

When Independent Institution Isn't Enough: The Democratic Determinants of Corruption Control

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ABSTRACT

This study investigates the global effectiveness of anti-corruption agencies (ACAs) and supreme audit institutions (SAIs) in reducing public sector corruption, addressing a significant empirical gap in how institutional autonomy correlates with long-term corruption perceptions. Utilising a panel dataset of 1,872 observations from 2012 to 2024, the research employs Fixed Effects and Random Effects models. Anchored in Principal-Agent theory, this analysis engages with the enduring debate over whether formal institutional independence effectively translates into substantive performance outcomes, as further underscored by Meagher (2005) and Doig (2017), who emphasise the persistent gap between formal mandates and actual effectiveness in anti-corruption institutions. Our findings reveal that while the autonomy of these bodies significantly associates with improved Corruption Perceptions Index (CPI) scores, this relationship is non-linear and highly conditional. Specifically, the association diminishes when adjusted for democratic stock, suggesting that democracy acts as a catalytic mechanism that transforms formal legal autonomy into functional accountability. Furthermore, the research extends current literature by identifying a synergistic effect between ACAs and SAIs, demonstrating that their coordinated independence further correlates with enhanced integrity outcomes. Ultimately, the results underscore that institutional design alone is insufficient unless embedded within democratic ecosystems that provide the necessary transparency and civil oversight to safeguard institutional performance.

Keywords: Anti-Corruption Agency, Supreme Audit Institution, Democracy, Public Sector Corruption, Corruption Perception Index.

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1. INTRODUCTION

The often-cited dictum by Lord Acton, “Power tends to corrupt, and absolute power corrupts absolutely”, serves as a timeless reminder of the corruptive potential inherent in authority. It suggests that power, by its very nature, can distort moral judgment and amplify self-interest, thereby necessitating institutional mechanisms to constrain and oversee those who wield it. This observation is further supported by Mungiu-Pippidi (2015), who argues for a governmental institution capable of overseeing and prosecuting corruptors. Furthermore, the 2003 United Nations Convention Against Corruption (UNCAC) explicitly calls for the establishment of a preventive anti-corruption body and its supporting bodies; the Convention has been ratified by 180 countries. However, the result of this convention was interpreted differently across countries.

Indonesia’s Corruption Eradication Commission (KPK) made significant strides in fighting corruption, but the 2019 revision of Act No. 30 of 2002 weakened its independence (Indonesia Corruption Watch (ICW), 2020), leading to a drop in

the CPI from 40 to 37. Similarly, Gambia saw a rise in its CPI from 20 to 37 after democratic reforms under President Barrow (Transparency International, 2024). Still, concerns over various constitutional changes and presidential tenure led to a modest decline to 34 by 2023, longitudinal data suggesting a potential decline with each further adjustment, as shown in Figure 1.

In other parts of the world, a similar situation is observed. Despite the presence of anti-corruption bodies, persistent executive influence and resource constraints have led to a stagnant CPI of around 26, underscoring the importance of institutional independence and capacity for effective anti-corruption efforts. The comparison between Indonesia and Uganda is analytically relevant, as both countries represent diverse geographical and economic contexts in which formal anti-corruption frameworks are undermined by similar patterns of executive encroachment. This phenomenon aligns with the global trend of democratic backsliding, where executive powers systematically weaken horizontal accountability institutions, such as ACAs

Figure 1. Indonesian context on CPI scores and institutional reforms; Transparency International (2019–2023); Law No. 19/2019; Law No. 4/2023; Public Prosecution Act Amendments; Media Reports (e.g., ICW)



Source: Processed Data

and SAIs, to insulate themselves from oversight. These cases demonstrate that the challenge of institutional independence is not a regional idiosyncrasy but a structural consequence of political environments where democratic safeguards are in decline. Consequently, as noted by Transparency International, a country's public institutions' accountability remains a decisive determinant of its CPI score.

These cases demonstrate that institutional vulnerability is often a structural consequence of democratic backsliding. Beyond ACAs, SAIs play a pivotal role in identifying financial misuse and promoting transparency (Pompe et al., 2022). In Indonesia, the Supreme Audit Board (BPK) has been shown to align public spending with accountability goals (Togatorop & Setyono, 2021). However, the extent to which the independence of these bodies effectively shapes a country's Corruption Perceptions Index (CPI) remains a critical question. The CPI reflects not only governance outcomes but also the perceived integrity of a country's anti-corruption framework.

Despite the proliferation of oversight bodies, their empirical relationship with corruption control remains highly contested. Traditional institutionalists argue that autonomous bodies reduce corruption by increasing detection risks (Meagher, 2005). Conversely, a competing body of research suggests that institutions in transition economies often suffer from "isomorphic mimicry" the adoption of formal structures without functional substance resulting in negligible impacts on corruption perceptions (Andrews et al., 2017; Arndt & Oman, 2006). Furthermore, while prior studies have examined ACAs and SAIs in isolation, it remains unknown how their synergistic interaction influences CPI scores, or whether institutional independence requires a specific "democratic threshold" to be effective (Wang, 2021).

This study addresses these empirical gaps by providing a comprehensive longitudinal analysis of 1,872 observations

from 2003 to 2024. While existing literature often focuses on the mere presence of these bodies, this research examines the practical implications of their de facto independence over an extended period. Utilising Fixed Effects (FE) and Random Effects (RE), this study investigates how the autonomy of ACAs and SAIs collectively correlates with CPI scores and how this association is conditioned by a country's democratic stock.

2. LITERATURE REVIEW AND HYPOTHESIS

Corruption, defined as the abuse of entrusted power for private gain (Transparency International, 2024), has long been identified as a fundamental impediment to governance, equity, and development. This study is anchored in Principal-Agent Theory, which conceptualises corruption as a failure of the 'Agent' (public officials) to act in the best interests of the 'Principal' (citizens) due to information asymmetry and conflicting incentives (Jensen & Meckling, 1976). Within this framework, institutional independence serves as the primary causal mechanism for accountability; by insulating oversight bodies from executive control, the 'cost' of corruption for agents increases through heightened detection risks and credible enforcement.

Central to this discourse is the question of institutional independence the ability of oversight bodies such as ACAs and SAIs to operate autonomously from executive interference. From an institutional theory perspective, these bodies function as 'commitment devices' that signal a state's dedication to integrity (North, 1990). Scholars such as Meagher (2005) and Doig et al. (2007) contend that without both legal and operational independence, these bodies risk becoming symbolic entities rather than effective mechanisms. This signalling effect is crucial for the CPI, as international experts rely on the perceived autonomy of these 'watchdogs' to gauge systemic integrity.

More recent theoretical developments underscore the importance of institutional complementarity. Rather than viewing oversight institutions in isolation, scholars like Mahoney & Thelen (2009) and Bauhr & Grimes (2014) suggest that anti-corruption impact is maximised when institutions interact within an accountability network. In this model, SAIs provide critical audit evidence that informs ACAs' prosecutorial action, while judicial systems reinforce sanctions. Empirical support for this model is observed in jurisdictions where synergistic coordination correlates with improved corruption perceptions.

Indonesia provides a revealing empirical case of these dynamics. The KPK, once internationally praised, has faced an erosion of authority since 2019, reflecting a breakdown in institutional autonomy (Kneuer, 2023). Conversely, Indonesia's SAI (BPK) benefits from constitutional guarantees, yet its effectiveness hinges on political receptiveness to its findings (Safitri et al., 2025).

