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Analysis of the Implementation of Accrual-Based Government Accounting and Its Implications for the Quality of Financial Reports in the Public Sector

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Abstract. *The aim of this study is to analyze the implementation of accrual-based government accounting and its implications for the quality of financial reports in the public sector. This research uses a qualitative descriptive method, particularly through a literature review using secondary data from previous research journals accessed via Google Scholar. The application of accrual-based accounting in the public sector in Indonesia is a significant step toward improving the quality of financial reports. The analysis shows that the implementation of this system can enhance the transparency, accountability, and accuracy of financial reports. However, challenges in implementation, such as a lack of employee understanding and inadequate information technology infrastructure, need to be addressed. The application of accrual-based accounting in the public sector is a positive and strategic step. By overcoming these challenges, the quality of financial reports can be improved, which will ultimately contribute to better financial management in the public sector.*

Keywords: *Accrual-based government accounting, financial report quality, public sector*

INTRODUCTION

Amid globalization and the growing demand for transparency, accrual-based government accounting has become a primary requirement for the public sector in many countries, including Indonesia. With the rise of the digital economy and the push for public sector transformation toward efficiency and innovation, accrual-based accounting has become even more urgent (Ayu & Haliah, 2024). This accounting method allows the government to record revenues and expenses as transactions occur, rather than when cash is received or paid. This approach is consistent with sound accounting principles, aiming to provide more accurate and relevant financial information for decision-making (Mardiasmo, 2021). According to Government Regulation No. 71 of 2010 concerning Government Accounting Standards (SAP), the implementation of accrual-based accounting is expected to improve the quality of financial reports and public accountability (Government Regulation of the Republic of Indonesia, 2010). However, the implementation of this accounting system in Indonesia still faces several obstacles. Rustandi's (2021) research reveals that the lack of understanding among government

employees about this system is a major challenge. In addition, weak internal control also affects the low quality of the resulting financial reports. Therefore, an in-depth study of the implementation of accrual-based accounting and its impact on the quality of public sector financial reports is necessary.

The implementation of accrual-based accounting has a significant impact on the quality of financial reports in the public sector. First, recording transactions as they occur helps create a more accurate picture of the financial position and performance of agencies, facilitating more precise decision-making based on more relevant information (Hasmi & Sunarsi, 2022). Second, the use of accrual-based accounting improves the transparency and accountability of financial reports. With more complete and timely data, the public and stakeholders can better assess the performance of the government. Jati (2019) stated that agencies applying accrual-based accounting typically receive better public ratings for financial management. Third, this implementation contributes to improving governance. Better financial reports allow the government to identify areas for improvement and take appropriate measures, aligning with the principles of good governance that emphasize transparency and accountability in public financial management. Fourth, another positive effect is the increased public trust in the government. When the public sees transparent and accurate financial reports, they have more confidence that public funds are being managed well, which strengthens the relationship between the government and the public. However, the implementation of accrual-based accounting can lead to problems if not carried out correctly. For example, if employees do not have sufficient understanding of the system, errors in recording and reporting may occur, potentially harming the agency concerned.

In recent years, several studies have examined the implementation of accrual-based accounting in the public sector. For example, Permana (2022) found that the implementation of accrual-based accounting at the Regional Financial Management and Asset Agency of Palembang City improved the quality of financial reports. The findings show that agencies implementing accrual-based accounting produce more transparent and accountable financial reports. Additionally, research conducted by Ghodang (2020) highlights the importance of training and education for government employees in the implementation of accrual-based accounting. This study shows that employees who receive proper training are more capable of correctly applying accrual-based accounting systems, thus improving the quality of financial reports. Another study by Anisa et al. (2024) found that the implementation of accrual-based

government accounting standards in the City Government of Medan also positively impacted the quality of financial reports. This research emphasizes the importance of management support in the process of applying accrual-based accounting. Although many studies show positive impacts, there remains a gap between theory and practice. Some government agencies still struggle to effectively implement accrual-based accounting, particularly in terms of employee understanding and training.

This study presents a significant novelty in the context of the implementation of accrual-based accounting in Indonesia. Although many previous studies have addressed this topic, this research will focus on analyzing the application of accrual-based government accounting and its implications for the quality of financial reports. The difference between this study and previous ones lies in its focus; while previous studies analyzed cities or districts as research objects, this study will review articles from previous researchers and draw conclusions based on the analysis of these articles. This study will use a literature review method and is expected to produce subjective conclusions regarding the implementation of accrual-based Government Accounting Standards (SAP) and the quality of financial report presentation.

