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Strengthening Financial Reporting Quality: The Role of Rule of Law, Public Transparency, and Cultural Change as a Moderator

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Abstract

Purpose - The purpose of this study is to investigate how the Indonesian General Election Commission's financial reports are affected by the rule of law, transparency, and cultural shift. From a decision sciences perspective, this study provides a quantitative framework for policymakers to allocate resources effectively by identifying critical determinants of financial reporting quality. Unlike previous studies that focus solely on accounting standards, this research uniquely integrates cultural change as a moderating variable within the public sector context, offering a novel behavioral perspective on financial accountability. From a decision sciences perspective, this study provides a quantitative framework for policymakers to allocate resources effectively by identifying critical determinants of financial reporting quality

Design/methodology/approach - This quantitative study employs PLS-SEM. Key members of the Election Commission's finance and administration staff were surveyed to gather primary data, while the Supreme Audit Agency's financial audit report provided secondary data.

Findings - The findings demonstrate that transparency ($\beta = 0.419$, $p < 0.05$) and the rule of law ($\beta = 0.312$, $p < 0.05$) have a positive and significant effect on financial reporting quality. Conversely, cultural change was found to weaken this relationship, highlighting that in the presence of strong cultural shifts, reliance on legal compliance and transparency becomes even more critical.

Practical implications - This study provides valuable insights for government agencies seeking to improve financial reporting quality. It highlights the importance of the rule of law, transparency, and fostering positive cultural change for accurate financial reporting. Policymakers and auditors can utilize these findings to enhance governance practices and address deficiencies in government financial control systems. This study is closely linked to decision sciences, as it provides empirical evidence on how governance principles and cultural factors influence financial reporting quality, which is critical for informed decision-making in public-sector resource allocation and policy formulation.

Originality - By incorporating cultural change as a moderating factor in the relationship among the rule of law, transparency, and financial reporting quality, this study makes a significant contribution to the existing literature. Addressing the specific challenges faced by the Indonesian General Election Commission offers a fresh perspective on how governance practices influence financial reporting in developing countries.

Keywords: Rule of Law, Public Transparency, Cultural Change, Financial Reporting Quality.

JEL Classifications: K16, H11, H83, D73

1. Introduction

One form of government accountability to stakeholders is through government financial reports. The public has the right to access government financial data in order to assess the government; they are the ones who entrust the government with managing public funds. Stakeholders will utilize government financial reports to make and evaluate decisions regarding the allocation of resources that have been used (Sumarlin et al., 2021). Therefore, the government's financial reports must possess the requisite attributes in order to be of high quality. Suppose government financial reports do not meet adequate characteristics. In that case, it will lead to errors in decision-making about resource allocation, which will then result in state losses, revenue shortages, administrative weaknesses, inefficiency, and ineffectiveness of resources..

An overview of the first-semester audit results from the Supreme Audit Agency of the Republic of Indonesia on 83 Ministry/Institutional Financial Statements and the Financial Statements of the State General Treasurer in 2022 shows that 82 (99%) of the statements received an "unqualified opinion." In the Overview of Audit Results for Semester I of 2022, the Supreme Audit Agency of the Republic of Indonesia reviewed 83 institutions, including the General Election Commission. The examination's findings revealed that 82 institutions (99%), including the General Election Commission, received an unqualified opinion. Still, when the Supreme Audit Agency reviewed the General Election Commission's 2022 financial report that same year, it found problems with the internal control framework and actions that did not appear to comply with the law. Although the General Election Commission for 2022 has obtained an unqualified opinion, there are still issues with financial management. The General Election Commission is currently under intense public scrutiny following the recent election cycles. Ensuring the integrity of financial reporting in this high-stakes environment is crucial for maintaining public trust and democratic stability.

In 2022, the General Election Commission faced significant challenges in implementing adequate expenditure management controls. These issues primarily manifested as improper splitting of work packages, disorderly management of accountability documents, and the use of unverified calculations for work results. Furthermore, the underutilization of the Cash Management System (CMS) and the lack of sufficient accountability evidence for expenditures further exacerbated the risks of financial mismanagement. As a result, there was a chance that money would be misused, that the labor spent acquiring goods and services would not be worth the money paid, and that some expenses would be incurred that were not credible. Additionally, the General Election Commission has not fully accounted for goods expenditure with sufficient evidence. This invalid expenditure of goods resulted in an overpayment of Rp 839.98 million. The overpayment has been returned to the State Treasury, amounting to Rp 564.24 million, leaving a remaining overpayment of Rp 275.74 million.

Similarly, the General Election Commission has not been able to adjust the payment of official travel expenditures. The payment of official travel expenditure is submitted with a nominative submission of 100%, but it has not been entirely realized and has not been accounted for by returning the funds to the State Treasury as of December 31, 2022. This resulted in an overpayment of Rp 2.03 billion for official travel goods. For this problem, a refund of Rp 1.33 billion has been made to the State Treasury, leaving a remaining overpayment of Rp 0.70 billion (Badan Pemeriksa Keuangan Republik Indonesia, 2023).

According to the findings, there are still issues that, if not resolved promptly, will significantly impact the General Election Commission's ability to manage its finances, thereby affecting the quality of the financial reports produced. On the other hand, the financial report is a tool for monitoring financial performance and evaluating the use of the government-provided budget.

The Supreme Audit Agency (BPK) conducted a comprehensive audit of the General Election Commission's financial statements for the fiscal year 2022. According to the BPK's audit report (Overview of Audit Results for Semester I, 2023), the KPU's financial management was deemed satisfactory overall, as indicated by the unqualified opinion. However, the report also highlighted significant findings of financial irregularities that require immediate attention. These findings included weaknesses in internal control systems and non-compliance with legal provisions, which, although not invalidating the audit opinion, represent critical risks to financial accountability.

The scope of the audit encompassed the entire financial year, assessing compliance with government accounting standards, internal control effectiveness, and adherence to procurement regulations. While the BPK acknowledged that the financial statements were fairly presented, it issued recommendations for improvement in expenditure management, documentation practices, and optimization of the Cash Management System (CMS). These recommendations underscore the need for systemic reforms to prevent recurring issues.

Specific financial irregularities identified by the audit include overpayments and unverifiable expenditures. For example, the KPU incurred expenditures of Rp 839.98 million for goods procurement without adequate supporting invoices or contracts. This lack of documentation raises concerns about the legitimacy of these transactions. It creates a significant risk of material misstatement in the financial reports. Of this amount, Rp 564.24 million was refunded to the State Treasury, leaving Rp 275.74 million outstanding. Similarly, official travel expenses were submitted at 100% but not fully realized, resulting in an overpayment of Rp 2.03 billion. By year-end, Rp 1.33 billion had been refunded, leaving Rp 0.70 billion unrecovered (BPK RI, 2023). These figures represent a substantial portion of the operational budget and indicate inefficiencies that could distort the KPU's reported financial position.

