

Enhancing Trust, Internal Control, and Accountability: Budget Goals Commitment as a Mediator

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ABSTRACT

We investigated the effects of trust in supervisors (TS), internal control (INCTRL), and budget goals commitment (BGC) on public performance accountability (PERFACT). Using data collected from 191 respondents through structured questionnaires, the research verifies the direct and indirect relationships between variables based on structural equation modeling (SEM) analysis. Our evidences reveal that in the first structural model, trust in supervisors and internal control significantly influence budget goals commitment, with trust in supervisors being significant. This highlights the critical role of fostering trust to ensure stronger commitment to budgetary objectives. In the second structural model, public performance accountability is significantly influenced by internal control and budget goals commitment. Although trust in supervisors has less of a direct impact on public accountability, indicating that its effect may be more nuanced and indirect. Furthermore, the study provides empirical evidence for the mediating role of budget goals commitment. Specifically, it demonstrates that budget goals commitment bridges the relationship between trust in supervisors and public accountability. This finding underscores the importance of a committed budgetary framework in enhancing accountability in public sector organizations. This relationship is highlighted by practitioners and policy makers as meaningful knowledge and insight. Strengthening internal control systems and fostering trust in supervisors, combined with a focus on budget goals commitment, can significantly enhance public performance accountability.

Keywords: Trust in supervisors, Internal control, Budget goals commitment, Public performance accountability.

INTRODUCTION

Modern governance faces increasing demands to achieve transparency, integrity, and efficiency in financial management and performance reporting. Accountability is a cornerstone of good governance, yet ensuring accountability in public institutions remains a persistent challenge. This is particularly evident in the context of local governments, where the efficient and goal-oriented use of budgets is critical.

Budget misuse or lack of clear reporting mechanisms can lead to diminished public trust, ineffective performance outcomes, and challenges in meeting societal expectations. Trust in supervisors, effective internal controls, and a strong commitment to budget goals are essential to enhancing accountability (Bonsu et al., 2023). By reinforcing these elements, local governments can address accountability issues more effectively and establish a robust foundation for meeting public expectations (Nguyen et al., 2019; Chong & Chong, 2002).

Budget goal commitment (BGC) reflects the level of internalization of an individual or manager in the form of determination and sincerity that is consistent in achieving budget goals (Chong & Chong, 2002; Macinati & Rizzo, 2014). The BGC can mediate the relationship between trust in supervisors, internal controls, and performance accountability in local government (Erlandian et



al., 2023; Indra & Wayan, 2018; Karakoc & Ozer, 2016). While previous studies have examined each of these variables separately, there is still limited research on the complex relationship among them in the context of local government in developing countries like Indonesia (Jawadi et al., 2017; Macinati & Rizzo, 2014; Mohd Noor & Othman, 2012).

Trust in supervisors is often viewed as a key element in enhancing employee motivation and performance (Kim et al., 2018). Subordinates' perceptions of superiors who are considered fair, competent and trustworthy have become good motivation for their work so that goals are achieved. (Fors Brandebo et al., 2013). Building trust in supervisors is an important investment for local governments as it can create a conducive work environment for achieving budget goals and performance accountability (Martono et al., 2020). On the other hand, effective internal controls can ensure that operational processes comply with policies and procedures, thereby reducing the risk of deviations and increasing efficiency (N. Sari et al., 2017). However, without a strong commitment to budget goals, efforts to improve trust in supervisors and strengthen internal controls may not succeed in enhancing public performance accountability. The commitment to budget goals ensures that all members of the organization work towards the same objectives, focusing their resources and efforts to achieve desired outcomes (Macinati & Rizzo, 2014; Jermias & Yigit, 2013; Yusfaningrum & Ghazali, 2005; Chong & Chong, 2002).

In recent decades, the public sector has focused on enhancing its internal control system to deliver valuable information to managers and employees, ensuring better performance accountability (Kewo, 2017; Sari et al., 2017). Prior research has emphasized the significance of INCTRL in linking various assessments, key performance indicators, and budget absorption. However, existing studies have largely approached this topic from a generic perspective, overlooking specific dimensions such as budget goal commitment and its interplay with internal control in the context of local government performance.

