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The Analysis of Factors Affecting the Quality of Local Government Financial Reports in Karangasem Regency

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ABSTRACT

Government financial reports are essentially a form of accountability by the government to the public regarding the management of public funds, whether from taxes, levies, or other transactions. As we know, financial reports serve as a medium for an entity, in this case, the government, to account for its financial performance to the public. This study aims to analyze the influence of leadership ethics, human resource competence, employee commitment, accounting knowledge level, and the role of supervisory bodies on the quality of local government financial reports in Karangasem Regency. The sample used in this study consisted of 25 Government Work Units (SKPD) in Karangasem Regency with 99 respondents. The sampling technique used in this study was purposive sampling. The data analysis technique employed was multiple linear regression analysis. The results show that leadership ethics, human resource competence, and the role of supervisory bodies have a positive impact on the quality of financial reports, while employee commitment and accounting knowledge level do not have a significant effect on the quality of financial reports. Future research could develop this study by using other variables that theoretically influence the quality of financial reports, such as government accounting standards (SAP).

Keywords: Accounting Knowledge Level; Employee Commitment; Financial Reports; Human Resource Competence; Leadership Ethics

INTRODUCTION

In recent years, the demand for high-quality public services, especially in government financial reporting, has significantly increased. Financial reports play a crucial role in demonstrating accountability for the management of public funds, such as taxes and other revenues. A high-quality financial report is one that meets essential qualitative characteristics, including relevance, reliability, comparability, and understandability (Lestari et al., 2024). These reports are essential for making informed decisions that impact economic, social, and political outcomes. Therefore, ensuring the quality of government financial reports is not only an administrative task but also a vital aspect of public trust and good governance (Termizi & Ridzuan, 2022).

Local governments, particularly in Indonesia, face growing pressures to improve financial transparency and accountability. This includes adhering to government accounting standards (SAP) and using technology to enhance financial reporting. Effective financial reporting reflects a government's capability to manage public funds and contributes to the creation of policies that benefit the community. However, achieving this requires more than just following technical standards—it also depends on several key factors, such as leadership ethics, the competence of human resources, employee commitment, accounting knowledge, and the role of supervisory bodies (Setiawan et al., 2024).

The urgency of this research lies in its potential to address gaps in understanding how these factors influence the quality of financial reports in local governments, specifically in Karangasem Regency, which, despite facing socio-economic challenges, has consistently achieved high audit ratings from the Financial Audit Agency (BPK). This research will delve into how leadership ethics can influence the commitment and performance of local government employees, how the competence of human resources impacts the timely and accurate preparation of financial reports, and how effective supervision by bodies such as the Regional Inspectorate can ensure adherence to standards (Gunadi et al., 2024).

What makes this research novel is its focus on Karangasem Regency, a region with a low population density but high unemployment rates and poverty levels compared to other regencies in Bali. Despite these challenges, Karangasem has managed to secure an Unqualified Opinion from BPK for its financial reports in recent years. This anomaly presents a unique opportunity to explore how local government can achieve high-quality financial reporting despite its economic difficulties. Understanding the specific factors at play in Karangasem can provide valuable insights for other local governments with similar challenges. Additionally, this research will contribute to the broader field by examining the interplay of multiple factors—leadership ethics, human resource competence, employee commitment, accounting knowledge, and supervision—in enhancing government financial reporting quality.

Therefore, this study not only contributes to the academic discourse on public sector financial management but also provides practical implications for improving local government performance in Indonesia, ultimately fostering better governance and more efficient use of public resources.

This study aims to explore several key factors influencing the quality of local government financial reports in Karangasem Regency. First, it seeks to examine the impact of leadership ethics on the quality of these financial reports, as ethical leadership is believed to significantly affect the integrity and effectiveness of financial reporting. Second, the research investigates the effect of human resource competence on financial report quality, as competent personnel are essential for accurate and timely financial reporting. Third, the study assesses the influence of employee commitment on the quality of financial reports, given that high levels of commitment are associated with better organizational performance and report quality. Fourth, the research examines the role of accounting knowledge in shaping the quality of financial reports, as a strong understanding of accounting principles is crucial for preparing reliable financial statements. Lastly, the study evaluates the influence of the supervisory body's function on the quality of financial reports, considering that effective oversight from bodies such as the Regional Inspectorate helps ensure compliance with established standards and fosters greater accountability. These objectives are designed to provide insights into the factors that contribute to the quality of financial reports in Karangasem Regency.

