

# The Influence of Transparency, Accountability, and Supervision on Value for Money-Based Financial Management in the Jambi City Government

Rahmadani Putra <sup>1\*</sup>, Nela Safelia <sup>2</sup>, Ratih Kusumastuti <sup>3</sup>

<sup>1\*,2,3</sup> Accounting Study Program, Faculty of Economics and Business, Universitas Jambi, Muaro Jambi, Jambi, Indonesia.

Corresponding Email: [daniputra00256@gmail.com](mailto:daniputra00256@gmail.com) <sup>1\*</sup>

## Histori Artikel:

Dikirim 4 Juni 2025; Diterima dalam bentuk revisi 30 Juni 2025; Diterima 10 Juli 2025; Diterbitkan 1 Agustus 2025. Semua hak dilindungi oleh Lembaga Otonom Lembaga Informasi dan Riset Indonesia (KITA INFO dan RISET) – Lembaga KITA.

## Suggested citation:

Putra, R., Safelia, N., & Kusumastuti, R. (2025). The Influence of Transparency, Accountability, and Supervision on Value for Money-Based Financial Management in the Jambi City Government. *JEMSI (Jurnal Ekonomi, Manajemen, dan Akuntansi)*, 11(4), 2525-2532. <https://doi.org/10.35870/jemsi.v11i4.4425>.

## Abstrak

Penelitian ini menyelidiki bagaimana transparansi, akuntabilitas, dan pengawasan memengaruhi value for money (VFM) dalam manajemen keuangan Pemerintah Kota Jambi. Didasari oleh kebutuhan mendesak akan perbaikan tata kelola dan kualitas layanan publik, penelitian kuantitatif ini menyurvei 18 pegawai yang dipilih secara purposif dari Bagian Evaluasi dan Pelaporan Inspektorat Kota Jambi. Dengan analisis regresi linier berganda, hasil penelitian menunjukkan bahwa transparansi, akuntabilitas, dan pengawasan, baik secara individual maupun bersama-sama, memberikan pengaruh positif yang signifikan terhadap praktik keuangan berbasis VFM. Temuan ini menggarisbawahi betapa pentingnya penguatan elemen-elemen dasar tata kelola tersebut guna mendorong pemanfaatan dana publik yang lebih ekonomis, efisien, dan efektif dalam operasional pemerintah daerah.

**Kata Kunci:** Akuntabilitas; Keuangan Pemerintah Daerah; Manajemen Keuangan Publik; Pengawasan; Tata Kelola Pemerintahan yang Baik; Transparansi; Value for Money.

## Abstract

This study investigates how transparency, accountability, and supervision impact value for money (VFM) in the Jambi City Government's financial management. Driven by the imperative for improved governance and public service quality, this quantitative research surveyed 18 purposefully selected employees from the Jambi City Inspectorate's Evaluation and Reporting Section. Utilizing multiple linear regression, the analysis demonstrates that transparency, accountability, and supervision, both individually and collectively, exert a significant positive influence on VFM-based financial practices. These findings underscore the critical importance of strengthening these foundational governance elements to foster more economic, efficient, and effective utilization of public funds within local government operations. capacity, and the use of modern surveillance technology to create a safer and more sustainable transportation system.

**Keyword:** Accountability; Good Governance; Local Government Finance; Public Financial Management; Supervision; Transparency; Value for Money.

## 1. Introduction

The economic trajectory of Indonesia has been marked by profound shifts, notably catalyzed by the 1997 monetary crisis, which triggered a sharp devaluation of the rupiah and ignited inflationary pressures. In the ensuing period, the Indonesian government embarked on a series of comprehensive reforms, encompassing significant regulatory overhauls designed to cultivate greater efficiency and effectiveness in state administration and public financial management (Fachrunnisa *et al.*, 2023). A central tenet of these reform efforts has been the concerted push towards establishing robust *good governance* paradigms within public institutions (Hayat, 2020). The public sector is continually confronted with the intricate challenge of enhancing service delivery quality, ensuring that services are not only efficient and effective but also acutely responsive to the evolving needs and expectations of society (Heintzman & Marson, 2024). Parallel to these developments, public sector accounting has undergone a rapid evolution, emerging as an indispensable mechanism through which public entities demonstrate their stewardship and accountability, particularly via comprehensive financial reporting obligations (Anggadini *et al.*, 2023).

