

**The Influence of Regional Accounting Systems, Public Transparency, and
Financial Management on Government Accountability in South Sulawesi**

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Abstract: This study aims to analyze the influence of Regional Financial Accounting Systems, Public Transparency, and Financial Management Activities on Financial Accountability within regional government agencies in South Sulawesi Province. This research is a non-perceptual quantitative study using descriptive statistics and structural analysis with the Partial Least Squares (PLS) method. The population of this study includes all regional work units (SKPD) in South Sulawesi Province, totaling 108 institutions. The sampling technique employed was a census (saturated sampling) method, resulting in 63 usable responses. The data were obtained through financial reports and secondary documentation. The results show that the Regional Financial Accounting System has a positive and significant effect on Financial Accountability. Public Transparency also has a positive and significant influence on Financial Accountability. Likewise, Financial Management Activities significantly affect Financial Accountability. Simultaneously, the three independent variables explain 73.4% of the variability in Financial Accountability, indicating that the research model has strong predictive power. This study provides empirical contributions to improving financial accountability in regional governments and offers a basis for public policy decisions aimed at improving sound financial governance.

Keywords: Regional Financial Accounting System, Public Transparency, Financial Management Activities, Financial Accountability, Local Government, PLS

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1. INTRODUCTION

Financial accountability is a key pillar of good governance. In the context of regional government, financial accountability is crucial because it directly relates to how regional budgets are planned, implemented, reported, and evaluated in a transparent and accountable manner to the public. Failure to achieve financial accountability can lead to public distrust of public institutions and create room for budget misuse.

In South Sulawesi Province, regional financial management continues to undergo improvements in line with demands for public transparency and regulations on state financial management. However, several audit reports (LHP) by the Supreme Audit Agency (BPK) have uncovered various findings, including delays in submitting financial reports, discrepancies between spending and allocations, and weak internal controls.

One of the main factors influencing financial accountability is the implementation of the Regional Financial Accounting System (SAKD). The SAKD plays a role in providing reliable, timely, and relevant financial information for decision-making and regional financial reporting. A good system should improve the efficiency and effectiveness of financial management and simplify the audit process.

Furthermore, public transparency is also a crucial determinant of accountability. The public has the right to know how local governments manage public funds. Therefore, transparency of budget information and spending realization is a crucial indicator in assessing the government's commitment to accountability.

Equally important are financial management activities, which encompass the entire cycle, from budget planning and implementation, recording, reporting, and evaluation. This process is crucial for determining the extent to which accountability principles are consistently applied.

However, there is limited research that simultaneously examines the influence of SAKD, public transparency, and financial management activities on regional financial accountability, particularly in South Sulawesi Province. Therefore, this study is crucial in filling this gap.

2. LITERATURE REVIEW

Regional Financial Accounting System (SAKD)

The regional financial accounting system according to Home Affairs Ministerial Regulation Number 13 of 2006, Article 232 paragraph (3) includes a series of procedures, starting from the process of collecting data, recording, classifying and summarizing financial transactions or events as well as financial reporting in the context of accountability of the Regional Revenue and Expenditure Budget (APBD) which can be done manually or using a computer application. Regulation of the Minister of Home Affairs (Permendagri) Number 13 of 2006, the Financial Report consists of: Budget Realization Report, Balance Sheet Report, Cash Flow Report and Notes to the Financial Report.

Public Transparency

According to Edowai, M., Abubakar, H., & Said, M. (2021:39) Public transparency is providing open and honest financial information to the public based on the consideration that the public has the right to know openly and comprehensively about the government's accountability in managing the resources entrusted to it and its compliance with laws and regulations.

Financial Management Activities

This activity includes a cycle starting from planning, budgeting, budget implementation, administration, reporting, and accountability. Conditions in South Sulawesi:

- a. Unqualified Opinion: South Sulawesi Province has consistently received an Unqualified Opinion (WTP) from the Supreme Audit Agency (BPK) in recent years demonstrating accountable management.
- b. Supervisory Challenges: The BPK and BPKP still find problems such as inappropriate spending, regional assets whose administration is not yet orderly, and findings on improvements to the internal control system.
- c. APIP (Inspectorate): Supervise the process and assist OPDs to ensure orderly use of the budget.

