
Public Sector Accounting as a Mechanism for Anti-Corruption and Good Governance: A Literature Review

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ABSTRACT

Corruption and fraud remain the main problems in public sector governance in Indonesia, as they contribute to state financial losses, declining performance of government agencies, and weakening public trust. Weak public-sector accounting systems, internal controls, and the implementation of good governance principles often create opportunities for the abuse of authority. This Research aims to comprehensively examine the contribution of public sector accounting in preventing corruption and fraud and its role in supporting the improvement of good governance. The research method is a literature review, examining and analyzing national and international scientific journals relevant to public sector accounting, good governance, internal supervision, auditing, and the use of technology in public financial management. The results of the study show that implementing transparent and accountable public-sector accounting significantly improves government agency performance and reduces corruption and fraud. Strengthening the principles of good governance and the effectiveness of internal supervision has been proven to enhance the accounting function as an instrument of public control and accountability. In addition, adopting accrual-based accounting and international standards, such as the International Public Sector Accounting Standards (IPSAS), can improve the quality of financial information and reduce information asymmetry. However, the effectiveness of its implementation depends heavily on institutional support, the quality of the legal system, political stability, and anti-corruption commitments. Therefore, preventing corruption in the public sector requires an integrated approach that combines strengthening public sector accounting, good governance, internal supervision, independent audit, and sustainable use of technology.

Keywords: public sector accounting; good governance; prevention of corruption; fraud; internal supervision.

ABSTRAK

Korupsi dan fraud masih menjadi permasalahan utama dalam tata kelola sektor publik di Indonesia karena berdampak pada kerugian keuangan negara, menurunnya kinerja instansi pemerintah, serta melemahnya kepercayaan publik. Lemahnya sistem akuntansi sektor publik, pengendalian internal, dan implementasi prinsip good governance sering kali membuka peluang terjadinya penyalahgunaan wewenang. Penelitian ini bertujuan untuk mengkaji secara komprehensif kontribusi akuntansi sektor publik dalam pencegahan korupsi

dan fraud serta perannya dalam mendukung peningkatan good governance. Metode penelitian yang digunakan adalah literature review dengan menelaah dan menganalisis jurnal ilmiah nasional dan internasional yang relevan dengan topik akuntansi sektor publik, good governance, pengawasan internal, audit, serta pemanfaatan teknologi dalam pengelolaan keuangan publik. Hasil kajian menunjukkan bahwa penerapan akuntansi sektor publik yang transparan dan akuntabel berkontribusi signifikan dalam meningkatkan kinerja instansi pemerintah dan menekan praktik korupsi serta fraud. Penguatan prinsip good governance dan efektivitas pengawasan internal terbukti memperkuat fungsi akuntansi sebagai instrumen pengendalian dan akuntabilitas publik. Selain itu, adopsi akuntansi berbasis akrual dan standar internasional seperti International Public Sector Accounting Standards (IPSAS) mampu meningkatkan kualitas informasi keuangan dan mengurangi asimetri informasi. Namun, efektivitas penerapannya sangat bergantung pada dukungan kelembagaan, kualitas sistem hukum, stabilitas politik, serta komitmen antikorupsi. Oleh karena itu, pencegahan korupsi di sektor publik memerlukan pendekatan terintegrasi yang mengombinasikan penguatan akuntansi sektor publik, good governance, pengawasan internal, audit independen, dan pemanfaatan teknologi secara berkelanjutan.

Kata Kunci: akuntansi sektor publik; good governance; pencegahan korupsi; fraud; pengawasan internal.

