

THE INFLUENCE OF ACCOUNTABILITY AND TRANSPARENCY OF GOVERNMENT FINANCIAL REPORTS ON THE ACHIEVEMENT OF SUSTAINABLE DEVELOPMENT GOALS (SDGS 11) IN INDONESIA

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Abstract

This study aims to analyze the influence of accountability and transparency in local government financial reports on the achievement of Sustainable Development Goals (SDGs) 11, specifically the indicator of access to decent and affordable housing in Indonesia. The study used panel data from 31 provinces during the 2021–2024 period with a total of 124 observations. The research data were obtained from the Central Statistics Agency (BPS), the Supreme Audit Agency (BPK), and official local government websites related to the publication of financial reports. Data analysis was conducted using the Generalized Least Squares (GLS) method with a Random Effect Model (REM) approach. The results of the study indicate that accountability has a positive and significant effect on the achievement of SDG 11. These findings indicate that accountable regional financial management can increase the effectiveness of housing and settlement development programs. Transparency also has a positive and significant effect on the achievement of SDG 11, with a stronger effect than accountability. Openness of financial information encourages public oversight of regional budget use and increases the efficiency of development program implementation. The results of simultaneous testing indicate that accountability and transparency together have a significant effect on the achievement of the indicator of access to decent and affordable housing. The research findings support the theory of good governance, which places accountability and transparency as essential elements in improving the quality of local government governance. This study provides an empirical contribution regarding the relationship between local government financial governance and the achievement of sustainable settlement development in Indonesia.

Keywords: *Accountability, Transparency, Financial Government, SDGS 11*

1. INTRODUCTION

The Sustainable Development Goal (SDG) have been a global development agenda since 2015 to promote inclusive and sustainable development. One of the main focuses of this agenda is SDG 11, which emphasizes the development of safe, inclusive, resilient, and sustainable cities and settlements, including increasing community access to adequate and affordable housing (Hales & Birdthistle, 2023). Achieving this indicator is closely related to

the government's ability to provide healthy, safe residential environments that support community socio-economic activities. The phenomenon in Indonesia shows that there is still a gap between the need for and the availability of adequate housing due to population growth, urbanization, and development inequality between regions. This condition causes some people to still live in residential areas that do not meet adequate standards. Adequate housing is not only related to residential security but also includes the availability of adequate space, good ventilation, adequate lighting, and access to public facilities such as schools, hospitals, and markets. These issues demonstrate that sustainable settlement development remains a significant challenge in Indonesia's national development process (Küfeoğlu, 2022; Jain et al., 2023).

Data from the Central Statistics Agency (BPS) shows that public access to adequate housing fluctuated between provinces during the 2021–2024 period. This reflects that equitable distribution of housing and settlement development has not been optimal. Challenges in developing adequate housing are also influenced by limited land, rising property prices, and the high demand for housing among low-income communities. The government, through the Ministry of National Development Planning/Bappenas and the Ministry of Housing and Settlement Areas, has launched a program to build 3 million houses in the 2025–2029 National Medium-Term Development Plan (RPJMN) as an effort to expand public access to adequate and affordable housing. This program is aimed at building houses in rural and urban areas for low-income communities and is supported by government budget allocations (Azizah et al., 2024). The realization of the housing development program requires effective budget management and good governance to optimally achieve development targets. The quality of local government governance is an important factor in supporting the effectiveness of the implementation of sustainable settlement development programs because local governments have a strategic role in budget management, program implementation, and development supervision at the regional level.

