Research Horizon

ISSN: 2808-0696 (p), 2807-9531 (e)

Research Horizon
Volume: 06
Issue: 04
Year: 2026
Page: 2119-2132

Citation:
Triatmaja, G. T., & Oktris, L. (2026). Determinants of financial statement quality and the effect on performance accountability. *Research Horizon*, *6*(4), 2119-2132.

Article History:
Received: July 14, 2026
Revised: August 17, 2026
Accepted: August 22, 2026
Online since: August 25, 2026

Determinants of Financial Statement Quality and the Effect on Performance Accountability

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Abstract

The phenomenon of low financial statement quality in a number of local government agencies, including Regional Work Units under the Health Office of DKI Jakarta Province, underlies the importance of this study. This study aims to analyze the effect of internal control, governmental accounting standards, human resource competence, and the utilization of information technology on financial statement quality, as well as the impact of financial statement quality on performance accountability. A quantitative survey of 99 purposively selected expenditure treasurers, revenue treasurers, and accounting staff from 44 Community Health Centers in DKI Jakarta was analyzed using SEM-PLS with SmartPLS 4. The results show that internal control, governmental accounting standards, and human resource competence each have a positive and significant effect on financial statement quality, while the utilization of information technology has no significant effect. Furthermore, financial statement quality has a positive and significant effect on performance accountability. These findings imply the importance of continuously strengthening internal control, complying with governmental accounting standards, and developing human resource competence, as well as the need for derivative regulations that encourage the integration of information technology in the preparation of government financial statements.

Keywords

Financial Statement Quality, Governmental Accounting Standards, Human Resource Competence, Information Technology, Internal Control System, Performance Accountability.

1. Introduction

Government agencies are required to fulfill public interests transparently and accountably through proper financial reporting. High-quality financial statements provide reliable information for decision-making and evaluating public resource use. Financial information is considered useful when it is relevant, faithfully represented, comparable, verifiable, timely, and understandable (Melville, 2022; Pangaribuan et al, 2023). Similarly, Kieso et al. (2020) emphasize that financial statements support resource-related decisions. Thus, reliable financial reporting is essential for strengthening public-sector transparency and accountability.

Nevertheless, the quality of financial reporting in local government agencies remains problematic. The Audit Board of the Republic of Indonesia examined 541 Local Government Financial Statements (*Local Government Financial Statements*/LKPD) in 2021 and found that 41 LKPD had not received an unqualified opinion (Elena, 2022). This condition indicates that weaknesses in financial reporting remain a significant issue and may create opportunities for irregularities in public financial management (Maharani, 2018). Several factors may explain these weaknesses. Weak internal control implementation can reduce the effectiveness of monitoring and error prevention, thereby affecting the reliability of financial statements (Adinda, 2020).

Inconsistent implementation of governmental accounting standards may also result in differences in recognition, measurement, and presentation of financial information (Khusani, 2022). Furthermore, inadequate human resource competence can limit the ability of financial personnel to apply accounting requirements correctly, while suboptimal information technology can hinder the accuracy, timeliness, and integration of financial data (Kurniati, 2023).

These relationships are particularly relevant because the four factors may operate as interconnected determinants of financial statement quality. Effective internal control implementation establishes procedures for authorization, recording, verification, and monitoring, thereby reducing the possibility of material errors (Mutoharoh & Ifada, 2023). Governmental accounting standards provide the formal framework that guides how transactions are recognized, measured, presented, and disclosed. However, these standards can only be implemented effectively when financial personnel possess adequate knowledge and skills. Human resource competence consequently supports the translation of accounting requirements and control procedures into accurate reporting practices (Suryani et al., 2025). At the same time, information technology facilitates data processing, integration, accessibility, and timely reporting, potentially strengthening both accounting implementation and internal control implementation.

Recent evidence further confirms the relevance of internal control implementation and human resource competence to financial reporting quality. Akbar and Choiriah (2025) found that human resource competence significantly affects financial reporting quality, whereas internal control implementation did not have a significant direct effect, demonstrating that the contribution of organizational factors to reporting quality may vary across institutional contexts. The importance of human resource capacity is also reflected in the 2022 Notes to the Financial Statements of the Health Office of DKI Jakarta Province, which reported shortages of accounting personnel in both financial and asset accounting, potentially constraining reporting quality (Dinas Kesehatan Provinsi DKI Jakarta, 2022).

