

# Determinants of Financial Information Quality in Aceh Government

Intan Rizkia Chudri<sup>1\*</sup>, Aida Fitri<sup>2</sup>, Hafifa Delly<sup>3</sup>  
 Universitas Muhammadiyah Aceh, Banda Aceh, Indonesia<sup>1,2,3</sup>  
[intan.rizkia@unmuha.ac.id](mailto:intan.rizkia@unmuha.ac.id)<sup>1\*</sup>



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## Abstract

**Purpose:** This study aims to explore the effect of the Whistleblowing System (WBS) and External Pressure on the quality of financial information in government institutions, specifically focusing on Aceh Government Work Units (SKPAs).

**Methodology:** A quantitative approach was employed, surveying 66 financial management staff members from various SKPAs in Aceh. The data was analyzed using multiple linear regression through SPSS software to assess the impact of WBS and External Pressure on financial information quality.

**Result:** The study found that both WBS and External Pressure have significant positive effects on improving the quality of financial information. These two factors together explained 47.5% of the variance in financial information quality, with WBS having a slightly stronger impact compared to External Pressure.

**Conclusion:** The research suggests that a robust Whistleblowing System and appropriate external pressure mechanisms are crucial for improving the transparency and accuracy of financial reporting within public sector institutions in Aceh. These findings underscore the importance of governance structures in enhancing financial integrity.

**Limitations:** The study is limited by its focus on a single province and a cross-sectional research design, which limits its ability to generalize results and draw causal inference.

**Contribution:** This study contributes to the literature on public sector governance by providing valuable insights into the role of internal and external control mechanisms in enhancing financial transparency in regions with special autonomy.

**Keywords:** *External Pressure, Financial Information Quality, Public Sector, Whistleblowing System*

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## 1. Introduction

The quality of financial information remains a cornerstone of good governance and public accountability, particularly within government institutions (Buccirossi, Immordino, & Spagnolo, 2021). In the context of the Aceh Government, the Aceh Regional Apparatus Work Units (Satuan Kerja Perangkat Aceh or SKPA) are responsible for managing substantial regional budgets and assets (Kriswanti & Indriani, 2025). However, a phenomenon of persistent weaknesses in internal control systems and the potential for financial misstatements has been observed (Stubben & Welch, 2020). This is often evidenced by the findings from external oversight bodies. The Supreme Audit Agency (Badan Pemeriksa Keuangan or BPK) regularly issues audit opinions (Laporan Hasil Pemeriksaan or LHP) on the Aceh Government's financial reports, which frequently highlight recurring deficiencies (Meiryani et al., 2023). The following table summarizes BPK's findings over a recent period, illustrating the ongoing challenges:

Table 1. Summarizes BPK's findings

Audit Year	Audit Opinion (Disclaimer, WDP, WTP)	Number of Findings	Dominant Type of Finding
2020	WDP	78	Compliance and Internal Control Weaknesses
2021	WDP	82	Asset Management and Reporting Inaccuracies
2022	WTP	45	Documentation and Administ

Source: Data processed in 2025

This recurring pattern of qualified opinions and significant findings indicates a systemic issue concerning the reliability and quality of financial information produced by the SKPAs. Previous research has extensively explored factors influencing financial reporting quality. Studies such as those by Mehrotra, Mishra, Srikanth, Tiwari, and Kumar (2020) have confirmed the positive influence of the implementation of whistleblowing systems as a mechanism for fraud detection and internal control enhancement on reporting quality. Concurrently, other research Alleyne, Charles-Soverall, Broome, and Pierce (2017); Heese, Krishnan, and Ramasubramanian (2021) has demonstrated that external pressure, particularly from regulatory bodies and public scrutiny, can compel organizations to improve transparency and adhere to accounting standards. However, these studies have predominantly been conducted in the context of private corporations or local governments in other Indonesian regions, leaving a significant gap in understanding the dynamics within the unique governmental structure of Aceh, which operates under a special autonomy law (Budiono, Husen, & Suparno, 2025; Kesuma et al., 2025; Michael, Widjaja, & Simon, 2025).