Accountability in local government financial reports is a crucial aspect in supporting the achievement of SDG 11, particularly in the indicator of access to decent and affordable housing. Accountability reflects the government's ability to manage and be accountable for the use of public funds effectively, transparently, and on-target. Accountable financial management has the potential to increase the effectiveness of housing development programs, particularly for low-income communities and residential areas requiring development intervention (Afrilia et al., 2024; Handani, 2024). Local governments with a high level of accountability tend to allocate budgets more efficiently, enabling development programs to meet established targets. Transparency in financial reports also plays a crucial role in increasing the effectiveness of regional development. Transparency demonstrates the government's openness in providing financial information that is accessible to the public and stakeholders. This transparency of information can improve public oversight of regional budget use and strengthen public trust in the government (Adiyanti et al., 2025; Wiyandari

& Susilowati, 2025). This encourages more effective governance and supports improvements in the quality of sustainable settlement development in Indonesia.

Previous research has focused more on the influence of accountability and transparency on local government financial performance in general. Discussion of the relationship between these two variables and the achievement of Sustainable Development Goals is still relatively limited, particularly on the SDG 11 indicator related to access to decent and affordable housing. Most studies also focus on the district or city level and have not linked local financial governance to specific sustainable development indicators. Research on the influence of accountability and transparency on the achievement of SDG 11 at the provincial level in Indonesia is still rare. This situation indicates a research gap that requires further empirical testing of the relationship between local government financial governance and sustainable settlement development. This study offers novelty by examining the influence of accountability and transparency in local government financial reports on the achievement of SDG 11 indicators at the provincial level in Indonesia. The research focuses on the indicator of access to decent and affordable housing as a proxy for sustainable settlement development. This research is expected to provide an empirical contribution to the role of local government financial governance in supporting the achievement of sustainable development targets in Indonesia.

Literature Review and Hypothesis Development

Good Governance Theory

The theory of good governance is a concept of government administration that emphasizes principles such as accountability, transparency, participation, effectiveness, efficiency, and the rule of law in the management of public resources. This concept was widely developed by the World Bank and the United Nations as a framework for creating a clean, responsive, and service-oriented government (UNDP, 1997). In practice, accountability reflects the government's obligation to account to the public for every policy and budget allocation, while transparency relates to the openness of information that enables the public to monitor government operations. The implementation of these principles is believed to improve the quality of state financial management and encourage sustainable and inclusive development.

The theory of good governance is relevant to this research because accountability and transparency in government financial reports are core components of this principle, directly influencing the achievement of Sustainable Development Goals (SDG 11), particularly in the provision of adequate and affordable housing. Accountable budget management ensures that public funds are allocated appropriately for housing programs, while transparency allows for public oversight, minimizing budget irregularities. With good governance, the effectiveness of settlement development programs can be increased, thus supporting the

achievement of inclusive, safe, and sustainable cities and settlements (Kurniawati et al., 2024; Tapalona et al., 2023). Therefore, the better the implementation of good governance principles, the greater their contribution to the government's success in achieving SDG 11 in Indonesia.

Sustainable Development Goals (SDG)

2015 marked the end of the Millennium Development Goals (MDGs). The Sustainable Development Goals (SDG) program, implemented from 2015 to 2030, was designed to address various issues and targets not yet achieved in the MDGs. Presidential Regulation No. 59 of 2017 outlines five key concepts as guidelines for implementing SDGs: people, planet, prosperity, peace, and partnership. Furthermore, 17 global goals were established as part of the SDG (Amirya & Irianto, 2023; Safitri et al., 2022).

This research utilizes SDG 11, namely sustainable urban and human settlement development, which aims to ensure that every individual, particularly low-income communities and vulnerable groups, has equitable access to decent, safe, and affordable housing, supported by adequate infrastructure and basic services. SDG 11 also emphasizes the importance of inclusive and sustainable urban planning so that no one is left behind, so that every individual, regardless of social and economic conditions, has the opportunity to live in a safe, comfortable environment and is able to improve the overall quality of life (Jain et al., 2023; Küfeoğlu, 2022).