The impact of these irregularities extends beyond the quality of financial reporting. Mismanagement of funds can undermine the integrity of the election process by reducing resources available for critical activities such as voter education, logistics, and technology upgrades. Budgetary shortfalls caused by overpayments or misallocations may lead to operational delays and erode public trust in the electoral system. Therefore, addressing these issues is not only a matter of compliance but also essential for ensuring the integrity of democratic governance.

Relying solely on internal KPU data could introduce bias; hence, this study incorporates insights from independent sources, including BPK audit reports and prior academic research on public financial management. Previous studies emphasize that adherence to the rule of law and transparency is fundamental to improving financial reporting quality (Abed et al., 2022; Setiyawati et al., 2020). However, empirical evidence remains mixed, suggesting that organizational culture may moderate these relationships. Cultural change, defined as shifts in norms, values, and behaviors within institutions, can either strengthen or weaken the implementation of governance principles. Understanding this dynamic is crucial for designing effective interventions.

Against this backdrop, the present study aims to examine the influence of the rule of law and public transparency on financial reporting quality, with cultural change as a moderating variable. By focusing on the KPU as a case study, this research contributes to the field of decision sciences by offering a data-driven model that helps election commission officials make informed decisions regarding institutional transparency and legal compliance. By understanding these variables, decision-makers can better prioritize administrative reforms to enhance public trust.

Generally, quality financial reports will be produced by agencies that apply good governance principles (Hsu & Yang, 2022; Pattiasina et al., 2022; Salatina & Sembiring, 2022). As the public expects the government to implement sound governance principles, there is a growing demand for high-quality government financial reports. According to the principles of good governance, the government operates in the public interest and is accountable for its actions (Singh, 2022).

Another principle of good government is the rule of law. According to the rule of law, everyone must follow the same laws and have equal power (Ramanujam & Farrington, 2022). The rule of law means that law should be the basis for every government decision. Additionally, the law must be applied fairly and consistently to all individuals without discrimination. Without the rule of law, the government can act arbitrarily, and human rights and civil liberties can be violated without fair legal sanctions (Leontiev & Amarasinghe, 2022). To guarantee that governmental power is constrained and governed by the law, the rule of law must be applied. (Leontiev & Amarasinghe, 2022). Consequently, in their policy-making and operations, the General Election Commission and other government organizations must respect the rule of law as a fundamental component of good governance.

The findings of earlier studies by Setiyawati et al. (2020) demonstrated a strong correlation between the quality of government financial reporting and the rule of law. These findings are corroborated by studies carried out by Al-Khonain and Al-Adeem (2020). We also found that the rule of law significantly influences the quality of government financial reports. Similarly, other studies by Isidro et al. (2019) and Nirwana and Haliah (2018) show that the rule of law can strongly affect the quality of government financial reports. Nevertheless, it is inversely correlated with the findings of studies carried out by Masnila et al. (2022), Pillai and Seetah (2022), and Vitolla et al. (2019). These studies found no relationship between the rule of law and the quality of government financial reporting.

Transparency is one of the key tenets of good governance, alongside the rule of law. Transparency refers to the open and truthful manner in which the government communicates its policies, programs, and actions to the public (Krah & Mertens, 2020). Transparency can be achieved in several ways, including providing easy and open access to public information, promoting open decision-making and transparent public financial management, and establishing communication channels and mechanisms for public participation that are accessible to all parties. Moreover, with easy, public access, they can properly understand the information conveyed in government financial reports (Salehi et al., 2023). For the public to effectively assess the government's financial performance, it is essential to improve the quality of information presented in its financial reports. They conducted prior studies (Abed et al., 2022) that successfully demonstrated that the government would be encouraged to create higher-quality financial reports if the

principle of transparency were applied. Consistent with these findings, studies conducted by Ga et al. (2022) also revealed that the quality of government financial reporting is significantly influenced by transparency. Similarly, findings from additional research by Haeruddin et al. (2021) and Indriyani et al. (2018a) indicate that transparency significantly affects the quality of government financial reporting.

As a novel contribution, this study introduces moderating variables that enhance the research's originality. The moderating variable used in this study is cultural change. Cultural change is a continuous phenomenon in society. Likewise, in companies, organizations, or government agencies, such as the General Election Commission. In this study, cultural change is defined as a shift in norms, values, beliefs, attitudes, and behaviors found in the General Election Commission. Cultural change in a positive direction will encourage individuals to strengthen their integrity and ethics, creating an environment where professionals can carry out their duties with honesty. On the other hand, when culture shifts in a negative direction, people may disregard or undervalue ethics and integrity, thereby lowering the quality of financial reports.

A culture that values candid communication, mutual trust, and productive teamwork will enhance the quality and understanding of data in financial reporting. People in the organization are also more likely to follow the rules and refrain from dishonest or deceptive actions when the culture emphasizes adherence to generally accepted accounting principles and financial reporting standards. Because the report will accurately inform stakeholders and reflect the true financial situation, this will improve the quality of financial reporting. The findings of earlier studies by Indriyani et al. (2018b) effectively demonstrated that culture can mitigate the impact of independent factors on financial reporting quality. Similarly, studies conducted by Dewi Kuraesin et al. (2022), Binh et al. (2022), and Bhandari et al. (2022) effectively demonstrated how organizational culture can impact financial reporting quality.

Our research aims to disentangle the intricacies that affect government agencies' strategic decision-making in public financial management, using a quantitative methodology, specifically PLS-SEM. Focusing on the Election Commission as a case study, this research seeks to identify the critical determinants influencing the quality of government financial reports. Specifically, it examines the impact of the rule of law and the role of transparency in elevating reporting standards. Furthermore, the study investigates how cultural shifts influence reporting quality and explores whether cultural change can moderate—either strengthen or weaken—the influence of the rule of law and transparency on the quality of financial disclosures.

Through several contributions, this study will enhance the existing body of knowledge regarding the quality of government financial reports. First, this study highlights the unique dynamics in Indonesia, particularly within the General Election Commission, the primary entity responsible for public financial accountability. This perspective offers a fresh approach to examining the challenges in government financial reporting. Second, this study adopts a broad approach, encompassing topics such as financial governance, openness, and the rule of law. This method offers a more comprehensive understanding of the factors that influence the quality of government financial reports. In practice, policymakers, auditors,

and government organizations in Indonesia can apply these lessons as strategic guides to enhance the quality of financial reports and public financial management.