This gap in the literature has led to a limited understanding of how internal control systems contribute to reporting accountability at the local government level (Apriliani et al., 2022; Mujennah et al., 2022). While internal control is generally recognized to evolve from transaction types and the quality of organizational reporting, the challenges of ensuring its effective implementation remain underexplored. For instance, prior studies have not sufficiently examined the financial and organizational trade-offs involved in implementing comprehensive internal controls. Proper implementation requires not only technical adjustments but also organizational willingness to allocate additional resources, often tied to the activity program budget for a specific period.

Furthermore, while studies have documented the role of internal control in achieving financial expectations and administrative control—such as planning and controlling operations (Jawadi et al., 2017) and preventing procedural errors (Merchant & Van der Stede, 2018)—there is a lack of empirical evidence on its effectiveness in dynamic, resource-constrained environments like local governments. The absence of robust frameworks to measure the integration of INCTRL with performance outcomes, particularly in developing countries, underscores the need for more context-specific investigations.

Additionally, despite the growing reliance on internal control systems to enhance decision-making and organizational control (Bonsu et al., 2023), there is insufficient research exploring its indirect effects on performance outcomes through mediators like budget goal commitment. This study aims to address these shortcomings by critically examining the relationship between internal control systems and local government performance, incorporating budget goal commitment as a mediating factor. By doing so, this research seeks to provide a more nuanced understanding of how internal controls can be optimized to strengthen reporting accountability and performance outcomes in the public sector.

Thus, BGC, INCTRL, and accountability serve as interconnected pillars in fostering a transparent and democratic government (N. Sari et al., 2017). Among these, budget goal commitment may hold a foundational role, as the absence of information related to specific policy areas can hinder subsequent actions related to both budget goal commitment and accountability. Scholars have begun to closely examine the meaning and usage of "budget goal commitment" and



its relationship to accountability due to its fundamental importance (Erlandian et al., 2023; Nguyen et al., 2019; Karakoc & Ozer, 2016; (Karakoc & Ozer, 2016) Macinati & Rizzo, 2014).

LITERATUREREVIEW

Agency theory

Referring to the context of agency approach proposed Jensen & Meckling (1976), local governments with strong internal controls and trust in supervisors can reduce agency problems and ensure that budgets are managed efficiently (Shapiro, 2005). Strong internal controls serve as mechanisms to minimize opportunistic behavior by agents and ensure that budgets are managed in line with established goals (Fama & Jensen, 1983). Trust in supervisors is also important as it can reduce monitoring costs and enhance agent performance.

Agency Theory helps explain the role of internal control and trust in supervisors in ensuring that local government employees act in the public interest (Adams, 1994). Effective internal controls ensure that operational processes adhere to established policies and procedures designed to prevent deviations and enhance efficiency (Vosselman, 2016). With strong internal controls, local governments can minimize opportunistic behavior and increase public trust in budget management.

Goal-Setting theory (GST)

GST posits that the internalization of goals among all members within an organization can serve as a motivational driver in carrying out tasks, thus commitment to specific and challenging budget goals can improve organizational performance (Edwin A. Locke & Latham, 2013; Latham et al., 2008). Budget goal commitment functions as a mediator that ensures employees focus on achieving the established goals. Commitment to budget goals means that employees have dedication and determination to achieve the established budget goals. Specific and challenging goals can motivate employees to work harder and more efficiently. With a strong commitment to budget goals, employees are more likely to effectively allocate their resources and efforts toward achieving the desired outcomes.

Trust in Supervisor and goal commitment

Achieving budget goals is crucial as it serves not only as a tool to direct operational activities but also influences the motivation and behavior of individuals within the organization (Maiga & Jacobs, 2007). For this reason, leaders in an organization need to gain the trust of their subordinates to ensure that employees are willing to commit to those goals (Chong & Law, 2016). In the process of achieving budget goals, factors such as trust in supervisors play a crucial role in shaping commitment to budget goals (Poon et al., 2006). When someone has commitment to budget goals, they tend to be more focused and engaged in efforts to achieve the established targets. Trust in supervisors serves as the foundation of a good leader-subordinate relationship in the workplace, formed through the supervisor's correct, fair, and competent actions in performing their duties (Kim et al., 2018). High trust in supervisors can enhance individual commitment to budget goals, because individuals who believe that their supervisors will consider their interests in budgeting decisions will feel more motivated to contribute positively to the achievement of those goals. Trust in supervisors can also influence individual behavior related to achieving budget goals as individuals are more likely to comply with directions and guidelines provided by their supervisors (Nitzl & Hirsch, 2016).