The Impact of Accountability on SDG 11

Accountability in government financial management and programs plays a crucial role in supporting the achievement of SDG 11, particularly in the provision of decent, safe, and affordable housing. Based on various previous studies, as stated by Hendriarto et al. (2025), good accountability is reflected in the government's ability to prepare, implement, and account for budget use in a clear and measurable manner. In the context of housing development, accountability ensures that budget allocations are truly used for targeted programs, such as housing construction for low-income communities (MBR) and the management of uninhabitable houses (RTLH). Clear accountability minimizes the potential for irregularities, making development programs more effective and efficient.

Furthermore, accountability also contributes to increasing public trust in the government, which ultimately encourages public participation in supporting sustainable housing development programs. Findings from Kosat et al. (2025) demonstrate that accountable governance at the village level can strengthen the achievement of development targets aligned with the United Nations SDG. Thus, the higher the level of government accountability, the greater the chance of successful implementation of inclusive and sustainable housing policies (Frysa Wiriantari et al., 2025; Jaramillo, 2020). This indicates that accountability has a positive impact on the achievement of SDG 11 because it ensures

program effectiveness, targeted accuracy, and the sustainability of decent housing development. Therefore, this study formulates the following hypothesis:

H₁: Accountability in government financial reports has a positive impact on the achievement of SDG 11 in Indonesia through the indicator of access to decent and affordable housing.

The Impact of Transparency on SDG 11

Transparency is a crucial principle of good governance that significantly contributes to achieving SDG 11. Transparency in financial management and the implementation of development programs allows the public to obtain clear, open, and easily accessible information regarding housing policies. Research by Miralda Salsabila (Aisyah et al., 2024) shows that increased transparency in local government financial reporting improves the quality of governance and the effectiveness of development programs. In the housing context, transparency helps ensure that the planning, budgeting, and distribution of housing assistance are conducted transparently and are subject to public scrutiny.

Furthermore, transparency plays a role in promoting efficiency and reducing the potential for corruption in the implementation of housing development programs. When information regarding budgets and program implementation is openly available, the public and stakeholders can exercise direct oversight. This will encourage the government to work more optimally and responsibly in achieving the target of adequate and sustainable housing development (Risya & Nurodin, 2017; Wiyandari & Susilowati, 2025). Therefore, transparency has a positive influence on SDG 11 because it can increase policy effectiveness, strengthen public oversight, and ensure a fairer and more equitable distribution of resources. Therefore, this study formulates the following hypothesis:

H₂: Transparency has a positive influence on the achievement of SDG 11 in Indonesia through the indicator of access to decent and affordable housing.

The Impact of Accountability and Transparency on SDG 11

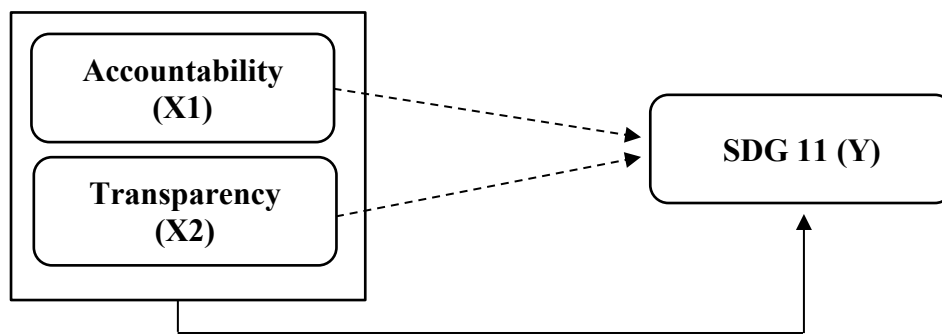
Accountability and transparency are two complementary aspects in realizing good governance, particularly in supporting the achievement of SDG 11. The combination of the two ensures that every process of planning, budgeting, and implementation of housing development programs is conducted openly and responsibly. Research (Hadisutisna, 2025) indicates that accountable and transparent budget management can increase the efficiency and effectiveness of public resource use (Dewi & Sapari, 2020). In the context of housing development, this means that government programs can run according to plan, are on target, and effectively address community needs.