This leads to the crucial moderating factor: Democratic Governance. Under the Theory of Horizontal Accountability (O'Donnell, 1998), democracy provides the 'demand-side' of accountability where a free press and civil society act as multipliers for an institution's findings. Recent work by Yabanci et al. (2025) expands on this through the concept of "democratic stock". Countries with deeper democratic roots are more likely to translate institutional independence into meaningful outcomes because democracy provides the enabling environment that prevents institutions from being co-opted as mere 'window dressing' (Diamond et al., 2022).

Based on the theoretical foundations and empirical insights discussed, the following hypotheses are proposed.

- H₁: The institutional independence of the ACA has a significant positive effect on a country's CPI.
- H₂: The institutional independence of the SAI has a significant positive effect on CPI.

H₃: There is a positive interaction between the independence of ACA and SAI, such that their combined effect on CPI is greater than the sum of their individual effects, indicating institutional complementarity.

H₄: The relationship between the independence of anti-corruption institutions (ACA and SAI) and CPI is moderated by the level of democratic governance, such that the positive effects of institutional independence on corruption control are stronger in more democratic regimes.

3. METHODS

This research aims to examine how the independence of ACAs and SAIs influences the effectiveness of corruption eradication efforts. A quantitative approach is used, with the CPI serving as the dependent variable, representing the perceived level of corruption mitigation across countries. The key independent variables are the institutional independence levels of ACAs and SAIs. To control for governance heterogeneity and improve model robustness, six governance indicators from the World Governance Indicators (WGI) database are included as control variables. The detailed operational definitions of all variables are presented in Appendix 1.

An important methodological consideration concerns the inclusion of Control of Corruption (CCR) as a control variable alongside CPI as the dependent variable. Although both capture perceptions of public sector corruption, they differ in construction: CPI aggregates 13 independent data sources focused specifically on perceived corruption levels (Transparency International, 2024), whereas CCR reflects a broader governance dimension encompassing institutional trust and state capture dynamics (Kaufmann et al., 2011). CCR is retained because its exclusion would risk omitting a theoretically relevant confounder, though the study acknowledges that its conceptual proximity to CPI contributes to the high explained variance observed

across models. A supplementary specification excluding CCR is reported in Appendix 4 to confirm that the key findings remain robust. Separately, the potential overlap between Voice and Accountability (VAC) as a control variable and the democratic adjustment in Table 4 is addressed as follows: VAC captures a single governance dimension of civic participation and media freedom, whereas the democratic adjustment draws on the Economist Intelligence Unit (EIU) regime classification, which categorizes countries into four types, namely full democracy, flawed democracy, hybrid regime, and authoritarian regime (EIU, 2024). In the democracy-adjusted specification, ACA and SAI independence scores are rescaled according to this categorical classification to test whether the broader regime environment conditions the effectiveness of institutional independence. The two measures serve complementary rather than duplicative analytical functions.

The key independent variables, namely the institutional independence of ACAs and SAIs, are measured using an original index constructed by the authors. For ACAs, the index draws on the Jakarta Statement on Principles for Anti-Corruption Agencies (UNODC, 2012) and its accompanying Colombo Commentary (UNODC, 2020), which together establish 16 principles governing the mandate, leadership, autonomy, accountability, and collaborative capacity of anti-corruption bodies. For SAIs, the index draws on the Lima Declaration (INTOSAI, 1977) and the Mexico Declaration on SAI Independence (INTOSAI, 2007), which establish eight pillars covering the legal framework, leadership independence, mandate breadth, information access, reporting freedom, follow-up mechanisms, and financial autonomy of supreme audit institutions. These normative principles are consolidated into five dimensions for each institution, as summarised in Table 1. Each dimension is scored on a scale of 1 (lowest independence) to 5 (highest independence), and the composite score

for each country-year observation is computed as the arithmetic mean of the five dimension scores.

The assessment was conducted independently by all co-authors to ensure inter-rater consistency. Scoring discrepancies were resolved through deliberation until consensus was reached. The primary data sources include official constitutional and legislative texts, institutional annual reports, official websites of each ACA and SAI, INTOSAI Global Stocktaking Reports (IDI, 2023), and Transparency International country assessments. This approach enables a systematic, replicable evaluation grounded in publicly available legal and institutional documentation across the full sample period from 2012 to 2024. The detailed scoring criteria for each dimension and score level are provided in Appendix 2.

This study employs panel data regression to investigate the relationship between institutional independence and corruption perceptions across countries over the period 2003 to 2024. The estimation process proceeds in several stages. First, pooled Ordinary Least Squares (OLS) is estimated as a Common Effect Model (CEM) baseline. Second, Fixed Effects Model (FEM) and Random Effects Model (REM) are estimated to account for unobserved heterogeneity across countries. FEM controls for time-invariant country-specific characteristics that may correlate with institutional strength, thereby reducing omitted variable bias and improving within-country inference over time (Wooldridge, 2010). REM assumes that unobserved individual effects are uncorrelated with the regressors, enabling the estimation of time-invariant variables and cross-country differences (Baltagi, 2005).

To determine the appropriate specification, the Hausman specification test is conducted, yielding a chi-square statistic of $p = 0.000$, which rejects the null hypothesis that the individual effects are uncorrelated with the regressors. Accordingly, FEM is selected as the

preferred model, while REM results are reported as a robustness check. Furthermore, diagnostic tests are performed, including the modified Wald test for groupwise heteroskedasticity, the Wooldridge test for serial autocorrelation in panel data, and variance inflation factor (VIF) analysis to assess multicollinearity among regressors. Where heteroskedasticity or autocorrelation is detected, robust standard errors clustered at the country level are applied (Wooldridge, 2010). The model specification is as follows.

$$CPI = \beta_0 + \beta_1 ACA_{it} + \beta_2 SAI_{it} + \beta_3 X_{it} + \varepsilon_{it}$$

where β represents the coefficients; i indicates the country; t represents the year; and ε_{it} is the error term.

To examine whether the effectiveness of institutional independence is conditional upon the democratic environment, a democracy-adjusted specification is estimated as a robustness test. The ACA and SAI independence scores are rescaled by the EIU regime classification, generating adjusted variables that capture

Table 1. Dimensional Structure of ACA and SAI Independence Indices

No.	Dimension	Description	Normative Basis
Panel A: ACA Independence Index (Jakarta Principles, UNODC, 2012)			
1	Legal mandate and institutional permanence	Clarity of mandate across prevention, investigation, and prosecution functions, and stability of the legal basis establishing the ACA.	Principles 1 and 3
2	Leadership independence	Apolitical appointment process, security of tenure, legally protected removal procedures, and functional immunity of ACA heads.	Principles 4, 5, 6, and 8
3	Operational and financial autonomy	Authority over recruitment and dismissal of staff, adequacy and reliability of financial resources, and budgetary self-management.	Principles 9, 10, 11, and 12
4	Accountability and ethical standards	Existence and enforcement of codes of conduct, internal and external oversight mechanisms, and regular public reporting.	Principles 7, 13, 14, 15, and 16
5	Collaboration and external relations	Institutionalized cooperation with state agencies, civil society, the private sector, and international anti-corruption networks.	Principle 2
Panel B: SAI Independence Index (Lima Declaration, INTOSAI, 1977; Mexico Declaration, INTOSAI, 2007)			
1	Constitutional and legal framework	Existence, adequacy, and constitutional protection of the legal basis guaranteeing SAI independence.	Mexico Principle 1; Lima Section 5
2	Independence of head and members	Security of tenure, legally protected appointment and removal procedures, and legal immunity for SAI heads and members.	Mexico Principle 2; Lima Section 6
3	Mandate breadth and discretion	Scope of audit mandate across compliance, legality, and performance auditing, and full discretion in selecting audit subjects.	Mexico Principle 3; Lima Sections 1–4 and 18–23
4	Access to information and reporting freedom	Unrestricted access to all documents and information, and freedom to determine the content, timing, and dissemination of audit reports.	Mexico Principles 4, 5, and 6; Lima Sections 8 and 16–18
5	Follow-up mechanisms and financial autonomy	Effectiveness of mechanisms for monitoring implementation of audit recommendations, and budgetary and administrative self-governance.	Mexico Principles 7 and 8; Lima Section 7

Note. Each dimension is scored on a scale of 1 (lowest independence) to 5 (highest independence). The composite ACA and SAI independence scores are computed as the arithmetic mean of the five dimension scores. The assessment was conducted independently by all co-authors using publicly available constitutional texts, legislation, institutional reports, and international assessment databases. Detailed scoring criteria for each dimension are provided in Appendix 2.