H1: A good Trust in Supervisor can improve budget goal commitment.

Internal control and budget goal commitment

Internal control refers to a system implemented to support organizations in achieving their objectives by ensuring the accuracy of financial reports, optimizing operational efficiency, and adhering to relevant regulations. In the budgeting process, robust internal controls play a critical role in ensuring the planned execution of budgets, mitigating the risks of fund mismanagement or violations, and promoting transparency in the use of organizational resources (Monfardini & von Maravic, 2009; Baltaci & Yilmaz, 2006). Effective internal controls ensure that the budget planning



and implementation processes proceed as intended. This creates a reliable and transparent work environment, where individuals feel more confident in their ability to achieve budget goals. Thus, strong internal controls support commitment to budget goals by creating conditions that enable individuals to focus on achieving desired outcomes without unnecessary distractions or hindrances.
H2: A good internal control can improve the Budget Goals Commitment.

Trust in supervisor and accountability performance

Trust in supervisors is a crucial aspect in the organizational context because supervisors play a significant role in setting budget policies and ensuring proper utilization of public funds (Fors Brandebo et al., 2013). High levels of trust in supervisors enhance coordination and cooperation among units in local government organizations (Yang & Holzer, 2006). Respected and trusted leaders are more likely to inspire commitment to budget goals by providing clear guidance, necessary support, and ensuring accountability in budget management (Burke et al., 2007). Organizations that are able to foster long-term trust in their supervisors can yield significant outcomes (Mayer et al., 2011). This trust contributes to the achievement of budget goals, efficiency, and transparency in reporting outcomes. High trust in supervisors can create an environment with high-quality employee performance and greater responsibility in achieving desired outcomes (Li & Yan, 2009). This is also because trust in leaders can foster a sense of closeness between subordinates and supervisors, serving as a control mechanism for subordinates and reducing vulnerability among employees (Fors Brandebo et al., 2013).

H3: A good trust in supervisor can improve the accountability performance of government administrators.

Internal control and accountability performance

Internal control in local government plays a role in ensuring that every financial transaction is well planned, executed, and monitored in accordance with accounting principles and applicable regulations (Baltaci & Yilmaz, 2006). A strong internal control system helps reduce the risk of misuse or errors in budget management and enhances the reliability of financial reporting (Baltaci & Yilmaz, 2006). Strong internal controls provide a solid foundation for local governments to provide accurate and transparent financial reports. This increases public trust in the management of public finances and strengthens the performance accountability of local governments in achieving budget goals. Internal control is intended for operational purposes and ensures the achievement of financially-integrity based on planning (Jawadi et al., 2017). Additionally, it serves as a tool to protect assets and prevent procedural and administrative errors (Merchant & Van der Stede, 2018). Internal control procedures are implemented in local governments to enhance economical, efficient, and effective services. The achievement of these indicators reflects the quality of performance accountability in local governments, and the optimal implementation of internal control can predict improved performance accountability in local governments (Baltaci & Yilmaz, 2006; (D. Sari, 2012)Sari et al., 2017; Jawadi et al., 2017; Kewo, 2017; Saputra, 2022).

H4: Higher Internal Control can improve the accountability performance of government-administrators.

Budget goal commitment and accountability performance

BGC is crucial because budgets determine resource allocation to achieve organizational performance, both in business and non-business contexts (Jawadi et al., 2017; Yusfaningrum & Ghozali, 2005; Chong & Chong, 2002). Strong commitment to budget goals reflects the determination to manage finances efficiently, transparently, and accountably (Jermias & Yigit, 2013; Jermias & Hoi Hu, 2020). This commitment motivates stakeholders to work hard to achieve the targets set in the budget. The stronger the commitment to budget goals, the greater the likelihood of achieving the expected work outcomes as a form of accountability for budget utilization (Nguyen et al., 2019; Macinati & Rizzo, 2014). BGC enables local governments to establish clear performance indicators and monitor progress regularly. Strong commitment to these goals will encourage departments and relevant units to collect data, conduct impact evaluations, and improve programs if necessary to ensure optimal achievement (Nguyen et al., 2019; Macinati & Rizzo, 2014).