INTRODUCTION

Corruption is a serious problem that hinders a country's development and progress. Acts of corruption not only harm the state's finances but also reduce public trust in government institutions and the private sector. Therefore, preventing corruption is a top priority in efforts to build a clean, accountable government. As stated by Widyawati et al. (2019), preventing corruption is an integrated effort that can address the factors that drive it. Corruption is the abuse of power for personal gain, including embezzlement, bribery, fraud, and abuse of office. Corruption can harm state and societal finances and reduce public trust in institutions. Prevention of corruption aims to (1) reduce the chances of corruption occurring; (2) increase transparency and accountability in resource management; (3) create an environment that does not support corrupt practices (Arsyad & Arifin, 2025)

Acts of corruption not only harm the state's finances but also reduce public trust in government institutions and the private sector. Therefore, preventing corruption is a top priority to create a clean, accountable government. Strong internal controls also play an essential role in preventing and detecting fraud. Weak internal controls can create opportunities for fraud. In addition, good governance practices also play an important role in creating a transparent and accountable environment. Good governance can reduce the risk of corruption by ensuring that all processes and decisions are carried out openly and that those involved can be held accountable.

The government's seriousness in creating good governance through transparency and accountability in the management of state finances. The emergence of demands for transparency and accountability in the country's financial management system has brought both positive and negative implications. The positive side is that the government is making efforts to fix the old system, which is

oriented toward the interests of the ruler and affects changes in the implementation and evaluation mechanisms. Meanwhile, the negative implication is that the government and the public have been prevented from developing a design and development system for state financial management that aligns with the government's internal needs.

The purpose of this Literature Review is to identify and evaluate the problems of corruption and fraud in the Indonesian public sector. This Research aims to analyze the economic and political dynamics in Indonesia's corruption vortex as well as the complexity of corrupt practices that affect the economic and political sectors (Guru et al., 2025). In addition, the Research aims to identify the characteristics of fraud in the public sector in the digital era and to develop a model for applying public sector accounting to prevent fraud (Kristiyani & Hamidah, 2020). Another goal is to obtain empirical evidence on the influence of public sector accounting, good governance, and internal supervision on the performance of government agencies (Karlina et al., 2023) and on fraud prevention (Nurjanah & Sastrodiharjo, 2021).

METHODS

This Research uses a qualitative-narrative approach, with the literature review conducted through literature studies, namely by searching, collecting, and analyzing various scientific literature related to the research topics to obtain a comprehensive theoretical foundation. A literature study was carried out in this study by collecting data through a review of previous studies and other references related to reports on public sector accounting problems, corruption prevention efforts, the implementation of good governance, transparency, and accountability in state financial management, as well as internal supervision of the performance of government agencies (Delmana, 2019). Research data sources include national and international scientific journal articles, conference proceedings, policy reports, and official publications relevant to the research topic. Literature searches are carried out through scientific databases such as Google Scholar, Garuda, and SINTA, as well as reputable international journal portals. The keywords used in the search included public sector accounting, good governance, internal supervision, fraud, corruption prevention, government agency performance, and IPSAS, both in Indonesian and English.

The results of the analysis are presented in a narrative synthesis that explains the contribution of public sector accounting to corruption prevention and to improving good governance, as well as its relationship with audit, internal supervision, and public participation. With this approach, the Research is expected to provide a comprehensive conceptual understanding, serving as the basis for developing a more integrated corruption prevention framework for public sector governance. To maintain the validity and reliability of the study, this study uses credible and relevant literature sources and employs a systematic analysis process consistent with the research objectives. Thus, the results of the literature review are expected to make a conceptual and practical contribution to the development of public sector accounting science and to serve as the basis for further Research.

RESULTS AND DISCUSSION

The results of the study show that corruption has a very negative impact on Indonesia's economy and politics, damaging economic structures, worsening social inequality, and weakening democracy and public trust. Throughout history, corruption has hampered Indonesia's economic development, from the New Order era to the post-Reformation era, with three main impacts: economic policy distortions that result in ill-targeted budget allocations; dependence on elite groups that control important sectors of the economy; and investment inhibition due to a lack of transparency and legal uncertainty. This condition worsened during the 1997-1998 monetary crisis, which led to the collapse of the financial system, a crisis of public confidence, and the misuse of international aid funds (Guru et al., 2025).