Source: Processed Data

the interaction between institutional independence and democratic governance. The democracy-adjusted model is specified as follows.

$$CPI_{it} = \beta_0 + \beta_1(ACA_{it-1} \times DEM_{it-1}) + \beta_2(SAI_{it-1} \times DEM_{it-1}) + \beta_3 X_{it-1} + \varepsilon_{it}$$

Where *DEM* represents the categorical regime classification derived from the EIU Democracy Index, and all other notation follows the main specification.

The sample comprises 156 countries, observed annually from 2012 to 2024, yielding a balanced panel of 1,872 country-year observations. Countries were selected based on two criteria: first, the availability of continuous CPI scores published by Transparency International throughout the sample period; and second, sufficient publicly accessible legal and institutional documentation to enable the assessment of both ACA and SAI independence across all five dimensions for each year. Countries with incomplete data coverage or insufficient institutional documentation to permit reliable scoring were excluded. The full list of sample countries is provided in Appendix 3.

4. RESULTS AND DISCUSSION

Table 2 presents the descriptive statistics of the key variables. The CPI has a mean of 43.76, a range of 8.00 to 99.00, and a standard deviation of 19.18, indicating wide variation in perceived corruption levels across countries and over time. The ACA independence index has a mean

value of 3.30 (scale 1 to 5) and a standard deviation of 1.26, suggesting moderate variation across countries. Similarly, the SAI independence index has a mean of 3.21 and a standard deviation of 1.15, showing somewhat less dispersion. The variation in both institutional variables is sufficient to support a cross-country analysis of their role in corruption control.

Furthermore, the correlation heatmap in Figure 2 shows that CPI has positive correlations with the independence of the ACA (0.5838) and SAI (0.6847). These variables indicate that greater institutional independence is associated with improved perceptions of corruption control. Although the correlations are not as strong as those with broader governance indicators, they still suggest that strengthening the independence of anti-corruption and audit institutions can meaningfully enhance the overall effectiveness of anti-corruption efforts.

Table 3 presents the regression estimates from the FEM and REM, focusing on how institutional independence specifically, ACA and SAI affects CPI. The coefficient for ACA under FEM (Column 4) is 1.302 and is statistically significant at the 1% level, indicating that greater ACA independence is associated with higher CPI scores over time within countries. Under REM (Column 6), the coefficient for ACA increases to 2.081, also significant at the 1% level, suggesting that differences between countries further strengthen the

Table 2. Descriptive Statistic

Variable	Obs.	Mean	Max.	Min.	Std. Dev.
CPI	1,872	43.762	8.000	99.000	19.177
ACA	1,872	3.303	1.000	5.000	1.264
SAI	1,872	3.211	1.000	5.000	1.154
CCR	1,872	47.245	0.000	100.000	28.908
GEF	1,872	48.032	0.000	100.000	28.811
PVI	1,872	45.014	0.000	99.531	26.514
RLW	1,872	47.408	0.000	100.000	28.571
RQL	1,872	48.977	0.471	100.000	28.677
VAC	1,872	48.201	0.000	100.000	28.186

Source: Processed Data

effect of ACA independence on reducing perceived corruption.

Our first hypothesis suggests that ACA independence significantly affects CPI. Table 3 supports this, with both FEM and REM showing positive and statistically significant coefficients for ACA. Thus, H1 is accepted. These results indicate that greater ACA autonomy is associated with improved CPI scores, reflecting stronger anti-corruption outcomes.

This finding is consistent with the Principal-Agent framework underpinning this study. As institutional independence increases, the informational advantage enjoyed by public officials (agents) diminishes, while the detection probability and enforcement credibility perceived by potential perpetrators rise correspondingly (Jensen & Meckling, 1976). In theoretical terms, autonomous ACAs elevate the expected cost of engaging in corrupt behaviour by narrowing the information asymmetry between the state apparatus and citizens (the principals), thereby shifting the rational calculus of agents away from opportunistic conduct. Furthermore, from an Institutional Theory perspective, the positive coefficient confirms that independent ACAs function as credible commitment devices (North, 1990), signalling to both domestic and

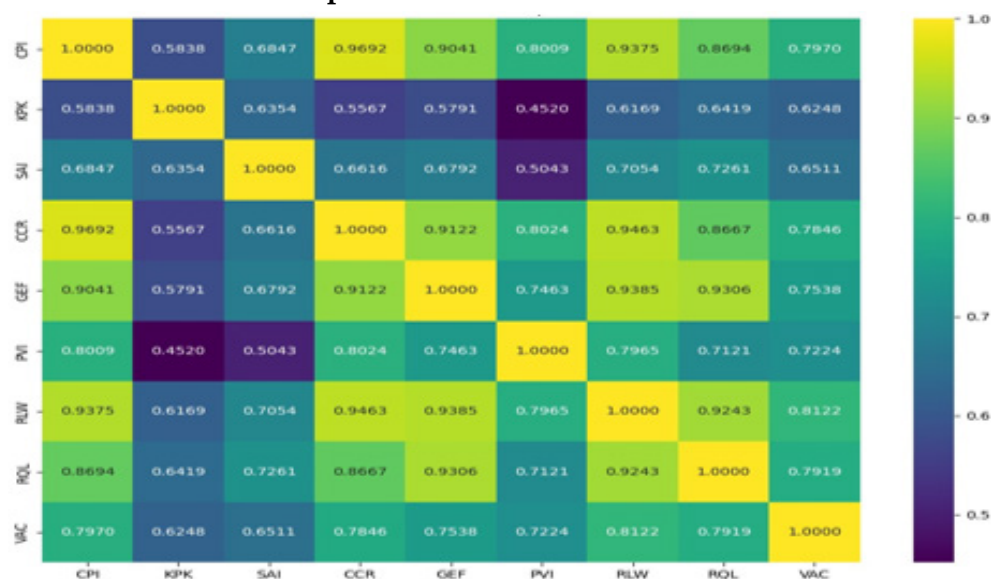
international observers that the state has institutionalised genuine constraints on the abuse of public power, rather than merely adopting symbolic structures.

In the FEM model, this positive association implies that increasing ACA independence over time improves corruption outcomes within countries. This aligns with the literature, which highlights the role of independent anti-corruption agencies in enhancing accountability and reducing impunity (Meagher, 2005). The stronger effect in the REM model suggests that countries with consistently high ACA independence achieve better overall corruption control.

The difference in effect sizes may reflect the extent to which sustained institutional capacity deepens governance quality. These findings emphasise the need to grant ACAs not only formal independence but also real operational power and protection from political interference key factors for building transparency and public trust.