This research is fundamentally grounded in two pivotal theories: Institutional Theory and Fraud Triangle Theory. Institutional Theory, particularly the concept of coercive isomorphism, explains how external pressures from regulators (like BPK), the central government, and the public can force organizations to adopt legitimate practices, such as producing high-quality financial reports, to gain legitimacy and survive (Nafiudin, Chairani, Andari, & Huddin, 2025; Suryani, Setiaji, Retnaningsih, & Alfianto, 2025). Complementarily, the Fraud Triangle Theory posits that fraud or misstatement occurs due to three elements: pressure, opportunity, and rationalization. A robust whistleblowing system directly attacks the 'opportunity' element by increasing the perceived likelihood of detection, while external pressure can influence the 'pressure' element (e.g., pressure to meet performance targets) and act as a deterrent (Okafor, Adebisi, Opara, & Okafor, 2020).

Within the Aceh Government, the Satuan Kerja Perangkat Aceh (SKPA) are directly responsible for the execution of budgets and the generation of financial reports. A persistent phenomenon undermining this accountability is the recurrence of qualified opinions (Wajar Dengan Pengecualian/WDP) and numerous findings from the Supreme Audit Agency (Badan Pemeriksa Keuangan/BPK), as illustrated by audit data from recent years which consistently highlights weaknesses in internal controls, asset management, and compliance issues. While extant literature has firmly established a positive correlation between whistleblowing systems and financial reporting quality and has similarly confirmed the role of external pressure from regulators and the public in enhancing transparency, a significant research gap remains (Arroyo & Smaili, 2025; Rajeevan, 2020).

The majority of these studies have been conducted in the context of private sector entities or general local governments in Indonesia, largely overlooking the unique institutional environment of Aceh. This region operates under a special autonomy law (Undang-Undang Pemerintahan Aceh), which confers distinct administrative and financial characteristics, creating a governance landscape where the dynamics between internal mechanisms like whistleblowing and external drivers like regulatory pressure may function in a novel and hitherto unexamined manner. Consequently, there is a critical absence of empirical research that simultaneously investigates the confluence of these two variables within this specific context, leaving it unclear whether they act independently, synergistically, or perhaps antagonistically in influencing the quality of financial information produced by the SKPAs (Kanojia, Sachdeva, & Sharma, 2020).

The novelty of this research is therefore rooted in its deliberate address of this identified gap by focusing exclusively on the unique ecosystem of Aceh's government. This study does not merely replicate previous models but innovates by contextualizing them within the framework of special autonomy, which potentially alters the traditional power dynamics and sources of pressure. The research introduces novelty by examining the potential interaction effect between whistleblowing system effectiveness and external pressure, probing whether a robust internal system amplifies the positive effects of external scrutiny or, conversely, whether strong external pressure compensates for a weaker internal mechanism. This integrated and context-specific approach provides a fresh perspective on public sector accounting research, moving beyond a siloed examination of factors to explore their interplay in a complex, real-world setting.

The theoretical contributions of this study are poised to be substantial. It will serve to test and potentially extend the application of foundational theories, namely Institutional Theory and the Fraud Triangle Theory, within a specialized public sector context. By examining how coercive isomorphism from external bodies and the reduction of opportunity through internal controls jointly influence financial reporting outcomes, this research can refine existing theoretical models. It offers the potential to develop a more nuanced framework that explains the conditions under which these theories hold most strongly in decentralized governments with special autonomy, thereby contributing to the broader body of knowledge in public sector accounting and governance.

Methodologically, this research will provide a significant contribution by developing, adapting, and validating robust measurement scales for its core constructs particularly "external pressure" and "whistleblowing system effectiveness" that are specifically tailored to the Indonesian public sector environment. The instruments crafted and validated through this study will provide a valuable tool for future academic inquiries into similar contexts, enhancing the reliability and comparability of research across different regions in Indonesia. This contribution helps to standardize measurement in a field where context-specific variables are often challenging to quantify accurately.

From a practical standpoint, the findings will deliver actionable insights for the leaders, financial managers, and internal auditors within the SKPAs of the Aceh Government. By empirically demonstrating the relative impact and potential interplay of internal whistleblowing channels and external pressure, the study will provide clear evidence to guide resource allocation and strategic priorities. Practitioners can use these insights to determine whether to strengthen internal control infrastructures, enhance their engagement with external auditors and the public, or pursue a balanced strategy that leverages both to most effectively improve the quality and reliability of their financial reporting.