The damage caused by corruption in the natural resources sector is not only a concern for the state, society, and individuals, but also affects all of humanity and the environment. One form of natural resource corruption is corruption involving plantation permits, in this case, related to power (ruler). One of the corrupt practices in the field of oil palm plantation licensing consists of bribing local officials. The value of state losses incurred is also extraordinary, reaching billions to trillions of rupiah. Corrupt practices in the oil palm plantation sector have a significant economic and governance impact, requiring systematic, sustainable efforts to implement *good governance*. Corruption prevention cannot be separated from the government's commitment to balancing roles and mechanisms of mutual control among the government, society, and the private sector, because an imbalance in stakeholder relations can create space for the abuse of authority. In the context of public financial management, transparency and accountability are the main prerequisites, supported by a strong public sector accounting system.

The implementation of public sector accounting plays a fundamental role in strengthening government financial governance through a systematic internal control mechanism, where public sector accounting, *good governance*, and the simultaneous supervision of economic management have proven crucial indicators for fraud prevention in government agencies (Nurjanah & Sastrodiharjo, 2021). A transparent and accountable accounting system creates a clear audit trail that enables early detection of financial irregularities before they develop into widespread corruption. Effective public accountability also requires timely and accurate reporting mechanisms, and is supported by a robust internal oversight system and comprehensive evaluation and audit procedures (Boven, 2005). In addition, the implementation of *good governance* in public sector accounting includes organizational capacity building, risk management, and transparent reporting systems, supported by internal audit practices and optimal monitoring (Polzer et al., 2023). Competent leadership, the quality of human resources, and the use of digitalization are also key factors in strengthening the public sector accounting system to increase transparency, efficiency, and accountability (Brown & Christensen, 2022). In a normative framework, government accounting standards, as stipulated in Government Regulation No. 71 of 2010, function to ensure that every

public financial transaction is recorded correctly, classified systematically, and reported transparently, thereby minimizing the risk of abuse of public authority and funds as part of the corruption prevention strategy.

The better the implementation of public sector accounting goals, the more accurate, relevant, and reliable the financial statements will be. Transparency in the preparation of financial statements can increase government accountability in managing state finances, and the existence of accounting understanding and compliance with accounting can minimize fraud. The existence of financial statement supervision also significantly influences fraud prevention and the detection of financial irregularities. The optimal implementation of public sector accounting is essential to produce a more transparent, accountable, and trustworthy government financial system for stakeholders (Matondang et al., 2025).

However, the study's results also show that the concept of good governance in previous studies has not been fully established as a factor strengthening the effectiveness of accounting and auditing in preventing corruption, and it still tends to be positioned as a stand-alone normative principle. The discussion emphasizes the linear relationship between public sector accounting practices, increased accountability, and government agency performance in preventing fraud. Still, it is not accompanied by an adequate conceptual synthesis of good governance as a systemic framework integrating accounting standards, internal controls, and independent auditing. The emphasis on the technical-administrative aspects of accounting suggests that good governance has not been fully understood as a governance architecture that operationalizes limits on power and strengthens audit mechanisms to prevent corruption (Wahyuni et al., 2024).

This condition shows that although good governance has not been fully understood as a systemic framework in the previous literature, its implementation is still operationalized through concrete instruments of public financial management, including the application of accrual-based Government Accounting Standards (SAP). In line with the principle of good governance, the implementation of accrual-based Government Accounting Standards (SAP) plays an important role in strengthening transparency and accountability in public sector financial management. Accountability is realized through the government's obligation to prepare and present timely, relevant, and accountable financial statements, and through the preparation of the Government Agency Performance Accountability Report (LAKIP) and the Work Plan (RENJA) as formal instruments of performance accountability to the public. In terms of transparency, the implementation of SAP encourages the disclosure of financial and non-financial performance information to the public. However, this disclosure remains limited, as the financial information presented to the public is generally aggregated and has not yet been displayed at the work unit level. These findings show that strengthening accountability and transparency through accrual-based public sector accounting is a strategic element in preventing corruption and realizing good governance (Nufaisa et al., 2023).