Importantly, financial statement quality is not necessarily the outcome. High-quality financial statements provide reliable evidence for evaluating whether government programs and resources have been managed effectively, efficiently, and responsibly. Thus, financial statement quality is expected to strengthen performance accountability by providing credible information for performance evaluation and public oversight. However, empirical findings remain inconsistent. Dashtbayaz et al. (2019) found that weaknesses in internal control implementation are negatively associated with financial statement quality, whereas Fitriana et al. (2019) found no effect. Similar inconsistencies have also been reported regarding governmental accounting standards, as found by Kuntadi (2022), human resource competence, as reported by Apriansyah et al. (2020) and Animah et al. (2020), and information technology utilization, as documented by Darmawan (2021) and Putri and Djuita (2021).

This inconsistency constitutes the research gap, particularly because limited studies simultaneously examine these four determinants and the subsequent effect of financial statement quality on performance accountability within LKPD under the Health Office of DKI Jakarta Province. The novelty of this study lies in integrating internal control implementation, governmental accounting standards, human resource competence, and information technology utilization into one explanatory model while positioning financial statement quality as a key mechanism linked to performance accountability. This study examines whether internal control implementation, governmental accounting standards, human resource competence, and information technology utilization affect financial statement quality, and whether financial statement quality subsequently influences performance accountability. The study aims to provide empirical evidence on these relationships and contribute to improving financial reporting quality and performance accountability at LKPD under the Health Office of DKI Jakarta Province.

2. Literature Review and Hypothesis Development

2.1. Determinants of Financial Statement Quality

An internal control implementation system is an integrated and continuous process involving leaders and employees to ensure organizational objectives through effective operations, reliable financial reporting, asset protection, and regulatory compliance. It comprises the control environment, risk assessment, control activities, information and communication, and monitoring. Segregation of duties, delegation of authority, and system access controls are critical to maintaining reporting integrity (Doxey, 2019). Chalmers et al. (2019) further found that effective internal controls improve financial statement quality and support users' decision-making. Meanwhile, governmental accounting standards provide principles for preparing and presenting government financial statements, as mandated by Article 1 Paragraph (4) of Government Regulation Number 71 of 2010. These principles include accrual accounting, historical value, realization, substance over form, periodicity, consistency, full disclosure, and fair presentation. Agbodjo et al. (2021) found that reporting standards enhance the value relevance of financial statement quality, while Jayasinghe et al. (2021) reported improved public-sector reporting quality following accrual-based IPSAS reforms.

Human resource competence refers to the abilities, knowledge, and attitudes that constitute the potential possessed by human resources in carrying out their tasks, measured in this study through five dimensions according to Rifai (2022): motive, traits, self-concept, knowledge, and skill. Kokina et al. (2021) emphasize the important role of accountants as explainers, coaches, preservers, and analysts within organizations to maintain the quality of financial statements prepared by competent human resources. The utilization of information technology refers to technology used to acquire, store, organize, process, and disseminate data for use in specific applications, measured in this study through indicators of hardware, software, data, procedures, and human resources managing the technology. Darmawan (2021) finds that information systems affect financial statement quality, while Amin and Oktris

(2023) recommend strengthening digitalization systems as a strategy for fraud prevention and improving public accountability.

H1: Internal control implementation has a positive effect on financial statement quality.
H2: Governmental accounting standards have a positive effect on financial statement quality.
H3: Human resource competence has a positive effect on financial statement quality.
H4: Information technology utilization has a positive effect on financial statement quality.

2.2. Financial Statement Quality and Performance Accountability

Performance accountability reflects a government agency's obligation to demonstrate the success or failure of programs and activities entrusted by stakeholders and to achieve organizational objectives in a measurable manner (Pratama et al., 2025). It is assessed through performance planning, performance measurement, performance reporting, performance evaluation, and performance information systems. In this context, high-quality financial statements provide relevant, reliable, and understandable information that can support the assessment of resource utilization and the achievement of organizational objectives. Empirical evidence from Indonesian regional governments confirms that Agung (2020) found financial reporting quality has a positive effect on performance accountability, indicating that better financial information strengthens the basis for evaluating government performance.

