of public officials so that they do not have the opportunity to commit corruption. our results show that the government and other public organizations must consider improving the quality of accounting practices to weaken corruption which has a hindering economic growth. The results support the commitments recently made by world leaders to improve the quality of financial information to be more transparent, accountable and trustworthy [10].

We did not conduct research on time series data which might produce different conclusions, so for subsequent studies, it is recommended to conduct research through time-series data or combine them with cross-sectional data to broaden the results. Subsequent research can explore this relationship in developed countries or on other continents, even throughout the world to generalize the impact of the relationship of accounting practices, corruption, and economic growth, can also add other relevant factors.

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