Furthermore, by improving the current framework for the caliber of government financial reports, this study makes a theoretical contribution. This study presents and confirms constructs specifically tailored to Indonesia, thereby fostering a broader global understanding of public financial governance procedures. The relevance of this study to decision sciences lies in its focus on improving the quality of financial information, which serves as a foundation for strategic decision-making in public governance. Accurate and transparent financial reports enable policymakers, auditors, and stakeholders to make evidence-based decisions regarding resource allocation, compliance, and organizational reforms. This study contributes to the field of Decision Sciences by analyzing how the rule of law and transparency influence organizational decision-making processes regarding financial disclosures.

This study is grounded in Institutional Theory, which holds that organizational actions are driven not only by efficiency but also by social and cultural pressures for legitimacy. As noted by DiMaggio and Powell (1983) in their pioneering work, institutions conform to rules (Rule of Law) and norms (Cultural Change) to gain public trust. Additionally, the Agency Theory by Jensen and Meckling (1976) explains the relationship between transparency and accountability, in which public transparency serves as a mechanism to reduce information asymmetry between the government (agent) and the public (principal).

2. Literature Review and Hypothesis Development

2.1 Effect of Rule of Law on the Quality of Financial Reporting

Agency theory examines the relationship between a principal (typically the public) and an agent, in which the principal entrusts the agent with administering public resources and programs. According to the principle of the rule of law, the government must follow the law as a guide when performing its official duties. Without the rule of law, there is a greater chance that agents may act irrationally, endangering the public's interests as the principal. As previously said, agency theory and the application of the rule of law in government financial management are intimately intertwined. This is because the government's ability to manage the budget effectively, suitably, and in compliance with relevant laws is a critical component of the public's faith in the government as an institution. The rules of law stipulate that all government actions must be based on the law and that the law must be applied equally and uniformly to everyone. Without the rule of law, the government is free to act arbitrarily and violate civil freedoms and human rights without facing just consequences. As a result, the rule of law principle is crucial and must be applied in every decision-making process, particularly in public financial management.

The findings of earlier studies by Setiyawati et al. (2020) empirically demonstrated a strong correlation between the quality of government financial reporting and the rule of law. These findings are corroborated by studies carried out by Al-Khonain and Al-Adeem (2020). We also found that the rule of law significantly influences the quality of government financial reports. Similarly, other study findings by Isidro et al. (2019) and Nirwana and Haliah (2018) demonstrate the significant impact of the rule of law

on the quality of government financial reports. In light of the previously provided explanation, the hypothesis put forth is :

***H1** The rule of law has a positive effect on the quality of financial reporting.*

2.2 The Effect of Transparency on the Quality of Financial Reporting

Institutional theory emphasizes the importance of norms, values, and practices that exist within an institution or organization. Thus, in government financial management and financial reporting, the emphasis on transparency reflects the adoption of norms and values that encourage government openness to the public and its stakeholders (Zahran et al., 2023). Institutional theory emphasizes how institutions or organizations adhere to existing norms to gain legitimacy and support. This is why transparency in the preparation of financial reports is a necessary strategy for building and maintaining government legitimacy in the eyes of the public.

Transparency is a crucial principle in good governance, particularly in government financial management (Haustein & C. Lorson, 2023). Transparency means that relevant information should be available and easily accessible to the public and stakeholders, including financial reports. By applying the principle of transparency in government financial management, the government can build trust and openness with the public and other stakeholders (Cifuentes-Faura et al., 2023).

The public will have easy access to and a clear understanding of the information in government financial reports (Mungiu-Pippidi, 2023). As a result, the public will be able to assess the government's financial performance more accurately, and official financial reports will contain higher-quality, more accurate information. As a result, the transparency principle is crucial for enhancing the quality of financial reporting—statements made by government agencies (Duarte & Mugnaini, 2024).

Abed et al. (2022) demonstrated that the government will be encouraged to produce higher-quality financial reports if transparency is applied. Consistent with these findings, studies conducted by Ga et al. (2022) also revealed that the quality of government financial reporting is significantly influenced by transparency. Similarly, the findings of additional research carried out by Setiawan and Anjelina (2023), Haeruddin et al. (2021), and Ariesta and Santy (2017) support these conclusions. They illustrate how transparency can significantly influence the quality of government financial reports. In light of the previously provided explanation, the hypothesis put forth is :

***H2** Transparency has a positive effect on the quality of financial reporting.*

2.3 The Effect of Cultural Change on the Quality of Financial Reporting

Cultural change is also a continuous process and occurs in organizations, not just in society (Gorton et al., 2022). One of the main factors influencing organizational change is culture. The shift in the norms, values, and beliefs that guide financial management decisions and activities is referred to as cultural change in

government entities. Because these changes promote more accountable, transparent financial management practices, an adaptable, flexible culture can enhance the quality of data reported in financial statements.

The values that guide how employees work and behave are called organizational culture (Singh, 2022). These principles determine whether an action is considered right or wrong and whether a behavior is recommended. Organizational culture can also be interpreted as a habit consistently carried out and adopted as a lifestyle by individuals within the organization, which is then followed by those who come after.

To meet the demands of a changing environment, new challenges, or changing goals, the government sector will need to implement cultural change. If cultural change encourages individuals to uphold integrity and ethics, it will create an environment in which accounting professionals can perform their duties honestly. On the other hand, if cultural change takes a negative direction, individuals will tend to ignore or underestimate the importance of integrity and ethics, which will hurt the quality of the financial reports produced.

The findings of Dewi Kuraesin et al. (2022) effectively demonstrate how corporate culture can affect the quality of financial reports (Binh et al., 2022). Similarly, Bhandari et al. (2022) demonstrate that corporate culture significantly impacts the quality of financial reporting. Given the previously provided explanation, we put forth the hypothesis :

***H3** cultural change has a positive effect on the quality of financial reporting.*

2.4 Cultural Change as Moderation in the Effect of the Rule of Law on the Quality of Financial Reporting

The rule of law requires that all government actions and decisions be based on it. People in an organization are more likely to follow the rules and avoid questionable or dishonest actions when the organization's culture emphasizes adherence to generally accepted accounting principles and applicable financial reporting standards. This suggests that current accounting standards and applicable regulations must serve as the foundation for all budgetary decisions. The impact of the rule of law on the quality of financial reports will increase as organizational culture shifts toward one that values it.