This relationship is further supported by Wardani and Hasibuan (2024), who found that financial reporting quality positively affects the performance accountability of government agencies in Regional Government Work Units in Bogor City. High-quality financial statements therefore not only fulfill reporting requirements but also provide credible information for performance planning, measurement, reporting, and evaluation. Consistent with Government Regulation Number 71 of 2010, the provision of useful financial information enables stakeholders to assess accountability more effectively, providing a theoretical and empirical basis for the following hypothesis:

H5: Financial statement quality has a positive effect on performance accountability.

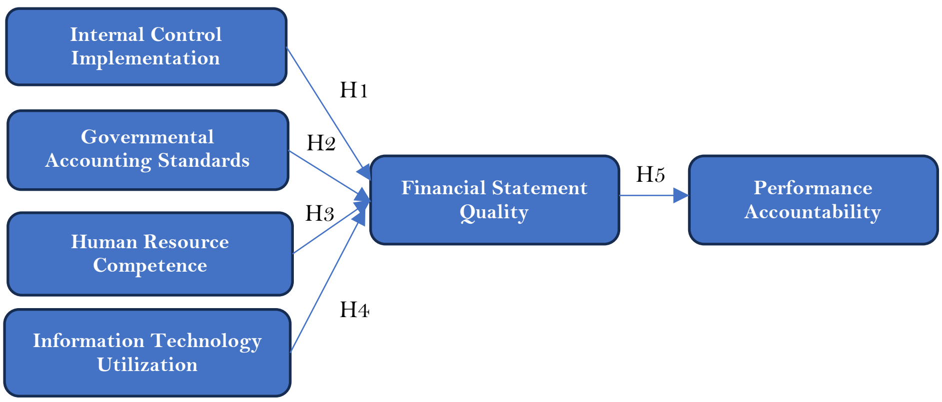

Figure 1. Research Framework

Figure 1 illustrates the proposed research framework, in which internal control implementation, governmental accounting standards, human resource competence, and information technology utilization are expected to influence financial statement quality. These four factors are considered important determinants in improving the accuracy, reliability, and relevance of financial reporting. Furthermore, higher financial statement quality is expected to enhance performance accountability. The framework therefore emphasizes the mediating role of financial statement quality in connecting organizational factors with accountability outcomes. The model explains how improvements in internal resources and management practices may contribute to better public sector performance accountability.

3. Methods

This study employs a quantitative approach to examine the effect of internal control implementation, governmental accounting standards implementation, human resource competence, and the utilization of information technology on financial statement quality, as well as the impact of financial statement quality on performance accountability. The study uses primary data collected through structured questionnaires administered to respondents directly involved in financial management and reporting at the selected Community Health Centers (*Pusat Kesehatan Masyarakat/*Puskesmas). All questionnaire items were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

The object of this study covers 87 Regional Work Units under the Health Office of DKI Jakarta Province. The sample was determined using purposive sampling with the following criteria: (1) LKPD providing basic or primary services at the sub-district level; (2) LKPD applying a Regional Public Service Agency (*Badan Layanan Umum Daerah*/BLUD) financial management pattern; (3) LKPD having staff responsible for preparing financial statements; and (4) LKPD having a BLUD expenditure treasurer and a BLUD revenue treasurer. Based on these criteria, 44 sub-district Puskesmas in DKI Jakarta were obtained as the sampling unit. The unit of analysis consisted of the revenue treasurer, expenditure treasurer, and financial statement preparation staff at each Puskesmas, resulting in a population of 132 respondents. Using the Slovin formula with a 5% margin of error, the required sample size was 99 respondents. Questionnaires were distributed to the selected respondents, and only questionnaires with complete responses were included in the analysis.