H5: Higher budget goal commitment can improve the accountability performance of government administrators.

METHOD

We collected data by distributing instruments to 246 local government employees in each office in Lebak Regency, Banten. In practice, not all respondents responded to the questionnaires we provided, as many as 35 people did not answer, and 20 questionnaires could not be used because they gave answers with the same numbers. Several steps taken during data collection were: visiting the local government office, communicating via telephone, sending questionnaire packages, and following up. Overall, our data came from 191 respondents with a responsiveness rate of 77.64%.

We used all measurement items that had been used in previous research, but we also conducted a pilot test to ensure the reliability and content validity of latent variables. The questionnaire employed a five-point Likert scale, where responses ranged from 1 (strongly disagree) to 5 (strongly agree). Statistical approach, PLS-SEM (Partial Least Squares Structural Equation Modeling) was employed for hypothesis testing and model evaluation.

Table 2. Characteristics of Variables

Variable	Indicator
Trust to Supervisor (TS) (Chong & Law, 2016)	1) Advancing my interests. 2) Discussing problems and difficulties. 3) Providing complete and honest information. 4) Making decisions that appear to be contrary to the interests of subordinates. 5) The superior's decision is justified by other considerations.
Internal Control (INCTRL) (Hong et al., 2018)	1) Conduct periodic inspections. 2) Procedures are in place to check achievement of objectives. 3) Systematic inspections are in place. 4) Incident reports are investigated, analyzed, and recorded. 5) Evaluate implementation and effectiveness to identify corrective actions.
Budget Goal Commitment (BGC) (Chong & Chong, 2002)	1) Concern about achieving budget targets. 2) Seriousness in budget targets. 3) Budget targets is realistic.
Performance Accountability (PERFACT) (Mero et al., 2014)	1) Work performance results. 2) Target achievement. 3) Target achievement performance. 4) Cooperating with co-workers. 5) Helping and cooperating with co-workers.

RESULTS

Measurement model

The measurement model was assessed using confirmatory factor analysis (CFA) with structural equation modeling (SEM) conducted prior to the comprehensive evaluation stage. To justify the validity and reliability test results, we adhere to the criteria that the average variance extracted (AVE) should be significant and greater than 0.50, and the composite reliability (CR) should exceed 0.70 for all constructs (Wijanto, 2007; Ghazali & Latan, 2013). Table 3 presents the mean values, standard deviations (SD), loading factors, CR, and AVE for each construct in the initial testing. Our results showed that one of the indicators had a standard loading factor (SLF) below 0.60 (Inctrl1). Therefore, in the second testing, we removed that indicator (Table 4).

Table 3. Internal Reliability Testing 1

Constructs	Mean	SD	Items	SLF	CR	AVE	Reliability
TS	3.97	0.42	Trust1 Trust2	0.75 0.86	0.86	0.61	Reliable



				<i>Trust3</i>	0.82			
				<i>Trust4</i>	0.67			
INCTRL	3.39	0.53		<i>Incntrl1</i>	0.55	0.83	0.51	Reliable
				<i>Incntrl2</i>	0.70			
				<i>Incntrl3</i>	0.62			
				<i>Incntrl4</i>	0.79			
				<i>Incntrl5</i>	0.86			
				<i>Acctbl1</i>	0.85			
BGC	3.55	0.63		<i>BC1</i>	0.75	0.81	0.58	Reliable
				<i>BC2</i>	0.79			
				<i>BC3</i>	0.76			
PERFACT	4.26	0.43		<i>Acctbl2</i>	0.82	0.86	0.56	Reliable
				<i>Acctbl3</i>	0.63			
				<i>Acctbl4</i>	0.70			
				<i>Acctbl5</i>	0.73			

The results displayed in Table 4 demonstrate that the composite reliability and variance extracted (VE) measures for each variable indicate acceptable reliability (Ghozali & Latan, 2013). Similarly, the AVE for each variable (> 0.50) shows sufficient convergent validity (Hair et al., 2014; Ghozali & Latan, 2013). Based on the results of this measurement model, we understand that each variable in this study is constructed by valid and reliable indicators. Consequently, the data can undergo CFA testing and hypothesis testing.