Furthermore, the synergy between accountability and transparency also strengthens public trust and increases public participation in the development process. When the public has access to information and sees clear accountability, they tend to be more supportive of government policies (Susliyanti & Binawati, 2020; Wiyandari & Susilowati, 2025). This

aligns with the United Nations' goal of SDG 11 to create inclusive and sustainable cities and settlements. Thus, accountability and transparency simultaneously have a positive influence on the achievement of SDG 11 because they create effective governance, increase public trust, and ensure the sustainability of housing development programs. Therefore, this study formulates the following hypothesis:

H₃: Accountability and transparency of government financial reports simultaneously have a positive influence on the achievement of SDG 11 in Indonesia through the indicator of access to decent and affordable housing.

Framework



Source: Data Processed, 2026

2. RESEARCH METHOD

This study used a purposive sampling technique, selecting a sample based on specific criteria aligned with the research objectives. The study population included all 38 provincial governments in Indonesia. The sample selection process was based on the availability of Sustainable Development Goals (SDGs) data, specifically SDG indicator 11, concerning access to adequate and affordable housing, during the 2021–2024 study period. Seven provinces did not have complete SDG 11 data during the observation period because data was only available in 2021 and not consistently available in 2022–2024. These provinces were excluded from the study sample to ensure a balanced and consistent panel data set. Based on these criteria, the final sample size for this study consisted of 31 provinces with a four-year observation period, 2021–2024, resulting in a total of 124 observations (31 provinces × 4 years).

The data used in this study is secondary data obtained from official Indonesian government agencies. SDG 11 data was obtained from the Central Statistics Agency (BPS), accountability data from the Supreme Audit Agency (BPK), and transparency data from official provincial government websites, such as the PPID (Information and Communications Information System), JDIH (Information and Communications Information System), Open Data, and/or the websites of Regional Finance Agencies or Offices related to the publication of Regional Government Financial Reports (LKPD). This study used the Generalized Least Squares (GLS) method with a Random Effects Model

(REM) approach to estimate the panel data model. REM was chosen because it can accommodate data variation between provinces and between periods more efficiently. Model estimation also uses robust standard errors to minimize the potential for heteroscedasticity and autocorrelation, resulting in more efficient and consistent estimators (Hou & Zhang, 2025; Poojari et al., 2025).

This study employed the Generalized Least Squares (GLS) method with the Feasible Generalized Least Squares (FGLS) approach in a panel data model. Estimation was performed using a heteroskedastic panel structure and the assumption of no autocorrelation between periods, as indicated in the panel (heteroskedastic) and corr (independent) model settings in Stata. This approach was chosen because it produces more efficient estimators on panel data, which may have differences in error variance between provinces. The use of FGLS also aims to minimize potential estimation bias due to heteroskedasticity in panel data, thus enabling the model to produce more consistent and efficient estimators.

Testing of classical assumptions in this study focused on normality and multicollinearity tests. The normality test was conducted to ensure that the model residuals had a near-normal distribution, while the multicollinearity test was used to identify high correlations between independent variables. The Variance Inflation Factor (VIF) value was used as the basis for detecting multicollinearity in the research model. Hypothesis testing is carried out through simultaneous tests (F tests) to determine the influence of independent variables together on the dependent variable and partial tests (t tests) to determine the influence of each independent variable on the dependent variable (Aflah et al., 2025; Lestari et al., 2026).