The study measured internal control implementation through control environment, risk assessment, control activities, information and communication, and monitoring of internal control implementation. Government accounting standards were measured through accounting basis, historical cost, realization, substance over form, periodicity, consistency, full disclosure, and fair presentation principles. Human resource competence was assessed through motives, traits, self-concept, knowledge, and skills, while information technology utilization covered hardware, software, data, procedures, and people. Financial statement quality was measured through relevance, faithful representation, comparability, verifiability, timeliness, and understandability. Performance accountability was assessed through performance planning, performance measurement, performance reporting, performance evaluation, and performance information systems.

The data analysis method used is Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) using SmartPLS 4 software. PLS was chosen because it is a soft modeling approach that does not require extensive assumptions and can be used to test models with a relatively weak theoretical foundation (Musyaffi et al., 2022). The stages of PLS-SEM analysis include evaluation of the measurement model (outer model) through convergent validity, discriminant validity, and construct reliability testing, as well as evaluation of the structural model (inner model) through the coefficient of determination (R^2) and hypothesis testing using the bootstrapping method at a significance level of 0.05 with a one-tailed test

4. Results

The results present the findings of the measurement and structural model analyses conducted using SEM-PLS. The measurement model was first assessed to establish the validity and reliability of the research constructs, followed by evaluation of the structural model to examine the proposed relationships among internal control implementation, governmental accounting standards implementation, human resource competence, information technology utilization, financial statement quality, and performance accountability. The findings provide empirical evidence regarding the extent to which these factors influence financial statement quality and performance accountability.

Table 1. Measurement Model Assessment

Variable	Indicator	Loading Factor	Cronbach's Alpha	CR	AVE	Information
Internal Control Implementation	X1.1.1	0.9099	0.975	0.980	0.835	Valid & Reliable
	X1.1.2	0.9607				
	X1.1.3	0.9426				
	X1.2.1	0.9401				
	X1.2.2	0.9657				
	X1.3.1	0.8348				
	X1.3.2	0.8038				
	X1.4.1	0.9027				
	X1.5.1	0.9502				
Government Accounting Standards	X2.1.1	0.9439	0.982	0.983	0.886	Valid & Reliable
	X2.2.1	0.9240				
	X2.3.1	0.9380				
	X2.4.1	0.9677				
	X2.5.1	0.9273				
	X2.6.1	0.9050				
	X2.7.1	0.9641				
	X2.8.1	0.9593				
Human Resource Competence	X3.1.1	0.8766	0.981	0.983	0.840	Valid & Reliable
	X3.1.2	0.9343				
	X3.1.3	0.9640				
	X3.2.1	0.9401				
	X3.2.2	0.9281				
	X3.2.3	0.8805				
	X3.2.4	0.9071				
	X3.3.1	0.9373				
	X3.4.1	0.9260				
	X3.5.1	0.8878				
	X3.5.2	0.8943				
Information Technology Utilization	X4.1.1	0.9528	0.977	0.978	0.878	Valid & Reliable
	X4.1.2	0.9396				
	X4.1.3	0.9399				
	X4.2.1	0.9285				
	X4.3.1	0.9198				
	X4.4.1	0.9325				
	X4.5.1	0.9447				
Financial Statement Quality	Y1.1	0.8689	0.977	0.979	0.850	Valid & Reliable
	Y1.2	0.9361				
	Y2.1	0.9561				
	Y2.2	0.9476				

Variable	Indicator	Loading Factor	Cronbach's Alpha	CR	AVE	Information
	Y2.3	0.8004				
	Y3.1	0.9302				
	Y4.1	0.9658				
	Y5.1	0.9393				
	Y6.1	0.9391				
Performance Accountability	Z1.1	0.9448	0.976	0.976	0.912	Valid & Reliable
	Z2.1	0.9649				
	Z3.1	0.9521				
	Z4.1	0.9690				
	Z5.1	0.9434				

The outer loading results presented in Table 1 show that all research indicators have loading factor values exceeding the recommended threshold of 0.70, with values ranging from 0.8004 to 0.9690. These results indicate that all indicators for internal control implementation, governmental accounting standards, human resource competence, information technology utilization, financial statement quality, and performance accountability meet the criteria for convergent validity. In addition, as shown in Table 1, all constructs have Cronbach's alpha values above 0.60 and composite reliability values above 0.70, indicating satisfactory internal consistency. The AVE values also exceed 0.50 for all constructs, further supporting the convergent validity of the measurement model. Therefore, all indicators and constructs can be considered valid and reliable for subsequent analysis.