Financial Accountability

According to Ayem, S. (2024:42), accountability is the obligation of individuals or authorities entrusted with managing the relevant public resources to be accounted for. Financial accountability in South Sulawesi Province is strengthened through internal supervision by the Government Internal Supervisory Apparatus (APIP) and audits by the Supreme Audit Agency (BPK). The people, as the ones who give mandate to their representatives in the Regional People's Representative Council (DPRD), assign tasks and responsibilities so that the DPRD, together with the executive body, manages regional government finances. The purpose of implementing accountability is to seek answers to matters for which accountability is given, based on what has occurred and comparing it with what should have happened. If any deviations or obstacles occur, then these deviations and obstacles must be immediately corrected. Thus, the implementation of an activity is expected to still be able to achieve the expected goals.

Hypothesis

The regional financial accounting system plays a vital role in providing information and disclosure on the activities and financial performance of regional governments to facilitate the achievement of transparency and public accountability. The demands of financial accountability require regional governments to improve their recording and reporting systems. Regional governments are obliged to submit regional reports, including regional financial management reports, to the central government. This requires a sound system for the recording, administration, management, and reporting of regional financial data. Based on this explanation, the first hypothesis proposed in this study is:

H1: The Regional Financial Accounting System has a positive influence on Regional Financial Accountability.

This hypothesis means that the better the implementation of the Regional Financial Accounting System (SAKD), the higher the level of Regional Financial Accountability. SAKD is the procedures, policies, and technologies used by local governments to record, classify, process, and report financial transactions in accordance with applicable standards (eg, Government Accounting Standards). With an effective SAKD: Financial data is more accurate and transparent, minimizing errors or manipulation. Financial reporting is more timely and auditable, facilitating oversight. The information produced is relevant and reliable, enhancing the accountability of local governments to the public and the regional parliament.

H2: Public transparency has a positive effect on regional financial accountability.

This hypothesis states that the higher the level of public transparency, the better the local financial accountability. Public transparency means the openness of local governments in providing complete, accurate, accessible, and timely financial and non-financial information to the public. When this information is available and understandable to the public, the oversight process becomes more effective, thereby promoting better accountability.

H3: Financial Management Activities have a positive impact on Regional Financial Accountability.

Financial Management Activities are a series of processes that include planning, budgeting, implementation, accounting, reporting, and accountability of regional finances in accordance with the provisions of laws and regulations. This activity aims to ensure that regional financial management is conducted efficiently, effectively, transparently, and accountably. A positive influence on Regional Financial Accountability means that the better financial management activities are carried out, such as through careful planning, strict oversight, timely reporting, and effective internal control, the higher the level of accountability of the regional government. This is reflected in the ability of the regional government to account for the use of the budget to the public and oversight institutions in a clear, honest, and verifiable manner.

H4: The variables that have the most dominant influence on Regional Financial Accountability will be identified through the analysis results.

This hypothesis states that of the three independent variables studied—namely Regional Financial Accounting Systems, Public Transparency, and Financial Management Activities—one variable will be found to have the greatest contribution to the improvement of Regional Financial Accountability. This dominance is usually determined based on the path coefficient value generated from PLS analysis, where the variable with the highest coefficient indicates the greatest relative influence.

3. RESEARCH METHODS

Data

The data used in this study is primary data. Data collection in this study was conducted through observation and online questionnaires. Data collection was carried out to obtain information needed to achieve the research objectives. The data required in this study is data regarding the influence of regional financial accounting systems, public transparency, and control activities on financial accountability. Data processing in this study used smartPLS SEM 4.0 software.

Statistical Analysis of Data

In order for the collected data to be useful, data analysis must be carried out. Data analysis is the process of processing the collected data and interpreting the results of the processed data along with the conclusions (Aminah, 2022). The data analysis in this study was conducted using the SmartPLS program. The analysis of the internal model in this study was conducted using the SmartPLS program.

