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# Examining The Role of Public Information Disclosure, Financial Management Capacity, and Internal Control on Village Financial Accountability in West Sulawesi

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ABSTRACT

There is an urgent and critical need for more accountability in village financial management despite implementing transparency and internal control policies. This study examined the impact of public information disclosure, financial management capacity, and internal control on village financial accountability through a survey of village officials in West Sulawesi. A total of 110 villages from six districts within West Sulawesi participated in the survey. The results revealed that while public information disclosure and financial management capacity did not significantly influence accountability, internal control played a significant and dominant role. Simultaneously, the three factors significantly impacted accountability, with internal control being the most influential. The novelty of this study lies in the finding that although transparency and financial management capacity are essential, internal control proved to be a significant factor in improving village financial accountability. This study highlighted the importance of internal control and suggested the need for additional mechanisms to strengthen transparency and financial management capacity. The findings recommend strengthening village financial management training, enhancing transparency mechanisms, and improving internal control systems to ensure greater accountability and alignment with sustainable governance principles.

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## 1. INTRODUCTION

Village financial accountability has become critical since Law No. 6/2014 increased village autonomy and funding, reaching IDR 72 trillion in 2023. Despite this, transparency and accountability remained problematic. Evidence from BPK and Transparency International Indonesia showed persistent non-transparency and regulatory violations, particularly in West Sulawesi, highlighting gaps in public disclosure, management capacity, and internal control.

SDG 16 emphasizes transparent, accountable, and inclusive governance through strong institutions and anti-corruption mechanisms. This framework aligns with village financial accountability, especially in rural and decentralized contexts, highlighting that strengthening village financial management supports justice, institutional integrity, and the broader goals of equitable and sustainable development. In addition, weak financial management capacity is also an inhibiting factor. Many village officials lacked sufficient technical skills to manage budgets and preparing financial reports accurately and in accordance with standards. This condition was exacerbated by the village's weak internal control system, which served as a mechanism to detect and prevent errors in financial management (Avallone et al., 2026; W. Liu et al., 2024).

Previous studies showed mixed results on determinants of village financial accountability. Junaidi and Adnan (2023) and Baihaqi et al. (2023) emphasized transparency, coordination, supervision, and community involvement, while Hariyanti et al. (2021) highlighted financial management capacity in supporting good governance. However, this study found that public information disclosure and financial management capacity didnot significantly affect accountability. In contrast, consistent with Safelia (2023), internal control emerged as the key determinant. The study's novelty lies in demonstrating that transparency and capacity, though important, are insufficient without strong internal control mechanisms to ensure accountable village financial management.

This study aimed to examine the effect of public information disclosure, financial management capacity, and internal control on village financial management accountability, both partially and simultaneously, and to identify which factors hadthe most significant influence on improving accountability. This research makes an essential contribution by clarifying the factors that influenced the accountability of village financial management, especially in Indonesia. The finding that internal control had the most significant influence showed the importance of adequate oversight in improving financial transparency and accountability. In addition, this study highlighted that public information disclosure and financial management capacity, although relevant, didnot directly influence accountability. These results offer new insights for policymakers to focus on strengthening internal control as a top priority in improving village financial accountability.

## 2. LITERATURE REVIEW

### 2.1 Good Governance Theory

The good governance theory highlights that governments should perform their functions efficiently by involving stakeholders, ensuring that any decision-making process is accessible to the public, and being accountable for their actions and policies (Guanfang, 2024). Startups navigate the trade-off between taking risks and controlling their operations (Graña-Alvarez et al., 2024). The principles of good governance

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include transparency, accountability, participation, responsiveness, and legal certainty, all of which aim to create a government capable of preventing corruption and abuse of power (Li & Zhou, 2024).

### 2.2 Financial Management Theory

The financial management theory focuses on effective and efficient financial management in public and private organizations, aiming to achieve economic prosperity and ensure financial stability. The theory covers planning, budgeting, controlling, analyzing, and making decisions related to allocating and using financial resources (Z. Liu et al., 2024). Financial innovation is changing the external financial environment and presenting new challenges for enterprise risk management (Canyakmaz et al., 2024; S. Chen & Wu, 2026; Guo et al., 2024). Fundamental principles in financial management include liquidity, profitability, and solvency, where organizations must balance short-term cash flow and long-term goals (Nguyen-Huy et al., 2024).

### 2.3 Agency Theory

The Agency Theory explains principal–agent relationships and highlights the need for control and accountability in village financial management. Rural transformation is shaped by sociocultural and urban–rural linkages (Liu et al., 2024). Weak IT internal controls risk financial misrepresentation (Mojtahedi & Zhou, 2024; Saeed & Donkoh, 2026). Contracts, incentives, supervision, and transparency reduce agency conflicts (Purnamasari et al., 2024; Scharnigg, 2024).