Table 2. Discriminant Validity

Variable	Indicator	ICI	GAS	HRC	ITU	FSQ	PA
Internal Control Implementation (ICI)	X1.1.1	0.910	0.863	0.833	0.835	0.810	0.859
	X1.1.2	0.961	0.919	0.894	0.940	0.930	0.921
	X1.1.3	0.943	0.915	0.927	0.900	0.866	0.936
	X1.2.1	0.940	0.879	0.853	0.913	0.926	0.885
	X1.2.2	0.966	0.937	0.895	0.915	0.899	0.913
	X1.3.1	0.835	0.692	0.690	0.727	0.730	0.709
	X1.3.2	0.804	0.666	0.650	0.665	0.657	0.681
	X1.4.1	0.903	0.847	0.851	0.841	0.826	0.858
	X1.5.1	0.950	0.896	0.892	0.890	0.858	0.918
Government Accounting Standards (GAS)	X2.1.1	0.825	0.944	0.881	0.881	0.774	0.902
	X2.2.1	0.885	0.924	0.899	0.872	0.770	0.905
	X2.3.1	0.918	0.938	0.914	0.922	0.869	0.916
	X2.4.1	0.881	0.968	0.915	0.900	0.843	0.905
	X2.5.1	0.853	0.927	0.825	0.857	0.841	0.847
	X2.6.1	0.829	0.905	0.853	0.860	0.862	0.868
	X2.7.1	0.926	0.964	0.902	0.901	0.889	0.894
	X2.8.1	0.893	0.959	0.880	0.895	0.874	0.886
Human Resource Competence (HRC)	X3.1.1	0.791	0.783	0.877	0.826	0.741	0.846
	X3.1.2	0.832	0.869	0.934	0.876	0.759	0.895
	X3.1.3	0.868	0.896	0.964	0.916	0.817	0.898
	X3.2.1	0.886	0.866	0.940	0.894	0.822	0.861
	X3.2.2	0.868	0.855	0.928	0.875	0.817	0.858
	X3.2.3	0.759	0.789	0.881	0.768	0.678	0.780
	X3.2.4	0.831	0.875	0.907	0.882	0.827	0.873
	X3.3.1	0.915	0.941	0.937	0.974	0.874	0.943
	X3.4.1	0.803	0.863	0.926	0.893	0.755	0.848
	X3.5.1	0.787	0.822	0.888	0.811	0.690	0.842
	X3.5.2	0.864	0.881	0.894	0.856	0.791	0.879
	X4.1.1	0.902	0.883	0.888	0.953	0.890	0.872

Variable	Indicator	ICI	GAS	HRC	ITU	FSQ	PA
Information Technology Utilization (ITU)	X4.1.2	0.901	0.884	0.862	0.940	0.885	0.865
	X4.1.3	0.875	0.898	0.913	0.940	0.826	0.942
	X4.2.1	0.837	0.849	0.891	0.928	0.797	0.898
	X4.3.1	0.879	0.907	0.917	0.920	0.797	0.926
	X4.4.1	0.856	0.884	0.890	0.932	0.836	0.902
	X4.5.1	0.866	0.871	0.890	0.945	0.852	0.915
Financial Statement Quality (FSQ)	Y1.1	0.835	0.827	0.788	0.821	0.869	0.825
	Y1.2	0.804	0.830	0.772	0.827	0.936	0.791
	Y2.1	0.878	0.807	0.775	0.818	0.956	0.826
	Y2.2	0.838	0.781	0.749	0.810	0.948	0.778
	Y2.3	0.756	0.772	0.784	0.754	0.800	0.736
	Y3.1	0.889	0.938	0.890	0.895	0.930	0.903
	Y4.1	0.884	0.870	0.829	0.875	0.966	0.861
	Y5.1	0.852	0.785	0.725	0.810	0.939	0.777
	Y6.1	0.864	0.798	0.760	0.829	0.939	0.825
Performance Accountability (PA)	Z1.1	0.873	0.896	0.922	0.932	0.828	0.945
	Z2.1	0.940	0.926	0.932	0.916	0.842	0.965
	Z3.1	0.856	0.868	0.865	0.912	0.824	0.952
	Z4.1	0.941	0.950	0.939	0.943	0.874	0.969
	Z5.1	0.871	0.872	0.858	0.891	0.856	0.943