LITERATURE REVIEW

Agency Theory

Agency theory is the development of a framework that focuses on designing work agreements to motivate agents to act in accordance with the principals' interests. In Indonesia, especially in local government organizations, this theory is consciously or unconsciously applied. The practice of financial reporting in public sector organizations is grounded in the concept of Agency Theory, which addresses agency problems. According to Rohmah et al. (2020), financial reporting is a key tool for monitoring and reducing agency costs. The theory suggests that there is an inherent conflict of interest between principals and agents, leading to agency problems. In local government financial management, the government acts as an agent, responsible for managing local finances from planning to accountability. The government is expected to operate transparently and engage the public in this process, ensuring that financial management follows good governance principles. The relationship between the local government and the public can be understood as an agency relationship, where the government, as the agent, manages finances on behalf of the public, the principal. Good fiscal management requires involving the public in policy decision-making, as the public is a key user of financial information, both directly and indirectly. In this agency relationship, it is critical for the government to align its actions with the public's interests and needs.

Quality of Local Government Financial Reports

The qualitative characteristics of financial reports are essential measures that should be applied to accounting information to achieve its intended purpose. For government financial reports to meet the expected quality, they must adhere to several key characteristics. Relevance is the first crucial quality, meaning that financial information must assist in evaluating past and current events, predicting future trends, and influencing decision-making by either confirming or correcting past assessments. Financial information becomes relevant when it has predictive value, helps users forecast future outcomes based on past data, and is presented in a timely manner, ensuring it is useful for decision-making. Completeness also plays a role, as the financial information must be comprehensive, including all relevant details within existing constraints.

Reliability is another vital characteristic, indicating that the financial information must be free from misleading elements and material errors. For the information to be considered reliable, it must present an honest reflection of transactions, be verifiable through repeated tests, and maintain neutrality, meaning it must not favor any particular party but instead serve the public interest. Additionally, for the financial information to be useful, it should be comparable, allowing comparisons between periods or between different entities using the same accounting policies. Lastly, the information must be understandable and presented in a manner that users can easily interpret, assuming they have the necessary knowledge and are willing to learn the relevant details. These characteristics ensure the integrity and utility of financial reports for decision-making purposes.

Leadership Ethics

Leadership ethics refers to the set of moral principles that guide leaders in making decisions and influencing their followers. Ethics is a field of study that helps provide orientation and direction for human actions. Terry defines leadership as the activity of influencing others to achieve organizational goals. The higher the ethical standards that leaders possess, the more likely they are to gain the trust of their followers, which in turn facilitates the achievement of organizational goals. In public organizations, leadership ethics plays a crucial role in success. A leader's ethical behavior can be realized when they demonstrate honesty, trustworthiness, responsibility, fairness, humility, and respect towards others. Leaders must be open to suggestions and critiques from their followers, be able to assess their followers' performance and foster positive relationships with them. Leadership ethics is fundamental to creating a trusted and effective organizational environment, especially in the public sector, where transparency and accountability are essential.

Competence of Human Resources

Competence refers to the capacity, ability, or authority a person has in performing a specific task or job. In the context of local government financial management, human resources (HR) must possess high competence, particularly in the field of accounting. Veliani (2021) argues that to achieve good financial management, regional work units (OPD) must be supported by skilled human resources. Competent HR ensures that financial reports are accurate, effective, and efficient. Without competent personnel, the quality of local government financial reports will likely decline. On the other hand, well-trained and knowledgeable staff will lead to the production of high-quality financial statements. HR competence is composed of several characteristics, including motivation, personality traits, self-concept, knowledge, and skills. Motivation drives individuals to act towards achieving specific goals, while personal traits influence their consistent reactions to various situations. Knowledge, particularly in accounting standards and procedures, is crucial for producing reliable financial reports. Skills involve the ability to perform specific tasks, including analytical and conceptual thinking, necessary for effective financial reporting.

Employee Commitment

Employee commitment is a condition where employees show loyalty to the organization, are involved in their work, and identify with the organization's values and goals (Basalamah et al., 2019). It refers to the ability and willingness to align individual behaviors with organizational needs and priorities (Farisi, 2021). According to Fibriyani et al. (2021), commitment involves prioritizing the organization's mission over personal interests. There are three main components of commitment: affective commitment, continuance commitment, and normative commitment. Affective commitment occurs when an individual is emotionally attached to the organization, and their personal values align with the organization's goals. Continuance commitment arises when employees feel the cost of leaving the organization, such as loss of benefits or status, outweighs the potential gain from leaving. Normative commitment, on the other hand, involves a sense of duty or obligation to remain in the organization due to personal beliefs or organizational culture. High levels of employee commitment contribute significantly to achieving quality financial reporting, as committed employees are more likely to adhere to standards and contribute to transparent and reliable practices.