### 2.4 Accountability and Stewardship Theory

The Accountability Theory stresses transparency, honest reporting, and responsibility to stakeholders in managing public resources (Ang & Wickramasinghe, 2023; Wong et al., 2021). Evidence from nonprofit governance highlights accountability toward beneficiaries (Pak, 2026; Urquía-Grande et al., 2022; Wang & Yang, 2026). The Stewardship Theory views agents as intrinsically motivated stewards acting ethically in principals' interests (Chen et al., 2024; Diab, 2020; Handayani et al., 2023). Both theories frame village officials' responsibility for transparent, accountable financial management.

### 2.5 Public Information Disclosure, Financial Management Capacity, Internal Control, and Village Financial Management Accountability

Public information disclosure is essential to village financial governance as it enhances transparency, enables public access to budget information, promotes community participation, and reduces fund misuse. Post-2008, rising corruption in Italy illustrated how weak transparency undermined institutional credibility (Amidu et al., 2026; Pittaluga et al., 2024). Accountability shifted from descriptive to relational transparency and shared knowledge (Kempeneer, 2021; Khan & Prodhan, 2025; Versigghel et al., 2023). Effective village financial management depended on officials' planning and reporting capacity (Dong et al., 2024; Nakpodia et al., 2024; Zhu, 2024), resilience to financial risks (Bi et al., 2026; L. Zhang et al., 2024), and robust internal controls that strengthened oversight and mitigated errors and financialization (Abu Assab et al., 2024; Chen & Chen, 2024; Jin, 2024; Ma & Li, 2024; Tiwari, 2024; Wolf & Karszes, 2023; Xia et al., 2024; J. Zhang, 2024). Therefore, the formulation of the hypothesiswas as follows:

**H1**: Public information disclosure affects village financial management accountability.

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**H2**: Financial management capacity affects village financial management accountability.

**H3**: Internal control affects village financial management accountability.

**H4**: Public information disclosure, financial management capacity, and internal control simultaneously affect village financial management accountability.

## 3. METHODOLOGY

### 3.1 Research Design

This survey used questionnaires administered to village officials to examine the effects of public information disclosure, financial management capacity, and internal control on village financial management accountability. Primary data were analyzed using representative sampling and regression to test the hypotheses and relationships among variables. The following is a description of the variables presented in table 1.

Table 1. Variable description

| Variables | Description | References |
|---|---|---|
| Public Information Disclosure (PID) | The level of openness and accessibility of information about village financial management to the public including financial reports, budgets, and village fiscal policies. | (Graña-Alvarez et al., 2024; Guanfang, 2024; Li & Zhou, 2024) |
| Financial Management Capacity (FMC) | The ability of the village government to manage financial resources effectively and efficiently, including financial planning, management, implementation, and reporting. | (Z. Liu et al., 2024) (Canyakmaz et al., 2024; Guo et al., 2024) (Nguyen-Huy et al., 2024) |
| Internal Control (IC) | Systems and procedures were implemented to monitor, evaluate, and control village financial management so that it would run by applicable rules and regulations. | (W. Liu et al., 2024; Mojtahedi & Zhou, 2024; Purnamasari et al., 2024; Scharnigg, 2024) |

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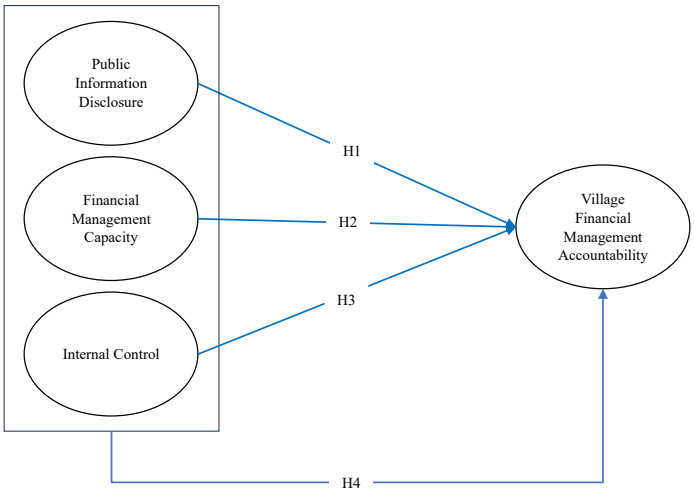


Figure 1. Research Model

Source: author

Data collection in this study was carried out through a questionnaire instrument consisting of 32 statement items designed using an agreement-type Likert scale. Respondents were asked to state their level of agreement with each statement with five answer options, ranging from strongly disagree to strongly agree, to measure their perceptions of the research variables, namely public information disclosure, financial management capacity, internal control, and village financial management accountability. The questionnaire was distributed online through Google Form to facilitate access and expand the range of respondents, thus enabling faster and more efficient data collection.