The cross-country patterns observed in the data further illustrate the mechanisms theorised above. Countries such as Denmark, Finland, and New Zealand, which consistently achieve the highest CPI scores, exhibit ACA independence scores at or near the maximum across all five assessment dimensions. In these cases, the

Figure 2. Correlation Heatmap



Source: Processed Data

combination of constitutionally protected mandates, merit-based leadership appointment with security of tenure, and full budgetary autonomy creates a governance environment in which the detection probability confronting potential agents of corruption is credibly high. From a Principal-Agent perspective, these institutional configurations effectively minimise the information asymmetry between principals and agents by establishing multiple, overlapping channels of scrutiny. Conversely, countries with persistently low ACA independence scores, such as Venezuela, Sudan, and Turkmenistan, demonstrate the theoretical prediction that formal institutional presence without genuine autonomy yields negligible accountability effects. In these settings, executive control over ACA leadership appointment, budgetary dependence on the executive branch, and

the absence of functional immunity render anti-corruption bodies vulnerable to political instrumentalisation, a condition that Institutional Theory identifies as the failure of commitment devices to generate credible signals of integrity (North, 1990).

Our second hypothesis suggests that the SAI independence significantly affects CPI. The FEM estimate for SAI is 0.467, while the REM estimate is substantially larger at 2.345; both are statistically significant at the 1% level. These results imply that SAI independence also contributes significantly to anti-corruption outcomes, with a stronger effect when cross-country differences are taken into account. Thus, H2 is accepted.

This result extends the Principal-Agent logic to the domain of public financial oversight. SAIs function as specialised monitoring mechanisms that reduce information asymmetry between citizens

Table 3. The Regression Result

Variables	CEM	CEM	FEM	FEM	REM	REM
Variables	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index
ACA	0.335***	-2.436***	2.961***	1.302***	-0.513*	2.081***
SAI	0.727***	-3.028***	-3.841	0.467**	1.193***	2.345***
CCR	0.499***	0.492***	0.278***	0.275***	0.344***	0.351***
GEF	0.029**	0.039***	-0.003	-0.001	0.006	0.008
PVI	0.035***	0.025***	0.007	0.007	0.033***	0.032***
RLW	0.041***	0.042***	0.037*	0.036*	0.083***	0.086***
RQL	0.002	0.007	0.045***	0.045***	0.041***	0.041***
VAC	0.027***	0.026***	0.125***	0.126***	0.084***	0.077***
ACA x SAI		0.984***		1.352*		0.924***
Constant	10.231	20.191	22.958	13.794	10.052	19.227
Observations	1,872	1,872	1,872	1,872	1,872	1,872
R-squared	0.947	0.952	0.866	0.796	0.952	0.959
Adj. R-squared	0.946	0.952	0.852	0.785	0.936	0.944
Prob. F	0.000	0.000	0.000	0.000	0.000	0.000
Year Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Effect	Yes	Yes	Yes	Yes	Yes	Yes

Source: Processed Data

and public administrators by systematically verifying whether public resources are utilised in accordance with legal mandates and efficiency standards. When SAIs operate independently, their audit findings carry greater credibility and are more likely to trigger corrective action, thereby reinforcing the accountability chain from agents to principals. From the perspective of Institutional Theory, independent SAIs strengthen the institutional fabric of governance by producing authoritative, impartial information that enables other accountability actors, including legislators, the judiciary, and civil society, to exercise informed oversight (North, 1990; Bauhr & Grimes, 2014).

A notable pattern in the FEM estimates warrants transparent discussion. In Column 3 (without the interaction term), the SAI coefficient is negative and statistically insignificant (-3.841), whereas in Column 4 (with the $ACA \times SAI$ interaction term included), it becomes positive and significant (0.467, $p < 0.05$). This sign reversal upon the introduction of the interaction term is a recognised consequence of multicollinearity between constituent terms and their multiplicative interaction in moderated regression models (Brambor et al., 2006). When ACA and SAI independence are positively correlated, as confirmed by the correlation matrix in Figure 2, the inclusion of the interaction term redistributes the shared variance among the three related regressors, altering the interpretation of the constituent main effects.

A parallel pattern is observable for SAIs. Countries with robust SAI independence, such as Sweden, the Netherlands, and Canada, achieve high CPI scores not merely because their audit institutions exist, but because these SAIs operate with unrestricted access to government accounts, full discretion over audit timing and content, and effective follow-up mechanisms that translate audit recommendations into corrective action. In theoretical terms, these institutional features operationalise the monitoring

function prescribed by Principal-Agent Theory: independent SAIs produce authoritative information that reduces agents' capacity to conceal the misuse of public resources. Conversely, countries with weak SAI independence, such as Myanmar, Equatorial Guinea, and Syria, illustrate the consequences of institutional capture. In these settings, executive dominance over SAI leadership, restricted access to financial records, and the absence of enforceable follow-up mechanisms neutralise the accountability function of public auditing. From an Institutional Theory standpoint, these SAIs have become instances of isomorphic mimicry (Andrews et al., 2017), maintaining the structural appearance of independent oversight while lacking the substantive capacity to constrain corrupt behavior.

Substantively, the conditional interpretation of the SAI coefficient in Column 4 is that the marginal effect of SAI independence on CPI is positive when evaluated at non-zero levels of ACA independence. This is consistent with the theoretical expectation of institutional complementarity: SAI independence contributes to corruption control not in isolation, but in conjunction with an operational anti-corruption enforcement mechanism. The negative coefficient in Column 3 likely reflects a suppression effect, wherein the model without the interaction term fails to account for the conditional nature of SAI effectiveness. Countries that invest heavily in audit independence without corresponding anti-corruption enforcement capacity may experience increased detection and reporting of irregularities (Kurniawati & Pratama, 2021), which temporarily depresses CPI scores, a pattern that is resolved once the synergistic relationship with ACA independence is explicitly modelled.

It is important to note that FEM exclusively exploits within-country variation over time by controlling for all time-invariant country-specific characteristics. Cross-country (between-

country) variation is captured by REM, where the SAI coefficient is consistently positive and significant across all specifications (2.345 in Column 6), reinforcing the robustness of the finding that SAI independence is positively associated with corruption control outcomes.

The stronger positive FEM result accounting for both within-country and between-country variations suggests that countries with consistently independent SAIs achieve better corruption control. This finding supports evidence that effective audit institutions are linked to improved government accountability and public sector performance (Brétéché & Swarbrick, 2024).

Furthermore, the impact of institutional independence on perceived corruption extends to SAIs as well. Countries with strong SAI independence such as Sweden, the Netherlands, and Canada also achieve high CPI scores, reflecting a culture of transparency and accountability. These SAIs benefit from legal protections, unrestricted access to government accounts, and the ability to publish impartial audit reports. Conversely, countries with low SAI independence such as Myanmar, Equatorial Guinea, and Syria score poorly on the CPI due to executive dominance, politicised audit mandates, and weak enforcement of audit recommendations. Such weaknesses undermine public financial management and erode trust in state institutions.

Our third hypothesis examines the interaction term between ACA and SAI independence (ACA $\times$ SAI). In FEM, the interaction term yields a coefficient of 1.352, significant at the 10% level, whereas in REM, the coefficient is 0.924 and statistically significant at the 1% level. These findings suggest that when both institutions are highly independent, their combined effect on CPI exceeds their individual impacts, confirming institutional complementarity in fighting corruption. Therefore, H3 is accepted.

This finding provides empirical support for the theoretical proposition of

institutional complementarity advanced by Mahoney & Thelen (2009). Rather than functioning as isolated accountability mechanisms, ACAs and SAIs operate within an interconnected governance ecosystem in which the outputs of one institution reinforce the effectiveness of the other. Specifically, SAIs generate systematic audit evidence that identifies financial irregularities and governance weaknesses, which subsequently informs ACAs' investigative and prosecutorial agenda. Conversely, ACAs' enforcement capacity enhances the deterrent value of SAI findings by ensuring that audit recommendations carry tangible consequences. This synergistic dynamic aligns with the concept of horizontal accountability networks (O'Donnell, 1998), wherein multiple oversight institutions collectively constrain executive discretion more effectively than any single institution operating in isolation.