Based on Table 2, the cross-loading results, all indicators exhibit their highest loading values on the construct they are intended to measure compared to other constructs. This indicates that each indicator possesses a stronger capacity to represent its respective construct. Although some cross-loading values are relatively close, the loading values on the primary constructs remain higher than those on the other constructs. Thus, the cross-loading results demonstrate that the indicators meet the criteria for discriminant validity and are suitable for use in PLS-SEM analysis.

Table 3. Fornell-Larcker Value

Variable	Fornell-Larcker Value
Internal Control Implementation	0.914
Government Accounting Standards	0.941
Human Resource Competence	0.916
Information Technology Utilization	0.937
Financial Statement Quality	0.922
Performance Accountability	0.955

Based on Table 3, the discriminant validity cross-loadings for each variable, the values were 0.914 for the internal control implementation, 0.941 for the implementation of government accounting standards, 0.916 for human resource competence, 0.937 for information technology utilization, 0.922 for financial statement quality, and 0.955 for performance accountability; as all variables exhibited values exceeding 0.70, it can be concluded that they demonstrate a good level of validity in terms of discriminant validity cross-loading.

Table 4. Coefficient of Determination

Endogenous Variable	R-Square	Category
Financial Statement Quality	0.835	Strong
Performance Accountability	0.890	Strong

According to Table 4, the structural model testing results show a coefficient of determination (R^2) for financial statement quality of 0.835, meaning that internal control implementation, governmental accounting standards, human resource competence, and the utilization of information technology are able to explain 83.5% of the variance in financial statement quality, while other variables outside the research model explain the remaining 16.5%. The R^2 value for performance accountability is 0.890, indicating that financial statement quality is able to explain 89.0% of the variance in performance accountability.

Table 5. Hypothesis Testing

Relationship Between Variables	t-statistics	p-values	Remarks
Internal Control Implementation→ Financial Statement Quality	2.217	0.027	Positive and significant effect
Governmental Accounting Standards→ Financial Statement Quality	3.395	0.001	Positive and significant effect
Human Resource Competence→ Financial Statement Quality	2.052	0.040	Positive and significant effect
Utilization of Information Technology → Financial Statement Quality	1.010	0.312	No significant effect
Financial Statement Quality→ Performance Accountability	26.938	0.000	Positive and significant effect

The hypothesis testing results in Table 5 show that internal control implementation, governmental accounting standards implementation, and human resource competence have positive and significant effects on financial statement quality, with p-values of 0.027, 0.001, and 0.040, respectively. In contrast, information technology utilization does not significantly affect financial statement quality ($p = 0.312$). Financial statement quality has a highly significant positive effect on performance accountability ($p < 0.001$), with the highest t-statistic of 26.938, indicating that better-quality financial statements are strongly associated with improved performance accountability. The findings indicate that organizational control, accounting standards, and human resource competence are important determinants of financial statement quality, which subsequently contributes substantially to performance accountability.

5. Discussion

The findings demonstrate that internal control implementation plays an important role in improving financial statement quality. A stronger and more disciplined internal control implementation system enables organizations to minimize errors, prevent potential fraud, and maintain the integrity of financial information. This result is consistent with Alam et al. (2019), Krishnan et al. (2020), Aziyah and Yanto (2022), and Yusran (2023), supporting the positive relationship between the variables. Liu and Li (2021) further strengthen this finding by demonstrating a similar relationship in the public-sector context. In contrast, Fitriana et al. (2019) and Atharrizka et al. (2021) reported an insignificant relationship. In the present context, effective internal control implementation is reflected in a conducive control environment supported by leadership commitment and the role of the Government Internal Supervisory Apparatus, systematic risk assessment to prevent misstatements, appropriate segregation of duties among expenditure treasurers, revenue treasurers, and financial statement preparers, timely information and communication, and continuous monitoring of weaknesses identified in practice.