The pursuit of *good governance* is intrinsically linked to the foundational principles of transparency, accountability, and diligent supervision; their collective implementation is widely anticipated to cultivate more effective budget management and foster higher standards of operational efficiency (Karunia *et al.*, 2023; Nurliza *et al.*, 2024). Within this framework, openness and a profound sense of responsibility in the administration of regional budgets are not merely procedural aspects but are fundamental to upholding public accountability, thereby affirming the citizens' inherent right to access pertinent information. The concept of *value for money* (VFM), a multifaceted construct emphasizing economy, efficiency, and effectiveness, is increasingly recognized as a pivotal driver for substantively enhancing the quality and impact of public financial management (Waspini *et al.*, 2022). This is occurring against a backdrop of escalating demands from the public and civil society for heightened accountability and transparency in the oversight of public sector organizations across all echelons of government (Panggeso *et al.*, 2024; Yunita Sari *et al.*, 2024).

In the specific context of Jambi City, the development of horizontal accountability—that is, accountability directed towards the general populace—appears to be in its nascent stages, with prevailing accountability mechanisms predominantly oriented vertically towards higher authorities or representative bodies such as the Regional People's Representative Council (DPRD). Compounding this, concerns have surfaced regarding the operational efficacy of the Jambi City Inspectorate, particularly in its mandate to oversee transparency and accountability within various Regional Work Units (OPD). Furthermore, anecdotal and observational evidence suggests that the management of the Jambi City Government's budget has not consistently adhered to principles of economy, indicating potential inefficiencies. This research endeavor is conceptually anchored in, and seeks to extend, the work of Hasugian *et al.* (2021), while distinguishing itself through a refined focus on specific dependent variable indicators and its concentrated examination of the Jambi City Government as the primary unit of analysis. Consequently, the overarching purpose of this scholarly inquiry is to rigorously evaluate the significant, multifaceted impact of transparency, accountability, and supervision on the VFM-based financial management practices within the Jambi City Government, and to meticulously investigate the discrete influence exerted by each of these pivotal governance variables.

## 2. Research Methodology

This scholarly investigation adopted a quantitative explanatory research design, meticulously structured to elucidate and quantify the causal interrelationships among the identified variables through systematic hypothesis testing. The analytical backbone of the study was multiple linear regression, adeptly executed utilizing the SPSS version 25.0 software suite for Windows, which facilitated a robust examination of the data. The empirical data forming the basis of this research were exclusively

## RESEARCH ARTICLE

quantitative, systematically derived from the numerical scores generated by respondent answers to precisely formulated questionnaire items. All data were primary in nature, sourced directly and meticulously through intensive fieldwork conducted within the pertinent institutional settings of the Jambi City Government. The defined population for this research encompassed the entirety of employees serving within the Jambi City Inspectorate. From this population, a representative sample was judiciously selected employing a purposive sampling technique. This non-probability sampling method involved the establishment of specific, predetermined criteria for inclusion, ensuring that the selected individuals possessed an in-depth and nuanced understanding of the financial management processes and data pertinent to the research objectives. The final sample was specifically drawn from employees directly engaged in financial management activities within the Evaluation and Reporting Section of the Jambi City Inspectorate, yielding a cohort of 18 respondents who participated in the study.

The independent variables were operationalized as follows: Transparency (X1) was conceptualized as the degree of governmental openness in furnishing information related to public resource management, assessed through indicators of informativeness, general openness, and comprehensive disclosure. Accountability (X2) referred to the fundamental obligation of individuals and entities to provide a cogent justification for their actions or inactions, evaluated using indicators of process accountability, program accountability, and policy accountability. Supervision (X3) was defined as the systematic process of establishing performance standards, rigorously evaluating ongoing execution, and, where necessary, instituting corrective measures; this was measured through indicators pertaining to both internal control mechanisms and external oversight processes. Each of these independent variables was quantified using a dedicated set of 9 questionnaire items, thoughtfully adapted from the prior work of Amin *et al.* (2022) to ensure contextual relevance and measurement validity. The dependent variable, Value for Money (VFM) Based Financial Management (Y), was characterized as a budgetary system that intrinsically prioritizes the achievement of tangible outputs, anchored firmly in the core principles of economy, efficiency, and effectiveness. This variable was measured through indicators assessing cost allocation (encompassing both economic acquisition and efficient utilization of resources) and the quality of service delivery (reflecting effectiveness), also employing 9 carefully adapted questionnaire items from Amin *et al.* (2022).

