Archives of Business Research – Vol. 13, No. 11
Publication Date: November 22, 2025
DOI:10.14738/abr.1311.19609.
Asnawi, M., Muslimin, U. R., & Mudassir, A. F. (2025). The Role of e_Audit Perception: Pillars of Transparency, Accountability and Sustainability Reporting in Public Organizations. *Archives of Business Research,* 13(11). 13-27.

The Role of e_Audit Perception: Pillars of Transparency, Accountability and Sustainability Reporting in Public Organizations

Meinarni Asnawi
Department of Accounting, Faculty of Economics and Business,
Universitas Cenderawasih, Papua, Indonesia

Ulfah Rizky Muslimin
Department of Accounting, Faculty of Economics and Business,
Universitas Cenderawasih, Papua, Indonesia

Annisa Fitriah Mudassir
Department of Accounting, Faculty of Economics and Business,
Universitas Cenderawasih, Papua, Indonesia

ABSTRACT

The development of digital technology has driven transformation in the auditing process, particularly through the implementation of e-audit. E-audit enables audit activities—such as control and risk assessment—to be conducted more automatically, systematically, and continuously. This not only accelerates the auditing process but also enhances auditors' ability to detect potential errors, fraud, and weaknesses in internal control systems. This study aims to analyze the role of e-audit in strengthening accountability, transparency, and sustainability reporting in public organizations. It also emphasizes the importance of providing recommendations for improvement, fostering innovation and audit system development, as well as ensuring management commitment through policies, resource allocation, and the establishment of a culture of transparency. Using SmartPLS, with a sample of 67 respondents. The results indicate that e-audit perceptions do not significantly influence sustainability reporting. While accountability directly enhances sustainability report quality, transparency serves as the key pathway linking e-audit perceptions with sustainability reporting. e-audit perceptions influence transparency, which in turn mediates the relationship between e-audit perceptions and sustainability reporting. These findings highlight e-audit as a vital pillar of modern governance, reinforcing transparency, accountability, and sustainability in the public sector. Thus, e-audit can be viewed as a crucial pillar of modern governance, integrating technological efficiency with sustainability principles. Overall, these results emphasize that transparency acts as the key mediating factor linking e-audit practices to improved sustainability reporting.

Keywords: e-Audit perception, Accountability, Transparency, Sustainability Reporting.

INTRODUCTION

In recent decades, the demand for accountability and transparency in sustainability reporting has increased, particularly in public organizations responsible for managing community

resources (OECD, 2025); (Bais, Nassimbeni, & Orzes., 2024);(Kaur & Lodhia, 2019). The application of sustainability reporting principles that refer to international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) has become an important benchmark in assessing the environmental, social, and governance (ESG) performance of public organizations (Kaur & Lodhia, 2019); (CIPFA, 2023). However, challenges in maintaining the integrity and transparency of sustainability reports still need to be addressed, such as data quality issues, standard consistency, verification, and the potential for greenwashing (GRI, 2023); (Fonseca, McAllister, & Fitzpatrick, 2014).

The development of digital technology has encouraged innovation in audit practices, one of which is the application of e-Audit or electronic-based audits. e-Audit plays an important role in improving the efficiency, effectiveness, and objectivity of audits, while strengthening accountability in the management of sustainability reports. Research shows that digital audits help accelerate the detection of non-conformities and improve reporting accuracy, thereby strengthening transparency and public trust in organizations (Judijanto, Nurdiani, Ningsih, & Ryketeng, 2023); (Leocádio, Malheiro, & Reis, 2024) . In addition, (Dasinapa & Ermawati, 2024) emphasized that the application of audit technologies such as big data analytics, AI, and blockchain has the potential to revolutionize assurance practices, including in non-financial and sustainability reporting. In line with that, (IFAC., 2023) emphasized that the public sector needs to prepare for the challenges of sustainability reporting and assurance so that the quality of public reports can be maintained, and increase the legitimacy of the government in the eyes of the public. Studies (de Oliveira, 2020) show that e-Audit can accelerate the detection of non-conformities in sustainability reports, thereby strengthening public trust in organizations.

E-Audit has a significant role in increasing the transparency of public organizations. This technology allows direct and real-time access to audit data and information, thereby narrowing the information manipulation gap and increasing auditor and management accountability (Thanasas, Kampiotis, & Karkantzou., 2025). The implementation of E-Audit in the public sector not only improves the quality of audits, but also enables stakeholders, including the public, to monitor and evaluate organizational performance in a more transparent and accurate manner (Volodina & Grossi, 2025). Thus, E-Audit helps create a more open organizational culture, where sustainability-related information can be easily accessed and verified by interested parties (Al-Moghaiwli, 2021). Additionally, e-Audit supports transparency by reducing the risk of human error and auditor bias. A fully digitized audit process relies on data that can be objectively tracked and evaluated, and assures that sustainability reports are more reliable and accurate (Yadav & Mehta, 2023).

In the public sector, e-Audit has emerged as a vital instrument to strengthen accountability and transparency in sustainability reporting (Volodina & Grossi, 2025). The adoption of digital audit technologies reduces the risk of data manipulation and enhances stakeholder access to reliable information (Nurainia & Amrulloh., 2024); (Dalmiyatun, 2022). However, its implementation is not without challenges, including issues of digital infrastructure, data security, and auditor competencies, which may limit its effectiveness in certain contexts. Despite these barriers, e-Audit provides public organizations with a strategic opportunity to improve risk mitigation, foster public trust, and reinforce their commitment to the Sustainable Development Goals (Rohaeni & Bratakusuma, 2025).