### 3.2 Population and Sample

This study sampled 110 villages across six districts in West Sulawesi: Polewali Mandar, Mamasa, Majene, Mamuju, Pasangkayu, and Central Mamuju. Villages were selected based on population size, administrative capacity, and geographic distribution to ensure representativeness, despite potential bias toward better-administered villages. Data were collected via online questionnaires, with technical support to address limited internet access. West Sulawesi was chosen due to its diverse governance structures, ongoing development, and persistent challenges in village financial management, making it suitable for examining accountability determinants.

Table 2. Number of villages sampled per regency

| Regency | Number of Villages | Samples |
|---|---|---|
| Polewali Mandar | 173 | 32 |
| Mamasa | 117 | 22 |
| Majene | 62 | 12 |

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| Regency | Number of Villages | Samples |
|---|---|---|
| Mamuju | 110 | 20 |
| Pasangkayu | 59 | 11 |
| Central Mamuju | 54 | 10 |
| Total | | 110 |

### 3.3 Validity and Reliability of Instrument

The instrument's validity was assessed through the computation of correlation probability values (two-tailed Sig.) and Pearson correlation coefficients, employing the SPSS version 27 software. This validity examination aimed to ascertain the questionnaire's efficacy as a reliable research measurement tool. The validity test results is shown in the Table 3.

Table 3. Validity testing results

| Items | Sig. | Pearson Correlation | Items | Sig. | Pearson Correlation |
|---|---|---|---|---|---|
| PID1 | <0.001 | 0.788 | IC1 | <0.001 | 0.724 |
| PID2 | <0.001 | 0.797 | IC2 | <0.001 | 0.702 |
| PID3 | <0.001 | 0.832 | IC3 | <0.001 | 0.704 |
| PID4 | <0.001 | 0.848 | IC4 | <0.001 | 0.576 |
| PID5 | <0.001 | 0.762 | IC5 | <0.001 | 0.671 |
| PID6 | <0.001 | 0.739 | IC6 | <0.001 | 0.739 |
| PID7 | <0.001 | 0.862 | IC7 | <0.001 | 0.747 |
| PID8 | <0.001 | 0.843 | IC8 | <0.001 | 0.780 |
| FMC1 | <0.001 | 0.881 | VFMA1 | <0.001 | 0.689 |
| FMC2 | <0.001 | 0.783 | VFMA2 | <0.001 | 0.699 |
| FMC3 | <0.001 | 0.804 | VFMA3 | <0.001 | 0.666 |
| FMC4 | <0.001 | 0.822 | VFMA4 | <0.001 | 0.778 |
| FMC5 | <0.001 | 0.842 | VFMA5 | <0.001 | 0.673 |

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| Items | Sig. | Pearson Correlation | Items | Sig. | Pearson Correlation |
|---|---|---|---|---|---|
| FMC6 | <0.001 | 0.725 | VFMA6 | <0.001 | 0.736 |
| FMC7 | <0.001 | 0.668 | VFMA7 | <0.001 | 0.676 |
| FMC8 | <0.001 | 0.697 | VFMA8 | <0.001 | 0.718 |

All items used in this study proved to be valid. This can be seen from the significance value (Sig.) which was smaller than 0.001 for each item, which indicated that the results were statistically significant. In addition, the Pearson Correlation value for each item was above 0.5, which indicated a strong correlation between each item and its total variable score. Thus, all items in the research instrument had good validity, so they can be used to accurately measure the variables under study. The Reliability test results are presented in Table 4.

Table 4. Reliability testing results

| Variables | Cronbach's α | N of Items | Results |
|---|---|---|---|
| Public Information Disclosure | 0.923 | 8 | Reliable |
| Financial Management Capacity | 0.908 | 8 | Reliable |
| Internal Control | 0.855 | 8 | Reliable |
| Village Financial Management Accountability | 0.855 | 8 | Reliable |

Based on the reliability test results shown in Table 4, all variables in this study were declared reliable. This was indicated by Cronbach's α value for each variable, above 0.7, the minimum limit to declare good reliability. The Public Information Disclosure variable had an α value of 0.923, a Financial Management Capacity of 0.908, and Internal Control and Village Financial Management Accountability of 0.855, respectively. These values indicated that the items in each variable were consistent in measuring the intended construct, so the research instrument had a high level of reliability to be used in further research.