In practice, accountability in the public sector is increasingly complex in the digital era. Fraud practices have changed patterns through the use of technology, low

understanding of the apparatus of digital systems, and the exploitation of *human error*, including the use of *cryptocurrencies* that are difficult to track (Kristiyani & Hamidah, 2020). ACFE Indonesia data shows that corruption remains the most prevalent form of fraud, followed by asset misuse and financial statement fraud. Various empirical studies confirm that implementing public sector accounting significantly affects *fraud prevention* by encouraging the preparation of transparent, reliable, and *accountable financial statements* and by improving the performance of government agencies (Karlina et al., 2023; Nurjanah & Sastrodiharjo, 2021). In addition, the principles of *good governance* have proven essential in suppressing *fraud* by increasing transparency, accountability, participation, and the effectiveness and efficiency of government administration. Financial management supervision also contributes to *fraud prevention*, though its impact on agency performance is not optimal when the supervision mechanism remains weak. In line with that, other studies show that the implementation of an accrual-based accounting system that is in line with the International *Public Sector Accounting Standards* (IPSAS) can produce more accurate and relevant financial information through complete recording of government assets and liabilities, thereby promoting the efficiency of budget management (Setyawan, 2025).

Corruption rates also tend to be lower in countries with more advanced economic conditions, parliamentary political systems, better levels of education, and relatively homogeneous ethno-linguistic characteristics. However, the study found that the full implementation of IPSAS is still limited, even though many countries have adopted accrual-based accounting. This study confirms that harmonizing public sector accounting can reduce information asymmetry between politicians and the public, thereby helping suppress opportunistic behavior and corruption (Beatriz et al., 2020). Based on this understanding, strengthening public sector accounting and *governance* is a key prerequisite for effective *fraud prevention*. Therefore, *fraud prevention* in the public sector requires an integrated approach that combines public sector accounting, *good governance*, and financial supervision, and is supported by the development of fraud prevention models based on internal controls and the use of technology as an early-detection tool. The integration of independent audits and technology-based supervision has proven to be a strategic step in preventing corruption and budgetary abuse (Setyawan, 2025). In line with these findings, other studies show that the full adoption of IPSAS significantly improves governance and reduces corruption. These findings confirm that the quality of the legal system, political stability, and complementary anti-corruption policies are key factors that determine the effectiveness of IPSAS in improving transparency, accountability, and corruption control in the public sector (Maali & Morshed, 2025).

As an example of implementation, the principle of *good governance* in electronic procurement is used to prevent *fraud*. Electronic procurement is a development from conventional procurement, which can pose corruption risks, and has emerged to ensure quality, timeliness, efficiency, transparency, and corruption-free procurement. The integration of independent audits and technology-based

supervision has proven to be a strategic step in preventing corruption and budget abuse (Setyawan, 2025).

Thus, the implementation of good governance through electronic procurement must be followed by continuous, systemic, layered supervision to suppress the potential for fraud continuously. This condition confirms that preventing corruption in the procurement of government goods and services requires strengthening structural oversight integrated with public participation. Preventing corruption in the procurement of government goods and services requires strengthening structural oversight integrated with public involvement. The success of this effort depends on a combination of structural approaches, including strict regulations, digital e-procurement systems, and independent audits, which affirm the role of independent audit and digitalization as the foundation for controlling procurement fraud. The effectiveness of such supervision requires inter-institutional synergy, as it is necessary to strengthen LKPP's capacity as a procurement technical authority and to coordinate with the KPK, BPK, and law enforcement officials, so that every violation can be dealt with strictly and consistently. However, formal supervision needs to be complemented by social controls, given that the concept of open contracting allows the public to access information on tenders, contracts, and project implementation, thereby strengthening the prevention of corruption in procurement and making it not only top-down but also continuous through continuous public participation.

In line with efforts to encourage more transparent, anti-corruption electronic procurement, audit mechanisms that involve public participation emphasize the importance of strengthening national audit systems and public participation to promote clean and effective governance, as well as serving as an essential instrument for enhancing oversight and accountability. The study contributes to audit theory by incorporating public participation mechanisms and improving the governance pathway of "national audit – public participation – corruption governance", as well as providing important policy implications for policymakers to strengthen national audit oversight systems, develop comprehensive audit announcement systems, mobilize public enthusiasm to participate in national audit processes, and establish independent audit oversight bodies to ensure quality and integrity of audit activities to improve the function of the "immune system" of national audits by taking into account the democratic connotations of decision-making and developing a good governance environment (Su et al., 2023).