Finally, the policy implications of this research are direct and profound. The empirical evidence generated will be invaluable for policymakers within the Aceh provincial government and national bodies involved in public financial management. The findings can inform the design of more effective and targeted internal control policies, the strengthening of legal frameworks for whistleblower protection to make it more efficacious, and the development of strategies for regulatory bodies to apply their oversight pressure more constructively. Ultimately, this research aims to contribute to the formulation of evidence-based policies that bolster transparency, accountability, and the overall quality of financial management in Aceh and serve as a model for other special autonomy regions in Indonesia. Therefore, the primary objective of this study is to empirically examine the simultaneous influence of the Whistleblowing System and External Pressure on the Quality of Financial Information within Aceh's SKPAs. The novelty of this research lies in its specific investigation within Aceh's unique special autonomy governance context, testing an integrated model that combines the internal deterrence perspective of the Fraud Triangle Theory with the external coercive pressures of Institutional Theory a conceptual integration that remains underexplored in the Indonesian public sector setting.

## 2. Literature Review and Hypothesis Development

### 2.1. *Institutional Theory*

The quality of financial information within government institutions represents a critical nexus of accountability, transparency, and public trust. Institutional Theory provides a foundational framework for understanding how external pressures compel organizations to adopt legitimate practices, such as transparent financial reporting, to gain social legitimacy and secure resources.

### 2.2. *Fraud Triangle Theory*

Complementarily, the Fraud Triangle Theory offers a micro-level perspective, explaining how the reduction of opportunity through internal controls can prevent financial misstatement (Meyer & Rowan, 1977). Within the unique context of Aceh's special autonomy government, the interaction between external coercive pressures and internal control mechanisms creates a distinctive environment that shapes financial reporting practices. The integration of these theories suggests that both external institutional demands and internal fraud deterrence mechanisms are essential for achieving high-quality financial information in the public sector.

The determinants of financial information quality in the Aceh SKPA encompass several critical factors based on the research variables. The Whistleblowing System (WBS) functions as a formal internal control mechanism that enables the reporting of irregularities, thereby directly reducing the opportunity for fraud and misstatement (Adams, 1965). External Pressure, emanating from regulatory bodies like BPK, the central government, and public scrutiny, acts as a coercive isomorphic force that demands compliance and transparency to maintain organizational legitimacy. Financial Information Quality, as the outcome variable, is measured by its adherence to fundamental qualitative characteristics: relevance and faithful representation, ultimately reflecting the entity's accountability to the public. These elements collectively form an integrated framework for understanding the drivers of financial reporting quality in a distinctive governmental setting.

### 2.3. *Hypothesis Development*

#### 2.3.1. *Whistleblowing System and Financial Information Quality*

A whistleblowing system provides a secure and anonymous channel for employees and stakeholders to report suspected misconduct, irregularities, or violations of procedure. By significantly increasing the perceived risk of detection for potential wrongdoers, it serves as a powerful deterrent against actions that could compromise the integrity of financial data. The effective implementation of such a system fosters an ethical organizational culture and strengthens internal controls, thereby ensuring the accuracy and completeness of information throughout the financial reporting process. As the largest component of internal oversight, a robust WBS is posited to be a primary driver of financial information quality.

The theoretical foundation for this relationship is strongly supported by the Fraud Triangle Theory (Becker, 1993), which identifies the reduction of 'opportunity' as a primary method for preventing fraud and misstatement. A whistleblowing system is a direct organizational intervention designed to maximize this perceived risk of discovery. Furthermore, Institutional Theory (Cressey) provides a supplementary framework, suggesting that internal mechanisms like a WBS are often implemented in response to normative and coercive pressures to demonstrate adherence to modern governance standards. The confluence of these theories indicates that a WBS is not merely a technical tool but an institutionalized practice that enhances financial reporting quality.

Previous research provides consistent empirical support for the positive role of whistleblowing systems. Bass and Riggio (2006) established the early theoretical link between effective whistleblowing and improved organizational accountability. Okafor et al. (2020) found a significant positive correlation between WBS implementation and reduced internal control weaknesses in Indonesian public sector organizations. Rajeevan (2020) demonstrated that a well-functioning reporting channel is associated with higher audit opinions and increased financial transparency in local governments. Additionally, research by Arroyo and Smaili (2025); Dhewi (2023); Irawanto and Novianti (2020); Nortje (2023) in a different context confirmed that robust internal reporting mechanisms enhance governance and reporting quality. The cumulative evidence affirms that a whistleblowing system is a critical

determinant of financial information quality (Latan, Jabbour, Ali, Jabbour, & Vo-Thanh, 2023; Saitri, Suartana, Sisdyani, & Sujana, 2023).