### 3.4 Data Analysis

Data were analyzed using SPSS 27 with multiple regression at a 5% significance level to assess variable effects. Classical assumption tests confirmed model validity: data were normally distributed ($p = 0.055$), showed no heteroscedasticity, and exhibited no multicollinearity (tolerance > 0.1; VIF < 10).

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## 4. RESULTS AND DISCUSSION

### 4.1 Descriptive Statistics

The researcher presents descriptive statistics and frequency tables containing the number of respondents who responded to the questionnaire. These descriptive statistics include data summaries such as mean, standard deviation, and distribution of values of each variable measured. The frequency table shows the number and percentage of respondents who responded to each question in the questionnaire, which helps to illustrate the distribution of data and general trends in respondents' responses. This data provided an initial overview of the patterns and trends in the research sample.

Table 5. Response of village officials towards public information disclosure

| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| PID1 | 1 (0.909) | 1 (0.909) | 8 (7.273) | 42 (38.182) | 58 (52.727) | 4.409 | 0.746 |
| PID2 | 0 (0.000) | 2 (1.818) | 5 (4.545) | 45 (40.909) | 58 (52.727) | 4.445 | 0.672 |
| PID3 | 0 (0.000) | 2 (1.818) | 7 (6.364) | 34 (30.909) | 67 (60.909) | 4.509 | 0.701 |
| PID4 | 0 (0.000) | 2 (1.818) | 7 (6.364) | 32 (29.091) | 69 (62.727) | 4.527 | 0.700 |
| PID5 | 0 (0.000) | 2 (1.818) | 4 (3.636) | 40 (36.364) | 65 (59.091) | 4.536 | 0.616 |
| PID6 | 0 (0.000) | 0 (0.000) | 5 (4.545) | 28 (25.455) | 77 (70.000) | 4.655 | 0.566 |
| PID7 | 2 (1.818) | 3 (2.727) | 4 (3.636) | 38 (34.545) | 63 (57.273) | 4.427 | 0.840 |
| PID8 | 1 (0.909) | 4 (3.636) | 12 (10.909) | 33 (30.000) | 60 (54.545) | 4.336 | 0.881 |

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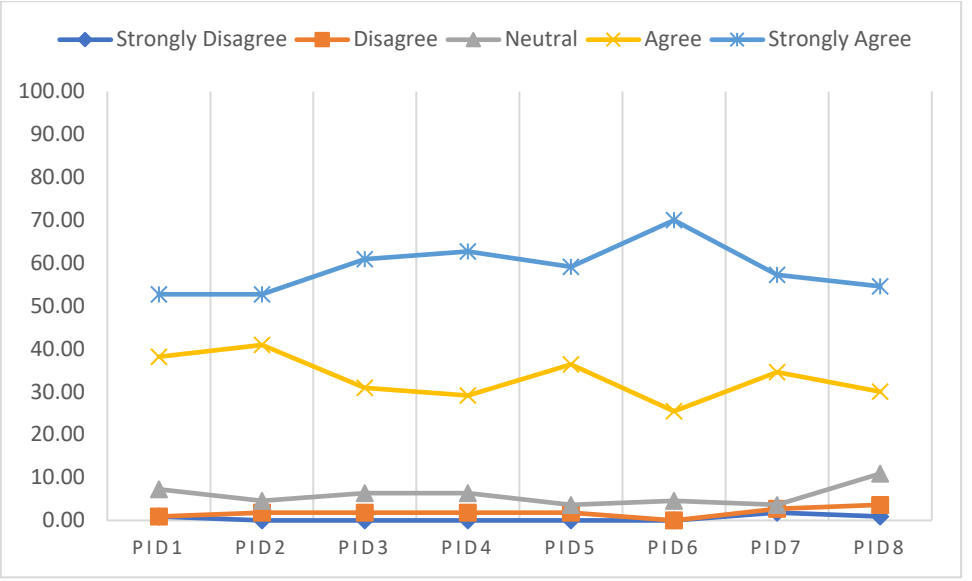


Figure. 2. PID Responses Comparison (Source: author)

Based on Table 5 and Figure 2, responses indicated a very positive perception of public information disclosure. Positive items showed high mean scores (4.409–4.527), while negative items also reflected strong disagreement (4.336–4.655). These results suggested that village financial information was accessible, transparently reported, and effectively disclosed to the community.