However, the role of audit as an instrument for promoting clean governance also depends on the extent to which the state audit institution effectively performs its supervisory function. The study also revealed that *Supreme Audit Institutions* (SAIs) are generally reluctant to take on a comprehensive role in combating corruption and fraud, focusing primarily on corruption prevention through auditing rather than detection, with INTOSAI demonstrating limited effectiveness (Paterson et al., 2019). Other important findings suggest that the corruption exemption from ISA 240 results in auditors ignoring corruption risks in their audit plans, as well as the disclosure of regulations and "name and shame" policies proven to have a positive

impact on reducing the number of complaints and disputes by encouraging financial service providers to resolve complaints internally to avoid negative publications.

Previous studies have consistently found that public sector accounting, good governance, and internal supervision help prevent corruption and fraud. (Guru et al., 2025) Found that bribery has a systemic impact on the economy and political stability in Indonesia, particularly through policy distortions and weakening of public trust. These findings align with the statements of Kristiyani & Hamidah (2020) and Nurjanah & Sastrodiharjo (2021), who emphasized that weak public-sector accounting systems and internal controls can increase the risk of fraud, especially in the digital era. Similar results were reported by Karlina et al. (2023), who found that applying public-sector accounting and good governance principles significantly improved government agency performance and prevented fraud. However, some studies show results that are not entirely consistent. (Beatriz et al., 2020) and (Maali & Moshed, 2025) found that the application of accrual-based accounting and IPSAS plays a role in reducing corruption levels and increasing transparency. On the other hand, other studies reveal that the overall implementation of IPSAS remains limited and does not always produce significant impacts unless supported by the quality of the legal system, political stability, and adequate anti-corruption policies. This difference reveals an empirical contradiction regarding the effectiveness of international accounting standards in developing countries.

Methodologically, various approaches are used. Most studies used quantitative methods, including regression analysis, to evaluate the influence of good governance, public sector accounting, and internal oversight on fraud and agency performance. On the other hand, Kristiyani & Hamidah (2020) and Su et al. (2023) used qualitative and conceptual approaches to analyze changes in fraud patterns in the digital era, as well as the roles of national audits and public participation in anti-corruption governance. Meanwhile, the study (Guru et al., 2025) uses historical and political-economic approaches to analyze corruption on a macro level. These differences in methods have led to diverse perspectives on interpreting the phenomenon of corruption and fraud prevention. In addition, new variables have been developed in recent studies. Variables such as fraud digitization, the use of audit technology, public participation, and the full adoption of IPSAS are beginning to be recognized as factors affecting the effectiveness of corruption prevention. Some studies have also started to link public sector governance to strategic sectors based on natural resources. However, the discussion remains limited and has not been fully integrated with public sector accounting frameworks and sound governance principles.

Based on comparisons with previous studies, several research gaps remain open for further study. First, most studies focus on the public sector in general. In contrast, studies that specifically integrate public sector accounting, good governance, and internal supervision in strategic sectors based on natural resources remain few. In fact, this sector has a high level of corruption risk and has a significant economic impact on state revenue. Second, the study's results contradict each other regarding the effectiveness of accrual-based accounting and IPSAS in reducing

corruption. Some studies show significant positive impacts, while others find that they are not optimal without strong institutional support, such as a legal system and political stability. These differences in results suggest the need for further studies that re-examine these relationships in specific institutional and sectoral contexts. Third, although fraud in the digital era has been widely discussed, studies examining the role of technology as an early-detection tool for fraud remain largely conceptual and have not been extensively tested empirically, especially in the context of public-sector financial management in Indonesia. In addition, the contribution of independent audits and public participation in supporting technology-based supervision has also not been widely explored in an integrated manner. Fourth, in terms of methodology, previous studies have been dominated by separate quantitative or conceptual approaches. There are still opportunities to develop integrative approaches, such as combining literature reviews with case analyses of specific sectors, to gain a more comprehensive understanding of fraud and corruption prevention mechanisms.