Operational Variables and Empirical Models

Table 1. Operational Variables

Variables	Operational Variables	Data source
SDG11	This variable represents the achievement of Sustainable Development Goal (SDG) 11 and is measured using the percentage of households with access to adequate and affordable housing according to the national definition. A higher percentage indicates a more adequate and equitable level of housing needs. Unit: percent (%); level: province; period: annual.	Central Statistics Agency of Indonesia https://www.bps.go.id/

Variables	Operational Variables	Data source
Accountability	The quality of financial report accountability is measured using the BPK audit opinion on the provincial LKPD on a scale of 1–4: 1) TMP/Disclaimer, 2) TW (Unfair), 3) WDP, 4) WTP. A higher score indicates better compliance with accounting standards and internal control. Lag (t–1) can be used in the analysis.	Audit Board of the Republic of Indonesia https://www.bpk.go.id/
Transparency	Transparency is measured using a dummy variable based on the availability of local government financial reports published on the official provincial government website. The variable is assigned a value of 1 if the financial report is available and publicly accessible, and a value of 0 if the financial report is unavailable or inaccessible. This measure is used to describe the level of openness of local governments in providing financial information to the public.	Official website of the Provincial Government (PPID/JDIH/Open Data) and/or Regional Financial Agency/Department (LKPD link)

Source: Data Processed, 2026

To answer the research questions and simultaneously test the hypotheses, the empirical model used in this study is as follows:

$$Sdg11it = \beta_0 + \beta_1 \text{Accountability} + \beta_2 \text{Transparency} + \text{eit} \dots \dots (1)$$

Sdg11 it is a variable that describes the level of achievement of sustainable development goals in the field of cities and settlements, as established by the United Nations in the Sustainable Development Goals (SDGs) agenda, which focuses on efforts to create inclusive, safe, resilient, and sustainable cities and settlements. This variable encompasses several important dimensions, such as access to adequate and affordable housing, the availability of basic infrastructure, the quality of residential environments, and ease of access to public services that support community social and economic activities. In the context of this research, SDG 11 is not only viewed from the physical aspect of housing development but also reflects the integration of social, economic, and environmental aspects, including slum management, disaster risk reduction, and improving the overall quality of life for the community. Furthermore, the achievement of this variable is strongly influenced by the

effectiveness of government policies, the quality of governance, and community participation in the development process. This variable represents the achievement of SDG 11 and is measured using the percentage of households with access to decent and affordable housing according to the national definition. A higher percentage indicates a better, more equitable, and more equitable level of housing needs. The unit of measurement used is percent (%), with the analysis level at the provincial level and the observation period conducted annually.

Accountability it is a variable that describes the level of government accountability in managing and reporting public finances transparently, accurately, and in accordance with applicable standards. This variable reflects the extent to which the government is able to prepare reliable financial reports, comply with laws and regulations, and demonstrate effective and efficient budget use in supporting the implementation of development programs, including the achievement of sustainable development goals. In the context of governance, accountability is not only related to the preparation of financial reports, but also includes internal control systems, compliance with accounting standards, and the government's ability to account for its performance results to the public and stakeholders. Therefore, the higher the level of accountability, the better the quality of regional financial management and the greater public trust in the government. The accountability variable in this study is measured using the quality of accountability of regional government financial reports based on the audit opinion from the Supreme Audit Agency on the Regional Government Financial Report (LKPD) of the province with a scale of 1–4, namely: (1) Does Not Provide an Opinion (TMP/Disclaimer), (2) Unqualified (TW), (3) Fair With Exceptions (WDP), and (4) Fair Without Exceptions (WTP). A higher score indicates a better level of compliance with government accounting standards and the effectiveness of the internal control system. In the analysis, this variable can also use a lag approach ($t-1$) to see the effect of accountability in the previous period on performance achievement in the current period.