Table 6. Response village officials towards financial management capacity

| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| FMC1 | 0 (0.000) | 3 (2.727) | 12 (10.909) | 36 (32.727) | 59 (53.636) | 4.373 | 0.788 |
| FMC2 | 0 (0.000) | 1 (0.909) | 6 (5.455) | 36 (32.727) | 67 (60.909) | 4.536 | 0.645 |
| FMC3 | 0 (0.000) | 3 (2.727) | 6 (5.455) | 32 (29.091) | 69 (62.727) | 4.518 | 0.726 |
| FMC4 | 1 (0.909) | 2 (1.818) | 7 (6.364) | 36 (32.727) | 64 (58.182) | 4.455 | 0.774 |
| FMC5 | 1 (0.909) | 2 (1.818) | 4 (3.636) | 32 (29.091) | 71 (64.545) | 4.545 | 0.737 |
| FMC6 | 0 (0.000) | 0 (0.000) | 6 (5.455) | 33 (30.000) | 71 (64.545) | 4.591 | 0.595 |
| FMC7 | 0 (0.000) | 0 (0.000) | 7 (6.364) | 32 (29.091) | 71 (64.545) | 4.582 | 0.612 |
| FMC8 | 0 (0.000) | 0 (0.000) | 4 (3.636) | 34 (30.909) | 71 (64.545) | 4.618 | 0.558 |

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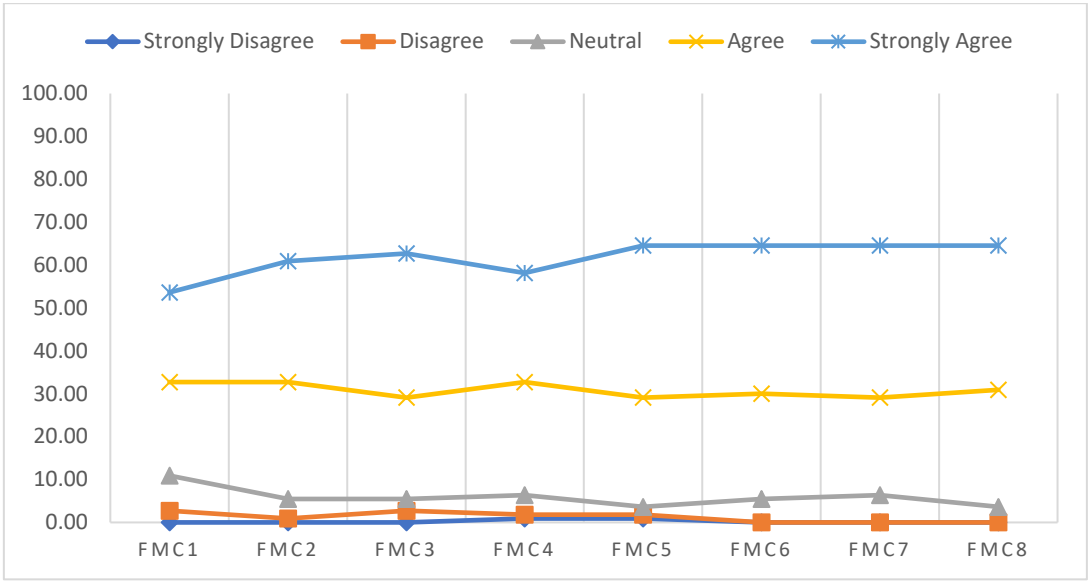


Figure 3. FMC Responses Comparison

Source: author

Based on Table 6 and Figure 3, village officials reported a very positive perception of financial management capacity. Positive items showed high mean scores (4.373–4.536), while negative items also reflected strong disagreement (4.545–4.618). These results indicated effective financial planning, efficient budget management, and adequate human resource competence, suggesting that villages generally possessed solid and efficient financial management capacity.

Table 6. Response village officials towards internal control

| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| IC1 | 0 (0.000) | 0 (0.000) | 3 (2.727) | 30 (27.273) | 77 (70.000) | 4.673 | 0.527 |
| IC2 | 0 (0.000) | 0 (0.000) | 1 (0.909) | 35 (31.818) | 74 (67.273) | 4.664 | 0.494 |
| IC3 | 0 (0.000) | 1 (0.909) | 3 (2.727) | 35 (31.818) | 71 (64.545) | 4.600 | 0.594 |
| IC4 | 0 (0.000) | 1 (0.909) | 2 (1.818) | 34 (30.909) | 73 (66.364) | 4.627 | 0.572 |
| IC5 | 0 (0.000) | 0 (0.000) | 2 (1.818) | 37 (33.636) | 71 (64.545) | 4.627 | 0.522 |
| IC6 | 0 (0.000) | 0 (0.000) | 3 (2.727) | 34 (30.909) | 73 (66.364) | 4.636 | 0.537 |
| IC7 | 0 (0.000) | 1 (0.909) | 2 (1.818) | 31 (28.182) | 76 (69.091) | 4.655 | 0.566 |