Agency theory explains the relationship between an organization's owner (the principal) and its agent (management), whose interests do not always align. Therefore, a strong basis for lowering the possibility of conflicts of interest between the government and society is established by a cultural shift toward legal compliance. When the organization's culture supports and prioritizes the rule of law, individuals within the company are more likely to adhere to applicable laws and regulations when preparing financial reports. This will enhance accuracy, integrity, and compliance with current regulations, thereby elevating the quality of the company's financial reporting. Previous studies corroborate this (Indriyani et al., 2018b). This effectively illustrated how culture can mitigate the impact of independent factors on financial report quality. In light of the previously provided explanation, the hypothesis put forth is :

H4 Cultural change can strengthen the influence of the rule of law on the quality of financial reporting.

2.5 Cultural Change as Moderation in the Effect of Transparency on the Quality of Financial Reporting

Cultural change in an organization can be explained through institutional theory, particularly its pillar of mimetic isomorphism. Mimetic isomorphism refers to the phenomenon in which organizations tend to imitate or adopt practices and norms considered successful or recognized by similar organizations or by the surrounding environment. When an organization observes success and excellence in the application of values by other organizations, it is likely to adopt similar cultural changes. A culture that values candid communication, reciprocal trust, and productive teamwork will enhance the quality and comprehension of the data in financial reports. Because they will accurately inform stakeholders and reflect the true financial situation, this will improve the quality of the financial reports.

The existence of a culture change in a positive direction, where norms, values, and behaviors that encourage integrity, ethics, and compliance with Generally Accepted Accounting Principles are embraced, will enable transparency to be realized properly. A strong culture of change will encourage individuals across the organization, including accounting professionals, to comply with applicable rules and regulations and to avoid questionable practices. Conversely, suppose cultural change takes a negative turn, in which integrity and ethics are ignored or underestimated. In that case, transparency in financial reports can be compromised. The selection of material presented in financial reports can be influenced by organizational cultures that do not uphold ethical and integrity standards, thereby lowering the quality of financial reports. Cultural change is considered a crucial component in providing high-quality financial reporting. As earlier studies (Indriyani et al., 2018b) demonstrate, culture can amplify the impact of the independent variable on financial report quality. In light of the previously provided explanation, the hypothesis put forth is:

H5 Cultural change can strengthen the influence of transparency on the quality of financial Reporting.

Following the decision-making framework by Mittal et al. (2024), while Cultural Change is treated as a moderator in this study, it serves as a critical behavioral mechanism that determines how legal frameworks are translated into administrative outcomes. This approach aligns with recent decision sciences literature, which emphasizes that institutional rules require a matching organizational culture to effectively influence reporting quality (Moslehpour et al., 2019).

3. Methodology

To ensure the mathematical rigor of the structural analysis, this study follows the standardized equations for PLS-SEM as applied in decision sciences research (Liao et al., 2014). The measurement model is defined as: $X1_indicator = \lambda_{x1} * X1 + error$, $X2_indicator = \lambda_{x2} * X2 + error$. For construct related indicators Z1, Y (endogen): $Z1_indicator = \lambda_{z1} * Z1 + error$, $Y_indicator = \lambda_y * Y + error$.

3.1 Data

The data for this study were collected through a structured questionnaire administered to key finance and administration staff at the Indonesian General Election Commission (KPU). Data collection took place from March 13, 2024, to June 20, 2024, a period specifically chosen to capture financial reporting conditions immediately following the intense activity of the election cycle. The sampling technique used was purposive sampling to ensure that all respondents possessed adequate knowledge and direct involvement in financial reporting processes. Based on these criteria, a total of 132 respondents were obtained as the final research sample. The sample size of 132 is highly appropriate for PLS-SEM analysis, particularly for structural models involving moderation interactions, as it provides sufficient statistical power to yield reliable and stable path estimates. Methodology

This quantitative study employs the Partial Least Squares Structural Equation Modeling (PLS-SEM) method for data analysis. Although the survey data utilizes an ordinal Likert scale (1-5), this study treats the variables as continuous for the purpose of Path Analysis. This approach is consistent with established methodological literature, which suggests that Likert scales with five or more points can be effectively analyzed as interval data in structural equation modeling without violating statistical assumptions (Hair et al., 2019). To ensure the robustness of the structural model and avoid spurious-like problems and potential nonlinear artifacts (Hui et al., 2017), this study strictly follows the diagnostic framework suggested by Cheng et al. (2021) and Wong and Pham (2025). Although our data are cross-sectional, we address the potential for spurious significance by conducting rigorous collinearity and validity tests, ensuring that the correlations between variables yield meaningful results rather than statistical artifacts.

3.2 Data Collection

The sampling technique applied was purposive sampling, a non-probability sampling method in which respondents were deliberately selected based on specific criteria determined by the researchers. Purposive sampling was deemed suitable in this research context because: (1) the main objective of the study was to explain and predict the influence of independent and moderating variables on the quality of financial reporting in a specific context, rather than to generalize statistically to the entire population; and (2) it aligns with the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, which is widely applied in exploratory research in the field of public sector accounting, especially with limited yet substantively relevant samples.

To ensure the data's relevance and reliability, this study employed a purposive sampling technique based on five specific inclusion criteria. First, respondents must hold structural or functional positions in financial management—namely, the Head of the Finance Section and Finance Section Staff—who are directly involved in the recording, management, and preparation of institutional financial statements. Second, participants must have at least 2 years of professional experience in public financial management to ensure an in-depth understanding of reporting processes and policies. Third, eligible respondents must have previously served, or currently serve, as responsible officers or executors in the preparation of the

annual financial statements for the Regency or Municipal General Election Commission (KPU). Fourth, the study specifically targeted respondents employed at Regency or Municipal KPUs within the Province of North Sumatra, which served as the designated case study location. Finally, all participants must voluntarily agree to provide data by completing the questionnaire. These criteria were designed to ensure that the research sample possessed competence, experience, and direct professional relevance to the phenomenon under study, thereby supporting content validity, data reliability, and the credibility of research findings.

Based on these criteria, a total of 132 respondents were obtained as the research sample. The sample size of 132 approaches the minimum threshold recommended for PLS-SEM analysis, particularly for models involving moderation interactions. (Hair et al., 2019) Suggest a minimum sample size of 100–150 respondents, depending on the number of indicators and model complexity. Therefore, the findings of this study should be interpreted with consideration of potential limitations in statistical power, especially in detecting moderation effects, which generally require larger samples for stable estimation.

The data collection procedure began with the submission of an official participation request letter to the Chairpersons of Regency/Municipal KPUs in North Sumatra Province. This letter was accompanied by an explanation of the research objectives and implementation schedule, as well as a cover letter from the university to lend legitimacy and assure respondents of data confidentiality.