Transparency it is a variable that describes the level of government openness in providing and publishing financial information to the public as a form of implementing the principles of good governance. This variable reflects the extent to which local governments provide adequate access to financial report information, thereby increasing public trust, strengthening oversight, and encouraging the creation of more accountable and responsive financial management to community needs. In this context, transparency is not only seen from the availability of information, but also from the ease of access, completeness, and clarity of the information presented to the public. The transparency variable in this study is measured based on the availability of seven components of the Regional Government Financial Report (LKPD) that were published publicly in year t . Each component is given a dummy value of 1 if the document is available and accessible to the public (has an active

link, can be read or downloaded, and contains complete financial information), and is given a value of 0 if it is not available or inaccessible. The seven components include: (1) Budget Realization Report (LRA), (2) Report on Changes in the Excess Budget Balance (LPSAL), (3) Balance Sheet, (4) Operational Report (LO), (5) Cash Flow Report (LAK), (6) Report on Changes in Equity (LPE), and (7) Notes to the Financial Statements (CaLK). The transparency score is obtained from the total number of dummy values with a range of 0–7, where a higher score indicates a better level of transparency. In addition, the score can be normalized into a scale of 0–100 with the formula $(\text{score}/7 \times 100)$ to facilitate interpretation and further analysis.

3. RESULTS AND DISCUSSION

Descriptive Statistics

Table 2. Descriptive Statistics

Variables	Obs	Mean	Std. dev	Min	Max
Sdg11	124	62.532	10.467	27.28	85.99
Accountability	124	3.459	0.500	3	4
Transparency	124	0.491	0.501	0	1

This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

Based on the descriptive statistics, the SDG11 variable has an average value of 62.532 with a standard deviation of 10.467. The minimum value of 27.28 and the maximum value of 85.99 indicate variations in the level of achievement of SDG 11 indicators between provinces in Indonesia. The accountability variable has an average value of 3.459 with a minimum value of 3 and a maximum of 4. These results indicate that most provincial governments obtained a Fair with Exceptions (WDP) to Fair Without Exceptions (WTP) audit opinion from the Supreme Audit Agency (BPK). The standard deviation of 0.500 indicates that the variation in the level of accountability between provinces is relatively low. The transparency variable has an average value of 0.491 with a minimum value of 0 and a maximum of 1. These results indicate that the level of disclosure of regional government financial reports still varies between provinces. The standard deviation of 0.501 indicates differences in the level of transparency of financial report publications between regional governments. In general, the results of descriptive statistics show that the research variables have a data distribution that is good enough to be used in panel data analysis.

Correlation Test

Table 3. Correlation

Variables	SDG11	Accountability	Transparency
SDG11	1.000		
Accountability	0.133	1.000	
	0.138		
Transparency	0.446	-0.325	1.0000
	0.136	0.000	

This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

Model Feasibility Test

Table 4. Model Feasibility Test

Feasibility Model	Results	Decision
<i>Chow Test</i>	Prob > F = 0.000	FEM is better than CEM
<i>Hausman Test</i>	Invalid (chi-square < 0)	Not applicable
<i>Lagrange Multiplier Test</i>	Prob > chibar2 = 0.000	REM is better than CEM

This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

Based on the model fit test results, the panel regression model was selected using the Chow, Hausman, and Lagrange Multiplier tests. The Chow test results showed a Prob value > F of 0.000, indicating that the Fixed Effects model was superior to the Common Effects Model. The Hausman test results showed a negative chi-square value, indicating that the test did not meet the asymptotic assumptions of the Hausman test and could not be used as the primary basis for model selection. This condition indicates limitations in the panel data structure used. The final model selection was based on the Lagrange Multiplier test results, which showed a Prob value > chibar2 of 0.000. These results indicate that the Random Effects Model was superior to the Common Effects Model. The Random Effects Model was selected as the final estimation model because it was able to more efficiently accommodate data variations between provinces and between periods in this study.