Audit findings in Papua Province highlight persistent challenges in the management of Special Autonomy Funds (Otsus), where discrepancies between reported budgets and actual realizations indicate weak accountability and potential misreporting (Siahay & Siahay, 2023). At the district level, performance audits by the Regional Inspectorate, such as in Puncak Jaya, also revealed inconsistencies between reported outcomes and actual development achievements (Yoman, Augustinah, Sunarya, & Sarwani., 2025). Moreover, auditor performance in Papua is influenced by ethics, experience, and the adoption of modern audit techniques (Krisnawati & Yuniarwati, 2023)

Several issues related to the audit findings of the Audit Board of Indonesia (BPK) in Papua Province, particularly concerning the management of Special Autonomy Funds (OTSUS), reveal numerous reports indicating the misappropriation of funds that should have been allocated for development and the welfare of the Papuan people. According to BPK and the Corruption Eradication Commission (KPK), there are discrepancies between the reported budgets and the actual outcomes in the field, reflecting problems of accountability and dishonesty in financial reporting, and indicating the urgent need for stronger oversight. In addition to the misuse of OTSUS funds, another significant case involves dishonesty in audit results related to infrastructure development projects in Papua. Audit findings show that reported construction outcomes often do not match the physical conditions in the field, including budget mark-ups, irregularities in procurement of goods and services, as well as false reporting on project progress. These issues frequently involve both private contractors and local government authorities (KPK, 2022).

This study highlights the urgent need to strengthen auditor competencies in supervisory functions, particularly in addressing issues of data manipulation and corruption. The adoption of e-audit technology provides transparent access to audit data and reduces the risk of external interference, thereby enhancing accountability and transparency. The findings are expected to contribute to policy formulation aimed at improving oversight quality through e-audit implementation as a pillar of sustainable reporting and good governance, with a special focus on oversight institutions in Indonesia and the Province of Papua.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Legitimation Theory

In the modern context, Legitimacy Theory has become increasingly relevant with the growing public demand for transparency and accountability in organizations, particularly in sustainability reporting. According to this theory, organizational legitimacy is determined by the extent to which the organization's actions, including sustainability reporting, align with prevailing social norms and values (Deegan, 2019). With the development of electronic auditing (e-Audit), organizations now have a stronger tool to enhance public trust through more transparent and accurate audits, which in turn contribute to organizational legitimacy.

Recent research (Zainudin & Noor, 2022) found that the use of E-Audit in sustainability reporting within the public sector enhances organizational legitimacy by improving the quality of information presented in sustainability reports. E-Audit enables a more real-time and comprehensive audit process, helping organizations detect errors or inconsistencies in their reports before publication. This increases stakeholders' trust in the accuracy and integrity of

URL: http://doi.org/10.14738/abr.1311.19609

sustainability reports, thereby strengthening the organization's social legitimacy in the eyes of the public.

Furthermore, (Ramli & Hassan, 2023) demonstrated that the implementation of E-Audit significantly reduces the risk of data manipulation in sustainability reporting. With E-Audit, auditors can independently verify the reported data, ensuring that the report accurately reflects the organization's sustainability performance. This sends a positive signal to stakeholders that the organization is committed to transparency and accountability, in line with the principles of Legitimacy Theory. Further revealed that e-Audit supports the broader achievement of sustainability goals. When organizations adopt electronic audit technology, they not only comply with existing reporting standards but also foster a stronger governance culture within the organization (Ahmed & Ali, 2023). This strengthens their legitimacy in the eyes of stakeholders, particularly in the public sector, where accountability and transparency are crucial in maintaining public trust.

The impact of E-Audit use in managing sustainability reports in government institutions shows that this technology helps public organizations respond more quickly to social demands related to sustainability issues, such as climate change and resource management. The efficiency improvements brought by E-Audit not only enhance the quality of sustainability reports but also strengthen the organization's position in society as a socially and environmentally responsible entity—an essential factor in maintaining public legitimacy (Smith & Karim, 2021).

Technology Acceptance Model Theory (TAM)

The Technology Acceptance Model (TAM) is a theoretical framework used to explain and predict the acceptance and use of technology by individuals and organizations. Developed by (Davis, 1989), TAM identifies two main factors influencing technology adoption: perceived usefulness and perceived ease of use. This model is particularly relevant in understanding how new technologies such as E-Audit are adopted by public organizations to enhance accountability and transparency, especially in sustainability reporting.

In the context of public organizations, TAM explains how perceived usefulness and perceived ease of use influence the acceptance of E-Audit. Research (Oliveira, 2020) ; (Al-Moghaiwli, 2021) indicates that the successful implementation of E-Audit in the public sector depends largely on auditors' and managers' perceptions of its direct benefits, such as improved efficiency, enhanced transparency, and reduced data manipulation. (Yadav & Mehta, 2023) also highlighted that public organizations successfully integrating e-Audit into sustainability reporting processes reported improved managerial accountability and greater openness of information to the public. This supports the findings of (Dalmiyatun, 2022), who emphasized that well-received audit technologies by public organizations lead to higher-quality reporting, thereby strengthening the organization's reputation in the eyes of society.