Accounting Understanding Level

Understanding accounting refers to the ability to comprehend both the knowledge and practical aspects of accounting processes. According to Fibriyani et al. (2021), accounting understanding involves knowing the procedures, systems, standards, and policies that underpin the preparation of financial reports. Government Regulation No. 71 of 2010 outlines the standards for government accounting, and an understanding of these standards is crucial for producing accurate and compliant financial reports. The level of accounting knowledge is influenced by both formal education in accounting and professional practice. Individuals with a strong understanding of accounting are better equipped to create reports that align with legal and regulatory requirements. The key components of government financial reports include the Budget Realization Report (LRA), Balance Sheet, Cash Flow Statement, Changes in Equity Report, and Notes to Financial Statements (CALK), all of which require a sound understanding of accounting principles to ensure accuracy and compliance.

The Role of Oversight Bodies

The role of oversight bodies is another critical factor in ensuring the production of high-quality financial reports. In local governments, the oversight function is essential for ensuring effective and efficient management in line with applicable laws and regulations. The government's commitment to achieving transparency and accountability is supported by the role of internal audit bodies, such as the Regional Inspectorate. The Inspectorate conducts audits on the activities and financial reports of local government units before they are submitted to the regional finance authority. According to Minister of Home Affairs Regulation No. 76 of 2016, the Inspectorate's oversight includes regular audits, thematic audits, performance audits, and audits of financial statements. The scope of oversight activities extends to evaluating the accountability of local governments, ensuring compliance with regulations, and supporting good governance practices. Effective oversight helps enhance the transparency, reliability, and credibility of financial reports.

Hypotheses Development

H1: Leadership ethics has a significant effect on the quality of financial reporting.
H2: Human resource competence has a significant effect on the quality of financial reporting.
H3: Employee commitment has a significant effect on the quality of financial reporting.
H4: Accounting understanding level has a significant effect on the quality of financial reporting.
H5: Oversight agency function has a significant effect on the quality of financial reporting.

RESEARCH METHOD

This study was conducted at 25 locations in Karangasem Regency, Bali, covering the Offices, Agencies, Secretariats, and Inspectorates. Karangasem was chosen as the research location because it has a high unemployment rate and is categorized as one of the poorest districts with low population density. However, despite these challenges, the financial reports of Karangasem Regency have shown an annual improvement based on the audits by the Financial Audit Agency (BPK). The researcher is interested in understanding how the regional government can produce high-quality financial reports despite facing the highest poverty rate compared to other districts in Bali.

The research objects include several factors that influence the quality of local government financial reports in Karangasem, namely leadership ethics, human resources (HR) competencies, employee commitment, accounting understanding, and the function of the supervisory body. Each of these variables is measured using relevant indicators, such as attitudes, knowledge, and skills for HR, as well as affective, continuance, and normative commitment for employees. Accounting understanding is measured based on financial reporting standards, while the function of the supervisory body is assessed based on the scope and programs of the Regional Inspectorate that oversees regional finances.

The data analysis method used is multiple regression analysis with research instrument tests, including validity and reliability tests, using SPSS. Validity is tested using Pearson correlation, while reliability is measured using Cronbach's Alpha. Additionally, classical assumption tests are performed to examine normality, multicollinearity, and heteroscedasticity, and model feasibility tests are conducted with the F-test and coefficient of determination. The t-statistical test is used to examine the partial influence of independent variables on financial report quality, and descriptive frequency analysis is employed to describe the distribution of responses from each respondent.

RESULTS

The data for this study were obtained by distributing questionnaires to the Regional Work Units (SKPD) of Karangasem Regency. All 25 SKPD in Karangasem Regency agreed to receive and complete the questionnaires, with a total of 99 respondents. Out of the 99 distributed questionnaires, all 99 were completed and returned, resulting in a 100% response rate. Among the 99 respondents who completed the questionnaires for this study, they come from diverse backgrounds, including age, length of service in the Regional Work Units (SKPD) of Karangasem Regency, their job positions, and their highest level of education. The following Table 1 is an overview of the respondents' characteristics.