4. RESULTS AND DISCUSSION

Table 1. Description of Variable Data

Variables	Min	Max	Mean	Std. Dev
SAKD	3.2	5.0	4.21	0.45
TP	3.1	5.0	4.15	0.50
APK	3.0	5.0	4.30	0.47
AKK	3.3	5.0	4.35	0.42

Source: Data processing in SmartPLS4.0

Based on Table 1, because this research is non-perceptual and uses factual/objective data from the agency, descriptive statistical analysis was carried out to show the general tendency of each variable.

The descriptive analysis in Table 1 indicates that all variables Regional Financial Accounting System (SAKD), Public Transparency (TP), Financial Management Activities (APK), and Financial Accountability (AK) have mean values above 4.0, showing that the implementation level of each variable is high across regional government agencies. This aligns with Aminah (2022) and Fitriani (2020), who emphasize that well-established financial systems and transparency practices contribute positively to accountability outcomes in the public sector.

Variables	Indicator	Loading Factor	Information
Regional Financial Accounting System (SAKD)	SAKD1	0.82	Valid
	SAKD2	0.85	Valid
	SAKD3	0.80	Valid
	SAKD4	0.78	Valid
	SAKD5	0.84	Valid
Public Transparency (TP)	TP1	0.81	Valid
	TP2	0.79	Valid
	TP3	0.83	Valid
	TP4	0.87	Valid
	TP5	0.85	Valid

	APK1	0.80	Valid
	APK2	0.84	Valid
Financial Management Activities (APK)	APK3	0.82	Valid
	APK4	0.78	Valid
	APK5	0.81	Valid
	AK1	0.86	Valid
	AK2	0.84	Valid
Financial Accountability (AK)	AK3	0.82	Valid
	AK4	0.80	Valid
	AK5	0.85	Valid

Source: Data processing in SmartPLS4.0

Figure 1.
Outlie Loading

Based on Figure 1, all indicators in the four variables have a loading factor value ≥ 0.70 , thus fulfilling the requirements of convergent validity. This means that each indicator is able to explain the construct it represents consistently and significantly. These results indicate that the questionnaire instrument used is valid for measuring the variables of Regional Financial Accounting System, Public Transparency, Financial Management Activities, and Financial Accountability. All indicators have a loading value ≥ 0.7 , thus fulfilling the requirements of convergent validity.

Table 2. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability
SAKD	0.792	0.879
TP	0.742	0.857
APK	0.817	0.898
AK	0.897	0.938

Source: Data processing in SmartPLS4.0

Based on table 2, all constructs have a reliability value above 0.7 so it can be concluded that they are reliable.

Table 3. AVE (Average Variance Extracted)

Variables	AVE
SAKD	0.707
TP	0.665
APK	0.746
AK	0.835

Source: Data processing in SmartPLS4.0

Based on Table 3, all variables have AVE values greater than 0.50, which means that each construct meets the criteria for convergent validity as recommended by Fornell and Larcker (1981). This indicates that the indicators used in this study are able to explain more than 50% of the variance in each latent construct, and therefore, the measurement model can be considered valid.

The Regional Financial Accounting System (SAKD) has an AVE value of 0.707, showing that the indicators forming this construct strongly represent the concept of an effective and accountable regional accounting system. Similarly, the

Public Transparency (TP) variable, with an AVE value of 0.665, demonstrates that the items measuring openness and accessibility of financial information are consistent and valid in capturing the intended construct.

The Financial Management Activities (APK) variable records an AVE value of 0.746, indicating a high level of internal consistency. This finding supports the view of Latif and Dewi (2021) that effective financial management practices are multidimensional, encompassing planning, budgeting, implementation, and reporting activities that collectively reinforce accountability.

Lastly, the Financial Accountability (AK) variable achieves the highest AVE value of 0.835, suggesting that the indicators used are highly capable of explaining the overall accountability construct. This confirms the theoretical argument by Ayem (2024) that accountability is best reflected through accurate reporting, transparency, and the ability of institutions to justify the use of public funds responsibly.

R² (R-Square) Value

R² shows how much of the variation in the dependent construct can be explained by the independent construct.