Hypothesis Development

The Effect of e-Audit Perception and Accountability on Sustainability Reporting:

The development of digital audit technology, or e-Audit, has been extensively researched in relation to improving transparency, accountability, and the quality of reporting of public organizations. Previous research shows that the implementation of e-Audit can increase the

effectiveness of audits by detecting errors in real-time, strengthening internal controls, and improving the quality of information presented in *sustainability reporting* (Zainudin & Noor, 2022). This confirms that e-Audit can play a direct role in improving the quality of *sustainability reporting* because it produces more accurate and transparent data (Smith & Karim, 2021).

In addition, accountability plays an important role as a mechanism that bridges the influence of E-Audit on sustainability reporting. According to the theory of legitimacy, good accountability increases public trust in an organization's sustainability reports, as it demonstrates a commitment to transparent governance (Deegan, 2019). (Ramli & Hassan, 2023) research found that accountability mediates the relationship between modern audit systems and reporting quality, which ultimately strengthens the reputation of public organizations.

Another finding (Yadav & Mehta, 2023) shows that the implementation of E-Audit in the public sector not only contributes directly to the transparency of reports but also strengthens management accountability through independent verification processes. Thus, accountability can be seen as a factor that strengthens the relationship between E-Audit and *sustainability reporting*. Based on the results of previous research, the hypothesis of this research can be formulated as follows:

- H1: e-Audit perception has a positive effect on sustainability reporting.
- H2: e-Audit perception has a positive effect on sustainability reporting
- H3: Accountability has a positive effect on sustainability Reporting
- H4: Accountability mediates the influence of e_Audit Perception on Sustainability Reporting

The Effect of e-Audit Perception and Transparency on Sustainability Reporting:

The digitization of audits through the implementation of e-Audit has been extensively researched in relation to transparency and sustainability reporting in the public sector. (Al-Hajri & Anwer, 2023) found that the use of digital audit systems can increase the transparency of financial information by providing wider access to real-time audit data. Furthermore, (Koo & Lee, 2022) show that E-Audit not only improves data accuracy but also contributes to improving the quality of sustainability reporting because auditors can conduct more comprehensive digital evidence-based analysis. In the context of the public sector in Asia, (Nasution & Pratama, 2021) also, prove that digital audit transformation strengthens the effectiveness of internal audits while improving sustainability disclosure.

However, previous research has largely only highlighted the direct influence of E-Audit on sustainability reporting without exploring in depth the role of transparency as a mediation mechanism. In fact, legitimacy theory emphasizes that the success of sustainability reporting is greatly influenced by the extent to which the organization can demonstrate openness and honesty of information (Deegan, 2019); (Dalmiyatun, 2022); (Ramli & Hassan, 2023). Therefore, transparency has the potential to be an important intermediary factor that explains how e-Audit strengthens the quality of sustainability reporting. Based on this study, the following hypotheses:

- H5: e-Audit perceptions have a positive impact on Transparency.
- H6: Transparency has a positive effect on Sustainability Reporting.

URL: http://doi.org/10.14738/abr.1311.19609

- H7: Transparency has a positive effect on Accountability
- H8: Transparency mediates the influence of e-Audit perceptions on Sustainability Reporting.

METHOD

This study employs a quantitative approach to analyze the effect of e-audit perception on sustainability reporting, with accountability and transparency as mediating variables. Data were collected from 67 respondents, including internal auditors, financial managers, and planning officers in public organizations, using structured questionnaires. The data were analyzed using SmartPLS, which is suitable for testing complex relationships among variables, even with a small sample size and non-normal data distribution. The measurement of variables in this study was adjusted to the condition of the public organization. e-Audit measurement with 5 indicators (Janvrin, Lowe, & Bierstaker, 2009) and (Yuliana & Prabowo, 2020). The variables Transparency (3 indicators) and accountability (4 indicators) use instruments from (Kaur & Lodhia, 2019), and sustainability reporting (3 indicators) from (GRI, 2023)**;** (Yadav & Mehta, 2023). All items in the questionnaire were measured using a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree).* Data were analyzed using SmartPLS to test instrument validity, reliability, model fit, and hypotheses.

RESULT AND DISCUSSION

Characteristics of Respondents

Table 1 shows that there are 67 respondents, consisting of 34 men (51%) and 33 women (49%). Most respondents are aged 30–40 years (43%) and 41–50 years (28%). In terms of occupation, 31 respondents (46%) work as auditors, and 17 respondents (25%) as financial managers. All respondents have 5–20 years of work experience.

Table 1: Characteristic Respondent

Characteristic	Information	n	%
Gender	Women	33	49%
	Man	34	51%
Total		67	100%
Age	> 50 years	9	13%
	41-50 years	19	28%
	30-40 years	29	43%
	< 30 years	10	15%
Total		67	100%
Career	Auditor	31	46%
	Accountants	15	22%
	Financial Manager	17	25%
	SPV Finance & Accounting	4	6%
Total		67	100%
Work Experience	> 21 tahun	13	19%
	11-20 tahun	17	25%
	5-10 tahun	19	28%
	< 5 tahun	18	27%
Total		67	100%

Descriptive Statistics and Quality Measurement

Table 2 presents the percentage and average (mean) responses of participants for each research indicator. The descriptive statistics summarize data from 67 respondents, including the minimum and maximum theoretical values, mean scores, and standard deviations for each variable.