Respondents were contacted via official channels (telephone and email) to schedule the questionnaire administration based on their availability. The questionnaire was distributed in two formats: printed copies sent via courier or post, and an online version via Google Forms, depending on each respondent's preference. To enhance the response rate, the research team conducted regular follow-ups via telephone and WhatsApp. All participation was voluntary and anonymous.

The research questionnaire was developed by adapting instruments from several prior studies that had demonstrated good validity and reliability. Specifically:

1. Indicators of Financial Reporting Quality were based on Government Regulation of the Republic of Indonesia No. 71 of 2010 on Government Accounting Standards (Edryani, 2023; Sebrina et al., 2023), namely: Relevance, Reliability, Comparability, Understandability, Accessibility, Timeliness, Accuracy, and Usability.
2. Indicators of Rule of Law were adapted from Da Cruz et al. (2022), namely: Legal Clarity, Law Enforcement, Legal Independence, and Legal Justice.
3. Indicators of Transparency were adapted from Riwukore et al. (2022), namely: Informativeness, Openness, Clarity and Completeness of Information, and Disclosure.
4. Indicators of Cultural Change were adapted from Li et al. (2019), namely: Integrity, Cooperation, New Values or Norms, and Individual Responses to Change.

Before distributing the main questionnaire, a pilot test was conducted with 15 respondents with similar characteristics. The pilot test aimed to evaluate item clarity, assess language readability, and estimate initial reliability. The results indicated that all constructs achieved Cronbach's Alpha values above 0.7; thus, all items were retained without substantive revisions.

General Election Commission of Medan City

Number	Position	Amount
1	Chairman of the General Election Commission	1
2	Member of Voter Education, Public Participation, and Human Resources Socialization Division	1
3	Member of Planning, Data and Information Division	1
4	Member of Legal and Monitoring Division	1
5	Member of Technical Organizing Division	1
6	Secretary	1
7	Head of Finance, General and Logistics	1
8	Head of Finance Section*	1
9	Finance Section Staff*	3
10	Head of General and Logistics Division	1
11	General and Logistics Section Staff	3
12	Head of Technical Election Organization, Participation and Public Relations	1
13	Head of Election Organizer Technical Section	1
14	Election Organizer Technical Section Staff	3
15	Head of Participation and Public Relations Section	1
16	Participation and Public Relations Section Staff	3
17	Head of Planning, Data and Information	1
18	Head of Planning Section	1
19	Planning Section Staff	3
20	Head of Data and Information Section	1
21	Data and Information Staff	3
22	Head of Law and Human Resources	1
23	Head of Legal Section	1
24	Legal Section Staff	2
25	Head of Human Resources Section	1
26	Human Resources Section Staff	4
27	Election Management Organizer	3
28	Election Management Officer	2
29	State Budget Finance Officer	2
30	Legal Analyst	1
Total		50

* Positions used as research samples

Our approach to data collection involves a questionnaire. This tool collects information by asking respondents a series of questions and then requesting their answers (Elayan et al., 2023). We employ literature reviews in addition to surveys to enhance our understanding of various ideas that will serve as a foundation or guidance for the research process (Sugiyono, 2017). In this data collection strategy, a

literature review is a secondary data source used to support the research process by gathering information from books, journals, articles, and scientific papers on prior research.

3.3 Empirical Analysis

3.3.1 Data Analysis Approach

This study employs quantitative data analysis methods using SmartPLS and computer software. Partial Least Squares (PLS), a variant of structural equation modeling (SEM), allows for the concurrent testing of measurement and structural models. Additionally, PLS is a soft modeling analysis method, as it does not require data to be measured on a specific scale, allowing for small sample sizes (less than 100). Researchers employ PLS for various purposes. The reasons for this study are as follows: First, PLS is a data analysis technique that does not require a considerable sample size; it can be used with as few as 100 samples. Second, because PLS may be used for predictions, it can be used to examine theories that are still considered weak. Suppose the theory being used is inadequate or the available indicators do not satisfy the reflective measurement model. In that case, PLS is intended as a backup. Because it can be used on all data scales, requires few assumptions, and does not require a large sample size, partial least squares analysis is a powerful tool. In addition to validating theories, PLS can also assess proportions or establish correlations without requiring a theoretical basis. For this analysis, we created two models: the structural model (inner model) and the measurement model (outer model).

The use of PLS-SEM is justified for this study because it is robust to violations of normality and suitable for analyzing data measured on ordinal scales, such as Likert-type responses. Prior research confirms that PLS-SEM performs well with ordinal data and small sample sizes (Hair et al., 2019; Rigdon, 2016; Sarstedt et al., 2016). This approach is widely recommended for exploratory models involving latent constructs and interaction effects.

3.4 Constructs' Operationalization

According to Indonesian Government Regulation No. 71 of 2010 on government accounting standards, the quality of financial reporting refers to how well the Election Commission's financial reports meet the requirements of relevance, reliability, comparability, and ease of understanding. All members of the Election Commission, as public authorities, must be subject to the same laws and have the same authority, in accordance with the principle of the rule of law (Da Cruz et al., 2022). Legal clarity, law enforcement, legal independence, and legal justice are the metrics used to assess the rule of law. The concept of transparency in effective governance refers to the Election Commission's implementation of the idea that guarantees everyone's freedom of access to information about governance (Riwukore et al., 2022). We measure transparency through indicators of informativeness, openness, clarity, and completeness of information and disclosure. Cultural change refers to changes in beliefs, attitudes, and practices connected to the way the Election Commission operates and interacts with the community (Yosinta, 2016). This study examined cultural change using the following indicators: honesty, cooperation, new values and norms, and responsiveness to change.

4. Results Analysis

4.1 Outer Model Analysis

In structural equation modeling (SEM) or partial least squares (PLS), which aim to characterize the relationship between indicators and latent variables, the analysis of the outer model is a crucial step. Essentially, the outer model demonstrates the effectiveness of each indicator in capturing the abstract idea of a latent variable. The primary objectives of this study are to determine the extent to which these indicators contribute to the latent variable and to establish a robust relationship between the two. The goal of evaluating the outer model in this study is to assess the validity and reliability of the measurement model.

Convergent validity refers to the ability of indicators within a latent variable to be strongly related and measure the same thing. An indicator is considered valid convergently if its loading factor value is more than 0.7. The higher the loading factor, the stronger the indicator's relationship with the measured latent variable. Discriminant validity measures the degree to which the indicators of a latent variable differ or are well distinguishable from those of other latent variables. A reliability test is a process to evaluate the consistency and reliability of an instrument. In this study, reliability tests were used to ensure that measuring instruments produce consistent and stable results when used repeatedly under the same conditions. Good reliability indicates that the measurement results are not affected by random fluctuations and that the instruments used are reliable.