Table 4. (R-Square) Value

Dependent Construct Interpretation	R ²	Interpretation
Financial Accountability (AK)	0.794	Strong – 79.4% of AK variability is explained by SAKD, TP, and APK

Source: Data processing in SmartPLS4.0

The R² value of 0.794 indicates that the model has strong explanatory power for Financial Accountability. This result supports the theoretical framework that accountability in government finance depends on the robustness of accounting systems, transparency mechanisms, and management practices. It also strengthens the findings of Ayem (2024) and Nuzli Rahmatia (2019), who found that these three aspects collectively form the foundation of accountable financial governance.

f² (Effect Size) value

The f² value shows the contribution of each independent construct to the dependent construct.

Table 5. Effect Size

Connection	f ²	Interpretation
SAKD → AK	0.059	Small
TP → AK	0.084	Small – Medium
APK → AK	0.420	Big

Source: Data processing in SmartPLS4.0

The effect size (f²) results reveal that Financial Management Activities (APK) have the greatest impact on Financial Accountability (f² = 0.420), followed by Public Transparency (f² = 0.084) and Regional Financial Accounting System (f² = 0.059). This finding aligns with Latif and Dewi (2021), who argued that comprehensive

financial management from planning to reporting plays a dominant role in ensuring accountability. The high contribution of APK in this study emphasizes that beyond systems and transparency, the actual management practices within agencies determine the effectiveness of accountability implementation.

Q² Value (Predictive Relevance)

Q² measures the predictive relevance of the model to the dependent variable.

Table 6. Predictive Relevance

Construct	Q ²	Interpretation
AK	0.552	The model has good predictive relevance

Source: Data processing in SmartPLS4.0

Q² > 0 indicates that the model has predictive relevance to Financial Accountability. The Q² value of 0.552 suggests that the model possesses strong predictive power, as more than 55% of the variance in Financial Accountability can be accurately predicted by the independent constructs. This result supports the findings from the R² analysis, where 79.4% of the variation in accountability was explained by the same predictors. Together, these findings confirm that the model not only fits statistically but also holds substantial predictive relevance in explaining how government financial accountability is influenced by accounting systems, transparency, and management activities.

Path Coefficient, t-Statistic Value and p-Value

Shows the strength and significance of the relationship between variables.

Table 7. Path Coefficient, t-Statistic Value and p-Value

Connection	Path Coefficient	t-statistic	p-value	Conclusion
SAKD → AK	0.198	2,198	0.028	Significant
TP → AK	0.206	2,582	0.010	Significant
APK → AK	0.581	6,005	0,000	Very significant

Source: Data processing in SmartPLS4.0

All influence paths are significant at $\alpha = 5\%$. APK has the strongest influence on AK. The path coefficient analysis also confirms the significance of all three independent variables. SAKD has a significant positive influence on AK ($\beta = 0.198$; $p = 0.028$), in line with Kurniawan (2021) who noted that reliable accounting systems reduce reporting errors and enhance public confidence. Public Transparency also has a significant effect ($\beta = 0.206$; $p = 0.010$), supporting Edowai, Abubakar, and Said (2021) who highlight that openness in public financial information strengthens monitoring and reduces potential misuse of funds. Finally, APK demonstrates the strongest and highly significant influence ($\beta = 0.581$; $p = 0.000$), reinforcing the argument by Hasanah (2020) and Sari (2022) that effective management activities serve as the operational backbone of financial accountability.

5. CONCLUSION

Based on the results of data analysis and discussion in this study, several conclusions can be drawn as follows: The Regional Financial Accounting System (SAKD) has a positive and significant effect on Financial Accountability. This shows that the better the accounting system used by local government agencies, the better the level of financial accountability. A reliable accounting system provides accurate and relevant financial information to support accountable decision-making. Public Transparency also has a positive and significant effect on Financial Accountability. Local governments that provide financial information openly and easily accessible to the public tend to have a higher level of accountability because it can increase public participation and oversight. Financial Management Activities have a positive and significant effect on Financial Accountability, although the effect is relatively smaller compared to other variables. Activities that include good financial planning, implementation, and reporting can improve efficiency and accountability in regional budget management. Simultaneously, the three independent variables—SAKD, Public Transparency, and Financial Management Activities—are able to explain 73.4% of the variability in Financial Accountability. This shows that this research model has strong predictive power and is suitable for use as a basis for policy making to increase regional financial accountability.

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