Classical Assumption Test

Multicollinearity Test

Table 5. Multicollinearity Test

Variables	Vif	1/Vif
Accountability	1.78	0.562
Transparency	1.78	0.562
Mean Vif	1.78	

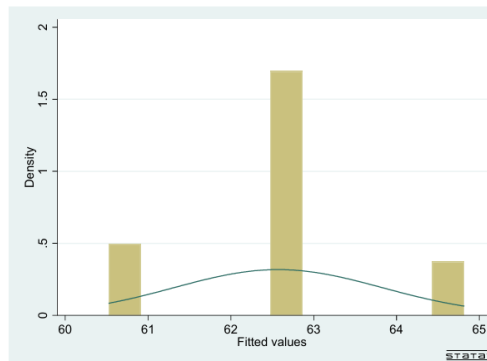
This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

The results of the multicollinearity test in Table 5 show that the Variance Inflation Factor (VIF) values for the accountability and transparency variables are each 1.78, with a tolerance value (1/VIF) of 0.562. In general, a regression model is said to be free from multicollinearity problems if the VIF value is <10 and the tolerance value is >0.10. Based on these results, the two independent variables in this study have VIF values far below 10 and tolerance values greater than 0.10. This indicates that there is no high correlation between the independent variables, so it can be concluded that the regression model is free from multicollinearity problems. Furthermore, the Mean VIF value of 1.78 also indicates that the model has a very low level of multicollinearity overall. Thus, the accountability and transparency variables are suitable for use in the regression model because they do not interfere with each other or cause distortion in parameter estimation.

Normality Test

Table 6. Normality Test



This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

The results of the normality test based on the histogram graph indicate that the residual distribution tends to follow a normal distribution pattern. The residual distribution appears concentrated around the mean value and does not show any significant extreme deviations. This condition indicates that the residual model has a distribution close to normal, making the research model suitable for use in panel data analysis. This study uses the Generalized Least Squares (GLS) approach to the panel data model, so the estimation focus is more directed at the efficiency and consistency of the estimator in accommodating the characteristics of the panel data. With a total of 124 observations, the research model is deemed adequate for use in hypothesis testing and drawing research conclusions.

Simultaneous Test

Table 7. Simultaneous Test

Variables	P > Value
SDG11	0.000

This data was processed using Stata 17: 2026 software

Source: *Data Processed, 2026*

The results of the simultaneous test in Table 7 show a significance value (P-value) of 0.000, which is less than 0.05. This indicates that the independent variables simultaneously have a significant influence on the dependent variable. Therefore, the regression model used can be said to be appropriate or fit to explain the relationship between the variables studied, because overall, the independent variables are able to significantly explain variations in the dependent variable.

Partial Test

Table 8. Partial Test

Variables	Coefficient	P > Value
Cons	54.496	0.000
Accountability	2.009	0.021
Transparency	2.285	0.009

This data was processed using Stata 17: 2026 software

Source: Data Processed, 2026

The partial test results in Table 8 indicate that both independent variables, namely accountability and transparency, have a significant influence on the dependent variable. This is evident from the significance value (P-value) of each variable which is smaller than 0.05, namely accountability of 0.021 and transparency of 0.009, so both are statistically significant. The accountability coefficient of 2.009 indicates that every one unit increase in accountability will increase the value of the dependent variable by 2.009, assuming other variables are constant. Meanwhile, transparency has a larger coefficient, namely 2.285, which means its influence is relatively stronger than accountability. The constant value of 54.496 with a significance of 0.000 indicates that when accountability and transparency are zero, the base value of the dependent variable is 54.496 and the overall model is significant.

Discussion

The Effect of Local Government Financial Report Accountability on SDG 11

The research results show that accountability in local government financial reports has a positive and significant impact on the achievement of SDG 11. A coefficient value of 2.009 with a significance level of 0.021 indicates that improved accountability quality is followed by improved achievement of the indicator of access to decent and affordable housing. This condition reflects the significant relationship between the quality of accountability in regional financial management and the effectiveness of housing and settlement development in Indonesia. Regional governments with a high level of accountability tend to be able to allocate development budgets more accurately and according to the priority needs of the community. Measured and accountable financial management supports the implementation of decent housing development programs, improving the quality of settlements, and optimally addressing uninhabitable housing.