Table 1. Evaluating Measurement Model using Outer Loadings, Alpha, Composite Reliability, and AVE.

Variables	Indicators	Outer Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Rule of Law	X1.1	0.788	0.908	0.925	0.577
	X1.2	0.756			
	X1.3	0.746			
	X1.4	0.763			
	X1.5	0.740			
	X1.6	0.750			
	X1.7	0.712			
	X1.8	0.785			
	X1.9	0.796			
Public Transparency	X2.1	0.774	0.911	0.926	0.582
	X2.2	0.727			
	X2.3	0.761			
	X2.4	0.787			
	X2.5	0.768			
	X2.6	0.783			
	X2.7	0.793			
	X2.8	0.739			
	X2.9	0.734			
	Y.1	0.748	0.921	0.933	0.584

	Y.2	0.764			
	Y.3	0.792			
	Y.4	0.776			
Financial Report Quality	Y.5	0.737			
	Y.6	0.789			
	Y.7	0.751			
	Y.8	0.767			
	Y.9	0.763			
	Y.10	0.752			
	<hr/>				
	Z.1	0.797			
	Z.2	0.780			
	Z.3	0.707			
Cultural Change	Z.4	0.798			
	Z.5	0.773	0.914	0.929	0.591
	Z.6	0.773			
	Z.7	0.766			
	Z.8	0.761			
	Z.9	0.763			

Note: Testing the outer model in this study is conducted by examining its validity through the outer loading value, which must be greater than 0.7. The consistency of each construct is assessed using Cronbach's Alpha (CA) to evaluate reliability, while Composite Reliability (CR) is used to assess the stability of the measurement model. In addition, the Average Variance Extracted (AVE) is used to assess the discriminant validity of each construct. Thus, all these tests confirm the measurement model's strength in the study, providing a strong foundation for Structural Equation Modeling (SEM) analysis later.

All indicators included in the variables of this study met the criterion of an outer loading value of more than 0.7, according to the results of the convergent validity test. Therefore, it can be said that all indicators pertaining to the variables of public openness, rule of law, financial report quality, and cultural change are legitimate. The data in the table shows that each variable's AVE value is greater than 0.5. Therefore, we can assert that all the variables in this research model exhibit strong discriminant validity. According to the reliability test findings, all variables used in this study already have CA and CR values above the predetermined threshold of 0.70. This indicates that the instrument's consistency as a measurement tool is high.

Table 2. Results of Discriminant Validity Using HTMT Criteria

	Rule of Law	Public Transparency	Financial Report Quality	Cultural Change
Rule of Law	-			
Public Transparency	0.587	-		
Financial Report Quality	0.566	0.786	-	
Cultural Change	0.738	0.576	0.463	-

Note: All HTMT values are below the 0.85 threshold, indicating satisfactory discriminant validity.

Table 3. Values of the Fronell-Larcker Criterion

	Rule of Law	Public Transparency	Financial Report Quality	Cultural Change
Rule of Law	0.760			
Public Transparency	0.536	0.763		

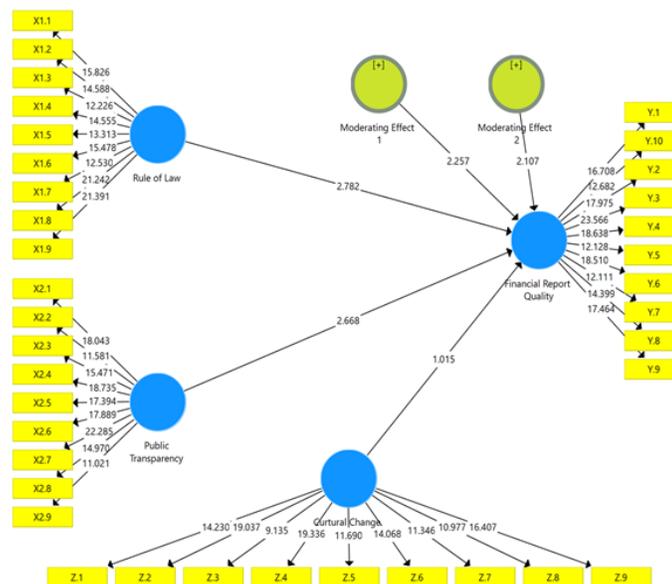
Financial Report Quality	0.523	0.730	0.764	
Cultural Change	0.672	0.527	0.432	0.769

Note: Diagonal values indicate the square root of average variance extracted. All the values corresponding to each diagonal are less than that of the diagonal value, indicating satisfactory discriminant validity.

4.2 Inner Model Analysis

Before verifying the inner (structural) model, the outer model must be tested. By examining the dependent variable's R-squared (coefficient of determination) and path coefficients, we conduct internal model testing. The R-squared score increases with the quality of the proposed research model's predictive model. However, the extent to which the independent variable affects the dependent variable is indicated by the path coefficients. Additionally, hypothesis testing is done in the inner model study, either entirely or with the aid of moderating variables.

Figure 1. Inner Model Analysis



Note: Moderating Effect 1 represents an interaction between the rule of law and cultural changes in the quality of financial reports. While Moderating Effect 2 is an interaction between public transparency and cultural changes in the quality of financial reports.

Table 4. Model Evaluation with R-squared

	R Square	R Square Adjusted
Financial Report Quality	0.559	0.549

Note: the above results show that the R-squared value obtained in this study is 0.559. The value indicates that the quality of financial reports is attributable to the rule of law, public transparency, and cultural change, accounting for 55.9%. In comparison, the remaining 44.1% was attributed to other variables not examined in this study.

Before testing the hypotheses, the model was evaluated to ensure no spurious-like effects occurred. Following Wong et al. (2024), the high R-square and significant path coefficients in this study are not the result of false significance, but represent stable relationships strengthened by the inclusion of Cultural Change as a moderating factor

Table 5. Model Fitness with SRMR, d_ULS, d_G, Chi-square, and NFI

	Saturated Model	Estimated Model
SRMR	0.057	0.057
d_ULS	2.320	2.320
d_G	1.344	1.344
Chi-Square	854.245	854.245
NFI	0.755	0.755

Note: The values for SRMR, d_ULS, d_G, Chi-square, and NFI, when compared between the estimated and saturated models, indicate good fitness.

We also tested the model fit using the PLS-SEM SRMR. The current model's SRMR value is 0.075, which is less than the 0.08 upper limit. The value suggests a suitable model fit (Hair et al., 2019).

