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Bridging Between Financial Performance and Government Performance: The Role of Public Sector Accounting in Realizing Good Governance

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Abstrak: *Public sector accounting plays an important role in promoting transparency and accountability in modern governance. The implementation of an accrual-based accounting system, as mandated by the International Public Sector Accounting Standards (IPSAS), results in more accurate and relevant financial information. This system allows for the complete recording of assets and liabilities, thereby improving the efficiency of budget management. In addition, the integration of independent audits and technology-based supervision is a strategic step to prevent corruption and budget abuse. Implementation challenges, such as limited human resources and infrastructure, can be overcome through training, institutional strengthening, and technological innovation. Furthermore, public sector accounting contributes to sustainable development through reporting that covers financial, social, and environmental aspects. The integration of Sustainable Development Goals (SDGs) into financial reporting promotes inclusive and results-oriented decision-making. However, barriers such as a lack of understanding of sustainability concepts and policy incompatibilities require a collaborative approach across sectors. By adopting an integrated reporting framework, public sector accounting becomes a strategic instrument in realizing good governance and building public trust in government.*

Keywords : *Public Sector Accounting; Governance; Financial Performance; Government Performance*



INTRODUCTION

In the context of modern governance, accountability and transparency have become key pillars in promoting public trust in state financial management. Transparency is not only an ethical demand, but also a practical necessity to ensure effective and efficient use of public resources. Public sector accounting plays a key role by providing financial information that not only meets applicable accounting standards but is also relevant and easily accessible to stakeholders, including the general public. For example, accrual-based financial reporting mandated by the International Public Sector Accounting Standards (IPSAS) has helped many governments improve the quality of their financial reporting, making it easier to evaluate the achievements of government programs. However, despite their widespread adoption, implementation challenges, such as limited technical capacity and infrastructure, remain significant obstacles in realizing optimal transparency.

Accountability, on the other hand, underscores the government's obligation to explain and account to the public for its budget decisions and spending. In this case, public sector accounting acts as a control system that ensures that every step of financial management follows the principles of good governance, such as participation, transparency, and the rule of law (Resmadiktia et.al., 2023). Furthermore, the existence of external and internal audits based on international standards, such as those regulated by the International Organization of Supreme Audit Institutions (INTOSAI), provides an additional oversight mechanism to prevent budget abuse and corruption. Thus, public sector accounting is not only a technical tool, but also a political instrument that can strengthen the legitimacy of government in the eyes of its people, as expressed by Hood (1991) in his theory of New Public Management which emphasizes the importance of results-based management to improve the relationship

between government and society (Nursilowati, 2024).

Government financial performance is often used as a measure of success, especially in assessing the effectiveness and efficiency of budget management (Amal & Wibowo, 2022). However, although financial reports show satisfactory results, public perceptions of government performance are often misaligned. This reflects the gap between the quantitative data generated by the accounting system and the public's expectations of the services provided. For example, a reported budget surplus is often interpreted as the government's financial success, but if the surplus is not accompanied by improved public services or equitable distribution of benefits, then public perceptions of government performance remain negative. This suggests that financial performance cannot fully represent the government's achievements in meeting people's needs, so public sector accounting needs to be developed to integrate social dimensions and service quality in financial reporting.

To bridge this gap, public sector accounting should be able to present more contextual and holistic information, including the social and value-added impacts of government spending. A results-based accounting approach is one solution that allows financial reporting to reflect government achievements in strategic sectors, such as health, education and infrastructure. In this case, financial reports need to be supplemented with non-financial performance metrics that show the tangible results of public spending, such as the level of public access to basic services or poverty reduction. As stated by Osborne and Gaebler (1992) in *Reinventing Government*, governments should focus more on the results felt by the people rather than just financial numbers. Thus, public sector accounting is not only a reporting tool, but also a strategic instrument to create synergy between financial performance and government performance, and strengthen public trust in governance.



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The principles of good governance underscore the importance of transparency, accountability, participation, and the rule of law in all decision-making processes. Public sector accounting forms the backbone of the implementation of these principles by providing a reporting system that not only meets technical standards, but also enables the public to assess the effectiveness and efficiency of budget management. For example, the adoption of accrual-based reporting standards introduced in the International Public Sector Accounting Standards (IPSAS) has provided a better framework for recording and disclosing government liabilities that are often invisible in traditional reporting systems (Kasingku, 2022). This encourages greater transparency, but also requires integration with oversight mechanisms capable of ensuring that financial reporting reflects the operational and social realities facing governments.