Data were systematically collated through the administration of these structured questionnaires and supplemented by non-participant observation, which involved a thorough review of pertinent documents, official reports, and relevant academic literature. A standard Likert scale, offering five distinct response options ranging from "Sangat Tidak Setuju" (Strongly Disagree) to "Sangat Setuju" (Strongly Agree), was utilized for quantifying respondent perceptions and attitudes. The comprehensive data analysis protocol encompassed descriptive statistical measures, rigorous instrument testing (including detailed validity and reliability assessments to ensure the psychometric soundness of the questionnaire), a battery of classical assumption tests (specifically, normality, multicollinearity, and heteroscedasticity evaluations to confirm the suitability of the data for regression modeling), and, finally, inferential hypothesis testing through multiple linear regression, supplemented by F-tests for overall model significance, t-tests for individual coefficient significance, and the calculation of the coefficient of determination ( $R^2$ ) to ascertain the model's explanatory power. Instrument validity was affirmed by comparing calculated *r*-values against the critical *r*-table value (0.400 for a degrees of freedom of 16 and an alpha level of 0.05), while reliability was established using Cronbach's Alpha, with a coefficient greater than 0.60 deemed acceptable. The classical assumption tests were pivotal: normality was verified using the Kolmogorov-Smirnov test (requiring a *p*-value > 0.05), multicollinearity was assessed by ensuring Variance Inflation Factor (VIF) values remained below 10 and Tolerance values exceeded 0.10, and heteroscedasticity was scrutinized to confirm homogeneity of variance across observations.

### 3. Results and Discussion

#### 3.1 Results

The empirical investigation began with a meticulous assessment of data quality, focusing on the validity and reliability of the measurement instruments. All questionnaire items developed for Transparency (X1), Accountability (X2), Supervision (X3), and VFM-Based Financial Management (Y) successfully demonstrated acceptable validity. This was determined by ensuring that the calculated *r*-values for each item surpassed the established *r*-table critical value of 0.400. Furthermore, the reliability of the scales for all variables was confirmed, with Cronbach's Alpha coefficients for Transparency (0.731), Accountability (0.625), Supervision (0.698), and VFM-Based Financial Management (0.773) comfortably exceeding the benchmark of 0.60, indicating strong internal consistency. Subsequent classical assumption testing affirmed the dataset's suitability for robust regression analysis. The One-Sample Kolmogorov-Smirnov test revealed that the data adhered to a normal distribution (Asymp. Sig. 2-tailed = 0.200, which is > 0.05); this finding was further corroborated by visual inspection of P-P plots and histograms, which showed data points aligning closely with the diagonal line of normality and a bell-shaped distribution, respectively. Crucially, the analysis for multicollinearity indicated no problematic intercorrelations among the independent variables. Tolerance values for Transparency (0.871), Accountability (0.710), and Supervision (0.651) were all well above the 0.10 threshold, and corresponding VIF values (1.148, 1.409, and 1.535, respectively) were substantially below the critical ceiling of 10. The Glejser test, employed to assess heteroscedasticity by regressing the absolute residuals against the independent variables, yielded no statistically significant evidence of heteroscedasticity. The significance values for Transparency (0.310), Accountability (0.580), and Supervision (0.858) were all considerably greater than the 0.05 alpha level, suggesting homogeneity of variance. This was further supported by the scatterplot of standardized predicted values versus studentized residuals, which displayed a random dispersion of points, indicative of homoscedastic conditions.