Table 6. Hypothesis Testing Results

	Coefficients	T Statistics	P Values*	Decision
Rule of Law -> Financial Report Quality	$\beta = 0.312^{**}$	2.782	0.006	Supported
Public Transparency -> Financial Report Quality	$\beta = 0.419^{**}$	2.668	0.008	Supported
Cultural Change -> Financial Report Quality	$\beta = 0.105$	1.015	0.310	Not supported
Moderating Effect 1 -> Financial Report Quality	$\beta = 0.198^*$	2.257	0.024	Supported
Moderating Effect 2 -> Financial Report Quality	$\beta = -0.168^*$	2.107	0.036	Supported

Note: * = the limit used is $p < 0.05$ (5%). Moderating Effect 1 is an interaction between the rule of law and cultural changes to the quality of financial reports. While Moderating Effect 2 is an interaction between public transparency and cultural changes in the quality of financial reports. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

H1—the rule of law—has a positive and significant impact on the quality of financial reporting, according to the results of the hypothesis test in Table 6. This conclusion is supported by the coefficient value of 0.312, the t value of 2.782, and the p value of 0.006. Because adherence to the law promotes greater responsibility in the compilation of financial reports, this suggests that the higher the rule of law, the higher the quality of the financial reports produced. With a coefficient value of 0.419, a t-value of 2.668, and a p-value of 0.008, it is also demonstrated that H2, or public transparency, has a favorable and significant impact on the quality of financial reports. This hypothesis is validated, indicating that the quality of financial reports improves with increased public disclosure. This high level of transparency encourages the creation of more accurate and reliable financial reports and makes information easier to obtain.

H3, on the other hand, which discusses how cultural shifts affect the caliber of financial reporting, is not noteworthy. This hypothesis is not supported by the coefficient value of 0.105, the t-value of 1.015, and the p-value of 0.310, which indicate that cultural change has no discernible effect on the quality of financial reports. However, the results indicated a substantial effect for H4, the moderating effect of cultural change on the relationship between the rule of law and the quality of financial reporting. This hypothesis is supported by a p-value of 0.024, indicating that cultural change can mitigate the impact of the rule of law on financial report quality. This suggests that the rule of law can be strengthened by shifting the culture to generate high-quality financial reports. The same findings were also presented in

H5 examined the moderating role of cultural change in the association between financial report quality and public transparency. The results were significant, with a p-value of 0.036. This implies that the impact of transparency on the caliber of financial reporting may be mitigated by cultural change.

5. Discussions

The findings of this study demonstrate that implementing the rule-of-law principle has a positive and significant effect on the quality of financial reporting. This demonstrates that when the government fulfills its duties under applicable law, it establishes a robust framework for accountability. The government cannot assure the public that the budget has been managed effectively or that actions are directed and measured by merely following the law. Therefore, the quality of financial reports produced increases with the strength of the rule of law (Roxas et al., 2012). Enhancing the rule of law in the administration of public funds requires strategic actions, such as raising legal awareness among government workers to emphasize the importance of adhering to the law and strengthening the government apparatus's capabilities through training on accounting and financial reporting standards. Furthermore, it is imperative to reinforce unambiguous legislation, improve oversight through independent audits, and impose severe penalties for legal infractions (Jean, 2019).

The study's findings also show that public transparency significantly improves the quality of financial reports. Transparency necessitates that stakeholders and the general public have access to information regarding government financial management (Tran et al., 2021). The public will be better equipped to assess the government's financial performance when financial information is readily available and accessible. This transparency fosters public trust and demonstrates the government's commitment to sound governance. Transparency is therefore essential to raising the caliber of financial reports. The government must ensure that budget data and financial reports are readily available and comprehensible to the general public in order to enhance transparency in the administration of public funds. This can be achieved by establishing open communication practices and utilizing technology, such as online portals, to enable people to interact with the available information. Additionally, government employees need training on the importance of transparency and on how to convey information effectively. By fostering openness, public confidence in financial reports and government performance will increase, allowing for more effective public resource management. However, it is fascinating to observe that there were no notable effects of cultural change on the caliber of financial reports. This demonstrates that, despite being an essential process for firms, cultural reform lacks the direct impact to affect the caliber of financial reporting. Long-lasting cultural shifts may impact several organizational facets that are not immediately evident in the quality of financial reporting (Okwata et al., 2022). However, a different outcome is the function of cultural transformation as a moderating force. The findings demonstrate how cultural shifts can bolster the impact of transparency and the rule of law on the caliber of financial disclosures. This demonstrates that an organization's culture will have a greater impact on creating higher-quality financial reports when it upholds values focused on transparency and the law.

Policymakers and public sector practitioners may find some guidance in the implications of this study's findings. First and foremost, the government is supposed to prioritize the rule of law when managing public funds. This can be achieved by ensuring that all financial management practices comply with established rules and by enhancing government officials' ability to understand and implement relevant legislation. Promoting adherence to the law will safeguard people's rights and enhance accountability. Second, the primary emphasis should be on financial management openness. The government must ensure that all financial data is easily accessible to the general public and presented clearly and understandably. It would be highly advantageous to implement initiatives such as public counseling and the dissemination of financial information using information technology, as this can promote public involvement in budget monitoring and enhance public awareness of government financial performance. Third, efforts to establish an organizational culture that upholds ethics and integrity are crucial, even though they do not directly affect the quality of financial reports. Positive change can be sparked by training programs that stress the value of moral behavior and legal compliance in financial management. Furthermore, establishing a system of rewards for individuals or groups that excel in transparency and legal compliance can be a powerful motivator.

Stronger coordination between the rule of law, transparency, and corporate culture is necessary to accomplish the objective of prudent financial management. To increase accountability and public trust in government agencies, decision-makers can utilize this research as a guide to develop more effective policies. It also significantly advances our understanding of the factors that affect the quality of public-sector financial reporting. By taking the right steps, the quality of financial reports can be enhanced, thereby improving the government's overall performance (Li et al., 2019).

6. Conclusions

This study aimed to examine the influence of the rule of law and public transparency on financial reporting quality within Indonesia's General Election Commission, while assessing the moderating role of cultural change. The research was motivated by persistent financial irregularities identified in BPK audit reports, which threaten accountability and decision-making in public governance. Based on the findings of this investigation, we recommend that the government enhance the implementation of the rule of law principle in the administration of public funds. Because of this, the government needs to create training programs that raise government workers' awareness of the law. Employees who understand and adhere to relevant regulations will be better equipped to perform their jobs responsibly and effectively. Ultimately, this study reinforces the application of decision sciences in the public sector. The findings provide administrators with a systematic approach to determine which cultural and legal factors require the most urgent intervention to optimize financial accountability.