However, the successful implementation of good governance through public sector accounting depends not only on the quality of reporting, but also on the extent to which the information is used in inclusive and accountable decision-making. This process requires the active participation of various stakeholders, including civil society, legislatures, and oversight bodies. For example, the development of citizen budget reports has shown how complex financial information can be simplified to enhance public participation in overseeing budget management. As expressed by Fung (2006) in his theory of empowered participation, successful governance depends not only on formal mechanisms, but also on empowering people in the decision-making process (Falah et.al., 2024). Thus, public sector accounting is not only a technical tool for reporting, but also a strategic instrument to strengthen governance that is participatory and responsive to the needs of society.

To support sustainable development, public sector accounting should be able to create a reporting mechanism that is not only financially oriented but also includes the social,

environmental, and economic impacts of government policies. Approaches such as sustainability accounting provide a framework that allows governments to integrate the Sustainable Development Goals (SDGs) into reporting and decision-making (Karyanto & Martiana, 2020). For example, financial reports can include indicators such as carbon emissions, poverty reduction, or improved education quality as metrics relevant to development targets. As stated by Wahyuni et.al (2020), sustainable accounting facilitates more responsible resource management, so that the government not only focuses on short-term success but also long-term sustainability.

However, the implementation of sustainability-based accounting in the public sector faces complex challenges, ranging from data limitations to institutional resistance to change. To overcome this, innovations in reporting systems are needed that enable efficient integration of financial data with non-financial data. In addition, public sector accounting needs to be complemented by policies that encourage more comprehensive reporting, such as the Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC). This framework emphasizes the importance of creating value holistically by linking financial performance with social and environmental impacts. By adopting this approach, governments can demonstrate their commitment to sustainable development while enhancing the credibility of their governance in the eyes of the public and global stakeholders.

METHOD

This literature study research method aims to analyze and synthesize the literature on the role of public sector accounting in bridging financial performance and government performance to realize good governance. This approach is used to gain an in-depth understanding based on existing theories and research.

The research began with the identification of topics covering public sector



financial performance, government performance, and the role of public sector accounting as a bridge between the two. Literature was collected from academic journals such as Scopus, ScienceDirect, Google Scholar, and ProQuest with the keywords “public sector financial performance”, “government performance”, “public sector accounting”, and “good governance”. Inclusion criteria included relevance to the theme, publication within the last 10 years, and clear methodology, while non-academic articles and those without a research basis were excluded.

The literature was classified by research type, primary focus, and geographical or institutional context. Data analysis was conducted to identify patterns and trends, compare research results, and develop a theoretical framework that explains the relationship between financial performance, government performance, and the role of public sector accounting.

The validity of the findings was ensured through triangulation, such as peer review and reference to frequently cited literature. This research is expected to produce a conceptual framework of the role of public sector accounting, identification of best practices in governance, and research-based policy recommendations.

Limitations of the study include limited access to specific literature, potential interpretation bias, and reliance on previous research without validation of primary data. However, this method remains a solid foundation for further research and policy development related to governance.

RESULTS AND DISCUSSION

1. The Role of Public Sector Accounting in Realizing Government Transparency and Accountability

A. Implementation of Accrual-Based Accounting in Improving Public Financial Transparency

In this review, we explore how the implementation of accrual-based accounting has contributed significantly to financial

transparency and accountability in the public sector. The results of the literature review show that the implementation of accrual-based accounting system in the public sector significantly improves transparency and accountability in state financial management. Ball (2018) revealed that accrual-based accounting improves financial reporting by recording liabilities and assets that are not recorded in the cash-based system, providing a more complete and timely picture of the government's financial condition (Nugraha & Dwiana, 2023). In the Indonesian context, this implementation has improved the efficiency of public fund management and strengthened the formulation of sustainable fiscal policy, despite implementation challenges.

Research by Akhmad et al. (2017) highlights the impact of accrual-based accounting on budget oversight by oversight institutions. The system provides clearer information on government resources, long-term liabilities, and available funds, which makes it easier for agencies such as the Supreme Audit Agency (BPK) to assess financial performance more comprehensively. Tetteh et al. (2023) also found that accrual-based accounting strengthens oversight, reduces the potential for corruption, and increases public participation in budget oversight. BPK auditors noted that accrual-based financial statements help identify discrepancies and potential misuse of funds more quickly, increasing audit effectiveness.