The results in Table 4 indicate that the composite reliability and variance extracted (VE) values for each variable meet the reliability criteria. The AVE values for all variables (> 0.50) confirm convergent validity (Hair et al., 2014; Ghozali & Latan, 2013). This measurement model confirms that each variable in the study is supported by valid and reliable indicators, allowing the data to proceed to CFA and hypothesis testing.

Regarding our measurement model results, the overall standard loading factor values in our model, with all loading factors exceeding 0.6, range from 0.66 to 0.98. Additionally, the range of composite reliability (CR) falls between 0.81 and 0.88, and the AVE ranges from 0.51 to 0.61. The CR values for all four variables in this study are higher than 0.7, thus we conclude that all items are capable of measuring the intended variables.

Table 4. Re-specification Internal Reliability

Constructs	Mean	SD	Items	Loading	CR	AVE	Reliability
Trust	3.97	0.42	<i>Trust1</i>	0.75	0.86	0.61	Reliable
			<i>Trust2</i>	0.86			
			<i>Trust3</i>	0.82			
			<i>Trust4</i>	0.67			
Int_Cntrl	3.35	0.58	<i>Incntrl2</i>	0.70	0.83	0.51	Reliable
			<i>Incntrl3</i>	0.62			
			<i>Incntrl4</i>	0.79			
			<i>Incntrl5</i>	0.86			
BGC	3.55	0.63	<i>BC1</i>	0.75	0.81	0.58	Reliable
			<i>BC2</i>	0.79			
			<i>BC3</i>	0.76			
Actblty_Perf	4.26	0.43	<i>Acctbl1</i>	0.83	0.86	0.56	Reliable
			<i>Acctbl2</i>	0.82			
			<i>Acctbl3</i>	0.61			
			<i>Acctbl4</i>	0.66			
			<i>Acctbl5</i>	0.73			



Additionally, we examined convergent and discriminant validity to assess the extent to which each indicator accurately measures its designated construct and avoids predicting conceptually unrelated constructs. The Average Variance Extracted (AVE) for each construct must exceed the squared correlations between constructs represented in the off-diagonal elements (Ghozali & Latan, 2013)(Ghozali, 2021). Therefore, we believe that the measurement model used in this study demonstrates satisfactory discriminant validity.

Table 5. CFA Model

Fit Index	Scores	Recommended cut-off value
Absolute Fit Measures		
GFI	0.97	$\geq 0.90^a$; $\geq 0.80^b$
RMSEA	0.062	$< 0.08^a$; $< 0.01^b$
ECVI	1.27	Mendekati 1.38 ^a
Incremental Fit Measures		
NFI	0.94	$\geq 0.90^a$
AGFI	0.96	$\geq 0.90^a$; $\geq 0.80^b$
CFI	0.97	$\geq 0.90^a$
Parsimonious Fit Measures		
χ^2/df	1.79	$\leq 2^a$; $\leq 5^b$
PGFI	0.64	The higher, the better
PNFI	0.67	The higher, the better

Notes: Acceptability: ^aacceptable; ^bmarginal

Table 5 displays the results of the absolute model fit measurements, which fall within the required range. Similarly, the goodness-of-fit index (GFI) values are above 0.90, and the root mean square error of approximation (RMSEA) values are below 0.08. Overall, these three absolute fit measurements lead to the conclusion that the proposed model is acceptable (Wijanto, 2007). In terms of incremental fit measurements, all three also yield acceptable results. The normed fit index (NFI), adjusted goodness-of-fit index (AGFI), and comparative fit index (CFI) values are all above 0.90. Additionally, the parsimony fit measurements indicate satisfactory results. The normed chi-square ratio is 1.79, and the parsimony goodness-of-fit index (PGFI) and parsimony normed fit index (PNFI) fall within the required range. Based on the CFA model analysis results, we are confident that the model used to test our hypotheses is appropriate.