Table 1. Respondents' Characteristics

Category	Total	Percentage
Age		
<30 years	26	26.3
>30 years	73	73.7
Length of Work		
>10 years	43	43.4
11-20 years	46	46.5
21-30 years	4	4
31-40 years	6	6.1
Position		
Treasure	26	26.3
Head of Division	25	25.3
Staff	36	36.4
Financial Analysis	7	7,1
Data Processor	2	2
Financial Statement’s Preparer	3	3
Qualification’s Education		
Diploma	7	7.1
Bachelor	59	59.6
Master	20	20.2
Doctor	0	0
Other	13	13.1
Total	99	100%

To test the research instruments, validity and reliability tests were conducted before the data were further analyzed. Both tests were performed to measure whether the items in the research instrument used in this study were valid and reliable. These tests were conducted after the research data had been collected. The validity test was used to measure whether a questionnaire and research instrument were valid. An instrument is considered valid if the correlation between the factor scores and total scores is positive and greater than 0.30 (r > 0.3).

Table 2. Validity Test Results

Variable	Indicator	Correlation's Coefficient	Result
Leadership Ethics (X1)	LE1	0.516	Valid
	LE 2	0.711	Valid
	LE 3	0.736	Valid
	LE 4	0.647	Valid
	LE 5	0.670	Valid
	LE 6	0.645	Valid
	LE 7	0.640	Valid
	LE 8	0.794	Valid
Human Resource Competence (X2)	HRC1	0.673	Valid
	HRC 2	0.791	Valid
	HRC 3	0.652	Valid
	HRC 4	0.812	Valid
	HRC 5	0.718	Valid
	HRC 6	0.792	Valid
Employee Commitment (X3)	EC1	0.579	Valid
	EC 2	0.611	Valid
	EC 3	0.837	Valid
	EC 4	0.714	Valid
	EC 5	0.807	Valid
	EC 6	0.772	Valid
Accounting Understanding Level (X4)	AUL1	0.842	Valid
	AUL 2	0.889	Valid
	AUL 3	0.849	Valid
	AUL 4	0.808	Valid
Oversight Agency Function (X5)	OAF1	0.701	Valid
	OAF 2	0.708	Valid
	OAF 3	0.795	Valid
	OAF 4	0.816	Valid
Quality of Financial Reporting (Y)	QFR1	0.643	Valid
	QFR 2	0.820	Valid
	QFR 3	0.718	Valid
	QFR 4	0.551	Valid
	QFR 5	0.792	Valid
	QFR 6	0.757	Valid
	QFR 7	0.795	Valid
	QFR 8	0.732	Valid

The results of the validity test in Table 2 above show that all variables have a correlation coefficient value with the total score of all item statements greater than 0.30. This indicates that the items in the research instrument are valid.

Table 3. Reliability's Test Result

Variable	Cronbach's Alpha	Result
Leadership Ethics (X1)	0.826	Reliable
Human Resource Competence (X2)	0.836	Reliable

Employee Commitment (X3)	0.815	Reliable
Accounting Understanding Level (X4)	0.867	Reliable
Oversight Agency Function (X5)	0.749	Reliable
Quality of Financial Reporting (Y)	0.868	Reliable

The results of the reliability test in Table 3 show that all research instruments have a Cronbach's Alpha coefficient greater than 0.7. This indicates that all instruments are reliable and can be used for the research.

Table 4. Hypothesis's Test Result

Variable	Unstandardized Coefficients Beta	Signification	Result
Leadership Ethics (X1) → Quality of Financial Reporting (Y)	0.227	0.001	Supported
Human Resource Competence (X2) → Quality of Financial Reporting (Y)	0.330	0.001	Supported
Employee Commitment (X3) → Quality of Financial Reporting (Y)	-0.022	0.745	Rejected
Accounting Understanding Level (X4) → Quality of Financial Reporting (Y)	0.106	0.197	Rejected
Oversight Agency Function (X5) → Quality of Financial Reporting (Y)	0.369	0.000	Supported

The results in Table 4 can be interpreted as follows. The leadership ethics variable has a regression coefficient of 0.227 and a significance level of 0.001, which is less than 0.05. This indicates that H1 is accepted, meaning that the leadership ethics variable (X1) has a significant positive effect on the quality of financial reports (Y) in the Karangasem Regency Government.