Accrual-based financial statements are considered to provide opportunities for civil society to monitor government policies and expenditures more effectively, thereby improving social control and government accountability. However, challenges in its implementation, especially in developing countries, remain a major concern. Ndraha et al. (2018) highlighted that the main obstacles lie in the lack of adequate training and infrastructure. In Indonesia, Ministry of Finance officials acknowledged that the transition to this system requires specialized skills that are currently limited among government officials.

As a solution, the literature recommends institutional capacity building through



intensive training for officials, improved financial information system infrastructure, and long-term government commitment. The experience of countries that have successfully implemented this system, such as in Europe and Asia, shows significant improvements in financial reporting and management of public resources. Therefore, despite the challenges, the benefits offered by accrual-based accounting make it an important tool to improve financial transparency and accountability in the public sector.

B. The Role of Public Sector Accounting in Improving Government Accountability

As a first step in understanding the role of public sector accounting systems, it is important to review its key contributions in the context of transparency and accountability. A review of the literature shows that public sector accounting systems have a significant role in improving government transparency and accountability. The literature underlines that financial statements prepared in a structured manner and according to accounting standards provide clear and accurate information on the use of public funds. Safari et al (2024) revealed that the implementation of an accrual-based accounting system at the local government level has improved the quality of financial statements, thereby contributing to increased public trust in government.

However, some literature also notes challenges in the implementation of public sector accounting systems. Costari & Belinda (2021) identified various key barriers, such as non-conformity with accounting standards, errors in recording transactions, and lack of adequate training for relevant apparatus. These discrepancies are often caused by a lack of understanding of evolving regulations and human resources that have not been fully trained. Uncertainty in the application of accounting standards is also identified as one of the factors affecting the accuracy and accountability of financial statements, especially at the local government level where administrative capacity varies. In addition, the literature notes the need for inter-agency

collaboration to mitigate gaps in the implementation of a uniform system.

Oversight systems, both internal and external, are an important aspect in ensuring accountability of public sector financial reports. Calen et al (2024) assert that independent external audits significantly improve the integrity of government financial statements. Institutions such as the Supreme Audit Agency (BPK) play a strategic role in ensuring transparency and accountability of public sector finances. Research by Wiyandika & Ardini (2017) also added that the existence of a professionally trained internal audit committee plays a role in detecting potential irregularities early. In addition, research from Lestari (2021) shows that technology-based supervision, such as the use of electronic reporting systems, can improve the efficiency of the audit process and provide more real-time data, thereby strengthening the accountability of financial statements.

As part of the effort to understand accountability in state financial management, the literature reviewed underscores the importance of transparent and accurate financial reports in reflecting government accountability. The Head of the Financial and Development Supervisory Agency (BPKP) stated that transparency in financial reports allows the public and stakeholders to objectively evaluate the use of the budget. This is reinforced by Kardina et al (2024) who suggest the utilization of information technology in public sector accounting management to improve reporting efficiency and accuracy. Challenges in the implementation of public sector accounting systems, such as changes in policies or accounting standards in a short period of time, can be overcome through continuous training for accounting officials and the introduction of integrated information technology systems. Research by Firdaus (2020) shows that the application of technology can produce more accurate and real-time financial reports, while minimizing human error.

In addition, the literature highlights the role of oversight in ensuring accountability. State auditors in interviews stated that



independent and objective audits are key to upholding accountability and detecting potential budget abuse. Research by Ritonga (2024) supports this view by stating that independent external audits are able to reduce the risk of corruption and misuse of public funds. Furthermore, a study by Wahyuni (2023) revealed that strengthening the role of internal supervisors through training and professional certification can increase the effectiveness of financial supervision, especially in resource-constrained regions. In the context of technology, a study by Hardjaloka (2014) highlights the importance of implementing a digital-based audit system that enables the identification of irregularities quickly and efficiently, strengthening corruption prevention efforts in the public sector.

C. Barriers to the Implementation of Public Sector Accounting and Solutions

In the implementation of accrual-based public sector accounting, various literatures indicate the existence of significant barriers that can hinder the transition process towards a more transparent and accountable system. Limited human resources (HR), inadequate technological infrastructure, and resistance to organizational change are three main barriers that are often identified. HR limitations arise because most government officials have not been trained in the accrual system, as revealed by Ramadhani et al (2019) who stated that minimal technical training is a major obstacle. Many employees are accustomed to using the cash-based system and require intensive training to understand the accrual-based system. This emphasizes the importance of education and training in improving the competence of state apparatus.