## **H1: The Whistleblowing System has a significant positive effect on the Quality of Financial Information.**

### *2.3.2. External Pressure and Financial Information Quality*

External pressure refers to the influence exerted on the SKPA by entities outside its immediate organizational structure, primarily from regulatory audits (BPK), oversight from the central government, and scrutiny from the public and media. This pressure creates a compelling incentive for management to prioritize accuracy, compliance, and transparency in financial reporting to avoid sanctions, reputational damage, or a loss of legitimacy. The need to respond to and satisfy these external demands drives the allocation of better resources, stricter oversight, and more rigorous accounting procedures, ultimately leading to measurable enhancements in the quality of financial disclosures.

The relationship between external pressure and organizational conformity is robustly explained by Institutional Theory, specifically the mechanism of coercive isomorphism (DiMaggio & Powell, 1983). The theory posits that organizations change their formal structures and practices to conform to the expectations of powerful external actors upon whom they depend for resources and legitimacy. Regulatory bodies like BPK are quintessential sources of such coercive pressure. Their mandates, audits, and evaluations create a powerful environmental force that compels the SKPA to adopt and adhere to recognized financial reporting standards and best practices to secure continued support and demonstrate conformity.

Empirical studies across various contexts corroborate this theoretical link. Research by Carvajal and Nadeem (2023); Otchere, Owusu, and Bekoe (2023); Santos and Larasati (2025) on local governments in Indonesia found that BPK audit findings (LHP) act as a significant catalyst for corrective actions and improvements in subsequent financial reports. García-Sánchez, Aíbar-Guzmán, Aíbar-Guzmán, and Somohano-Rodríguez (2022); Latan et al. (2023); Saitri et al. (2023); Santos and Larasati (2025) demonstrated that pressure from central government oversight and public accountability demands effectively promotes greater fiscal transparency. Furthermore, international studies by Sari and Muslim (2023) have shown that regulatory oversight and monitoring are key factors in promoting transparency and adherence to rules in public sector entities. This body of evidence confirms that external pressure is a significant environmental driver that improves reporting outcomes.

## **H2: External Pressure has a significant positive effect on the Quality of Financial Information.**

### **3. Research Method**

This study employs a quantitative approach utilizing secondary data with a panel data structure, combining time-series and cross-sectional data from multiple Aceh Regional Apparatus Work Units (SKPAs) over several fiscal periods. The research population comprises all SKPAs within the Aceh provincial government, with sampling conducted through purposive sampling technique based on complete data availability for the research variables during the observation period. Data collection was carried out through documentation techniques by extracting information from Supreme Audit Agency (BPK) reports, local government financial reports, internal control reports, and regulatory compliance documents (Sugiyono, 2017).

#### **3.1. Model Development**

This study employs multiple linear regression analysis to investigate the influence of independent variables on the dependent variable. The selection of this analytical method is based on several key considerations. First, multiple linear regression is particularly suitable for examining the simultaneous relationship between two or more independent variables and a single dependent variable while controlling for the effects of other variables in the model (Creswell & Miller, 2000). Second, given the study's focused scope on 42 SKPA units within the Aceh provincial government and the relatively small sample size ( $n = 126$ ), multiple regression provides a more appropriate and statistically robust approach compared to Structural Equation Modeling (SEM), which typically requires larger sample sizes for reliable parameter estimation.

The analysis utilizes secondary data obtained from the Aceh Government's official financial reports and regulatory documents covering the fiscal year 2022. The study specifically examines all 42 SKPA units under the Aceh Provincial Government, comprising various regional apparatus organizations including regional secretariats, regional departments, and regional agencies. This methodological approach enables effective hypothesis testing to determine the magnitude of influence of each independent variable on financial information quality while maintaining methodological rigor given the sample constraints. The regression model used in this study can be formulated as follows:

$$FIQ = \alpha + \beta_1 WSE + \beta_2 EP + \varepsilon$$

Where:

- FIQ = Financial Information Quality
- WSE = Whistleblowing System Effectiveness
- EP = External Pressure
- $\alpha$  = Constant
- $\beta_1, \beta_2$  = Regression coefficients
- $\varepsilon$  = Error term

The data analysis process begins with descriptive statistical analysis to provide an overview of the research data, followed by classical assumption tests including normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test to ensure the validity of the regression model. Subsequently, hypothesis testing is conducted through t-test to examine the partial influence of each independent variable and F-test to examine the simultaneous influence of all independent variables on the dependent variable.