Table 2: Descriptive Statistics

Indicators	Mean	Median	Scale min	Scale max	Standard deviation
AC1	3.776	4.000	1.000	5.000	1.020
AC2	4.358	4.000	1.000	5.000	0.727
AC3	4.209	4.000	1.000	5.000	0.764
AC4	4.209	4.000	1.000	5.000	0.783
EA1	4.448	5.000	1.000	5.000	0.778
EA2	4.075	4.000	1.000	5.000	0.834
EA3	4.239	4.000	1.000	5.000	0.755
EA4	4.328	4.000	1.000	5.000	0.699
EA5	4.060	4.000	1.000	5.000	0.844
SR1	4.313	4.000	1.000	5.000	0.737
SR2	4.299	4.000	1.000	5.000	0.713
SR3	4.269	4.000	1.000	5.000	0.765
TS1	4.284	4.000	1.000	5.000	0.769
TS2	4.522	5.000	3.000	5.000	0.529
TS3	4.343	4.000	1.000	5.000	0.681
n = 67, AC: Accountability; EA: e_Audit perceptions; SR: Sustainability Reporting; TS: Transparency					

The average score for all variables ranged from 3.7 to 4.5, indicating that, in general, respondents gave high ratings to all aspects of the study**.**

Model fit in this study was conducted in two stages: **the outer model and the inner model assessments**.

The outer model evaluation aims to measure the relationship between indicators and their latent constructs to ensure that the research instrument meets the criteria of validity and reliability. This includes testing for convergent validity, discriminant validity, and composite reliability. Table 3 summarizes these results.

Table 3: Reliability and Validity of Measurement Items (n = 67)

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Conclusion
Accountability	0.823	0.895	0.739	Reliable and valid
Sustainability Reporting	0.851	0.909	0.770	Reliable and valid
Transparency	0.822	0.918	0.849	Reliable and valid
e_Audit Perceptions	0.901	0.927	0.718	Reliable and valid

Reliability and validity tests using pilot data showed that all constructs met the required criteria. Cronbach's Alpha and Composite Reliability (CR) values exceeded 0.70, indicating strong internal consistency, while Average Variance Extracted (AVE) values were above 0.50,

URL: http://doi.org/10.14738/abr.1311.19609

confirming convergent validity (Hair, Black, Babin, & Anderson, 2010); (Abdillah & Hartono, 2015);(Fornell, 1981). All factor loadings were above 0.70. confirming indicator reliability. Thus, the measurement instruments were reliable and valid for the main study. Before testing the hypotheses, instrument reliability and potential biases were evaluated to ensure robustness. Reliability was confirmed with Cronbach's Alpha and Composite Reliability (CR) above 0.70, and AVE values above 0.50 confirmed convergent validity (Fornell, 1981). Common method bias was ruled out using VIF values below 3.3 (Podsakoff et al., 2003; Kock, 2015). Model Fit (SRMR, d_ULS, d_G, Chi_Square, and NFI complied with the requirements. Table 4 summarizes these results, confirming that the dataset and measurement model were suitable for further analysis

Table 4: Summary of Reliability and Model Fit

Assessment Category	Test/Statistic	Result	Recommended Threshold	Conclusion
Instrument Reliability	Cronbach's Alpha	0.822 – 0.901	≥ 0.70	Reliable
	Composite Reliability (CR)	0.895 – 0927	≥ 0.70	Reliable
	Average Variance Extracted (AVE	0.718 - 0.849	≥ 0.50	Convergent validity met
Model Fit	Full Collinearity VIF	1.667 – 3.065 average = 2.413	< 3.3 (Kock, 2015)	No multicollinearity; low CMB risk
	SRMR	0.076	< 0.10	Fit
	d_ULS	0.526	> 0.05	Fit
	d_G	0.568	> 0.05	Fit
	Chi-square	206.415	X^2 statistik > X^2 tabel	Fit
	NFI	0.759	approximately 1	Fit

Discriminant validity is used to ensure that each construct or variable in the measurement model truly measures a distinct concept and does not overlap with other constructs. In other words, discriminant validity assesses the extent to which different constructs in the model can be differentiated from one another. It can be evaluated using three main criteria: **Cross Loadings**, **Fornell-Larcker Criterion**, and **Latent Variable Correlations**. These criteria collectively confirm that each construct in the model has unique explanatory power and is empirically distinct from the others. Table 5 below presents the discriminant validity test results based on the Fornell-Larcker criterion and Latent Variable Correlations, indicating that all constructs meet the required thresholds.

Table 5: Latent variable correlation & Fornell-Larcker Criterion

Construct	AS	SR	TS	EA	AVE	√ AVE	conclusion
Accountability (AS)	1.000				0.739	0.859	Valid
Sustainability Reporting (SR)	0.812	1.000			0.770	0.877	Valid
Transparency (TS)	0.841	0.905	1.000		0.849	0.921	Valid
e_Audit Perceptions (EA)	0.861	0.868	0.895	1.000	0.718	0848	Valid

The results of the discriminant validity test using the Fornell–Larcker criterion show that the square root of the Average Variance Extracted (√AVE) for all constructs ranges from 0.848 to

0.921, which is higher than the correlations among constructs. This indicates that each construct in the research model is empirically distinct and measures a unique concept. Therefore, the discriminant validity requirement is met, confirming that the measurement model demonstrates good construct validity.