In addition, inadequate technological infrastructure is also a big challenge. According to Utari et al. (2024), unintegrated financial information systems make it difficult to manage data accurately and efficiently. Many government agencies still use separate systems so that the application of accrual-based accounting standards is less than optimal. This is also reinforced by the findings of Wibowo and Hartanto (2020), who emphasize that the

lack of interoperability between information systems hinders the exchange of real-time financial data. Meanwhile, a study by Rahmawati (2022) suggests that the development of accrual-based software specifically designed for the public sector can help overcome this obstacle. To that end, the literature recommends updating and integrating information systems to support the implementation of accrual-based accounting more effectively.

Resistance to change within organizations is also a significant barrier. Jambak et al. (2023) suggested that fear of failure and uncertainty often trigger resistance within government organizations. An organizational culture that has become accustomed to traditional methods slows down the process of adapting to new systems. Therefore, strong leadership and commitment from relevant parties are needed to encourage changes in organizational culture.

To overcome these obstacles, the literature suggests several solutions based on relevant data. First, intensive training on an ongoing basis, as proposed by Naida (2024), can help improve HR competencies in understanding and implementing accrual-based accounting. Based on research, 70% of government employees who switched to an accrual-based system had difficulty understanding the basic concepts of accrual accounting due to the lack of adequate training. Second, improving financial information systems with better technology, as suggested by Shobri (2024), will ensure more efficient and accurate financial data management. Zica & Farida (2022) point out that government agencies still use software that is not integrated, causing data errors and reporting delays. Third, stricter external oversight, as expressed by Nopriyanto (2025), will strengthen accountability and transparency in the use of public funds. For example, a 2021 audit by the Supreme Audit Agency (BPK) found that 40% of government agencies' financial statements had irregularities that could have been prevented with better oversight. Finally, changes in organizational culture through strong leadership and effective communication



strategies, as stated by Marpaung et al. (2024), can accelerate the adoption of new systems. Case studies show that agencies led by individuals with a high commitment to reform have better transition success rates than others.

With the implementation of these solutions, barriers in the implementation of accrual-based public sector accounting can be minimized. Literacy, training and commitment of all stakeholders are key to ensuring a successful transition to a more transparent and accountable accounting system.

2. The Effect of Public Sector Accounting on Decision Making and Sustainable Development

A. The Role of Public Sector Accounting in Providing Valid Data for Sustainable Decisions Making

Public sector accounting has an important role in providing valid, accurate and reliable data to support sustainable decision making. Based on existing literature, the implementation of an accrual-based reporting system is one of the main approaches that can improve the quality of financial information. This system allows the government to present transparent and realistic financial reports. A'la & Wibowo (2022) explained that accrual-based reporting provides a more comprehensive understanding of income, expenses, liabilities, and assets, thus helping policy makers to better understand financial conditions. Research by Citrayanti & Yuhertiana (2021) shows that the use of accrual-based accounting in various developed countries has increased fiscal transparency and enabled more effective decision making regarding government debt management. In addition, a study by Satrio (2024) revealed that accrual-based accounting supports more results-oriented public financial management, focusing on the long-term impact of policies on society.

For example, research conducted by Albugis (2016) showed that the implementation of accrual-based accounting systems in several local governments in Indonesia improved the transparency and efficiency of budget

management. The study highlighted that valid accounting data provides a foundation for prioritizing programs that support public welfare. This information assists the government in ensuring that public resources are allocated efficiently and used wisely. In addition, the literature review also highlighted the contribution of public sector accounting in supporting social and economic sustainability. Valid accounting data allows decision makers to consider the long-term impact of proposed policies. Research by Zuherman & Sisdiyanto (2025) underlined the importance of public sector accounting implementation in supporting sustainable development policies. The study found that the government's success in designing data-based policies can support strategic sectors such as health, education, and infrastructure.

Another study by Sulistyowati et al. (2024) mentioned that transparent financial reporting can increase public trust in the government, which in turn strengthens public participation in decision-making. The study also highlights that comprehensive accounting data helps the government design policies that are responsive to the needs of society. In addition, according to Mardiasmo (2021), the implementation of accrual-based accounting in developing countries has encouraged more efficient budget management, especially in ensuring the allocation of resources to priority sectors such as infrastructure development and public services.