Robustness: Does Democracy Matter?

Table 4 presents regression results in which the ACA and SAI independence scores are adjusted for democratic governance by rescaling each score according to the EIU regime classification. Compared with Table 3, the coefficients for both institutions decline, indicating that their effectiveness is partially conditional on the democratic context in which they operate. Under FEM, ACA's coefficient decreases from 1.302 to 0.983, and SAI's become statistically insignificant. In the REM, the ACA's coefficient falls from 2.081 to 0.488, while SAI's declines from 2.345 to 0.617, both remaining significant at the 1% level. These results suggest that institutional independence alone is not enough without supportive democratic governance.

Despite lower main effects, the ACA $\times$ SAI interaction term remains robust. In FEM, the coefficient is 0.308, and in REM it rises to 1.910, both significant and positive, affirming that synergy between the two institutions continues to enhance anti-corruption performance even after accounting for regime type. The

consistent results across FEM and REM confirm the importance of institutional complementarity and show that while democracy enhances their impact, it is not the only factor. Therefore, H4 is accepted.

This attenuation of coefficients upon democratic adjustment carries significant theoretical implications. Within the Principal-Agent framework, democracy provides the enabling infrastructure through which institutional independence translates into functional accountability. A free press amplifies audit findings, competitive elections create incentives for political actors to respond to corruption revelations, and an independent judiciary ensures that enforcement actions carry legal weight. Without these demand-side mechanisms, formally independent institutions risk becoming what Andrews et al. (2017) characterise as instances of isomorphic mimicry, where the

structural appearance of independence exists without the substantive capacity to constrain corrupt behaviour. The concept of democratic stock proposed by Yabanci et al. (2025) further illuminates this dynamic: countries with deeper and more sustained democratic traditions accumulate the civic norms, institutional trust, and political culture that prevent oversight bodies from being co-opted or neutralised by executive encroachment.

Based on the research data, countries classified as full democracies such as the United Kingdom, the Scandinavian countries, and New Zealand demonstrate significantly higher ACA and SAI independence scores, averaging 4.73 and 4.68, respectively. In stark contrast, autocracies score much lower, with averages of 2.24 for ACAs and 2.29 for SAIs.

Table 4. The Regression Result-Democracy Condition Adjusted

Variables	CEM	CEM	FEM	FEM	FEM	REM	REM
Variables	(1)	(2)	(3)	(4)	(5)	(5)	(6)
Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index	Dependent Variable: Corruption Perception Index
ACA	0.252***	0.518***	1.039***	0.983*	-0.223**	-0.223**	0.488***
SAI	0.452***	0.658***	-0.891	0.467*	0.411***	0.411***	0.617***
CCR	0.515***	0.512***	0.281***	0.281***	0.354***	0.354***	0.355***
GEF	0.016	0.006	-0.005	-0.005	0.019	0.019	0.001
PVI	0.038***	0.031***	0.008	0.008	0.033***	0.033***	0.031***
RLW	0.009	0.018	0.037*	0.037*	0.077***	0.077***	0.081***
RQL	-0.001	0.018*	0.045***	0.045***	0.032**	0.032**	0.038***
VAC	-0.041***	-0.042***	0.125***	0.124***	0.041***	0.041***	0.037***
ACA × SAI		1.998***		0.308*			1.910***
Constant	12.711	8.467	18.883	19.478	12.956	12.956	8.888
Observations	1,872	1,872	1,872	1,872	1,872	1,872	1,872
R-squared	0.953	0.955	0.914	0.914	0.959	0.959	0.962
Adj. R-squared	0.953	0.954	0.899	0.899	0.943	0.943	0.946
Prob. F	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Year Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Processed Data

In autocratising regimes, accountability institutions like ACAs and SAIs are often weakened through legal and political interference. According to Yabanci et al. (2025), autocratisation systematically dismantles checks and balances to protect executive power (Waldner & Lust, 2018). In Indonesia, for example, the KPK once operated independently and prosecuted high-profile cases. However, recent legal reforms under more authoritarian leadership have eroded its authority and public trust (Kneuer, 2023). These changes reflect broader trends where autocracies weaken such institutions not by abolishing them, but by co-opting, politicising, or restricting them (Diamond et al., 2022; Ding & Slater, 2021). As a result, institutions like KPK may continue to exist formally but are rendered ineffective in practice.

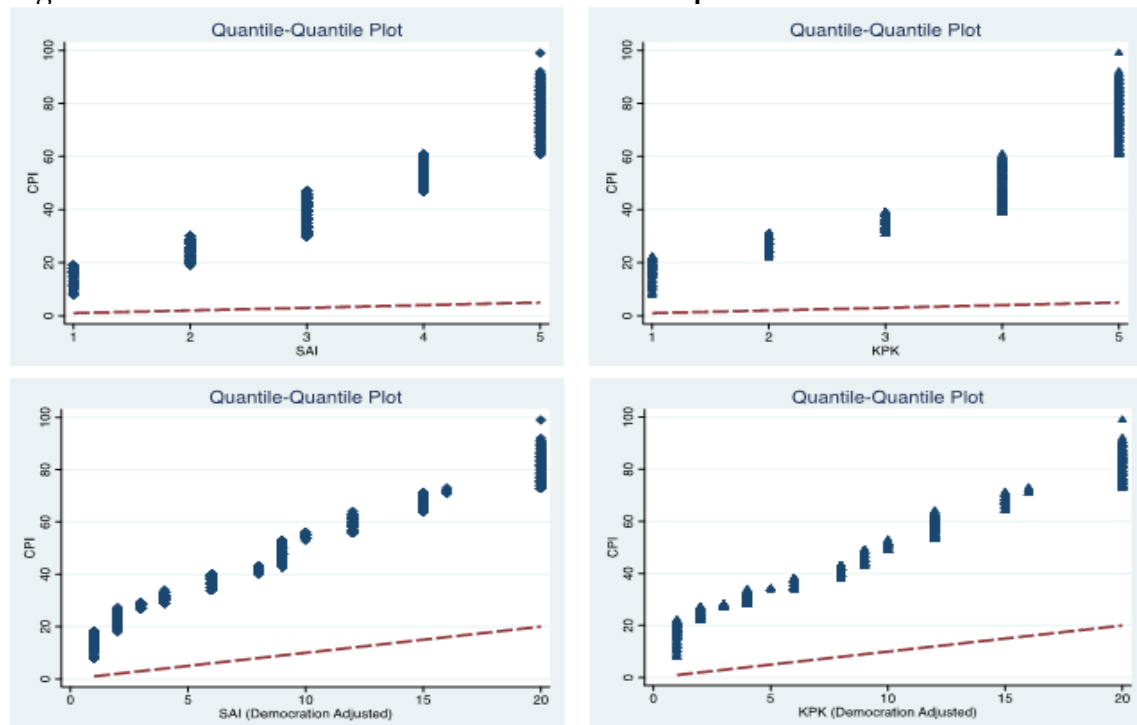
In contrast, democratic environments with stronger institutional traditions and civic engagement better protect ACA and SAI independence. Yabanci et al. (2025) underscore that in such settings, opposition actors and civil society can resist political encroachments. For example, SAI's formal

independence allows its reports to prompt legislative and judicial action in democratic phases. In autocratic phases, however, these reports may be ignored or sanitised. ACA and SAI are most effective when supported by active civil society, media, and political opposition. In democracies, this ecosystem reinforces their impact. In autocratic settings, its absence leaves them vulnerable and less effective.