The core multiple linear regression analysis produced the following predictive equation:  $Y = -18.976 + 0.472X_1 + 0.511X_2 + 0.562X_3$ . The constant term ( $\alpha = -18.976$ ) suggests that in the hypothetical absence of transparency, accountability, and supervision, VFM-based financial management would inherently decrease. The positive regression coefficients for Transparency ( $\beta_1 = 0.472$ ), Accountability ( $\beta_2 = 0.511$ ), and Supervision ( $\beta_3 = 0.562$ ) signify that an increase in any of these independent variables is associated with a corresponding enhancement in VFM-Based Financial Management. The coefficient of determination (R Square) for the model was calculated at 0.667, powerfully indicating that approximately 66.7% of the observed variability in VFM-Based Financial Management within the Jambi City Government can be statistically explained by the combined influences of Transparency, Accountability, and Supervision. The F-test, assessing the overall significance of the regression model, yielded an F-calculated value of 9.328 with a high statistical significance ( $p = 0.001$ ), far exceeding the F-table critical value of 3.34. This robust result confirms that Transparency, Accountability, and Supervision, when considered simultaneously, exert a significant and substantive influence on VFM-Based Financial Management. The t-test results, which scrutinize the individual impact of each predictor, provided further granular insights:

- 1) The variable of Transparency (X1) yielded a t-calculated value of 2.862, with an associated significance level of 0.013. As this t-value surpasses the t-table critical value of 2.120 and the significance is below the 0.05 threshold, it is concluded that Transparency exerts a statistically significant positive influence on VFM-Based Financial Management.
- 2) Accountability (X2) produced a t-calculated value of 2.166, with a significance level of 0.048. This t-value also exceeds the critical t-table value, and its significance is less than 0.05, thereby confirming that Accountability has a statistically significant positive effect on VFM-Based Financial Management.
- 3) Lastly, Supervision (X3) demonstrated a t-calculated value of 2.412, accompanied by a significance level of 0.030. Consistent with the other predictors, this t-value is greater than the critical t-table benchmark, and the significance is below 0.05, establishing that Supervision significantly and positively influences VFM-Based Financial Management.

## 3.2 Discussion

The empirical evidence marshalled in this study compellingly demonstrates that transparency, accountability, and supervision, operating both in synergy and as discrete constructs, exert a positive and statistically significant influence on the practice of VFM-based financial management within the Jambi City Government. These findings resonate deeply with the broader academic and policy discourse advocating for the fortification of public sector governance through the institutionalization of principles that ensure public resources are managed with utmost economy, efficiency, and effectiveness (Winarni *et al.*, 2020). The pronounced positive and significant impact of transparency on VFM-based financial management underscores a critical governance dynamic: heightened openness and accessibility of financial information and decision-making processes empower stakeholders including citizens, civil society organizations, and oversight bodies to more effectively monitor and critically assess the stewardship of public funds (Farida *et al.*, 2025). Such transparency inherently curtails opportunities for malfeasance, reduces inefficiency, and enhances the accountability of public officials. This outcome is in robust alignment with established tenets of public sector accounting theory, which posits transparency as a cornerstone for engendering public trust and facilitating the efficient and equitable allocation of scarce resources. Moreover, it lends empirical support to the conclusions of prior research, such as that conducted by Hasugian *et al.* (2021), which similarly identified transparency as a catalyst for improved resource allocation and heightened accountability. While the journey towards comprehensive transparency is often encumbered by challenges, including potential institutional resistance, the digital divide, or limitations in public financial literacy, the consistent and diligent application of transparency principles remains an indispensable prerequisite for elevating the overall quality and integrity of financial governance. Similarly, the significant positive influence of accountability on VFM-based financial management highlights the direct relationship between a robust framework of responsibility and the attainment of VFM objectives. When public officials and institutions are held clearly accountable for their financial decisions and performance outcomes, there is a demonstrably stronger impetus to manage resources prudently and to strive for optimal results in terms of economy, efficiency, and effectiveness. This finding is congruent with the core principles of *good governance*, wherein accountability serves as a fundamental pillar for ensuring that governmental actions are conducted openly, with integrity, and in a manner that is responsive to public needs. It also corroborates the findings of previous scholarly investigations by researchers such as Hasugian *et al.* (2021) and Batubara & Risna (2020), who have emphasized the pivotal role of accountability in enhancing the efficiency of financial management systems and mitigating the risks of financial impropriety. Effective accountability mechanisms, characterized by clear reporting lines, transparent performance metrics, and consistent enforcement, are instrumental in minimizing financial mismanagement and ensuring that public funds are deployed in a manner that maximizes public value.