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| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| IC8 | 0 (0.000) | 1 (0.909) | 5 (4.545) | 33 (30.000) | 71 (64.545) | 4.582 | 0.626 |

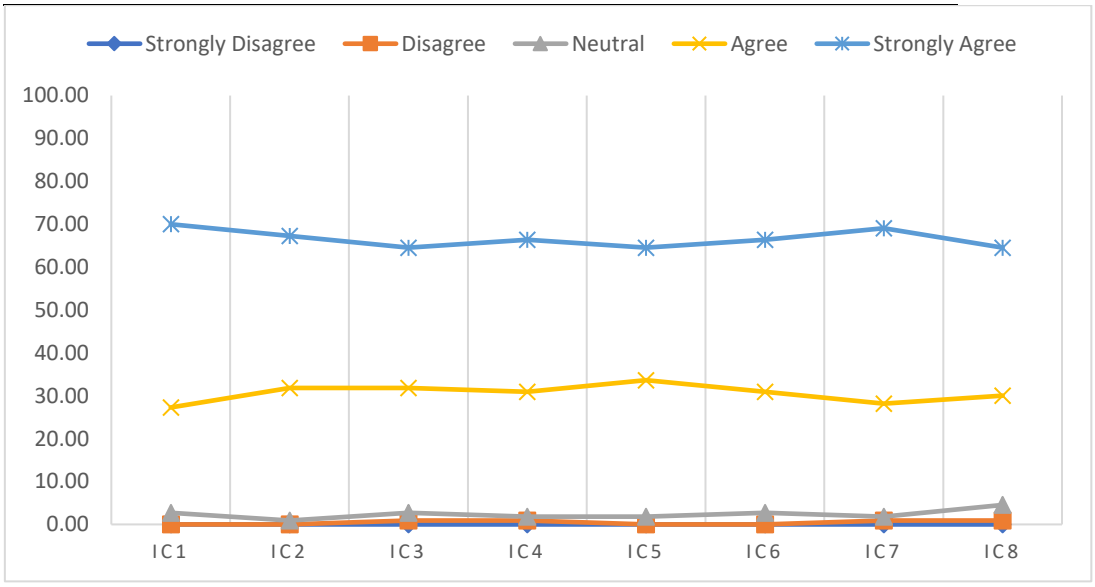


Figure 4. IC Responses Comparison

Source: author

Based on Table 7 and Figure 4, village officials reported very strong internal control practices. Positive items showed high mean scores (4.600–4.673), while negative items also reflected strong disagreement (4.582–4.655). These results indicated clear procedures, effective audits, consistent monitoring, and well-structured internal controls in the studied villages.

Table 8. Response village officials towards village financial management accountability

| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| VFMA1 | 0 (0.000) | 0 (0.000) | 2 (1.818) | 31 (28.182) | 77 (70.000) | 4.682 | 0.506 |
| VFMA2 | 0 (0.000) | 0 (0.000) | 1 (0.909) | 44 (40.000) | 65 (59.091) | 4.582 | 0.514 |
| VFMA3 | 0 (0.000) | 0 (0.000) | 0 (0.000) | 38 (34.545) | 72 (65.455) | 4.655 | 0.478 |
| VFMA4 | 0 (0.000) | 0 (0.000) | 2 (1.818) | 38 (34.545) | 70 (63.636) | 4.618 | 0.524 |

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| Items | Responses | | | | | Mean | SD |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | | |
| VFMA5 | 0 (0.000) | 0 (0.000) | 0 (0.000) | 36 (32.727) | 74 (67.273) | 4.673 | 0.471 |
| VFMA6 | 0 (0.000) | 0 (0.000) | 4 (3.636) | 31 (28.182) | 75 (68.182) | 4.645 | 0.552 |
| VFMA7 | 0 (0.000) | 0 (0.000) | 1 (0.909) | 33 (30.000) | 75 (68.182) | 4.682 | 0.487 |
| VFMA8 | 0 (0.000) | 0 (0.000) | 2 (1.818) | 32 (29.091) | 76 (69.091) | 4.673 | 0.509 |