Through comprehensive analysis, this study aims to provide deeper insights into the implementation of accrual-based accounting and its implications for the quality of financial reports, as well as provide a foundation for further research in this field. In this context, the study aims to explore the implementation of accrual-based government accounting in Indonesia, focusing on its implications for the quality of financial reports. It is expected to contribute to the development of public sector accounting knowledge and provide recommendations for the government to improve the quality of financial reports.

LITERATURE REVIEW

Government Accounting

Government accounting is a fundamental system for recording and reporting financial transactions conducted by the government. In the context of Indonesia, government accounting is regulated by various regulations, including Government Regulation No. 71 of 2010 on Government Accounting Standards (SAP). The main goal of government accounting is to

provide transparent and accountable financial information to the public, while supporting appropriate decision-making by stakeholders. According to Mardiasmo (2021), government accounting has distinct characteristics compared to corporate accounting, with a primary focus on budget management and the use of public resources. Therefore, government accounting not only functions as a reporting tool but also as an instrument for enhancing accountability and transparency in the management of state finances.

One important aspect of government accounting is the management of assets and liabilities. Government Regulation No. 27 of 2014 on the Management of State/Regional Property provides detailed regulations on how the government must record and report assets. This is crucial to ensure that all public assets are managed properly and can be accounted for. Data from the Financial and Development Supervisory Agency (BPKP) shows that many local governments have not fully complied with these regulations, impacting the quality of their financial reports. Non-compliance can result in potential misuse of assets and a lack of transparency in public financial management, thus reducing public trust in the government.

Moreover, the implementation of government accounting must adhere to generally accepted accounting principles. According to Anjilni et al. (2022), government accounting must follow the standards set by the government to ensure consistency and transparency in reporting. This poses a unique challenge, especially for regions with limited human resources in the field of accounting. Such limitations can lead to difficulties in preparing financial reports in accordance with standards, which in turn can affect the quality of the information provided to the public.

The proper implementation of government accounting is expected to increase public trust in the management of state finances. A survey conducted by UNDP (1997) found that transparency in government financial reports can enhance public participation in decision-making processes. Thus, government accounting not only serves as a reporting tool but also as a means of improving accountability and transparency. When the public has access to clear and accurate financial information, they are more likely to engage in decision-making processes related to resource allocation and public policy.

In a global context, many countries have adopted accrual-based government accounting systems as an effort to improve the quality of financial reports. Countries such as Australia and New Zealand have successfully implemented this system, which has had a positive impact on

their public financial management. Therefore, it is essential for Indonesia to continue improving its government accounting system to remain competitive at the international level. The implementation of an accrual-based accounting system is expected to provide a more accurate picture of the government's financial position and performance, thereby improving the quality of financial reports produced.

Accrual Basis

An accrual-based accounting system is a recording method that recognizes revenues and expenses at the time the transaction occurs, not when cash is received or paid. The implementation of accrual-based accounting in the public sector in Indonesia is regulated by Minister of Finance Regulation No. 270/PMK.05/2014. This method is expected to provide a more accurate picture of the government's financial position and performance. By using accrual-based accounting, the government can record all transactions that occur, ensuring that financial reports more accurately reflect the existing financial reality.

One of the main advantages of implementing accrual-based accounting is its ability to provide more relevant and timely information to stakeholders. By recording transactions as they occur, the government can make quicker decisions related to budget management. According to data from the Ministry of Finance, the implementation of accrual-based accounting is expected to increase the accuracy of financial reports by up to 30% compared to the cash method. This demonstrates that accrual-based accounting can be an effective tool for improving the quality of government financial reporting.

However, the implementation of this system also faces several challenges. Many government agencies are still not technically or resource-wise ready to implement accrual-based accounting. A study by BPKP showed that about 40% of local governments in Indonesia have not fully understood and implemented this system. This can result in inaccurate financial reports, reducing the quality of the information provided to the public. Limited training and education for human resources in the field of accounting is one of the main factors hindering the effective implementation of accrual-based accounting.

In a global context, many countries have successfully implemented accrual-based accounting in the public sector. According to a report from the International Federation of Accountants (IFAC), countries like Canada and the UK have seen significant improvements in

the quality of their financial reports after implementing this system. Therefore, it is important for Indonesia to continue encouraging the implementation of accrual-based accounting to improve the quality of public sector financial reports. By doing so, Indonesia can enhance accountability and transparency in managing state finances.