After confirming that the measurement model meets the criteria for reliability and validity, the next step is to evaluate the inner model. The inner model assessment aims to examine the relationships between latent variables and to test the proposed hypotheses. This evaluation includes analyzing the coefficient of determination (R^2), and path coefficients, which together provide an overview of the model's explanatory power and predictive capability. Table 6 below presents the inner model assessment

Table 6: Inner Model Assessment

Model fit and quality indices	Indeks	p-value	Criterion	Information
Average path coefficient	0.454	<0.001	P<0.05	Accepted
Average R-Squared	0.801	<0.001	P<0.05	Accepted
Average Adjusted R-Squared	0.795	0.032	P<0.001	Accepted
Average Full Collinearity VIF (AFVIF)	2.413	≤ 5 ideal ≤ 3.3		Accepted
Average R^2 (Coefficient of Determination)	0.801	Small ≥ 0.1, Medium ≥ 0.25 Large ≥ 0.36		Large
Sympson's Paradox Ratio (SPR)	1.000	≥ 0.7 ideal = 1		Accepted
R-Squared Contribution Ratio (RSCR)	1.000	≥ 0.9 ideal = 1		Accepted
Statistical Suppression Ratio (SSR)	1.000	≥ 0.7		Accepted
Nonlinear Bivariate Causality Direction Ratio (NLBCDR)	1.000	≥ 0.7		Accepted

Hypothesis Testing Results

After evaluating the outer, the inner model and confirming its adequacy, the next stage is **hypothesis testing**.

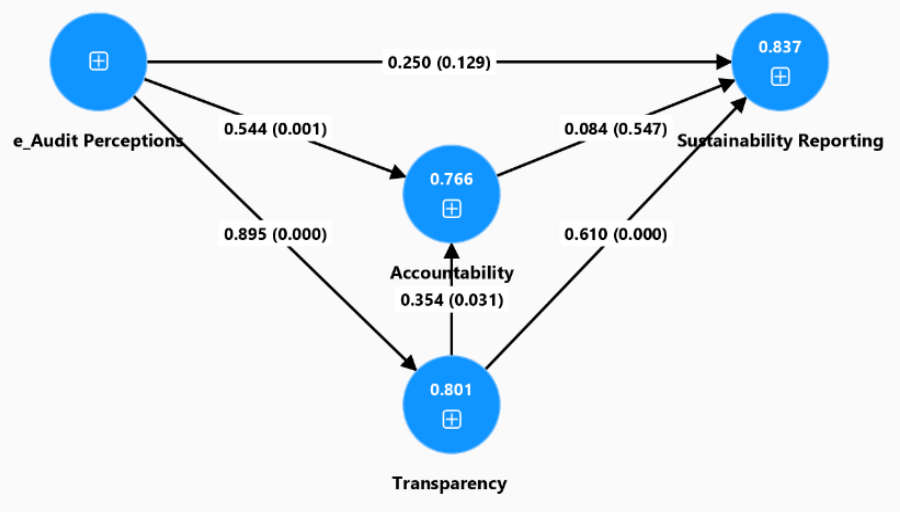

Figure 1: Output Model PLS-SEM Algorithm

This analysis aims to determine whether the relationships proposed in the research model are statistically significant. The results of hypothesis testing are assessed through the **path coefficient**, **t-statistics**, and **p-values**, which indicate the strength and direction of the relationship between variables. A hypothesis is considered supported when the p-value is below 0.05, indicating a significant relationship between the tested constructs. Figure 1 and Table 7 below present in results of hypothesis testing.

Table 7: Output Path Coefficients Model Direct and Indirect Effect

Hypothesis	Path	Coefficient	T statistics	P Value	Decision
H1	EA → SR	0.250	1.519	0.129	Unaccepted
H2	EA → AS	0.544	3.249	0.001	Accepted
H3	AS → SR	0.084	0.603	0.547	Unaccepted
H4	EA → AS → SR	0.046	0.591	0.554	Unaccepted
H5	TS → SR	0.610	4.270	0.000	Accepted
H6	EA → TS	0.895	19.157	0.000	Accepted
H7	TS → AS	0.354	2.158	0.031	Accepted
H8	EA→ TS → SR	0.546	4.109	0.000	Accepted

The first hypothesis (**H1**) examines the direct influence of **e-audit (EA)** on **sustainability reporting (SR)**. The path coefficient value of 0.250 with a *t-statistic* of 1.519 and *p-value* of 0.129 indicates that the effect is not significant. This means that the perception of e-audit alone does not directly enhance the quality of sustainability reporting. For the second hypothesis (**H2**), the effect of **e-audit (EA)** on **accountability (AS)** shows a significant and positive relationship, with a path coefficient of 0.544, *t-statistic* 3.249, and *p-value* 0.001. This suggests that the implementation of e-audit contributes to improving accountability within public organizations.

The third hypothesis (**H3**) tests the influence of **accountability (AS)** on **sustainability reporting (SR)**. The path coefficient of 0.084 and *p-value* of 0.547 indicate no significant effect, implying that accountability alone does not directly affect sustainability reporting practices. Similarly, the fourth hypothesis (**H4**) examines the **mediating role of accountability** between e-audit and sustainability reporting. The result (β = 0.046, *p* = 0.554) shows that accountability does not mediate the relationship between e-audit and sustainability reporting.

The fifth hypothesis (**H5**) shows that **transparency (TS)** has a significant positive effect on **sustainability reporting**, with a path coefficient of 0.610, *t-statistic* of 4.270, and *p-value* of 0.000. This indicates that transparency plays a crucial role in improving the quality of sustainability reporting. The sixth hypothesis (**H6**) reveals that **e-audit (EA)** significantly affects **transparency (TS)** (β = 0.895, *t* = 19.157, *p* = 0.000). This finding supports the idea that e-audit implementation strengthens transparency through better data accuracy and audit traceability.