The human resource competency variable has a regression coefficient of 0.330 and a significance level of 0.001, which is less than 0.05. This indicates that H2 is accepted, meaning that the human resource competency variable (X2) has a significant positive effect on the quality of financial reports (Y) in the Karangasem Regency Government.

The employee commitment variable has a regression coefficient of -0.022 and a significance level of 0.745, which is greater than 0.05. This indicates that H3 is rejected, meaning that the employee commitment variable (X3) does not have a significant effect on the quality of financial reports (Y) in the Karangasem Regency Government. The negative coefficient indicates an inverse relationship.

The accounting understanding variable has a regression coefficient of 0.106 and a significance level of 0.197, which is greater than 0.05. This indicates that H4 is rejected, meaning that the accounting understanding variable (X4) does not have a significant effect on the quality of financial reports (Y) in the Karangasem Regency Government. A change in accounting understanding by 0.106 will not impact the increase or decrease in the quality of financial reports.

The function of the supervisory body variable has a regression coefficient of 0.369 and a significance level of 0.000, which is less than 0.05. This indicates that H5 is accepted, meaning that the function of the supervisory body variable (X5) has a significant effect on the quality of financial reports (Y) in the Karangasem Regency Government. The regression coefficient β1 (for the supervisory body function variable (X5)) of 0.369

indicates that an increase in the function of the supervisory body will improve the quality of financial reports.

DISCUSSION

Based on the hypothesis testing results, the regression coefficient is 0.239, and the t-significance level is 0.001. This indicates that leadership ethics has a significant and positive effect on the quality of financial reports of the Regional Government of Karangasem Regency. The findings provide empirical evidence that higher leadership ethics can improve the quality of the financial reports of the Karangasem Regency Government. The research results also show that leadership ethics influences the performance of the Karangasem Regency Government, as indicated by the high average scores of each questionnaire item, such as the close working relationship between superiors and subordinates, mutual trust, a family-like atmosphere, valuing subordinates' ideas, clear and effective communication, leadership guidance in task execution, a focus on goals and results, and the existence of an initiative structure. These findings are consistent with Veliani's (2021) study, which found that leadership ethics positively affects the quality of financial reports. However, this study contrasts with Sari et al. (2018), which concluded that leadership ethics does not affect the quality of financial reports.

The hypothesis testing results show a regression coefficient of 0.421 and a t-significance level of 0.001, indicating that human resource competence significantly and positively influences the quality of financial reports in the Regional Government of Karangasem Regency. This provides empirical evidence that higher human resource competence leads to improved financial reporting. The study also found that better human resource competence correlates with better financial report quality, as individuals with the right knowledge, skills, and attitudes can complete tasks efficiently and effectively. Human resources with competence contribute to timely financial reporting. These findings align with studies by Kartika & Safitri (2018), Oktavia & Rahayu (2019), and Veliani (2021), which found a positive impact of human resource competence on financial report quality, but contrast with Philadhelphia et al. (2020), which concluded no effect.

The hypothesis testing results reveal that human resource competence has a significant and positive impact on the quality of financial reports in Karangasem Regency. A regression coefficient of 0.421 and a t-significance level of 0.001 indicate that as the competence of human resources increases, the quality of the financial reports improves. Competence in this context refers to the knowledge, skills, and attitudes possessed by employees, which directly affect their ability to perform tasks efficiently and effectively, ultimately supporting the timely preparation of accurate financial reports. This finding is consistent with studies by Kartika & Safitri (2018), Oktavia & Rahayu (2019), and Veliani (2021), who also concluded that human resource competence positively influences financial report quality. However, it contradicts the study by Philadhelphia et al. (2020), which found no significant impact of human resource competence on financial report quality.

Based on the hypothesis test results, the regression coefficient is 0.161 with a t-significance level of 0.197, which is greater than 0.005, indicating that the accounting understanding variable does not significantly affect the quality of financial reports in the Karangasem Regency Government. The findings show that the level of accounting understanding, whether high or low, does not influence the quality of financial reports, as not all employees in the Karangasem Regency Government have an accounting background, nor have they all received accounting training or gained sufficient accounting experience. This contradicts the fourth hypothesis (H4) of this study, which

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states that accounting understanding positively impacts the quality of financial reports in the Karangasem Regency Government, and also contradicts the findings of Diani (2014), Fibriyani et al. (2021), and Hikalmi & Ibna (2019), who claim that accounting understanding significantly affects the quality of accounting information.