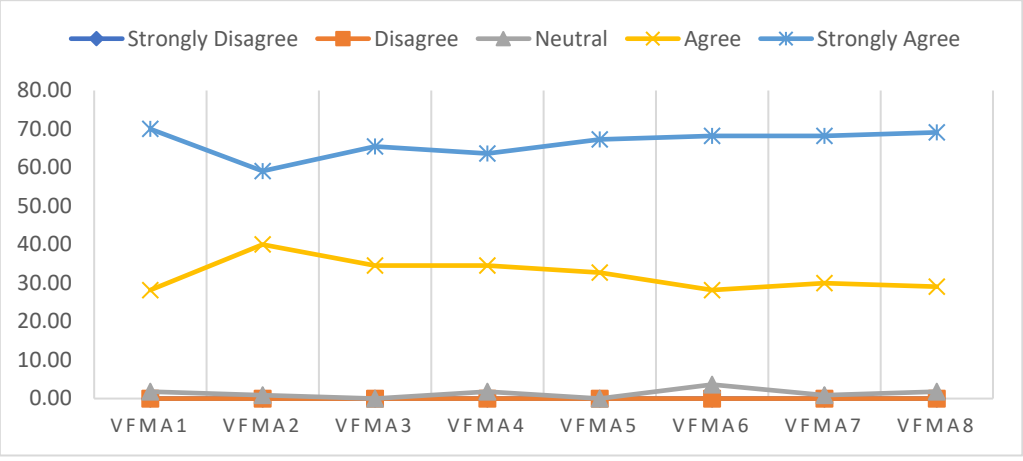


Figure 5. VFMA Responses Comparison (Source: author)

Based on Table 8 and Figure 5, village officials reported very high financial management accountability. Positive items showed mean scores of 4.582–4.682, while negative items also reflected strong disagreement (4.645–4.682). These results indicated transparent budgeting, regulatory compliance, accurate reporting, and an excellent level of village financial accountability.

## 4.2 Hypotheses Testing (Partial/t-test)

Table 9 shows partial regression results for determinants of village financial management accountability. Internal Control had a strong and significant effect ($\beta = 0.652$, $t = 7.619$, $p < 0.001$), while Public Information Disclosure and Financial Management Capacity were insignificant ($p > 0.05$). These findings indicated that internal control was the key driver of village financial accountability.

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Table 9. Partial hypotheses testing

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Betas | | |
| (Constant) | 10.903 | 2.043 | | 5.337 | <.001 |
| Public Information Disclosure | .055 | .070 | .090 | .784 | .435 |
| Financial Management Capacity | .065 | .087 | .097 | .737 | .463 |
| Internal Control | .593 | .078 | .652 | 7.619 | <.001 |

Note. Dependent Variable: Village Financial Management Accountability

### 4.3 The Influence of Public Information Disclosure on Village Financial Management Accountability

Based on Table 9, public information disclosure had an insignificant effect on village financial management accountability. The unstandardized coefficient (B = 0.055) and standardized coefficient (β = 0.090) indicated a weak relationship, while the t-value (0.784) and significance level (p = 0.435) confirmed statistical insignificance. These results suggested that transparency alone did not directly improve accountability and must be supported by complementary mechanisms such as community participation, enforcement, monitoring, and integrated oversight strategies to achieve meaningful accountability outcomes.

### 4.4 The Effect of Financial Management Capacity on Village Financial Management Accountability

Based on Table 9, financial management capacity had an insignificant effect on village financial management accountability. The unstandardized coefficient (B = 0.065) and standardized coefficient (β = 0.097) indicated a weak relationship, supported by a t-value of 0.737 and significance level of 0.463 (p > 0.05). These results suggested that improved financial management skills alone did not ensure accountability. Structural factors such as weak regulation enforcement, inadequate internal controls, and cultural influences may limit its impact. Therefore, a holistic approach integrating capacity-building with strong institutional support, external oversight, independent audits, performance evaluation, and community-based monitoring was required to enhance accountability.

### 4.5 The Effect of Internal Control on Village Financial Management Accountability

As indicated in Table 9 Internal Control had a strong and significant effect on Village Financial Management Accountability. The unstandardized coefficient (B = 0.593) and standardized coefficient (β =

 

0.652), supported by t = 7.619 and p < 0.001, confirmed that stronger internal control substantially improved transparency and accountability in village financial governance.

### 4.6 The Influence of Public Information Disclosure, Financial Management Capacity, and Internal Control on Village Financial Management Accountability (Simultaneous/F-Test)

Based on the simultaneous hypothesis test results as shown in Table 10, public information disclosure, financial management capacity, and internal control hada significant effect simultaneously on village financial management accountability. The regression sum of squares value of 547.054 and the residual of 339.137 indicated that the model that included the three variables could explain most of the variation in village financial management accountability. With a total sum of squares of 886,191, this model appeared to have considerable explanatory power over the dependent variable.