Thus, the opportunity for further study lies in developing a fraud-prevention model that integrates public-sector accounting, the principles of good governance, internal oversight, and the use of technology in strategic sector governance. This study is expected to make a theoretical and practical contribution in strengthening anti-corruption policies and improving the quality of public sector governance in Indonesia.

Table 1: Synthesis Literature

No.	Author & Year	Research Objectives	Method	Variable/ Key Focus	Key Findings	Contribution to Research
1.	Guru et al. (2024)	Analyzing the economic and political dynamics of corruption in Indonesia.	Qualitative Researcher (political economy).	Qualitative Researcher (political economy).	Corruption has a systemic impact on the economy, democracy, and public trust.	Corruption has a systemic impact on the economy, democracy, and public trust.
2.	Kristiyani & Hamidah (2020)	Develop a public sector accounting model to prevent fraud.	Conceptual qualitative Research.	Public sector accounting, fraud, and the digital age.	Pola fraud berubah along with digitalization; Accounting plays a strategic role.	Strengthen the urgency of integrating accounting and technology.
3.	Karlina et al. (2023)	Testing the influence of accounting Sectors public and governance performance.	Quantitative Research (regression)	Accounting sector public, Good Governance, Internal Oversight	Has a significant effect on Performance instances.	Empirical evidence of the accounting-governance relationship-performance.

4.	Nurjannah & Sastrodiharjo (2021)	Analyze fraud prevention factors in Sectors public.	Quantitative Research.	Accounting sector public, Good Governance, Supervision.	It has a significant effect on fraud prevention.	Affirm accounting As Instrument anti-fraud.
5.	Nufaisa et al. (2022)	Review SAP is accrual-based in good governance.	Descriptive Qualitative Research.	SAP, transparency, accountability.	SAP improves an akuntabilitas and transparency.	Relevant language- ng with discussion SAP akrual.
6.	Beatriz et al. (2020)	Assess The Role of Public Accountants in the Corruption Control	Cross-country Quantitative Research.	Public Accounting, IPSAS, corruption.	Accrual accounting lowers information asymmetry and corruption.	An international perspective on effectiveness IPSAS
7.	Maali (2025)	Analyze impact Adoption of IPSAS to governance.	Quantitative Comparative Research	IPSAS, governance, corruption.	IPSAS is effective if supported System The law is strong.	Explaining the contradictions empiris IPSAS.
8.	Su et al. (2023)	Review The role of national audit and public participation.	Conceptual Qualitative Research.	National audit, public participation, governance.	Audit and public participation suppress corruption.	Strengthen participatory supervision.
9.	Delmania (2019)	Analyzing good governance in e-procurement.	Case study.	E-procurement, transparency, corruption.	Electronic procurement increases transparency.	Examples of anti-corruption technology implementation.
10.	Paterson et al. (2019)	Examine the role of public sector control and auditing.	Conceptual Research.	Audit, control, anti-corruption	Audits play a role in prevention, but are not optimal in detection.	The theoretical basis of the role of public sector auditing.
11.	Arsyad & Arifin (2025)	Analyze transparency and	Qualitative Research	Transparency, accountability.	Transparency narrows the space for corruption	Strengthening the internal oversight function