The seventh hypothesis (**H7**) demonstrates that **transparency (TS)** significantly influences **accountability (AS)** (β = 0.354, *t* = 2.158, *p* = 0.031). This means that transparency practices help enhance accountability within public organizations. Finally, the eighth hypothesis (**H8**) confirms that **transparency mediates the relationship between e-audit and sustainability**

reporting (β = 0.546, *t* = 4.109, *p* = 0.000). This result indicates that e-audit indirectly affects sustainability reporting through increased transparency, highlighting transparency's key mediating role in the governance process.

Discussion

In this section, the research findings are analyzed and interpreted in the context of prior studies and theoretical perspectives. The discussion highlights how e-audit perceptions influence transparency and accountability, which in turn affect sustainability reporting quality. The results are further examined to identify similarities and differences with previous research, providing insights into the implications for public sector governance. he results of this study provide new empirical evidence on the role of e-audit in strengthening transparency, accountability, and sustainability reporting in public organizations. Although the direct effect of e-audit perception on sustainability reporting (H1) was not significant, this finding is consistent with several previous studies (Nasution & Pratama, 2021);(Ahmed & Ali, 2023); (Al-Hajri & Anwer, 2023), which found that digital audit systems do not automatically improve the quality of sustainability reporting unless they are supported by transparent governance and organizational commitment.

However, the significant influence of e-audit on accountability (H2) and transparency (H6) confirms earlier findings by (Syam, 2023) and (Noordiyati & Fakhri, 2023), which emphasized that e-audit technology enhances information accuracy, reduces human error, and strengthens institutional transparency. These studies argued that the use of e-audit systems helps auditors and management teams to detect irregularities and provide more reliable data for decision-making. The result is also in line with the **Technology Acceptance Model** (Davis, 1989), suggesting that when auditors perceive e-audit as useful and easy to use, it positively influences organizational transparency and accountability.

Moreover, the finding that transparency mediates the relationship between e-audit and sustainability reporting (H8) aligns with the argument of (Zainudin & Noor, 2022) and (Smith & Karim, 2021), who demonstrated that transparency serves as a bridge connecting audit innovation and sustainability practices. Through transparent data management and disclosure, e-audit increases stakeholder confidence in the accuracy of sustainability reports. This mechanism also supports **Legitimacy Theory** (Deegan, 2019), which posits that organizations seek legitimacy by aligning their practices with social expectations regarding openness and ethical reporting.

In addition, the significant path between transparency and accountability (H7) supports the view of (Lestari, 2025) Transparent audit systems encourage public officials to act responsibly and ethically in managing public resources. However, accountability alone did not significantly influence sustainability reporting (H3), indicating that accountability must be complemented by transparent audit processes and real-time verification, as also noted by (Ramli & Hassan, 2023).

Overall, these results emphasize that **transparency acts as the key mediating factor** linking e-audit practices to improved sustainability reporting. E-audit not only promotes operational efficiency and data accuracy but also fosters public trust and strengthens the legitimacy of

URL: http://doi.org/10.14738/abr.1311.19609

public organizations. This reinforces the idea that e-audit is a vital pillar of modern governance — integrating technological innovation with accountability and sustainability principles in the public sector.

CONCLUSION

This study examined the influence of e-audit perception on sustainability reporting in the public sector, with transparency and accountability serving as mediating variables. The findings reveal that e-audit perception does not have a direct significant effect on sustainability reporting. However, transparency plays a crucial mediating role, linking e-audit perception with the quality of sustainability reports. This indicates that digital audit systems alone are not sufficient to enhance sustainable disclosure; rather, their effectiveness depends on the transparency and accountability practices that accompany their implementation. The results further confirm that e-audit significantly improves both transparency and accountability, which are essential pillars of good governance. In particular, transparency serves as the key mechanism through which e-audit enhances the quality and reliability of sustainability reporting. These findings align with previous studies (Nasution & Pratama, 2021); (Koo & Lee, 2022) ; (Ahmed & Ali, 2023) (Al-Hajri & Anwer, 2023), which emphasizes that digital auditing contributes to governance sustainability by promoting openness, accuracy, and trust in public sector reporting.

Overall, this study concludes that the success of e-audit implementation lies not only in its technological capability but also in its ability to strengthen transparency and accountability (Al-Hajri & Anwer, 2023) mechanisms. By integrating these governance principles, public organizations can achieve higher credibility, public trust, and alignment with sustainable development objectives.

IMPLICATION AND FUTURE RESEARCH DIRECTIONS

This study provides both theoretical and practical insights. Theoretically, it expands the understanding of public sector governance by showing that e-audit influences sustainability reporting indirectly through transparency and accountability. This finding supports and extends the frameworks of Koo and Lee (2022) and Al-Hajri and Anwer (2023), emphasizing the link between digital transformation and ethical governance in achieving sustainable reporting. Practically, the study highlights the need for capacity building, digital literacy, and clear regulatory support in implementing e-audit systems. Policymakers and auditors should integrate e-audit outcomes into sustainability frameworks, such as GRI Standards, to improve report quality. Strengthening digital audit infrastructure together with transparent governance will enhance institutional trust and promote sustainable public performance.