Figure 3 presents scatter plots illustrating the bivariate association between CPI and institutional independence scores. The top panels display the unadjusted relationship for ACA (left) and SAI (right), while the bottom panels display the corresponding relationships after rescaling independence scores by the EIU regime classification. The tighter clustering of observations in the bottom panels indicates a stronger and more consistent association when democratic governance is accounted for.

To keep ACA and SAI effective especially in countries facing democratic decline reforms must go beyond internal changes. As supported by findings from Borsuk et al. (2022), it's important to boost

Figure 3. Scatter Plots of CPI and Institutional Independence Scores



Source: Processed Data

civic participation, build cross-institutional alliances, and strengthen international support to protect these institutions from political pressure. These external safeguards are critical for maintaining the credibility and resilience of anti-corruption frameworks under varying political conditions. This relationship is illustrated in Figure 3, where the top panels (unadjusted for democracy) show a weaker and more scattered association between institutional independence and CPI scores. In contrast, the bottom panels (adjusted for democracy) display a tighter alignment, indicating a stronger and more consistent correlation. This suggests that ACAs and SAIs are more effective in reducing corruption when supported by democratic institutions and environments.

5. CONCLUSION

This study offers three contributions to the literature on institutional anti-corruption governance. First, it provides cross-country longitudinal evidence that ACAs and SAIs are not merely individually relevant but institutionally complementary, meaning their combined independence yields corruption control effects exceeding the sum of their individual contributions. Second, by constructing a multi-dimensional independence index grounded in the Jakarta Principles and the Lima and Mexico Declarations, the study moves beyond the conventional binary assessment of institutional presence or absence and captures the substantive quality of institutional autonomy. Third, the democracy-adjusted specification reveals that democratic governance functions not merely as a contextual variable but as a catalytic mechanism that transforms formal independence into functional accountability, challenging the institutionalist assumption that well-designed oversight bodies are sufficient in themselves. Taken together, these findings underscore that lasting anti-corruption outcomes depend on the interaction

between institutional design, inter-agency synergy, and the political ecosystem within which oversight bodies operate.

This study is subject to several limitations. The CPI measures perceptions of corruption rather than actual corruption levels, introducing potential measurement bias that may not fully reflect the lived experience of corruption across all segments of society. While the Fixed Effects Model (FEM) accounts for time-invariant country-specific characteristics, the model remains susceptible to simultaneity bias and time-varying omitted variable bias. Because independent variables are not lagged in the primary specification, the results may not fully resolve reverse causality, where current corruption perceptions could simultaneously influence the de facto independence of ACAs and SAIs. The ACA and SAI independence indices, while grounded in internationally recognised normative frameworks and assessed with inter-rater deliberation among all co-authors, have not been subject to external validation and may be affected by information asymmetries across countries with varying levels of institutional transparency. The generalizability of the findings is also contingent upon sample composition, as countries excluded due to data limitations may systematically differ in governance characteristics. Future research could address these constraints by employing instrumental variable approaches, incorporating alternative corruption measures such as victimisation surveys, and subjecting the independence indices to external validation through expert panel review.

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Appendix 1. Details of Variables

Variable	Definition	Source
CPI	The CPI ranks 180 countries and territories according to the levels of public-sector corruption and relies on 13 independent data sources and uses a scale of 0-100.	Transparency International
ACA	Composite Index of the level of independence of the Corruption Eradication Institution from 0-5.	Jakarta Principle (Transparency International)
SAI	Composite Index of the level of independence of the Supreme Audit Institution from 0-5.	Lima Declaration (International Organization of Supreme Audit Institution)
CCR	Perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption.	World Governance Indicators
GEF	Perceptions of the quality of public services, the quality of the civil service and the degree of its independence.	World Governance Indicators
PVI	Perceptions of the likelihood of political instability and/or politically motivated violence.	World Governance Indicators
RLW	Perceptions of the extent to which agents have confidence in and abide by the rules of society.	World Governance Indicators
RQL	Perceptions of the ability of the government to formulate and implement sound policies and regulations.	World Governance Indicators
VAC	Perceptions of the extent to which a country's citizens can participate in selecting their government.	World Governance Indicators
DEM	Categorical regime classification based on the EIU Democracy Index. Countries are classified as full democracy, flawed democracy, hybrid regime, or authoritarian regime. Used to rescale ACA and SAI independence scores in the democracy-adjusted specification (Table 4).	Economist Intelligence Unit

Source: Processed Data

Appendix 2. Detail Scoring for ACA and SAI

Score	Criteria
Panel A: ACA Independence Index (Jakarta Principles)	Panel A: ACA Independence Index (Jakarta Principles)
Dimension 1: Legal Mandate and Institutional Permanence (Jakarta Principles 1 and 3)	Dimension 1: Legal Mandate and Institutional Permanence (Jakarta Principles 1 and 3)
1	No formally established ACA, or ACA created solely through executive decree without legislative basis.
2	ACA established through sub-statutory regulation with a mandate limited to a single function (e.g., prevention only).
3	ACA established through statutory law covering at least two functions (e.g., prevention and investigation), but vulnerable to legislative amendment.
4	ACA established through dedicated legislation with a comprehensive mandate encompassing prevention, investigation, and prosecution, with legal safeguards against arbitrary modification.
5	ACA enjoys constitutional protection with a full mandate covering prevention, education, investigation, and prosecution, requiring constitutional amendment for any modification.
Dimension 2: Leadership Independence (Jakarta Principles 4, 5, 6, and 8)	Dimension 2: Leadership Independence (Jakarta Principles 4, 5, 6, and 8)
1	ACA head appointed and removed directly by the executive without formal process, no fixed tenure, and no legal immunity.
2	ACA head appointed by the executive with limited consultation from other bodies, tenure not explicitly guaranteed, and immunity not regulated.
3	ACA head appointed through a process involving the legislature or a selection committee, with fixed tenure, but removal procedures insufficiently protected and immunity limited.
4	Merit-based and transparent appointment with multi-stakeholder involvement, tenure secured with removal procedures equivalent to senior protected officials, and functional immunity guaranteed.
5	Constitutional appointment process involving checks and balances across branches of government, tenure and removal protected by the constitution (equivalent to chief justice), full immunity for acts within mandate, and automatic succession mechanisms guaranteed.
Dimension 3: Operational and Financial Autonomy (Jakarta Principles 9, 10, 11, and 12)	Dimension 3: Operational and Financial Autonomy (Jakarta Principles 9, 10, 11, and 12)
1	ACA has no separate budget and staff recruitment is entirely controlled by a parent ministry or the executive.
2	ACA has a separate budget but its determination depends entirely on executive approval, with limited recruitment authority.
3	ACA submits its own budget through an intermediary ministry, has partial recruitment authority, and staff remuneration follows the general civil service scale.
4	ACA submits its budget directly to the legislature, has full authority to recruit and dismiss staff through internal procedures, and offers competitive remuneration.
5	ACA has full budgetary self-management with direct accountability to the legislature, complete authority over human resources, competitive remuneration comparable to the private sector, and adequate and stable annual resources.