Financial Report Quality

The quality of financial reports is a critical aspect of government accounting that includes the relevance, reliability, and consistency of the information presented. High-quality financial reports can enhance transparency and accountability and support accurate decision-making by stakeholders. According to Government Regulation No. 8 of 2006, government financial reports must be prepared according to generally accepted accounting principles and must be accountable. Thus, the quality of financial reports is a key indicator in assessing the effectiveness of government financial management.

One indicator of financial report quality is the ability of the reports to provide relevant and accurate information about the government's financial position and performance. Data from the Ministry of Finance shows that well-prepared financial reports can increase public trust in budget management. A survey conducted by the Audit Board of Indonesia (BPK) indicated that about 70% of the public expressed greater trust in governments that produce transparent and accountable financial reports. This highlights the importance of financial report quality in building trust between the government and the public.

However, many challenges remain in achieving high-quality financial reports. According to Mardiasmo (2021), one of the main challenges is the lack of understanding and skills among human resources in preparing financial reports that meet established standards. This can result in inaccurate and uninformative reports, ultimately reducing public confidence in the government. Therefore, improving the capacity of human resources in the field of accounting is a crucial step in enhancing the quality of financial reports.

In a global context, the quality of financial reports in the public sector is also a key focus. Many countries have adopted international accounting standards to improve the quality of their financial reports. According to a report from IFAC, countries that adopt international standards tend to produce more accountable and higher-quality financial reports. Therefore, it is important for Indonesia to continuously strive to improve the quality of public sector

financial reports to remain competitive on an international level. Improving the quality of financial reports will contribute to better financial management and increase government accountability in the eyes of the public.

Financial Reports

Government financial reports are documents that present financial information about the government's financial position, performance, and cash flow. These reports are crucial for stakeholders, including the public, legislators, and oversight bodies, to understand how the government manages the budget and public resources. Government Regulation No. 8 of 2006 emphasizes that financial reports must be prepared accurately and transparently to enhance government accountability. Well-prepared financial reports allow the public to monitor budget usage more easily and assess government performance.

One important component of government financial reports is the balance sheet, which reflects the government's financial position at a specific point in time. The balance sheet must include assets, liabilities, and equity, providing a comprehensive overview of the government's financial health. Data from the Ministry of Finance shows that many local governments face difficulties in preparing accurate balance sheets, resulting in financial reports that cannot be fully accounted for. Inaccuracies in balance sheets can lead to poor decision-making and reduce public trust in government financial management.

In addition to the balance sheet, government financial reports must include budget realization reports and cash flow reports. The budget realization report shows how the approved budget was executed, while the cash flow report provides information about cash inflows and outflows. Both are important indicators for assessing the government's financial performance. A study by BPK found that well-prepared budget realization reports can improve the transparency and accountability of budget management. Thus, preparing high-quality financial reports is crucial for increasing public trust in government financial management.

In the global context, many countries have successfully improved the quality of government financial reports by adopting international accounting standards. Countries like New Zealand and Canada have shown that high-quality financial reports can improve government transparency and accountability. Therefore, it is important for Indonesia to continuously strive to improve the quality of its financial reports to remain competitive

internationally. Improving the quality of financial reports will contribute to better financial management and increase public trust in government.

In conclusion, government accounting, the implementation of accrual-based systems, the quality of financial reports, and transparency in financial reporting are interconnected and essential elements for enhancing accountability and transparency in public financial management. Efforts to improve and strengthen government accounting systems in Indonesia should be a priority so that the management of state finances can be more effective and efficient, meeting public expectations for transparency and accountability.

METHODS

This study uses a qualitative descriptive method, particularly through a literature review, utilizing secondary data from previous research journals accessed through Google Scholar. The qualitative method focuses on understanding and interpreting human events or behavior within a specific context based on the researcher's perspective. Its purpose is to develop an understanding of the problems encountered or explain aspects related to theoretical exploration by collecting data that aligns with expectations.

There are five common qualitative methods: observation, conversation analysis, discourse analysis, content analysis, and ethnographic data collection. In the context of a literature review, the qualitative method is a research technique that generates scientific reports focusing on specific studies and topics.