With this literature review, it is clear that public sector accounting not only plays a role in the financial aspect but also in improving the overall quality of public policies. The combination of valid data, public trust, and proper resource allocation contributes directly to social and economic sustainability. Although accrual-based public sector accounting offers many benefits, the literature also reveals various challenges in its implementation. One of the main obstacles is limited human resources and technology. As revealed by Rosana & Bharata (2023), although many local governments have implemented accrual-based systems, there are still gaps in the quality of data produced. This challenge requires special



attention, including intensive training for accounting staff as well as information technology capacity building to ensure effective data management.

Based on this literature review, it can be concluded that public sector accounting plays a crucial role in providing data that supports sustainable decision-making. Although there are challenges in its implementation, strategic measures such as human resource capacity building and information technology development can strengthen the effectiveness of the public sector accounting system. Thus, the data generated can be used to support public policies that are oriented towards the sustainability of economic and social development.

B. Integration of Sustainable Development Goals (SDGs) in Government Financial Reporting

The integration of Sustainable Development Goals (SDGs) in government financial reporting is an important step in ensuring transparency, accountability and sustainability of public financial management. The SDGs, as a global agenda, require countries to focus policies on environmental, social and governance (ESG) sustainability. In the context of government financial reporting, the integration of SDGs not only improves accountability, but also creates a framework to ensure that the allocation of public resources is directed towards achieving sustainable development goals. For example, research by Kumajas et al. (2022) shows that SDGs-based financial reporting in European countries increases public trust in government. Other research by Sharma and Azmal et al. (2023) highlighted implementation in Indonesia, where SDGs-based reporting helped identify gaps in budget allocations for the health and education sectors. Both studies underscore the importance of a holistic approach in ensuring government financial reporting supports the achievement of inclusive development goals.

The literature review confirms that the integration of SDGs in government financial reporting is becoming increasingly important in the modern era that demands high transparency and accountability. Several countries have

adopted international standards such as the International Public Sector Accounting Standards (IPSAS) that support sustainability reporting. These standards provide guidelines for governments to disclose information related to the achievement of SDGs, both in the form of financial performance reports and non-financial reports. For example, research conducted by Oktaviani et al. (2024) shows that the application of IPSAS in developing countries helps improve the quality of SDGs reporting through harmonization of sustainability indicators. In addition, a study conducted by Santoso & Raharjo (2021) highlights the importance of using technology in integrating the SDGs into government reporting, which allows for more measurable and accurate data analysis. The study also shows that countries with a high level of commitment to the SDGs tend to develop clear and measurable sustainability indicators in their reporting, as seen in Norway and Sweden's annual reports that link public budgets directly to SDG targets.

However, this integration is not without challenges. One of the main obstacles is the lack of relevant and standardized data needed to accurately report on SDG achievements. In addition, the limited capacity of human resources in understanding the concept of sustainability and its application in financial reporting is also a significant obstacle. On the other hand, gaps in national policy frameworks and international standards often lead to disharmony in reporting.

Further discussion reveals that financial reporting integrated with the SDGs can improve the effectiveness of government decision-making. More transparent information based on sustainability indicators provides a stronger foundation for the development of public policies that support sustainable development. In addition, this reporting provides direct benefits to stakeholders such as the public, investors, and donors by providing a comprehensive picture of how public budgets are allocated to support the SDGs. To strengthen this integration, strategies are needed that include human resource capacity building, adoption of technology that supports



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sustainability reporting, and increased cross-sector cooperation. Harmonization between national policies and international standards should also be a priority to ensure consistency and reliability of reporting data. These steps will not only improve the quality of government financial reporting, but also encourage more pro-sustainability policy changes and create greater positive impact in achieving the SDGs.

Thus, the integration of the SDGs in government financial reporting is a strategic step that should continue to be developed. While challenges remain, the long-term benefits are far greater, both in terms of achieving sustainable development and strengthening good governance. This literature review emphasizes the importance of governments' commitment to make the SDGs an integral part of their financial reporting, in support of an inclusive and sustainable global development agenda.

C. Challenges in Implementing Sustainability-Based Accounting in the Public Sector

Research on the challenges of implementing sustainability-based accounting in the public sector suggests that there are a range of significant barriers that need to be resolved to support successful implementation. For example, a study conducted by Husodo et al. (2024) revealed that the lack of understanding of the concept of sustainability accounting, both among decision makers and practitioners, is one of the main obstacles. This barrier is often exacerbated by limited human resource capacity, especially in terms of relevant knowledge and technical skills (Liong, 2024). In addition, another study by Afriani et al. (2023) showed that the absence of uniform sustainability reporting standards for the public sector creates difficulties in compiling reliable and relevant reports, especially in the context of inter-organizational or cross-country comparisons.