The implementation of governmental accounting standards also contributes significantly to financial statement quality. Consistent compliance with Government Accounting Standards (*Standar Akuntansi Pemerintahan*/SAP) enables public sector organizations to produce financial information that is relevant, reliable, comparable, and understandable. This finding supports Khumawala et al. (2020), Agbodjo et al.

(2021), Jayasinghe et al. (2021), and Kuntadi (2022). In contrast, Fitriana et al. (2019) and Tegor et al. (2021) reported different findings regarding the relationship. The result is further supported by the strong representation of SAP indicators, including accrual basis, historical value, realization, substance over form, periodicity, consistency, and full disclosure, suggesting that respondents generally understand and apply the fundamental accounting principles required in public sector financial reporting.

Human resource competence likewise contributes to better financial statement quality because competent personnel are better equipped to apply accounting procedures, interpret regulations, and prepare accurate financial information. This finding is consistent with Fitriana et al. (2019), but differs from Susena and Supadmi (2020), who found no significant effect, and from Prysmakova et al. (2019), whose studies emphasize financial statement quality in relation to employee motivation and turnover. The empirical evidence reflects competence through motives, particularly integrity and professional interests; traits involving intelligence and emotional maturity; self-concept demonstrated through consistency in applying accounting rules; knowledge of accounting cycles and financial regulations; and skills developed through training and work experience, as conceptualized by Rifai (2022).

In contrast, information technology utilization does not significantly improve financial statement quality. This finding is consistent with Putri and Djuita (2021), but differs from Kokina and Blanchette (2019), Fitriana et al. (2019), Lestari and Dewi (2020), and Darmawan (2021). Kroon et al. (2021) and Amin and Oktris (2023) further reported a significant contribution of technology utilization to financial reporting quality. The result suggests that adequate hardware, software, databases, and technological infrastructure alone are insufficient when systems are not optimally utilized or fully integrated from service delivery through financial reporting. The effectiveness of technology also depends on users' ability to operate systems while understanding accounting principles and reporting requirements.

Financial statement quality substantially strengthens performance accountability, confirming that reliable financial information provides an essential foundation for transparent and accountable public sector performance. This finding supports Mardiasmo (2021) and Alsmady (2022). High-quality financial information supports realistic performance planning, reliable performance measurement based on the effectiveness and efficiency of budget use, performance reporting in accordance with DKI Jakarta Governor Regulation Number 121 of 2020, transparent performance evaluation, and integrated performance information systems (Halim & Kusufi, 2020). The findings indicate that strengthening internal control implementation, accounting standards, and human resource competence is more decisive for financial statement quality than merely providing technological infrastructure, while improved financial reporting quality serves as a key mechanism for strengthening performance accountability.

6. Conclusion

The study concludes that internal control implementation, governmental accounting standards implementation, and human resource competence have significant positive effects on financial statement quality, while information technology utilization does not have a significant effect. Financial statement quality, in turn, significantly improves performance accountability by strengthening transparency, reliability, and public trust in government agencies. These findings imply that government agencies should continuously strengthen internal control implementation through regular training, monitoring, and evaluation; ensure consistent implementation of governmental accounting standards through updated training and socialization; and develop human resource competence through sustainable capacity-building programs.

Although information technology was not found to have a significant effect, its optimal utilization remains important, particularly by improving system integration across input, processing, output, storage, and communication and by supporting implementation through relevant derivative regulations of Law Number 11 of 2008 on Electronic Information and Transactions. Agencies should also prioritize financial statement quality as a strategic foundation for strengthening performance accountability. However, this study is limited to LKPD under the Health Office of DKI Jakarta Province, which may restrict the generalizability of the findings to other government institutions, regions, or sectors. Future research should therefore expand the geographical and institutional scope and incorporate additional factors, such as organizational culture and leadership commitment, to provide a more comprehensive explanation of performance accountability in the public sector.

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Acknowledgment
We gratefully acknowledge the contributions of individuals who supported the completion of this article.

Funding Information
This research did not receive any funding.

Conflict of Interest Statement
The authors declare that there is no conflict of interest.

Ethical Approval and Originality Statement
Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

Data Disclosure Statement
The data that support the findings of this study are available from the corresponding author upon reasonable request.