Cahyono et al. (2019) stated that a researcher must consider five stages of preparation and writing. Generally, these steps include:

1. Searching for related literature through sources such as Library Catalog, Google Scholar, EBSCO, and Medline.
2. Evaluating the sources of research literature.
3. Identifying problems and gaps between theory and reality and creating an article structure or framework.
4. Compiling the literature review.

The research methodology for this article includes several stages:

1. Searching for, collecting, and tracking relevant information through Google Scholar, websites, and other sources.

2. Obtaining 18 journals and 6 Government Regulations (PP) or Laws (UU) that fit the keywords as references.
3. Analyzing the results and composing the research article framework, followed by writing the conclusions.

RESULTS

Previous research has provided insights into the fact that the implementation of accrual-based accounting in the public sector has shown positive results in improving the quality of financial reports. This has become increasingly important, given the public's demand for transparency and accountability in the management of public funds. Several government agencies that have implemented this system reported improvements in transparency and accountability in their financial reports. Data from the Ministry of Finance of the Republic of Indonesia shows that since the implementation of accrual-based accounting, there has been a significant increase in the quality of financial reports. However, challenges in the implementation of accrual-based accounting remain. Research by Hasmi and Sunarsi (2022) indicates that the lack of employee understanding regarding accrual-based accounting principles can hinder accurate recording and reporting processes. Rustandi (2021) found that weak internal control systems can impede the effectiveness of accrual-based accounting implementation. Therefore, it is essential for the government to strengthen internal control systems to support better accounting practices. Continuous training and education for government employees are also crucial.

The implementation of accrual-based accounting has advantages that should be noted, such as its impact on decision-making. With more accurate financial information, the government can make better decisions regarding budgeting and resource allocation. This is consistent with research conducted by Ramadhani, Soerono, and Mulyasari (2019), which found that a solid understanding of accrual-based accounting improves decision-making quality at the local government level. In a global context, many countries have implemented accrual-based accounting in the public sector and achieved positive results. This shows that the implementation of accrual-based accounting has the potential to bring significant benefits to Indonesia's public sector.

DISCUSSION

Accrual-based accounting is an accounting system that records transactions when they occur, rather than when cash is received or paid. The implementation of accrual-based accounting in Indonesia's public sector is regulated by Government Regulation No. 71 of 2010 concerning Government Accounting Standards (SAP). The purpose of this implementation is to improve the transparency and accountability of government financial reports, which in turn is expected to increase public trust in the management of state finances (Mardiasmo, 2021).

Statistics show that before the implementation of accrual-based accounting, many local government financial reports did not meet applicable accounting standards, making it difficult to evaluate financial performance. For example, the preparation of financial reports by the Regional Financial Management and Asset Agency of Palembang City was still not fully in accordance with Government Regulation No. 71 of 2010, especially in terms of the presentation of budget realization reports, equity changes reports, and notes on financial statements (Permana, 2022). This indicates that the agency only partially applied accrual-based accounting, leading to non-compliance with government regulations. Rustandi's (2021) research found that a partial understanding of accrual principles affects the quality of financial reports. This demonstrates that a more modern and transparent accounting system can positively impact the quality of financial reports. Similarly, Mike Fernisia et al. (2024) found that accrual-based accounting had a significant impact on improving the transparency, implementation, and accuracy of financial reports in the public sector. Anastasya, Jenny, and Victorina (2020) also confirmed that the application of accrual-based accounting at the Regional Financial and Asset Management Agency (BPKAD) of North Sulawesi Province had complied with Government Regulation No. 71 of 2010. The impact of this accrual-based accounting system is that financial reports became faster, easier to integrate, and could provide real-time information on budget expenditures, allowing management to monitor and make decisions efficiently. Research by Maria and Maruf (2020) also indicates that the implementation of accrual-based government accounting standards positively and significantly affects the quality of financial reports. The accrual-based government accounting standards were well implemented because most of the standards were applied and operated according to function and standard operating procedures.

A relevant case study is the application of accrual-based accounting in the Palembang City Government. Permana (2022) reported that after implementing the accrual-based accounting system, the Palembang City Government experienced improvements in the

accuracy and relevance of its financial reports. This demonstrates that accrual-based accounting is not merely an administrative obligation but also serves as a tool to improve the quality of regional financial management.

An example from Gowa Regency shows that the implementation of accrual-based accounting significantly improved the quality of financial reports. After adopting this system, financial reports in Gowa improved dramatically, and the region achieved a WTP (Unqualified Opinion) rating (Hasmi & Sunarsi, 2022). This shows that with the right support, the implementation of accrual-based accounting can positively impact the quality of financial reports in the public sector.