Regulations and policies are also significant factors in determining the successful implementation of sustainability accounting. For example, research by Salsabila et al. (2024) shows that the mismatch between local and

international policies is often an obstacle, especially in adopting globally recognized sustainability principles. In addition, studies by Bebbington and Kirchner et al. (2024) revealed that the lack of incentives provided to public sector organizations to implement sustainability practices is another reason that hinders widespread adoption. Without adequate incentives, organizations tend to maintain traditional accounting systems that do not fully reflect the social and environmental impacts of their activities.

Technology and infrastructure challenges also cannot be ignored in the implementation of sustainability-based accounting. Research conducted by Dzikrullah & Chasanah (2024) shows that the lack of adequate technological infrastructure is a major obstacle in supporting the collection, management, and reporting of sustainability data. In addition, a study by Agustia et al. (2023) highlighted that many public sector organizations still struggle to integrate sustainability data into their accounting systems, adding to the complexity of implementation and creating difficulties in ensuring data accuracy and consistency. Another study by Utari & Harahap (2024) confirms that investments in modern technologies, such as integrated information systems and sustainability analytics software, can help reduce these obstacles and improve reporting efficiency. Thus, technological solutions are an important element in supporting the effective implementation of sustainability accounting.

Stakeholder engagement is also an important aspect that affects successful implementation. Low participation and support from external stakeholders, such as communities, non-governmental organizations and the private sector, create challenges in building awareness and commitment to sustainability. In addition, ineffective communication of the benefits of sustainability accounting often leads to resistance to change, both within and outside the organization.

Meeting the challenges of implementing sustainability accounting in the public sector requires a comprehensive and adaptive



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approach. Research shows the importance of supportive regulations, adequate human resource capacity, and advanced technology to overcome existing barriers. For example, a study by Kinasih & Sisdiyanto (2024) highlights that clear and consistent regulations can provide a strong foundation for the implementation of sustainability accounting. In addition, the study by Lubis et al. (2024) showed that training and education for public sector employees can significantly improve their understanding and skills in applying sustainability principles. Furthermore, the utilization of modern technology, such as digital-based data management systems, as suggested by Nahuway's research (20249), can help manage and report sustainability data more efficiently. Thus, a holistic approach involving regulation, education and technology is key in addressing this challenge.

Collaboration between various stakeholders plays a key role in overcoming the challenges of implementing sustainability-based accounting. For example, a study by Wardana & Frinaldi (2024) showed that synergy between the government, academia, civil society, and the private sector can create an ecosystem that is more conducive to sustainability implementation. In addition, a study by Judijanto (2023) highlighted that active engagement from all parties can raise awareness about the importance of sustainability and accelerate the adoption of best practices in the public sector. Another study by Riani (2024) also indicates that this collaboration not only expands access to resources, but also encourages innovation in the development of sustainability reporting policies and technologies. Thus, cross-sector collaboration is a vital element in supporting the successful implementation of sustainability-based accounting in the public sector.

Taking into account the local and global context, these challenges may vary between developed and developing countries. Therefore, strategies designed to overcome these barriers need to be tailored to the specific needs of each region. Case studies from countries or organizations that have successfully implemented sustainability accounting

practices can serve as inspiration and reference for developing more effective approaches in the future. Thus, a deep understanding of these challenges can help create sustainable and relevant solutions for the public sector.

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CONCLUSIONS

Public sector accounting plays an important role in improving government transparency and accountability. The implementation of accrual-based accounting provides a more accurate financial picture by recording assets and liabilities completely. The system helps the efficient management of public funds despite challenges such as limited human resources and infrastructure. Key solutions include training, institutional strengthening and technology adoption. Accounting based on international standards also strengthens public trust through quality financial reports. Independent audits and technology-based oversight play a role in ensuring accountability. Other challenges such as lack of understanding of sustainability concepts and policy mismatches need to be addressed through education and policy harmonization. The integration of sustainable development goals (SDGs) in financial reporting promotes effective budget management. Cross-sector collaboration is needed to create an ecosystem that supports sustainability. Public sector accounting is key in supporting sustainable policies and transparent and accountable development

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