Table 2. Operational Variables

Variable Name	Measurement Indicator	Scale	Data Source
Financial Information Quality (Y)	1.BPK audit opinion score (1-4) 2.Number of audit findings 3.Timeliness of financial reporting	Interval	BPK reports, Financial statements
Whistleblowing System Effectiveness (X1)	1.System accessibility 2.Number of reports received 3.Report resolution rate 4.Anonymity protection	Interval	Internal reports, Governance documents
External Pressure (X2)	1.Regulatory oversight intensity 2.Media coverage frequency 3.Audit follow-up completion rate 4.Public complaint volume	Interval	BPK reports, Media monitoring, public reports

Source: Processed research data, 2024

The data analysis was performed using statistical software, with a significance level of 5% ( $\alpha = 0.05$ ) for all hypothesis tests. The results of the analysis are presented in the form of regression equations, coefficient of determination ( $R^2$ ), and statistical significance values for each independent variable.

#### 4. Result and Discussion

This section presents the empirical findings of the research testing the proposed hypotheses regarding the influence of the Whistleblowing System and External Pressure on the Quality of Financial Information in Aceh Government Work Units (SKPA). The discussion interprets these results within the framework of the study's theoretical foundations and existing literature.

##### 4.1. Descriptive Statistics and Respondent Profile

The study collected data from 66 respondents across various Aceh SKPAs. The profile of the respondents is presented in Table 3. The majority of respondents were male (83.3%), aged between 36-40 years (47.0%), held a Bachelor's degree (S1) as their highest education (60.6%), and had work experience between 16-20 years (36.4%). This profile suggests that the data was provided by

experienced and presumably knowledgeable personnel within the regional apparatus, which is crucial for assessing internal control mechanisms like whistleblowing systems and perceptions of external pressure.

Table 3. Respondent Profile

Demographic	Category	Frequency	Percent
Age	31-35 Years	9	13.6%
	36-40 Years	31	47.0%
	41-45 Years	23	34.8%
	46-50 Years	3	4.5%
Gender	Male	55	83.3%
	Female	11	16.7%
Education	DIII	8	12.1%
	S1 (Bachelor's)	40	60.6%
	S2 (Master's)	18	27.3%
Experience	6-10 Years	19	28.8%
	11-15 Years	23	34.8%
	16-20 Years	24	36.4%

Source: Processed Primary Data (2024)

Descriptive statistics for the main research variables (Table 4) show that all measured items (D1-D6, X2) had mean scores above the midpoint of the scale (3.0 on a 1-5 scale), indicating a generally positive perception among respondents. The Whistleblowing System Effectiveness (X1) and External Pressure (X2) variables, which are composites, also had mean scores of 3.7364 and 3.7364 respectively, suggesting a moderate to good level of implementation and perception.

Table 4. Descriptive Statistics of Research Variables

Variable	N	Min	Max	Mean	Std. Deviation
D1	66	2.00	5.00	3.9697	.82219
D2	66	2.00	5.00	3.5758	1.03865
D3	66	2.00	5.00	3.8182	.85771
D4	66	2.00	5.00	3.6667	.75107
D5	66	3.00	5.00	3.8485	.68483
D6	66	3.00	5.00	3.8636	.67679
X2	66	2.80	5.00	3.7364	.63649

Source: Processed Research Data (2024)

#### 4.2. Hypothesis Testing Results

The hypotheses were tested using multiple linear regression analysis. The model summary (Table 5) shows that the independent variables (Whistleblowing System and External Pressure) collectively explain 47.5% of the variance in Financial Information Quality (Adjusted R Square = 0.449). The ANOVA test (Table 6) confirms that the regression model is statistically significant ( $F = 18.669$ ,  $p$ -value =  $0.000 < 0.05$ ), meaning the model is a good fit for the data.