Score	Criteria
Dimension 4: Accountability and Ethical Standards (Jakarta Principles 7, 13, 14, 15, and 16)	
1	No formal code of conduct, no internal or external oversight mechanisms, and no public reporting.
2	Basic code of conduct exists but enforcement is weak, external oversight is minimal, and public reporting is sporadic.
3	Documented code of conduct with internal disciplinary mechanisms, an external oversight body with limited authority, and annual reports published.
4	Comprehensive code of conduct (asset declarations, conflict of interest rules, post-employment restrictions) with active enforcement, independent external oversight, and comprehensive and publicly accessible annual reports.
5	Highest ethical standards with a strict compliance regime, layered internal and external oversight mechanisms (oversight committee, external audit, judicial review), proactive public reporting, and regular public engagement.
Dimension 5: Collaboration and External Relations (Jakarta Principle 2)	
1	ACA operates in isolation with no formal cooperation mechanisms with any institution.
2	Limited and ad hoc cooperation with selected state agencies, without partnerships with civil society or the private sector.
3	Formal cooperation agreements (MoUs) with several state agencies and limited engagement with civil society, but minimal international cooperation.
4	Active and structured cooperation with law enforcement, SAIs, the judiciary, civil society, and the private sector, with participation in regional anti-corruption networks.
5	Fully integrated cooperation ecosystem encompassing state agencies, civil society, the private sector, and international networks (UNODC, UNCAC, regional networks), with institutionalized information-sharing mechanisms.
Panel B: SAI Independence Index (Lima and Mexico Declarations)	
Dimension 1: Constitutional and Legal Framework (Mexico Principle 1; Lima Declaration Section 5)	
1	SAI has no clear legal basis or operates as a unit within an executive ministry without legal protection of independence.
2	SAI established through sub-statutory regulation with minimal provisions for independence.
3	SAI established through statutory law with explicit independence provisions, but without constitutional protection.
4	SAI established with an explicit constitutional basis, supported by comprehensive enabling legislation, and legal protection against interference.
5	SAI independence comprehensively guaranteed in the constitution, including protection by the constitutional court against any interference with SAI independence and audit mandate.

Score	Criteria
Dimension 2: Independence of Head and Members (Mexico Principle 2; Lima Declaration Section 6)	
1	SAI head appointed and removed by the executive without formal procedures, no fixed tenure, and no immunity.
2	Appointment process involves the executive with limited consultation, tenure not explicitly guaranteed.
3	Appointment involves the legislature, fixed tenure established by law, but removal procedures insufficiently protected.
4	Appointment through a legislative process with merit-based criteria, tenure and removal guaranteed by law, and functional immunity provided.
5	Appointment and removal procedures constitutionally guaranteed (equivalent to supreme court justices), fixed tenure with full protection, comprehensive immunity, and independence of audit staff from audited entities.
Dimension 3: Mandate Breadth and Discretion (Mexico Principle 3; Lima Declaration Sections 1 to 4 and 18 to 23)	
1	SAI mandate limited to compliance auditing of selected entities only, with no discretion in selecting audit subjects.
2	Mandate covers compliance and legality auditing for most central government entities, but discretion in selecting audit subjects is constrained by the executive.
3	Mandate covers compliance, legality, and performance auditing for all central government entities, but limited coverage of subnational governments and state-owned enterprises.
4	Comprehensive mandate covering compliance, legality, and performance auditing across all levels of government and state-owned enterprises, with full discretion in selecting subjects and timing of audits.
5	Comprehensive mandate without exception covering all public funds (including tax collection, public contracts, public works, and internationally funded organizations), with full discretion and authority to examine electronic data processing facilities.
Dimension 4: Access to Information and Reporting Freedom (Mexico Principles 4, 5, and 6; Lima Declaration Sections 8 and 16 to 18)	
1	Access to documents and information requires approval from the audited entity or the executive, and audit reports must be approved by the executive before publication.
2	Access to information is legally guaranteed but frequently obstructed in practice, and audit reports are subject to editing or delay by other parties.
3	Access to all financial documents is guaranteed and generally respected, SAI submits annual reports to the legislature, but freedom to determine report content and publication timing is limited.
4	Unrestricted access to all documents and information, SAI has full authority to determine audit report content and timing, required to report at least annually to the legislature, and can publish findings directly.
5	Constitutionally guaranteed unrestricted access, complete freedom to determine content, timing, and dissemination of audit reports without any external interference, including the ability to issue special reports at any time on matters of significant importance.

Score	Criteria
Dimension 5: Follow-up Mechanisms and Financial Autonomy (Mexico Principles 7 and 8; Lima Declaration Section 7)	Dimension 5: Follow-up Mechanisms and Financial Autonomy (Mexico Principles 7 and 8; Lima Declaration Section 7)
1	No formal follow-up mechanism, recommendations are non-binding and generally ignored, and SAI has no separate budget.
2	Follow-up mechanism exists formally but does not function effectively, no sanctions for non-compliance, and SAI budget is determined entirely by the executive.
3	Audited entities are required to respond to audit findings within a specified period, but enforcement is limited, and SAI submits its budget through an intermediary ministry.
4	Institutionalized follow-up mechanism with reporting to the legislature on implementation of recommendations, consequences for non-compliance, and SAI submits its budget directly to the legislature.
5	Comprehensive follow-up mechanism systematically monitored, including legal sanctions for non-compliance, public reporting on recommendation implementation status, and SAI has full financial and administrative autonomy with direct accountability to the legislature.

Source: Processed Data

Appendix 3. List of Sample Countries

No.	Country	ACA	SAI	EIU Regime Classification
Full Democracy (n = 23)	Full Democracy (n = 23)	Full Democracy (n = 23)	Full Democracy (n = 23)	Full Democracy (n = 23)
1	Australia	5	5	Full Democracy
2	Austria	5	5	Full Democracy
3	Canada	5	5	Full Democracy
4	Czech Republic	4	5	Full Democracy
5	Denmark	5	5	Full Democracy
6	Estonia	5	5	Full Democracy
7	Finland	5	5	Full Democracy
8	France	5	5	Full Democracy
9	Germany	5	5	Full Democracy
10	Iceland	3	5	Full Democracy
11	Ireland	5	5	Full Democracy
12	Japan	5	3	Full Democracy
13	Luxembourg	5	5	Full Democracy
14	Mauritius	5	3	Full Democracy
15	Netherlands	5	5	Full Democracy
16	New Zealand	5	5	Full Democracy
17	Norway	5	5	Full Democracy
18	Portugal	3	3	Full Democracy
19	Singapore	5	5	Full Democracy
20	Spain	4	4	Full Democracy
21	Sweden	5	5	Full Democracy
22	Switzerland	5	5	Full Democracy
23	United Kingdom	5	5	Full Democracy
Flawed Democracy (n = 41)	Flawed Democracy (n = 41)	Flawed Democracy (n = 41)	Flawed Democracy (n = 41)	Flawed Democracy (n = 41)
24	Argentina	2	3	Flawed Democracy
25	Barbados	4	3	Flawed Democracy
26	Belgium	5	5	Flawed Democracy
27	Bhutan	3	3	Flawed Democracy
28	Botswana	4	3	Flawed Democracy
29	Brazil	2	4	Flawed Democracy
30	Bulgaria	3	3	Flawed Democracy
31	Cape Verde	3	4	Flawed Democracy
32	Chile	4	5	Flawed Democracy
33	Colombia	2	4	Flawed Democracy
34	Costa Rica	4	5	Flawed Democracy
35	Croatia	3	4	Flawed Democracy
36	Cyprus	4	4	Flawed Democracy
37	Dominica	4	3	Flawed Democracy
38	Ghana	4	3	Flawed Democracy
39	Greece	3	3	Flawed Democracy
40	Grenada	4	1	Flawed Democracy
41	Hungary	2	3	Flawed Democracy
42	India	5	3	Flawed Democracy
43	Indonesia	4	3	Flawed Democracy
44	Israel	3	4	Flawed Democracy
45	Italy	5	4	Flawed Democracy
46	Jamaica	4	3	Flawed Democracy
47	Latvia	5	5	Flawed Democracy
48	Lesotho	4	2	Flawed Democracy
49	Lithuania	4	5	Flawed Democracy