Hypothesis test

After the measurement model is appropriate, the next step is to conduct hypothesis testing. Analyzing the results of the model estimation based on predictions from PLS-SEM aims to determine the variance beyond the adequacy of the model fit (Hair et al., 2014). We also conducted additional analysis on the mediating role of budget goal commitment in improving the quality of performance accountability.

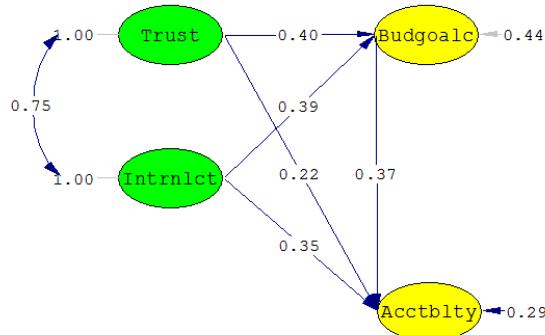


Fig. 2 Path Coefficient

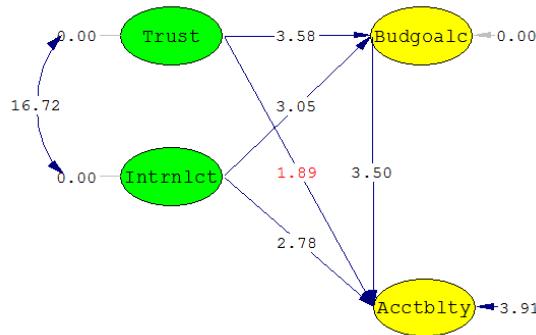


Fig. 3 T-Value

In the first model, We understand that Trust in the supervisors and internal_control both correlate with budget goal commitment. (see Table 6). Trust in the supervisor has a significant and meaningful relationship, contributing significantly to budget goal commitment by 27.7 percent ($r = 0.40$; $t = 3.75$). However, the contribution of internal control to BGC is slightly lower at 26.9 percent ($r = 0.39$; $t = 3.14$) compared to trust in the supervisor. As expected, this indicates that trust and internal control have an influence on budget goal commitment (H_1 & H_2 accepted/confirmed). Based on these results, we can understand that trust in the supervisor has a higher contribution in shaping budget goal commitment compared to internal control. The highest standard loading factor among the indicators forming trust in the supervisor is trust2. This suggests that improving the indicator "supervisor provides complete and honest information about my concerns" can enhance budget goal commitment.

Table 6. Standardized Path Coefficients

Hypothesis	Estimate	t	Remarks
H_1 Trust → BGC	0.40	3.75	Supported
H_2 Inctrl → BGC	0.39	3.14	Supported
H_3 Trust → Acc-Perf	0.22	1.89	Not supported
H_4 Inctrl → Acc-Perf	0.35	2.78	Supported
H_5 BGC → Acc-Perf	0.37	3.46	Supported

In the second model, we explain the correlation between trust in the supervisor, internal control, budget goal commitment, and performance accountability (see Figures 2 & 3, Table 6). Our results reject H_3 , as trust in the supervisor does not have a strong direct relationship with performance accountability ($r = 0.22$; $t = 1.89$). However, through an indirect relationship, budget goal commitment can contribute by 16.23 percent. On the other hand, internal_control has a significant influencing performance accountability by 26.96 percent ($r = 0.35$; $t = 2.78$). Proving in our proposed hypothesis, this indicates that internal control directly and indirectly affects performance accountability (H_4 accepted/confirmed). Furthermore, budget goal commitment has a positive correlation with performance accountability ($r = 0.37$; $t = 3.46$) and provides the largest contribution among the three exogenous variables at 28.24 percent. Thus, these results indicate that the fifth hypothesis is accepted based on statistical requirements (Hair et al., 2014).

We can understand that budget goal commitment has the most dominant influence in shaping performance accountability (H_5 accepted/confirmed). Table 7 shows that the strongest determinant of building performance accountability is budget goal commitment, while budget goal commitment is predominantly contributed by trust in the supervisor. This explains that the perception of performance accountability can be enhanced through the indicator "supervisor provides complete and honest information about my concerns" (the strongest loading factor in constructing trust in the supervisor). The indicator constructing budget goal commitment is the realistic budget target for



local government employees. The decision on hypothesis testing is based on statistical requirements (Ghozali & Latan, 2013).