Data from Jati's (2019) study indicated that regions applying accrual-based accounting had better financial report quality compared to those using cash-based accounting. This improvement was reflected in higher scores in financial report evaluations conducted by the Audit Board of Indonesia (BPK). Therefore, the implementation of accrual-based accounting can be considered a strategic step in improving the quality of government financial reports.

Another case study at the Ministry of Religious Affairs in Gowa Regency shows that the implementation of accrual-based accounting contributed positively to the quality of financial reports. Hasmi and Sunarsi (2022) noted that after the implementation of this system, there was an improvement in the accuracy and timeliness of financial report presentations, which are key indicators of report quality.

The implementation of accrual-based accounting has significant implications for the quality of financial reports in the public sector. This system enables financial reports to reflect more accurate and up-to-date financial conditions, thereby enhancing decision-making by stakeholders. With more accurate financial information, the government can make better decisions regarding budgeting and resource allocation. This aligns with research by Ramadhani, Soerono, and Mulyasari (2019), which found that a good understanding of accrual-based accounting improves decision-making quality in local governments.

According to Hasmi and Sunarsi (2022), the implementation of accrual-based accounting enhances the transparency and accountability of financial reports, which is critical in the context of public financial management. By adopting accrual accounting, all financial transactions are recorded accurately and in a timely manner, allowing stakeholders to better

understand the government's financial position (Azmi, Lubis & Septian, 2024). In a global context, many countries that have implemented accrual-based accounting in the public sector have reported positive outcomes. For instance, Scandinavian countries that have adopted accrual-based accounting for over two decades reported significant improvements in government transparency and accountability (Dufault, MacDonald & Schermer, 2023). This demonstrates the potential benefits of accrual-based accounting for the public sector in Indonesia.

The improvement of financial report quality does not rely solely on the implementation of accrual-based accounting. Several factors influence the successful implementation of accrual-based accounting in the public sector. Rananda's (2021) research results showed that: First, human resource competence has a positive and significant impact on the level of accrual accounting implementation. Second, the influence of information technology has a positive and significant impact on the level of accrual accounting implementation. Third, the influence of incentives also has a positive and significant impact on the level of accrual accounting implementation. Research by Melinda and Ayu (2021) showed that the competence of employees in understanding and applying accrual-based accounting principles greatly affects the quality of financial reports. Without adequate understanding, employees will struggle to accurately record and report financial data. Another factor is the internal control system. According to Syafira (2021), a strong internal control system can support the implementation of accrual-based accounting by ensuring that all transactions are recorded and reported correctly. On the other hand, a weak internal control system can lead to errors in financial reports, ultimately reducing the quality of those reports. Information technology also plays a crucial role in the implementation of accrual-based accounting. With a robust accounting information system, the process of recording and reporting can be carried out more efficiently and accurately. Research by Akhir and Murwaningsari (2020) showed that the utilization of information technology in government financial management significantly improves the quality of financial reports. In addition, leadership support is a key factor in the successful implementation of accrual-based accounting. Leaders committed to implementing accrual-based accounting will encourage employees to understand and apply these accounting principles properly. This aligns with Jati's (2019) findings, which indicated that strong leadership greatly influences the successful implementation of accrual-based accounting in local governments. Overall, the implementation of accrual-based accounting in the public

sector is influenced by various interrelated factors. Therefore, to improve the quality of financial reports, the government must manage these factors effectively.

Although the implementation of accrual-based accounting has many benefits, the challenges in its implementation cannot be ignored. One of the main challenges is resistance to change. Many government employees who are accustomed to cash-based accounting systems may find it difficult to adapt to accrual-based accounting. Ghodang's (2020) research showed that resistance to change can hinder the effectiveness of accrual-based accounting implementation. Additionally, the lack of adequate resources is also a challenge. Many local governments face budget constraints and a shortage of skilled human resources. This can hinder the implementation of employee training and competence development in accrual-based accounting. According to research by Houtgraaf, Kruijen, and Van Thiel (2023), resource limitations can lead to a decline in the quality of financial reports. Another challenge is the complexity of implementing accounting standards. Many employees struggle to understand and apply new accounting standards. This is exacerbated by inadequate training. Research by Cahyono, Sutomo, and Hartono (2019) showed that insufficient training can lead to errors in financial recording and reporting. Ramadhani et al. (2019) found that most employees in local government organizations still have a limited understanding of accrual-based accounting principles. Untrained human resources can result in errors in financial report presentation, which ultimately affects the quality of those reports. Therefore, training and developing employee competencies are crucial to ensure they can manage and present financial reports accurately (Sarah, 2023).