Future studies can build upon this research in several ways. First, expanding the sample size and including diverse public sector institutions across regions could improve the generalizability of findings. Second, future research could incorporate longitudinal approaches to examine how the impact of e-audit on sustainability reporting evolves as organizations mature digitally. Third, qualitative or mixed-method approaches could provide deeper insights into how auditors and financial managers perceive the integration of digital audit tools with transparency and accountability frameworks. Finally, comparative studies between public and

private sector organizations could reveal different patterns of e-audit adoption and their implications for sustainable governance.

References

Abdillah, W., & Hartono, J. (2015). Partial Least Squares (PLS): Alternatif Structural Equation Modeling (SEM) dalam Penelitian Bisnis. Yogjakarta: Penerbit Andi.

Ahmed, S., & Ali, Z. (2023). E-audit and its implications for sustainable public sector governance: A case of emerging economies. Journal of Public Administration & Governance, 18(1), 67 - 82.

Al-Hajri, M., & Anwer, S. (2023). The role of digital auditing in enhancing accountability and reporting practices in government institutions. Government Information Quarterly, 40(2), 101-117.

Al-Moghaiwli, M. (2021). E-Audit Implementation in Public Sector: Enhancing Transparency and Accountability. International Journal of Public Sector Audit, 10(1), 55-67.

Bais, B., Nassimbeni, G., & Orzes, G. (2024). Global Reporting Initiative: Literature review and research directions. Journal of Cleaner Production, 471. doi:https://doi.org/10.1016/j.jclepro.2024.143428

Cascarino, R. E. (2013). Corporate Fraud and Internal Control: A Framework for Prevention. Fraud Risk Questionnaire Sample, 351-355. doi:doi/pdf/10.1002/9781119203889.app5

CIPFA. (2023). Setting sustainability standards for the public sector. Chartered Institute of Public Finance and Accountancy. Retrieved from https://www.cipfa.org/cipfa-thinks/insight/sustainability-insights/setting-sustainability-standards-for-the-public-sector

Dalmiyatun, N. (2022). The Role of E-Audit in Enhancing Public Sector Transparency. Public Audit Journal,, 9(1), 77-89.

Dasinapa, M. B., & Ermawati, Y. (2024). Insights into Emerging Trends Shaping the Future of Audit and Assurance. Advances in Managerial Auditing Research, 2(2), 75–86. doi:https://doi.org/10.60079/amar.v2i2.292

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319 - 340.

de Oliveira, M. e. (2020). Digital Auditing: Transforming the Audit Process in the Age of Technology. Journal of Digital Accounting, 5(3), 112-124.

Deegan, C. (2019). Legitimacy theory: Despite its enduring popularity, it is time for a necessary makeover. Accounting, Auditing & Accountability Journal,, 32(8), 2307 - 2329.

Fonseca, A., McAllister, M. L., & Fitzpatrick, P. (2014). (2014). Sustainability reporting among mining corporations: A constructive critique of the GRI approach. Journal of Cleaner Production, 84(1), 70–83. doi:https://doi.org/10.1016/j.jclepro.2012.11.050

Fornell, C. &. (1981). Evaluating structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 18(1), 39-50. doi:https://doi.org/10.1177/002224378101800104

GRI. (2023). Global Reporting Initiative Standards: Sustainability Reporting for Public Sector. www.globalreporting.org.

Hair, J., Black, W., Babin, B., & Anderson, R. (2010). Multivariate Data Analysis (7 ed.). Pearson New York.

IFAC. (2023). The public sector needs to prepare for the sustainability reporting and assurance challenge. International Federation of Accountants. Retrieved from https://www.ifac.org/news-events/2023-10/public-sector-needs-prepare-sustainability-reporting-and-assurance-challenge

Janvrin, D. J., Lowe, D. J., & Bierstaker, J. L. (2009). An examination of audit information technology use and perceived importance. Accounting Horizons. 23(1), 1–21.

Judijanto, L., Nurdiani, T. W., Ningsih, T. W., & Ryketeng, M. (2023). The Effect of Regulatory Compliance and Digital Audit Adoption on Auditor Performance and Financial Reporting Accuracy in Indonesia. The Es Accounting and Finance, 20(1), 77–86. doi:https://doi.org/10.58812/esaf.v2i01.154

Kaur, A., & Lodhia, S. (2019). Stakeholder Engagement in Sustainability Accounting and Reporting: a Study of Australian Local Councils. Accounting, Auditing and Accountability Journal, 32(1), 265-295.

Kaur, A., & Lodhia, S. (2019). Sustainability accounting, accountability, and reporting in the public sector: An overview and suggestions for future research. Meditari Accountancy Research, 28(6), 889–914. doi:https://doi.org/10.1108/MEDAR-08-2019-510

Koo, C., & Lee, H. (2022). E-Audit systems and sustainable disclosure practices: Evidence from Asian public sector organizations. Journal of Accounting and Public Policy, 41(5), 106-125.