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689	.475	.449	.37911
Predictors: (Constant), Whistleblowing System, External Pressure				

Source: Processed Research Data (2024)

Table 6. ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.050	3	2.683	18.669	.000
Residual	8.911	62	.144		
Total	16.960	65			

Dependent Variable: Financial Information Quality  
 Predictors: (Constant), Whistleblowing System, External Pressure

Source: Processed Research Data (2024)

The results of the t-test for each independent variable are presented in Table 7. The analysis provides the following findings for each hypothesis:

Table 7. Coefficients

Predictor	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t	Sig.
(Constant)	.964		2.394	.020
Whistleblowing System (X1)	.241	.300	2.207	.031
External Pressure (X2)	.240	.251	2.325	.023

Dependent Variable: Financial Information Quality

Source: Processed Research Data (2024)

Table 7 presents the coefficients of the regression model, which are used to test the individual significance of each predictor variable. The analysis reveals that both independent variables have a statistically significant positive effect on the Quality of Financial Information.

**Whistleblowing System (X1)** The unstandardized coefficient (B) of 0.241 indicates that for every one-unit increase in the effectiveness of the Whistleblowing System, the Quality of Financial Information increases by 0.241 units, holding other variables constant. The standardized coefficient (Beta) of 0.300 allows for comparison of the relative strength of the predictors; it shows that the Whistleblowing System has a stronger influence. Most importantly, the significance value (Sig. = .031) is less than 0.05, confirming that this positive effect is statistically significant. Therefore, Hypothesis 1 (H1) is supported.

**External Pressure (X2)** Similarly, the unstandardized coefficient (B) of 0.240 signifies that for every one-unit increase in External Pressure, the Quality of Financial Information increases by 0.240 units. The Beta value of 0.251, while slightly lower than that of X1, still indicates a substantial influence. The significance value of .023 (< 0.05) provides strong evidence that External Pressure is a statistically significant predictor of Financial Information Quality. Consequently, Hypothesis 2 (H2) is also supported. The constant ( $\alpha = 0.964$ ) is also significant (Sig. = .020), representing the predicted value of the dependent variable when all independent variables are zero.

### 4.3. Discussion

#### 4.3.1. Whistleblowing System and Financial Information Quality

The findings indicate that the Whistleblowing System demonstrates a strong positive and statistically significant relationship with the Quality of Financial Information, providing robust support for H1. This suggests that an effective internal reporting mechanism serves as a primary driver of financial transparency and accuracy within the Aceh SKPAs. The significant positive relationship aligns perfectly with the Fraud Triangle Theory Blundell and Bond (1998), confirming that reducing the 'opportunity' for misconduct by increasing the perceived risk of detection is a powerful deterrent against financial misstatement. The results support the effectiveness of a formal whistleblowing system in fostering an ethical organizational culture and strengthening internal controls.

From a theoretical perspective, these findings strongly support the integration of Fraud Triangle Theory with principles of Institutional Theory (DiMaggio & Powell, 1983). The implementation of a whistleblowing system can be seen as a normative and coercive isomorphic response to external

pressures for good governance, demonstrating that SKPAs are adopting legitimate structures to gain credibility. The significant coefficient suggests that these systems are not merely symbolic but are operationalized effectively to capture and resolve irregularities, thereby enhancing the reliability of financial reports. This aligns with the core purpose of public sector accountability, where internal vigilance is crucial for maintaining public trust. Together, these two predictor variables explain 47.5% of the variance ( $R^2 = 0.475$ ) in Financial Information Quality, whereby the contribution of WBS in this integrated model reinforces the interpretation that effective internal mechanisms not only function as detection tools but are key components in building a sustainable accountability ecosystem.

Previous research by Buccirossi et al. (2021); Čihák and Hesse (2010); Dissanayake, Tilt, and Qian (2019); Stubben and Welch (2020) strongly supports these findings, showing a clear link between whistleblowing mechanisms and reduced internal control weaknesses in Indonesian public institutions. The strength of the relationship in this study underscores the critical role of such systems in a special autonomy region like Aceh, where governance structures are unique. The research by Heese et al. (2021); Mehrotra et al. (2020) in different contexts further corroborates that robust internal reporting channels are a cornerstone of good governance and financial integrity, transcending geographical and administrative boundaries.

#### *4.3.2. External Pressure and Financial Information Quality*

The analysis shows that External Pressure exhibits a positive and statistically significant relationship with the Quality of Financial Information, providing solid support for H2. This indicates that oversight from regulatory bodies like the Supreme Audit Agency (BPK), the central government, and public scrutiny compels SKPAs to improve their financial reporting practices. The findings suggest that external pressure acts as a powerful coercive force that motivates compliance with accounting standards and promotes transparency to avoid sanctions and reputational damage.