The study also robustly confirmed that supervision exerts a significant and positive influence on VFM-based financial management. Effective and diligent oversight mechanisms, whether internal or external, are critical for ensuring that financial management practices consistently adhere to established plans, regulatory frameworks, and ethical standards, thereby fostering greater efficiency and effectiveness in the deployment of public resources. This aligns seamlessly with public sector accounting theory, which conceptualizes supervision as an integral control function that promotes compliance, identifies deviations, and facilitates the optimal utilization of public assets. The findings also lend credence to earlier research by Hasugian *et al.* (2021) and Ashari & Kaukab (2020), which underscored the importance of supervision in ensuring adherence to budgetary plans and in driving improvements in the overall efficiency and effectiveness of budget management. Furthermore, comprehensive supervision acts as a powerful deterrent against corrupt practices, financial waste, and operational inefficiencies by enabling the early detection of anomalies and fostering a culture of due diligence among those entrusted with managing public finances. The synergistic interplay of these three variables transparency, accountability, and supervision is particularly noteworthy. The research suggests that while each component is individually impactful, their combined and integrated application creates a mutually reinforcing system that significantly amplifies the potential for achieving genuine VFM in public financial management. A holistic governance approach that concurrently strengthens transparency initiatives, reinforces accountability frameworks, and



## RESEARCH ARTICLE

ensures robust, independent supervision is therefore essential for catalyzing transformative improvements in how public funds are managed and for delivering tangible benefits to the citizenry.

## 4. Conclusion

Drawing from the comprehensive analysis of data pertaining to the Jambi City Government, this study brings forth several pivotal conclusions regarding the interplay between core governance principles and fiscal stewardship. It is unequivocally concluded that transparency, accountability, and supervision, each as a distinct construct, exert a significant and positive influence on the attainment of value for money (VFM) in financial management practices. Specifically, the findings affirm that an enhanced degree of transparency in financial operations significantly contributes to VFM. This is achieved by enabling more effective stakeholder scrutiny of budgetary processes, which in turn minimizes the likelihood of financial deviations and bolsters the responsible conduct of financial managers, orienting their decisions towards maximizing public value. Secondly, the research substantiates a direct and positive correlation between the robustness of accountability mechanisms and VFM-based financial management. A strong culture of accountability empowers entities such as the Jambi City Inspectorate to drive greater effectiveness and efficiency in the execution of governmental responsibilities, ensuring that public resources are judiciously utilized. Thirdly, the study confirms the significant positive role of diligent supervision in promoting VFM. Effective oversight is instrumental in the early detection and prevention of financial irregularities and the abuse of authority, while also providing a constructive feedback loop for continuous improvement within Regional Work Units (OPDs) and enhancing the overall efficiency of governmental functions.

Most importantly, this research underscores that the synergistic implementation of transparency, accountability, and supervision creates a powerful, integrated framework. When these three pillars are concurrently strengthened and harmonized, they collectively foster a financial management environment that is significantly more conducive to achieving the core VFM tenets of economy, efficiency, and effectiveness. For the Jambi City Government, and indeed for local governments more broadly, these findings imply a clear strategic imperative: to proactively and continuously invest in fortifying systems of transparency, embedding rigorous accountability at all levels, and ensuring comprehensive, independent supervision. Such efforts are not merely procedural enhancements but are fundamental to building enduring public trust and delivering optimal outcomes from the utilization of public funds. Future endeavors should focus on practical strategies for the sustained improvement of reporting frameworks, the judicious application of technology to enhance oversight capabilities, and ongoing investment in the capacity building of human resources involved in public financial management.

## 5. Acknowledgement

The authors extend their gratitude to any institutions or individuals who provided funding or critical assistance during the research process. Authors listed are not typically acknowledged in this section.

## 6. References

- Amin, M., Maryadi, M., & Sjarlis, S. (2022). Pengaruh pengawasan keuangan, akuntabilitas dan transparansi pengelolaan keuangan terhadap kinerja anggaran. *Nobel Management Review*, 3(3), 438–451.
- Anggadini, S. D., Santika, T., Agustin, R. S. P., Dwiparna, M. B. A., & Damayanti, S. (2023). Accountability through public sector accounting and the quality of financial reports. *Proceeding of International*

## RESEARCH ARTICLE

*Conference on Business, Economics, Social Sciences, and Humanities*, 6, 478–488.  
<https://doi.org/10.34010/icobest.v4i.410>.