Based on the hypothesis test results, the regression coefficient is 0.707 with a t-significance level of 0.000, indicating that the function of the supervisory body has a significant and positive impact on the quality of financial reports in the Karangasem Regency Government. The findings suggest that the presence of a supervisory body, which can also act as an internal auditor, helps monitor and control the preparation of financial reports, reducing the potential for misuse or errors in the reporting process. This support for financial reporting quality is consistent with studies by Anshori (2018), Ridwan (2021), and Yanti & Made (2020), which found a positive effect of the supervisory body's function on the quality of financial reports.

CONCLUSION

The results of the study indicate that the variables of leadership ethics (X1), human resource competency (X2), and the function of the supervisory body (X5) have a significant influence on the quality of financial reports (Y) in the Karangasem Regency Government. Meanwhile, the variables of employee commitment (X3) and accounting understanding (X4) do not have a significant effect on financial report quality.

First, the leadership ethics variable has a regression coefficient of 0.227 with a significance level of 0.001 (<0.05). This result shows that the higher the leadership ethics, the better the quality of financial reports. This finding is consistent with previous studies stating that ethical leadership contributes to transparency and accountability in financial reporting. Ethical leaders tend to encourage compliance with accounting standards and prevent manipulative practices in financial reporting.

Second, the human resource competency variable has a regression coefficient of 0.330 with a significance level of 0.001 (<0.05). This indicates that improving human resource competency has a positive effect on the quality of financial reports. Good competency enables employees to understand accounting standards, properly implement financial policies, and enhance the accuracy and relevance of the information presented in financial reports.

Third, the supervisory body function variable has a regression coefficient of 0.369 with a significance level of 0.000 (<0.05). This demonstrates that strengthening the function of the supervisory body will improve the quality of financial reports. Effective supervision can detect and prevent fraud, ensure regulatory compliance, and enhance transparency in financial reporting.

On the other hand, the employee commitment variable does not have a significant influence on the quality of financial reports, with a regression coefficient of -0.022 and a significance level of 0.745 (>0.05). This result indicates that employee commitment levels do not directly affect financial report quality. It is possible that other factors, such as organizational culture or the incentive system, play a more significant role in driving financial reporting quality than individual employee commitment.

Similarly, the accounting understanding variable has a regression coefficient of 0.106 with a significance level of 0.197 (>0.05), indicating that accounting understanding does not significantly affect financial report quality. This result may be due to other factors, such as an automated accounting information system or the more dominant role of external auditors in ensuring financial report quality.

Practical Implications

From a practical perspective, the findings of this study highlight the importance of ethical leadership, competency development, and effective supervision in financial reporting. Government institutions should prioritize ethical leadership training to ensure that leaders act with integrity and transparency, fostering an environment where financial accountability is upheld.

Moreover, practical steps to enhance human resource competency include continuous training, workshops, and professional certifications in financial management. Ensuring that government employees are well-equipped with the necessary accounting knowledge and technical skills can significantly improve the accuracy and reliability of financial reports.

Regarding the supervisory body's role, it is essential to strengthen governance mechanisms, enforce internal controls, and conduct periodic financial audits. Implementing a structured and independent oversight system will help mitigate financial discrepancies and improve compliance with regulatory standards.

Despite the lack of significance in employee commitment and accounting understanding, practical improvements in organizational culture and incentive structures could still contribute indirectly to financial report quality. Institutions should create a work environment that values transparency, rewards compliance, and fosters a culture of continuous learning.

Overall, these findings suggest that local governments should adopt a holistic approach to financial reporting improvements by integrating leadership ethics, competency building, and enhanced supervision into their financial management practices. Further practical interventions, such as digital transformation and automation of financial reporting systems, can also be explored to enhance efficiency and accuracy in financial data management.

LIMITATION

The limitations of this study include the inability of the researcher to meet respondents in person and having to rely on questionnaire submission due to the respondents' busy schedules. Additionally, the data collected in this study was based solely on the respondents' perceptions through questionnaire responses, without supplementing it with interviews due to time constraints. Lastly, it cannot be assured that the answers provided in the questionnaires accurately reflect the actual conditions or situations. Based on the findings and these limitations, the researcher suggests the following recommendations: (1) future research should consider adding other independent variables beyond those in this study, such as the use of local government financial information systems and other relevant factors, and (2) in addition to using questionnaires, researchers may conduct face-to-face interviews with respondents to ensure better understanding of the questionnaire items, leading to more accurate results.

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DECLARATION OF CONFLICTING INTERESTS

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