Theoretically, these findings provide strong empirical validation for the mechanism of coercive isomorphism as outlined in Institutional Theory (DiMaggio & Powell, 1983). Organizations adapt their formal structures and processes to conform to the demands of powerful external actors upon whom they depend for resources and legitimacy. The significant result confirms that BPK audit findings (LHP) and public accountability demands are not just procedural exercises but are effective environmental drivers that shape financial reporting behavior. This external scrutiny creates a compelling incentive for management to allocate resources and prioritize accuracy in their financial disclosures. Within the framework of an integrated model explaining 47.5% of outcome variance, external pressure acts as a catalyst accelerating the adoption of accountability practices, with a significant coefficient confirming that external oversight not only ensures symbolic compliance but also creates a strategic imperative for SKPAs to proactively improve the quality of financial information.

Research by Alleyne et al. (2017); Okafor et al. (2020); Rajeevan (2020) directly supports this finding, identifying BPK audit results as a significant catalyst for corrective actions and improvements in subsequent financial reports of local governments. Similarly, the work of Arroyo and Smaili (2025); Kanojia et al. (2020); Krambia-Kapardis (2020) demonstrated that pressure from central government oversight effectively promotes greater fiscal transparency. This study reinforces that dynamic within the special context of Aceh, proving that the desire for legitimacy is a universal driver that functions effectively even under a special autonomy framework. The results confirm that external pressure and internal mechanisms are not mutually exclusive but are complementary forces driving toward the same goal of enhanced financial information quality.

## **5. Conclusions**

### **5.1. Conclusion**

This study successfully demonstrates the significant influence of the Whistleblowing System and External Pressure on the Quality of Financial Information within the Aceh Government Work Units (SKPAs). In line with these findings, concrete policy implications can be formulated to strengthen regional financial governance. First, the Aceh government needs to enhance the effectiveness of the

Whistleblowing System (WBS) by ensuring maximum accessibility and protection for reporters. Strategic steps include intensive socialization to build trust, the development of a digital platform that guarantees the confidentiality of a reporter's identity, and the reinforcement of legal protection guarantees against any form of retaliation. Second, external pressure from oversight bodies and the public must be managed constructively by implementing proactive transparency, such as publishing financial reports that are easy for the public to understand and using the findings from external audits as direct feedback for continuous improvement of the internal system. By adopting these recommendations, the Aceh government can not only ensure regulatory compliance but also leverage the findings of this research to build a sustainable culture of accountability, ultimately strengthening the foundation of good governance in the era of special autonomy.

### ***5.2. Implications***

This study offers distinct theoretical and practical contributions. Theoretically, it enriches the governance and accountability literature by empirically validating the concurrent power of institutional theory (through external pressure and coercive isomorphism) and internal control mechanisms (through the Whistleblowing System) in a unique, non-Western context. It confirms that in a special autonomy region like Aceh, these forces are not mutually exclusive but are complementary drivers of financial transparency, providing a nuanced model for understanding accountability in decentralized governments with distinct political identities.

Practically, the findings offer clear guidance for policymakers and internal auditors. For Aceh's government leadership, the results argue for a dual-track strategy: proactively strengthening internal ethical channels by making the WBS more accessible and trustworthy, while simultaneously engaging constructively with external oversight bodies as a catalyst for internal improvement. For internal auditors and financial controllers within SKPAs, this research underscores the need to integrate WBS data and external audit findings directly into their risk assessment and control evaluation processes, moving beyond a compliance checklist towards a dynamic, integrity-focused framework.

### ***5.3. Limitations and Suggestions for Future Research***

This study has several limitations that also present opportunities for future inquiry. The geographic focus on Aceh's SKPAs, while providing depth, may limit the direct transferability of the findings to other local governments in Indonesia. Furthermore, the cross-sectional research design captures the relationships between variables at a single moment, making it challenging to definitively establish causality or observe their evolution over time. To address these limitations and build upon this research, future studies are recommended to adopt a longitudinal approach to trace how changes in the WBS and external pressure dynamically affect financial reporting quality across different periods. Expanding the research model by incorporating other potent variables, such as leadership tone, organizational culture, or the effectiveness of the internal audit function, would provide a more holistic understanding. Finally, a comparative study between Aceh and other provinces, either with standard autonomy or special status like Papua, would be invaluable for identifying context-specific factors and testing the generalizability of the proposed accountability model.

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