KPK, L. i. (2022). Kasus Korupsi dalam Pengadaan Barang dan Jasa di Papua. KPK. Retrieved from https://cms.kpk.go.id/storage/4205/Laporan-Tahunan-KPK-2022.pdf

Krisnawati, N. D., & Yuniarwati. (2023). Faktor-Faktor yang Mempengaruhi Kinerja Auditor (Studi Kasus pada Auditor BPK Perwakilan Provinsi Papua). Syntax Literate: Jurnal Ilmiah Indonesia, 8 (10), 5788-5801. doi:https://doi.org/10.36418/syntax-literate.v8i10.13764

Leocádio, D., Malheiro, L., & Reis, J. C. (2024). Auditors in the digital age: a systematic literature review. Digital Transformation and Society. . ahead-of-print. ahead-of-print. https://doi.org/10.1108/DTS-02-2024-001. doi:https://doi.org/10.1108/DTS-02-2024-0014

Lestari, P. A. (2025). Transparency and Accountability in the Digital Era: Insights from Public Sector Accounting. Sinergi International Journal of Accounting and Taxation, 3(3), 195-208. doi:https://doi.org/10.61194/ijat.v3i3.864

Mansor, N., & Pitchay, A. A. (1917). Maqashid Syariah as a Framework for Public Asset Management. Journal of Islamic Governance, 6(2), 45-67.

Memon, M., Ting, H., Cheah, J. R., Chuah, F., & Cham, T. (2020). Sample size for survey research: review and recommendations. Journal of Applied Structural Equation Modelling, 4(2), 1-20. doi:https://doi.org/10.47263/JASEM.4(2)01

Nasution, D., & Pratama, A. (2021). Digital audit transformation and its impact on public sector sustainability reporting. Asian Journal of Accounting Research, 6(3), 321-335.

Noordiyati, N., & Fakhri, F. (. (2023). Digital Government Implementation and Its Implications for Accounting Systems and Data Security. Advances in Applied Accounting Research, 3(1), 41-54. doi:. https://doi.org/10.60079/aaar.v3i1.453

Nurainia, L., & Amrulloh, A. (2024). Auditors and Sustainability Reporting: Ensuring Accuracy and Transparency in ESG Disclosure. Researcher Academy Innovation Data Analysis (RAIDA), 1(2), 112-124. doi:https://doi.org/10.69725/raida.v1i2.160

OECD. (2025). Advancing public sector sustainability reporting: Insights from past reforms. OECD Publishing. doi:https://doi.org/10.1787/ad5fb10f-en

Oliveira, M. e. (2020). Digital Auditing: Transforming the Audit Process in the Age of Technology. Journal of Digital Accounting, 5(3), 112 - 124.

Ramli, R. Y., & Hassan, N. (2023). E-audit as a tool for preventing data manipulation in sustainability reports: A public sector case study. Sustainability Accounting Review, 10(1), 45 - 58.

Rohaeni, N., & Bratakusuma, S. (2025). Digital Drivers of Carbon Disclosure Quality in the Era of Mandatory Reporting. Advances in Accounting Innovation (AAI),, 1(2), 211-221. doi:https://doi.org/10.69725/aai.v1i2.226

Sarens., G., Visscher., C. D., & Gils., D. V. (2010). Risk Management and Internal Control in the Public Sector: An In-Depth Analysis of Belgian Social Security Public Institutions. 70e jaargang,, nr. 3,(3e kwartaal), 65-90. doi:Corpus ID: 3456384

Siahay, A. Z., & Siahay, R. R. (2023). The Impact of the Characteristics of Local Governments and the Results of BPK Audits on the Performance of Governance in Papua and West Papua. Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE),, 6(3), 3556-3776. doi:https://doi.org/10.31538/iijse.v6i3.6505

Smith, J., & Karim, R. (2021). Digital transformation in auditing: E-audit and its impact on public sector sustainability reporting. International Journal of Digital Auditing, 7(4), 190-203, 7(4), 190 - 203.

Sofyani, H. (2023). Penentuan Jumlah Sampel pada Penelitian Akuntansi dan Bisnis Berpendekatan Kuantitatif. Reviu Akuntansi dan Bisnis Indonesia, 7(2), 311-319. doi:10.18196/rabin.v7i2.19031

Syam, H. (2023). The Role and Impact of Government Audit Practices in Maintaining Public Trust. Advances: Jurnal Ekonomi & Bisnis,, 1(5), 305–316. . doi:https://doi.org/10.60079/ajeb.v1i5.279

Thanasas, G. L., Kampiotis, G., & Karkantzou., A. (2025). Enhancing Transparency and Efficiency in Auditing and Regulatory Compliance with Disruptive Technologies. Theoretical Economics Letters,, 15(1), 139–152. doi:10.4236/tel.2025.151013

Volodina, T., & Grossi, G. (2025). Digital transformation in public sector auditing: between hope and fear. Public Management Review, 27(5), 1444-1468. doi:https://doi.org/10.1080/14719037.2024.2402346

Yadav, R., & Mehta, P. (2023). (2023). The Role of E-Audit in Strengthening Public Sector Governance. Journal of Technology in Governance, 12(2), 101-120., 12(2), 101-120.

Yoman, K., Augustinah, F., Sunarya, A., & Sarwani. (2025). Implementation of Performance Audit by The Regional Inspectorate as an Instrument for Evaluation of Development Programs in Puncak Jaya Regency, Papua. Journal of Governance and Public Administration (JoGaPA), 2(3), 764-773. doi: https://doi.org/10.70248/jogapa.v2i3.2857

Yuliana, D., & Prabowo, H. Y. (2020). Audit digital: Urgensi dan tantangan implementasi e-audit dalam sektor publik di Indonesia. Jurnal Akuntansi Multiparadigma, 11(1), 54-70.

Zainudin, M., & Noor, F. (2022). The role of e-audit in enhancing transparency in sustainability reporting: Evidence from the public sector. Journal of Public Sector Auditing, , 15(2), 101-115.