DISCUSSION

This research offers valuable insights into the factors shaping performance accountability in local government, emphasizing the importance of supervisor trust, internal control, and commitment to budget goals. These findings are analyzed within the framework of Agency theory and Goal-Setting theory to provide a comprehensive explanation.

Table 7
Direct, Indirect, and Total Effects Analysis

<i>Predictor/dependent</i>	<i>BGC</i>	<i>Accountability Performance</i>
Direct Effects		
TRUST	0.160	0.0484
INCTRL	0.152	0.1225
BGC		0.1369
Indirect Effects		
TRUST	0.117	0.1139
INCTRL	0.117	0.1471
BGC		0.1455
Total Effects		
TRUST	0.277	0.1623
INCTRL	0.269	0.2696
BGC		0.2824

The findings reveal that trust in supervisors plays a crucial and influential role in fostering commitment to budget goals (Chong & Law, 2016; Maiga & Jacobs, 2007; Poon et al., 2006). This is consistent with agency theory, which underscores the significance of the relationship between principals (the public) and agents (government employees). High levels of trust in supervisors enhance employee motivation and commitment to achieving predetermined objectives. Such trust mitigates agency issues, as agents are more inclined to act in the best interests of principals without requiring extensive oversight. Furthermore, goal-setting theory supports this perspective, highlighting that well-defined and challenging objectives can boost motivation and individual performance (Edwin A. Locke & Latham, 2013; Latham et al., 2008; Maiga & Jacobs, 2007). A trusting relationship with supervisors fosters a supportive work environment, encouraging employees to feel valued and empowered in meeting budgetary goals (Chong & Law, 2016; Poon et al., 2006). Thus, trust in supervisors strengthens commitment to budget goals by increasing employee motivation and dedication (Nitzl & Hirsch, 2016).

Internal control also has a significant contribution to commitment to budget goals (Monfardini & von Maravic, 2009; Baltaci & Yilmaz, 2006). Within the framework of agency theory, internal control functions as a supervisory mechanism that ensures employees work in accordance with established policies and procedures. With strong internal control, the risks of deviation and opportunistic behavior can be minimized, allowing employees to focus more on achieving budget goals. GST supports the importance of internal control in setting and achieving clear goals. Internal control ensures that operational processes run efficiently and effectively, enabling better achievement of budget goals.

The second model of this research indicates that public performance accountability is not significantly influenced by trust in supervisors but is significantly influenced by internal control and commitment to budget goals. While trust in supervisors helps create a supportive environment that motivates employees to budget goals commitments, it does not directly support into



accountability. Agency theory suggests that effective supervision and a strong internal control system are essential to ensuring employees' accountability for their performance. This implies that accountability relies more on structural and procedural mechanisms than on interpersonal trust. Trust in supervisors serves as a foundational element that fosters employee motivation and engagement, but without robust internal controls, the mechanisms to ensure compliance budget goals commitment may be insufficient to drive accountability.

Furthermore, internal controls play a direct role in monitoring activities, enforcing standards, and reducing risks, which are crucial for achieving accountability. Commitment to budget goals ensures that employees focus their efforts on achieving established objectives, further strengthening the link between internal processes and performance outcomes.

CONCLUSION

Our study underscore the critical role of supervisor trust and internal control in fostering budget goal commitment, which subsequently enhances public performance accountability. From an agency theory perspective, trust in supervisors mitigates agency conflicts and boosts employee motivation, while internal control mechanisms ensure adherence to established policies and procedures. Furthermore, goal setting theory emphasizes the relevance of well-defined goals and strong commitment to those goals in improving both performance and accountability.

Overall, the study reveals that BGC and INCTRL significantly and positively influence performance accountability in emerging economies. Notably, the findings emphasize the stronger impact of BGC on PERFECT. This insight has significant significance especially in relation to the need for strong internal controls and efficient practices in public organizations. In addition, this finding highlights the importance of diverse internal controls in optimizing budgets, including supporting budget oversight.

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