From a technological perspective, inadequate information systems are also a challenge. Many local governments still use manual systems for financial recording and reporting. This can cause delays and errors in financial reports. Conversely, the adoption of good information technology systems can improve efficiency and accuracy in accounting processes. Alvarenga et al. (2020) reported that many government agencies still use manual systems in financial management, which hampers the implementation of accrual-based accounting. Finally, shifting regulations can also be a challenge. Inconsistent regulations can confuse employees in implementing accrual-based accounting. Therefore, it is essential for the government to provide legal certainty and strong support for the implementation of accrual-based accounting.

Recommendations for Improving Financial Report Quality

To enhance the quality of financial reports in the public sector, several recommendations can be made. First, the government needs to improve training and education for employees to understand accrual-based accounting. Continuous training will help employees better understand accounting principles and how to apply them to financial reporting (Iskandar, 2022). Second, strengthening internal control systems is crucial. A good internal control system will ensure that all transactions are recorded accurately and in a timely manner. This will improve the reliability of the financial reports produced (Sudirman, 2022). Third, the utilization of information technology must be increased. With the global advancement in technology, government institutions must also transform and maximize the use of information technology to complete their tasks (Haliah, Kusumawati, & Nurfaiah, 2023). By using modern accounting information systems, the process of recording and reporting can be carried out more efficiently and accurately. Research by Alvarenga et al. (2020) showed that the application of good information technology significantly improves the quality of financial reports. Fourth, leadership support is essential in driving the implementation of accrual-based accounting. Leaders committed to transparency and accountability will encourage employees to apply accounting principles properly (Houtgraaf, 2023). Finally, ensuring consistent regulations is important to support the implementation of accrual-based accounting. Legal certainty will provide clarity for employees in applying accounting standards, which can improve the quality of financial reports. By implementing these recommendations, it is expected that the quality of financial reports in the public sector will improve, thereby increasing public trust in the government.

CONCLUSION AND RECOMMENDATION

The implementation of accrual-based accounting in the public sector in Indonesia is a critical step toward improving the quality of financial reports. The analysis shows that the implementation of this system can enhance the transparency, accountability, and accuracy of financial reports. However, challenges in implementation, such as a lack of employee understanding and inadequate information technology infrastructure, need to be addressed.

The recommendation for the government is to continue providing training and capacity development for employees in accrual-based accounting. Furthermore, investment in supporting information technology infrastructure for the accounting system is essential. With proper support, the implementation of accrual-based accounting is expected to yield optimal results and increase public trust in the management of state finances.

Overall, the implementation of accrual-based accounting in the public sector is a positive and strategic step. By addressing existing challenges, the quality of financial reports can be improved, which will ultimately contribute to better financial management in the public sector.

LIMITATION

This research has several limitations that should be noted. First, the method used was a qualitative approach through a literature review, meaning that the data obtained comes from secondary sources such as journals, books, and official documents. This may limit the depth of analysis, as there was no primary data collection through interviews or direct surveys with relevant parties in government agencies. According to Iskandar (2022), this approach provides a general overview but may not cover all relevant aspects of accrual-based accounting implementation. Second, the research focuses only on the public sector in Indonesia. Although many studies address the implementation of accrual-based accounting in other countries, differences in economic, cultural, and regulatory contexts may influence the results obtained. Therefore, the findings of this research may not be fully applicable in an international context. For example, Azmi et al. (2024) found that the implementation of accrual-based accounting in developing countries presents different challenges compared to developed countries. Third, although this research aims to identify the implications of accrual-based accounting implementation for financial report quality, not all factors influencing report quality can be directly measured. Factors such as human resource competence, internal control systems, and information technology also play key roles in determining the quality of financial reports, as stated by Melinda and Ayu (2021). However, this study could not fully explore all of these factors in a single review. Finally, this research was also limited by the time and resources available. With these limitations, the analysis may not cover all relevant and in-depth aspects. Therefore, further research with a more comprehensive approach, including primary data collection and in-depth analysis of factors influencing accrual-based accounting implementation in the public sector, is recommended.

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