Table 10. Simultaneously hypotheses testing

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 547.054 | 3 | 182.351 | 56.995 | <.001 |
| Residual | 339.137 | 106 | 3.199 | | |
| Total | 886.191 | 109 | | | |

Note. Dependent Variable: Village financial management accountability. Predictors: (Constant), public information disclosure, financial management capacity, internal control

The regression results showed strong model performance in explaining village financial management accountability. A regression mean square of 182.351 versus residuals of 3.199, supported by an F-statistic of 56.995 and p < 0.001, confirmed the model's overall significance. Simultaneously, public information disclosure, financial management capacity, and internal control significantly influenced accountability, highlighting their combined importance despite internal control being the strongest individual factor. The Model Summary reports an R-value of 0.786, indicating a strong relationship, while R Square of 0.617 showed that 61.7% of accountability variation was explained by the model. The Adjusted R Square of 0.606 confirmed robust explanatory power after adjustment. A Std. Error of 1.789 further indicated relatively accurate predictions, demonstrating the model's strong predictive capability.

$$VFMA = 10.903 + 0.055(PID) + 0.065(FMC) + 0.593(IC) + \varepsilon \quad (1)$$

### 4.7 Discussion

This study found that public information disclosure did not significantly affect village financial management accountability, differing from prior studies highlighting transparency's role (Junaidi & Adnan, 2023; Baihaqi et al., 2023). The insignificant coefficient suggested that transparency alone was insufficient without oversight, coordination, and accountability mechanisms. Consistent with the Good Governance Theory, effective governance requires transparency alongside participation, legality, and control (Guanfang, 2024; Pittaluga et al., 2024). These findings indicated the need for integrated strategies

combining information disclosure with participatory monitoring and formal accountability structures to address systemic institutional weaknesses in village financial governance.

This study showed that financial management capacity did not significantly influence village financial accountability, despite its role in ensuring budget efficiency and effectiveness. Unlike Hariyanti et al. (2021), these findings suggested that capacity-building alone was insufficient without effective supervision and control. Consistent with the Financial Management Theory, accountable governance requires integrated planning, budgeting, and oversight (Z. Liu et al., 2024; Zhu, 2024). Therefore, efforts to enhance financial management capacity should be accompanied by strengthened accountability frameworks, such as external audits and participatory governance, and multifaceted training that addresses both technical skills and systemic challenges faced by village officials.

This study found that internal control had a strong and significant effect on village financial management accountability, supporting Safelia (2023). Consistent with the Agency Theory, effective controls reduced conflicts of interest between communities and village officials, limit opportunistic behavior, and ensured fund management aligned with public interests (Purnamasari et al., 2024; Chen & Chen, 2024). Strong internal controls enabled early detection of irregularities, thereby strengthening transparency and accountable village financial governance.

This study found that public information disclosure, financial management capacity, and internal control simultaneously hada significant effect on village financial management accountability, supporting prior studies (Junaidi & Adnan, 2023; Safelia, 2023). Although disclosure and capacity were insignificant individually, their integration—especially with strong internal control—enhanced accountability. Consistent with the Accountability and Stewardship Theories, this combination promoted transparent reporting, responsible fund management, and alignment of village officials' actions with community interests, thereby strengthening accountable village financial governance (Wong et al., 2021; Chen et al., 2024).

## 5. CONCLUSION

Public information disclosure and financial management capacity didnot significantly affect village financial accountability, despite their importance in governance. Internal control played a dominant role, with effective and consistent supervision significantly improving accountability. When combined, especially with strong internal control, these factors enhanced transparent and accountable village financial governance. The findings highlighted the theoretical importance of internal control in public sector accounting and suggest a holistic approach that integrated information management capacity with strict internal supervision to achieve stronger village financial accountability.

Future studies should examine additional determinants of village financial accountability, including community participation, audit quality, and technological support. Expanding regional scope, applying longitudinal designs, and analyzing interactions with cultural and political contexts can provide deeper insights into how accountability mechanisms evolve and differ across villages.

To strengthen village financial accountability, internal controls should include regular independent audits, standardized and transparent reporting, and targeted training for control personnel. Integrating financial

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management technology improves accuracy and reduces fraud, while community monitoring, ethical culture building, and compliance incentives further reinforce effective, sustainable internal control systems.

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## 7. CONFLICT OF INTEREST STATEMENT

The authors agree that this research was conducted in the absence of any self-benefits, commercial or financial conflicts and declare the absence of conflicting interests with the funders.

## 8. AUTHORS' CONTRIBUTIONS

**Aini Indrijawati**: Conceptualisation, methodology, formal analysis, investigation and writing-original draft; **Darmawati**: Supervision, conceptualisation, methodology, formal analysis, and writing-original draft and writing-review and editing; **Fathyani Anwar**: Conceptualisation, formal analysis, validation, and writing-original draft; **Fatmawati**: Formal analysis, investigation and writing-original draft; **Samsinar**: Formal analysis, investigation, and writing-original draft.

## 9. DATA AVAILABILITY

The datasets used and/or analysed during the current study are available from the corresponding author on reasonable request.

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