No.	Country	ACA	SAI	EIU Regime Classification
50	Malaysia	5	3	Flawed Democracy
51	Malta	4	5	Flawed Democracy
52	Mexico	4	3	Flawed Democracy
53	Panama	3	3	Flawed Democracy
54	Philippines	3	3	Flawed Democracy
55	Poland	5	5	Flawed Democracy
56	Romania	3	3	Flawed Democracy
57	Serbia	3	3	Flawed Democracy
58	Slovenia	2	2	Flawed Democracy
59	South Africa	3	3	Flawed Democracy
60	Suriname	3	3	Flawed Democracy
61	Trinidad and Tobago	3	3	Flawed Democracy
62	United States	4	4	Flawed Democracy
63	Uruguay	4	4	Flawed Democracy
64	Vanuatu	3	3	Flawed Democracy
Hybrid Regime (n = 51)	Hybrid Regime (n = 51)	Hybrid Regime (n = 51)	Hybrid Regime (n = 51)	Hybrid Regime (n = 51)
65	Albania	3	3	Hybrid Regime
66	Armenia	3	4	Hybrid Regime
67	Bangladesh	2	2	Hybrid Regime
68	Benin	2	3	Hybrid Regime
69	Bolivia	2	3	Hybrid Regime
70	Bosnia and Herzegovina	1	3	Hybrid Regime
71	Dominican Republic	3	3	Hybrid Regime
72	Ecuador	2	3	Hybrid Regime
73	El Salvador	2	3	Hybrid Regime
74	Ethiopia	2	3	Hybrid Regime
75	Gabon	2	3	Hybrid Regime
76	Georgia	4	4	Hybrid Regime
77	Guatemala	3	3	Hybrid Regime
78	Haiti	4	3	Hybrid Regime
79	Honduras	3	2	Hybrid Regime
80	Jordan	4	2	Hybrid Regime
81	Kenya	4	3	Hybrid Regime
82	Kosovo	4	3	Hybrid Regime
83	Lebanon	4	1	Hybrid Regime
84	Liberia	4	3	Hybrid Regime
85	Madagascar	4	2	Hybrid Regime
86	Malawi	4	3	Hybrid Regime
87	Maldives	5	3	Hybrid Regime
88	Mali	4	2	Hybrid Regime
89	Mauritania	3	3	Hybrid Regime
90	Moldova	5	3	Hybrid Regime
91	Mongolia	4	3	Hybrid Regime
92	Montenegro	4	4	Hybrid Regime
93	Morocco	4	3	Hybrid Regime
94	Namibia	5	4	Hybrid Regime
95	Nepal	4	5	Hybrid Regime
96	Niger	5	5	Hybrid Regime
97	Nigeria	3	3	Hybrid Regime
98	North Macedonia	5	5	Hybrid Regime

No.	Country	ACA	SAI	EIU Regime Classification
99	Oman	2	2	Hybrid Regime
100	Pakistan	3	3	Hybrid Regime
101	Papua New Guinea	3	3	Hybrid Regime
102	Paraguay	5	5	Hybrid Regime
103	Peru	4	4	Hybrid Regime
104	Senegal	2	2	Hybrid Regime
105	Seychelles	3	3	Hybrid Regime
106	Sierra Leone	2	2	Hybrid Regime
107	Solomon Islands	2	2	Hybrid Regime
108	Sri Lanka	3	3	Hybrid Regime
109	Tanzania	4	4	Hybrid Regime
110	Thailand	3	3	Hybrid Regime
111	Timor-Leste	3	3	Hybrid Regime
112	Tunisia	4	4	Hybrid Regime
113	Uganda	4	4	Hybrid Regime
114	Ukraine	2	2	Hybrid Regime
115	Zambia	3	3	Hybrid Regime
Authoritarian (n = 41)	Authoritarian (n = 41)	Authoritarian (n = 41)	Authoritarian (n = 41)	Authoritarian (n = 41)
116	Afghanistan	1	2	Authoritarian
117	Algeria	2	2	Authoritarian
118	Angola	5	3	Authoritarian
119	Azerbaijan	2	4	Authoritarian
120	Bahrain	2	4	Authoritarian
121	Belarus	1	2	Authoritarian
122	Burkina Faso	2	3	Authoritarian
123	Burundi	1	2	Authoritarian
124	Cambodia	1	2	Authoritarian
125	Cameroon	2	2	Authoritarian
126	Central African Republic	1	2	Authoritarian
127	Chad	1	2	Authoritarian
128	China	2	4	Authoritarian
129	Comoros	1	2	Authoritarian
130	Cuba	1	2	Authoritarian
131	Djibouti	1	2	Authoritarian
132	Equatorial Guinea	1	2	Authoritarian
133	Eritrea	1	2	Authoritarian
134	Eswatini	2	3	Authoritarian
135	Guinea	4	1	Authoritarian
136	Guinea-Bissau	2	1	Authoritarian
137	Guyana	3	1	Authoritarian
138	Iraq	4	2	Authoritarian
139	Kazakhstan	4	1	Authoritarian
140	Kuwait	4	3	Authoritarian
141	Libya	3	2	Authoritarian
142	Mozambique	4	3	Authoritarian
143	Myanmar	2	2	Authoritarian
144	Nicaragua	4	4	Authoritarian
145	Qatar	3	3	Authoritarian

No.	Country	ACA	SAI	EIU Regime Classification
146	Rwanda	4	4	Authoritarian
147	Saudi Arabia	4	4	Authoritarian
148	Somalia	1	1	Authoritarian
149	South Sudan	1	1	Authoritarian
150	Sudan	1	1	Authoritarian
151	Tajikistan	3	3	Authoritarian
152	Togo	2	2	Authoritarian
153	Turkmenistan	1	1	Authoritarian
154	United Arab Emirates	3	3	Authoritarian
155	Uzbekistan	2	2	Authoritarian
156	Zimbabwe	2	2	Authoritarian

Source: Processed Data

Appendix 4. Regression when CCR Excluded

Variables	CEM	CEM	FEM	FEM	REM	REM
Variables	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable: CPI	Dependent Variable: CPI	Dependent Variable: CPI	Dependent Variable: CPI	Dependent Variable: CPI	Dependent Variable: CPI	Dependent Variable: CPI
ACA	-0.011	-3.216***	4.907***	10.733***	0.871	-1.347
SAI	0.988**	-3.370***	1.012**	1.455**	1.486**	-1.573
GEF	0.196***	0.205***	0.083***	0.085***	0.103***	0.104***
PVI	0.100***	0.087***	0.015	0.013	0.040**	0.041**
RLW	0.383***	0.378***	0.087***	0.084***	0.166***	0.171***
RQL	-0.093**	-0.086**	0.084***	0.082***	0.079***	0.079***
VAC	0.055*	0.053*	0.215***	0.215***	0.172***	0.167***
ACA × SAI		1.141***		2.618***		0.791
Constant	9.694	21.219	20.512	12.411	8.671	16.578
Observations	1,716	1,716	1,716	1,716	1,716	1,716
R-squared	0.899	0.906	0.198	0.200	0.508	0.524
Adj. R-squared	0.898	0.905	0.690	0.792	0.603	0.719
Prob. F	0.000	0.000	0.000	0.000	0.000	0.000
Year Effect	Yes	Yes	Yes	Yes	Yes	Yes
Country Effect	Yes	Yes	Yes	Yes	Yes	Yes

Source: Processed Data