		Inspectorate Accountabilit y	ility, oversight			
12.	Setiawan (2025)	Examining the role of public accounting in good governance	Conceptu al & empirical Research	Public accountin g, performa nce, IPSAS	Public accounting improves performance and governance	Menjembatani kinerja keuangan dan kinerja pemerintah
13.	Santoso & Sulisnaningrum (2024)	Efektivitas good governance di akuntansi publik	Mixed- method	Good governan ce, akuntansi publik	Efektivitas meningkat- Kan transparansi, akuntabilitas & efisiensi	Empiris implementasi good governance di pemerintahan daerah
14.	Wahyuni et al. (2024)	Examining the influence of public sector accounting and accountabilit y on performance in preventing fraud	Quantitati ve Research (regressio n)	Public sector accountan t practice, accountab ility, performa nce, fraud	Public sector accounting improves accountability and performance, and reduces fraud	Substantial empirical evidence of the linkage of accounting, accountability, and fraud prevention
15.	Setiawan (2025)	Analyze corruption and procurement fraud prevention strategies in the government and community sectors	Literature study & policy analysis	Transpare ncy, accountab ility, e- procurem ent, communit y participati on, and integrity of the apparatus	Effective corruption prevention through the integration of structural (regulation, digitalization) and cultural (culture of integrity, public participation) approaches	Reinforcing the argument that public sector accounting and transparent procurement systems are strategic instruments for preventing corruption
16.	Rizal & Thamrin (2024)	Analyzing the application of sound governance principles in preventing corruption in the government procurement sector of	Qualitativ e Research through literature studies and desk studies.	Public sector accountin g, the principles of good governan ce (transpare ncy, accountab ility,	The application of the principle of good governance increases transparency and accountability in budget management and public	Public sector accounting serves as a tool for financial control and accountability, supporting corruption prevention and strengthening good governance.

	goods and services.	efficiency, effectiveness), and Preventio n of Corruption.	accounting, thereby reducing corruption.	
17.	Matondang et al. (2025)	Analyze the impact of the implementation of public sector accounting on the quality of financial statements and government accountability	Literature study (qualitative)	The implementation of public sector accounting improves the quality of financial statements and government economic management accountability, and contributes to minimizing financial conditions.
18.	Siregar & Agoes (2025)	Analyzing the influence of audit opinions, audit findings, and transparency on the level of local government corruption in Indonesia	Quantitative Researcher, multiple linear regression, secondary data of 542 local governments (2021-2023)	Audit findings have a significant effect on corruption, while audit opinions and transparency have no significant effect
19.	Ratnasari (2025)	Knowing the role of auditors' independence, integrity, competence, and professionalism in audit quality in improving transparency and	Qualitative Researcher with a literature study approach	Auditor independence, auditor integrity, auditor competence, and professionalism of auditors influence audit quality. Auditors who maintain these four aspects can produce

	accountability in the public sector	audit quality	better quality audits and increase public trust	abilities in supporting government transparency and accountability	
20. Asyujuti et al. (2025)	Analyze various national and international corruption cases and formulate effective corruption prevention strategies through an integrative approach	Qualitative Research, descriptive form based on literature studies and case study analysis	Transparency, community participation, anti-corruption education, technology utilization, e-procurement, and whistleblowing	Corruption prevention is more effective when it combines strong anti-corruption policies with active community involvement, continuous education on information disclosure, and digital technology support in supervision and reporting	Provide a comprehensive corruption prevention model by integrating case studies, preventive policies, and real community actions as the basis for strengthening transparent and accountable governance

Source: Author Analyzed (2025)

Implementing good governance in public sector accounting involves organizational capacity building, risk management, and transparent reporting. Polzer et al. (2023) note that local governments need to adopt sound accounting practices and ensure that internal audit and monitoring mechanisms function properly. In addition, implementing good governance requires the support of competent leaders and human resources. Brown and Christensen (2022) underscore the importance of digitalization in strengthening public-sector accounting mechanisms, thereby contributing to transparency and efficiency. Therefore, the public sector can benefit from a more open, responsible, and effective accounting environment through the use of good governance (Santoso & Sulisnaningrum, 2024). Based on the journal (Wahyuni et al., 2024), public sector accounting practices are more often placed as technical instruments to improve the accountability and performance of government agencies in preventing fraud. A transparent and accurate accounting system has been proven to strengthen internal control and support the audit function as a fraud-detection and prevention mechanism. However, within this framework, good governance has not been explicitly positioned as a reinforcing variable that integrates the effectiveness of accounting and auditing. Good governance is still understood as a normative principle that emphasizes transparency, accountability, and responsibility, without being further elaborated as a governance system that operationalizes the implementation of