The quality of the audit opinion from the Supreme Audit Agency (BPK) also demonstrates the ability of local governments to maintain the effective use of public funds

and reduce the potential for irregularities in development program implementation. The application of accountability principles is a crucial part of realizing effective governance. A high level of accountability reflects better oversight and control of regional financial management. This condition impacts the quality of public services and the effectiveness of regional development. The results of this study are in line with the first hypothesis (H1) which states that accountability has a positive effect on SDG 11. The research findings are also consistent with the research of Hendriarto et al. (2025) and Kosat et al. (2025) which shows that accountable governance is able to support the success of sustainable development.

The influence of transparency of accountability of regional government financial reports on SDG 11

The results of the study indicate that transparency has a positive and significant impact on the achievement of SDG 11. A coefficient value of 2.285 with a significance level of 0.009 indicates that transparency has a stronger influence than accountability in improving the achievement of the indicator of access to adequate and affordable housing. Openness of regional financial information contributes to increasing the effectiveness of housing and settlement development in Indonesia. The availability of information regarding regional budget management provides a space for the public to monitor the implementation of development programs. More open access to information encourages local governments to manage their budgets more efficiently and responsibly.

Strong public oversight also helps minimize the potential for misuse of development funds. This condition supports the increased effectiveness of programs to provide adequate and affordable housing for the community. Transparency is a crucial part of creating trustworthy governance that is responsive to public needs. Local governments with higher levels of information transparency tend to increase public trust in the implementation of regional development. The results of this study support the second hypothesis (H2), which states that transparency has a positive impact on SDG 11. The research findings also align with research by Aisyah et al. (2024) and Risya and Nurodin (2017) which show that transparency can increase the effectiveness of regional governance and development.

The impact of accountability and transparency on SDG 11

The results of the simultaneous test indicate that accountability and transparency together have a significant effect on the achievement of SDG 11, with a significance value of 0.000. These results indicate that both independent variables are able to explain variations in the achievement of the indicator of access to decent and affordable housing at the provincial level in Indonesia. The research model is also deemed appropriate in explaining the relationship between regional financial governance and sustainable settlement development. The quality of governance is reflected in the ability of regional governments to manage budgets accountably while providing transparent public information. Well-

targeted budget management supports the effective implementation of housing development programs.

Public information transparency strengthens public oversight of regional budget use. The combination of these two aspects increases the effectiveness of settlement development and strengthens the quality of public services in the housing and settlement sectors. The application of good governance principles is crucial for the success of sustainable development in regions. Regional governments that consistently implement accountability and transparency tend to have greater development effectiveness. The results of this study support the third hypothesis (H3) which states that accountability and transparency simultaneously have a positive effect on SDG 11. The research findings are also consistent with the research of Dewi and Sapari (2020) and Hadisutisna (2025) which shows that good governance can increase the effectiveness of the use of public resources in supporting sustainable development.

4. CONCLUSION

Based on the research results, it can be concluded that accountability and transparency in local government financial reports have a positive and significant impact on the achievement of SDG 11 in Indonesia, particularly the indicator of access to adequate and affordable housing. Good accountability reflects the effectiveness of local budget management, enabling housing and settlement development programs to be more targeted. Transparency also strengthens public oversight of development budget use and increases the effectiveness of regional program implementation. The results indicate that the application of good governance principles is significantly related to sustainable settlement development at the provincial level in Indonesia. SDG 11 in this study is proxied through the indicator of access to adequate and affordable housing, thus not fully representing all dimensions of SDG 11.

Local governments need to improve the quality of financial management, internal oversight, and public information disclosure to ensure more effective and sustainable regional development. Improving access to financial information through digital platforms is also crucial to strengthening public oversight of development budget use. Future research is expected to utilize a broader range of SDG 11 indicators, such as residential environmental quality, public transportation, and sustainable urban development. The use of additional variables and a longer observation period is also expected to produce more comprehensive empirical findings regarding the relationship between regional financial governance and sustainable development in Indonesia.

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