Public transparency should also be a major focus in financial management. Imagine if people could easily access and understand budget information and financial reports. This will increase public confidence and encourage active public participation in overseeing the budget's use. Therefore, the government is advised to establish open communication practices and utilize technology to make information more accessible.

Public education programs can also be an effective tool to bridge people's understanding of government financial performance. The results indicate that both the rule of law and public transparency have a significant impact on improving financial reporting quality. Cultural change, however, does not exert a direct effect but rather plays a complex moderating role, strengthening the impact of the rule of law while attenuating the effect of transparency. These findings highlight the nuanced interplay between governance principles and organizational culture.

Governments should nonetheless support organizational cultures that uphold openness and legal ideals, even though cultural change does not directly affect the caliber of financial reporting. As everyone is aware, a strong culture can foster a productive and healthy work environment. Thus, human resource development in the public sector should include ethics and legal compliance training. There will also be greater motivation if a rewards system is implemented for individuals or groups that excel in transparency and legal compliance. Why don't we give credit to the people who help improve financial reporting?

Theoretically, this study extends public sector accountability literature by integrating cultural change as a moderator in governance models. Practically, the findings provide actionable insights for policymakers and auditors, suggesting that strengthening legal compliance, enhancing transparency mechanisms, and fostering cultural values that support integrity can collectively improve reporting quality.

Despite the significant contributions of this study to decision sciences and public sector accounting, several limitations must be acknowledged to guide future research. First, the research design is cross-sectional, capturing data at a single point in time. While this approach effectively identifies associations between the rule of law, transparency, and financial reporting quality, it limits the ability to draw definitive causal inferences regarding the long-term impact of cultural changes. Second, the sample is specifically focused on the General Election Commission (KPU) in Indonesia. While this provides a unique context regarding election cycles, the findings may require careful adaptation when applied to other public sector agencies with different operational characteristics. Finally, regarding the econometric validity of the regression model, we acknowledge the potential for spurious relationships or non-linearity as highlighted by recent literature. Although standard diagnostic checks were performed within the PLS-SEM framework, specific tests for spurious regressions in nearly non-stationary series, as suggested by Cheng et al. (2021) and Wong et al. (2024), were beyond the scope of this study's current software capabilities. Future research should apply these advanced diagnostic tools to further validate the structural relationships in public sector financial reporting models.

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Appendix: Questionnaire

Strengthening Financial Reporting Quality: The Role of Rule of Law, Public Transparency, and Cultural

Change as a Moderator

I. RESPONDENT'S IDENTITY

- 1. Gender :
- 2. Age : a. < 25 Years b. 25-35 Years
c. 36-45 Years d. 46-55 Years
e. > 55 Years
- 3. Highest Education Level : a. < Bachelor's Degree b. Bachelor's Degree
c. Master's Degree d. Doctorate
- 4. Length of Work Experience :

II. FILLING INSTRUCTIONS

Please check (√) the answer that you consider most appropriate.

- 1. After filling out this questionnaire, please return it to the person who provided it to you initially.
- 2. Alternative answer descriptions and scores:
 - a. SD = Strongly Disagree (1)
 - b. D = Disagree (2)
 - c. N = Neutral (3)
 - d. A = Agree (4)
 - e. SA = Strongly Agree (5)

Financial Report Quality (Y)

No	Items of Statements	SD	D	N	A	SA
Relevant						
1	The information presented in the financial statements of the General Election Commission meets the needs of information users.					
2	The financial statements produced can assist in forecasting financial- related activities for the next period.					
3	The information is directed toward general needs and is not biased toward the needs of specific parties.					

Reliable						
4	The figures in the financial statements of the General Election Commission reflect the actual condition.					
5	The financial statements of the General Election Commission are prepared accurately and can be relied upon.					
6	Each piece of information in the financial statements of the General Election Commission is accompanied by detailed explanations to prevent misinterpretation.					
Comparable						
7	The financial statements of the General Election Commission can be compared with previous years to observe the performance trends of the Commission.					
8	The information presented in the financial statements of the General Election Commission facilitates comparisons with similar institutions.					
Understandable						
9	The presentation of financial information by the General Election Commission uses clear and simple language.					
10	The information presented in the financial statements of the General Election Commission can be understood by all stakeholders.					

Rule of Law (X1)

No	Items of Statements	SD	D	N	A	SA
Legal Certainty						
1	The General Election Commission always implements financial policies with regard to legal certainty.					
2	Legal certainty serves as the basis for financial decision-making.					
Law Enforcement						
3	The General Election Commission has effective mechanisms for law enforcement related to financial violations.					
4	Law enforcement is to ensure compliance with applicable regulations.					
5	Legal actions are applied consistently to every violation.					
Independensi Hukum						
6	The General Election Commission maintains legal independence in the financial decision-making process.					
7	There is no political intervention in law enforcement at the General Election Commission.					
Judicial Independence						
8	The General Election Commission ensures that every legal action taken is fair and proportional.					
9	Every individual or party involved in financial violations is					

	treated fairly by the General Election Commission.					
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Transparency (X2)

No	Items of Statements	SD	D	N	A	SA
Informative						
1	Information about the sources of revenue in the General Election Commission's financial statements is very clear.					
2	The information presented in the financial statements provides a comprehensive picture of the General Election Commission's financial condition.					
Openness						
3	The General Election Commission publicly discloses information on financial policies in its financial statements.					
4	The General Election Commission clearly discloses all necessary information in its financial statements.					
Clarity and Completeness of Information						
5	No information has been concealed or covered up in the General Election Commission's financial statements.					
6	The General Election Commission fully explains each financial transaction contained in the report.					
Disclosure						
7	The General Election Commission openly discloses all aspects that may affect the organization's finances.					
8	The General Election Commission provides detailed information related to financial risks.					
9	The General Election Commission provides detailed information related to accounting policies.					

Cultural Change (Z)

No	Items of Statements	SD	D	N	A	SA
Integrity						
1	All members of the General Election Commission have a high commitment to integrity.					
2	Integrity is a core value in the culture of the General Election Commission.					
Cooperation						
3	Every member of the General Election Commission contributes to creating a cooperative work environment.					
4	Cooperative culture is one of the organizational cultures at the General Election Commission.					
5	Changes in the culture of the General Election Commission are directed at strengthening cooperation between units.					
New Values or Norms						

6	The General Election Commission actively promotes new values or norms to be adopted.					
7	In implementing new values or norms, the General Election Commission ensures that all members of the organization can accept the changes to achieve better quality financial statements.					
Individual Response to Change						
8	Each individual is able to respond to cultural change with openness and readiness to adapt.					
9	The existence of cultural change at the General Election Commission has the full support of all members of the organization.					

Thank you.