Ashari, M. I., & Kaukab, M. E. (2020). Analisis kinerja anggaran berkonsep value for money. *Jurnal Ilmiah Mahasiswa Manajemen, Bisnis Dan Akuntansi (JIMMBA)*, 2(5), 728–740.

Batubara, Z., & Risna, R. (2020). Pengaruh akuntabilitas, partisipasi dan pengawasan terhadap kinerja anggaran berkonsep value for money pada badan pengelolaan keuangan dan aset daerah kabupaten Bengkalis. *JAS (Jurnal Akuntansi Syariah)*, 4(1), 95–109.

Fachrunnisa, L. K., Armiyati, M. P. L., & Jayusman, I. (2023). Strategi pemerintah Indonesia mengatasi masalah ekonomi pada masa reformasi (1999–2004). *Estoria: Journal of Social Science and Humanities*, 4(1), 494–513. <https://doi.org/10.30998/je.v4i1.2126>.

Farida, A. S., Riwayanti, J., Muhtaz, E. A., Muhafidin, D., & Buchori, A. (2025). Value for money analysis of Bandung City Government financial reports 2022-2023. *KnE Social Sciences*, 10(4), 78–88. <https://doi.org/10.18502/kss.v10i4.18029>.

Hasugian, F. T. S. P., Syahputra, R. A., & Harahap, A. R. (2021). Pengaruh akuntabilitas keuangan daerah, value for money, kejujuran, transparansi, dan pengawasan terhadap pengelolaan keuangan daerah (studi kajian pada pemerintah kabupaten Labuhanbatu pusat). *Jurnal Mutiara Akuntansi*, 6(2), 175–185.

Hayat, H. (2020). Paradigma good governance menuju shared governance melalui reformasi birokrasi dan inovasi pelayanan publik. *ARISTO*, 8(1), 1. <https://doi.org/10.24269/ars.v8i1.2270>.

Heintzman, R., & Marson, D. B. (2024). Can public sector service delivery be improved? *Canadian Public Administration*, 67(4), 548–561. <https://doi.org/10.1111/capa.12595>.

Karunia, R. L., Darmawansyah, D., Dewi, K. S., & Prasetyo, J. H. (2023). The importance of good governance in the government organization. *HighTech and Innovation Journal*, 4(1), 75–89. <https://doi.org/10.28991/HIJ-2023-04-01-06>.

Nurliza, J., Bainil Yulina, & Nurhasanah. (2024). Pengaruh akuntabilitas, transparansi dan partisipasi masyarakat terhadap pengelolaan keuangan badan usaha milik desa Kecamatan Banyuasin III Kabupaten Banyuasin. *JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi)*, 10(4), 2598–2609. <https://doi.org/10.35870/jemsi.v10i4.2803>.

Panggeso, A. G., Nirwana, & Haliah. (2024). Transparency and accountability in public financial reporting: Implementation and challenges in the digital era: A systematic literature review. *International Journal of Business and Applied Economics*, 3(6), 979–990. <https://doi.org/10.55927/ijbae.v3i6.11875>.

Waspini, W., Sari, N. A., Hifni, S., & Rosari, N. (2022). The implementation of the concept of value for money in the realization of budget accountability at the regional financial and asset management agency (BPKAD) of Banjar Regency. *AFEBI Accounting Review*, 7(1), 13. <https://doi.org/10.47312/aar.v7i1.530>.

Winarni, E., Kurniasih, E. T., & Soleh, A. (2020). Dampak penerapan good governance, kompetensi SDM, penerapan SAP, penerapan SPIP dan pemanfaatan SIPKD terhadap akuntabilitas publik dan

## RESEARCH ARTICLE

kualitas laporan keuangan (Pemerintah Kota Jambi). *J-MAS (Jurnal Manajemen Dan Sains)*, 5(2), 289. <https://doi.org/10.33087/jmas.v5i2.197>.

Yunita Sari, L., Nelly Masnila, & Desi Indriasari. (2024). Pengaruh kinerja aparatur pemerintah desa, dan integritas terhadap pencegahan fraud pengelolaan dana desa di Kecamatan Jayaloka, Kabupaten Musi Rawas. *JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi)*, 10(5), 2874–2878. <https://doi.org/10.35870/jemsi.v10i5.3086>.