accounting and audit supervision. As a result, the relationship between accounting, auditing, and corruption prevention practices is more partially explained, rather than as a single mutually reinforcing governance mechanism (Beatriz et al., 2020). The procurement of goods and services by the government aims to obtain goods/services at prices that can be accounted for with the appropriate quantity and quality, and on time (the correct amount, the right quality, and the right time) (Arsana, 2016). In the reform era in Indonesia, where the provision of government goods and services is financed from the State Revenue and Expenditure Budget (APBN) or the Regional Expenditure Budget (APBD), its implementation requires more targeted, practical actions. This includes prioritizing healthy business competition ethics, openness, and impartiality. However, in practice, deviations from principles and ethics, as well as provisions for the procurement of government goods/services, are standard. These irregularities can be in the form of administrative irregularities or acts of corruption that are detrimental to the country's finances or economy (Ferdinand et al., 2020; Rizal & Thamrin, 2024).

This shows that the success of corruption prevention uses a combination of structural approaches (strict regulations, digital e-procurement systems, independent audits) and cultural approaches (anti-corruption education, community empowerment, and apparatus integrity). Corruption prevention cannot be imposed solely on law enforcement officials or state institutions; it must also involve an active supervisory community. Although this study emphasizes the importance of independent audits and public participation in corruption prevention, these elements are still presented as stand-alone elements. No synthesis of concepts explains how independent audits and public involvement complement each other in the public sector accounting system as a layered supervisory mechanism that systematically limits opportunities for irregularities (Setiawan, 2025). Based on the study by Siregar and Agoes (2025), corruption prevention requires a systemic, integrated approach, as the phenomenon is complex and cannot be addressed by a single instrument. The researchers assert that this "further reflects the complexity of the phenomenon of corruption itself, which is theoretically and empirically strongly influenced by many external factors that the scope of this study may not yet cover" (Siregar & Agoes, 2025).

Important findings show that transparency does not have a significant influence on corruption levels because "without adequate accountability mechanisms, transparency has not been effective enough to suppress corrupt behavior" (Siregar & Agoes, 2025). The study emphasizes the importance of "integration between transparency, accountability, public literacy, and strengthening the capacity of oversight agencies to follow up on available data" (Siregar & Agoes, 2025). The current government is expected to carry out its duties and functions in a transparent and accountable manner to realize good and clean governance. Therefore, an independent government apparatus, integrity, and an internal control system that functions to supervise, stop, and ensure that government performance runs well. It was further explained that audit quality is a crucial factor in ensuring the validity of financial statements. In the context of public accountability,

government responsibility is also associated with information disclosure to the public, as stated that the need to be responsible in the public sector is closely related to the importance of openness and transparent presentation of information to the public to fulfill the public's rights to know and understand the use of resources and decisions taken by the government (Ratnasari, 2025). The findings show that a combination of strong anti-corruption policies and community participation, through case reporting and the formation of an anti-corruption community, can significantly reduce corrupt practices. This Research highlights the importance of education-based approaches, strengthening transparency, and using technology as the main strategies for eradicating corruption.

A practical approach to corruption prevention must be integrative and encompass various elements of public governance, including public sector accounting systems, sound governance principles, audit mechanisms, and active public involvement. Research on integrative approaches shows that a combination of strong anti-corruption policies, community case reporting, and the formation of anti-corruption communities can significantly reduce corrupt practices through transparency and the use of technology as a tool of social control (Asyujuti et al., 2025).

CONCLUSION

Based on the results of the literature review, it can be concluded that corruption and fraud remain serious problems in public sector governance in Indonesia, which weaken government agency performance and erode public trust. The implementation of transparent and accountable public sector accounting, strengthening the principles of good governance, and the effectiveness of internal supervision have proven to play an important role in improving the performance of government agencies while preventing fraud. In addition, the adoption of accrual-based accounting and international standards such as IPSAS has improved the quality of financial information. However, its effectiveness is highly dependent on institutional support and anti-corruption commitments.

Theoretically, this study strengthens the understanding that integrating public sector accounting, good governance, and internal supervision is an important framework for preventing corruption and fraud in the public sector. From a practical perspective, the results imply the need to increase the apparatus's capacity, strengthen technology-based auditing and supervision, and build a culture of integrity and public participation in the management of state finances. The following study is recommended to examine the strategic sector in more detail.

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