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# PERFORMANCE ACCOUNTABILITY OF VILLAGE GOVERNMENT OFFICIALS: PERFORMANCE-BASED BUDGETING, FINANCIAL REPORTING, AND ORGANIZATIONAL COMMITMENT

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**Abstract:**
This study examines whether performance-based budgeting and the financial reporting system strengthen the performance accountability of village government apparatus in Denpasar City, and whether organizational commitment moderatees these relationships. An explanatory mixed-methods design was applied. Questionnaires were distributed to village financial managers in all sub-districts of Denpasar, and the complete responses were analyzed using partial least squares structural equation modeling, while interview excerpts from village heads, village secretaries, and finance and planning officers were analyzed thematically to explain the statistical results. The measurement model met the criteria for convergent validity and reliability. Performance-based budgeting and the financial reporting system each had a positive and significant effect on performance accountability, and organizational commitment significantly strengthened both relationships. Conditional-effect analysis showed that the benefit of performance-based budgeting depends largely on the level of commitment, and the qualitative evidence indicated that accountability also relies on human resource competence, cross-functional coordination, understandable transparency, and internal oversight. These findings imply that formal budgeting and reporting systems generate accountability only when they are run by committed apparatus; village governments therefore need to combine system implementation with competence development and commitment building.

**Keywords**: Performance Accountability, Performance-Based Budgeting, Financial Reporting System, Organizational Commitment, Village Government

## INTRODUCTION

Since the enactment of Law Number 6 of 2014 concerning Villages, village governments in Indonesia have been granted broader authority and substantially greater financial resources. Minister of Home Affairs Regulation Number 20 of 2018 requires village finances to be managed transparently, accountably, and participatorily, with orderly administration and budgetary discipline (Ministry of Home Affairs, 2018). These developments have raised the standard of accountability beyond administrative compliance toward the ability of village officials to demonstrate that public funds generate benefits for communities (Bovens, 2007; Hood, 1991). Accountability in this context operates at multiple levels: public officials must account for their actions to superiors, oversight bodies, and the public as accountability forums (Mulgan, 2000; Romzek & Dubnick, 1987). Performance accountability therefore concerns not only compliance with rules governing the use of funds but also the achievement of predetermined targets.

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Empirical evidence from village governance indicates that these expectations have not yet been fully realized. Village fund management has generally been reported to comply with accountability and transparency principles, but it remains constrained by frequent regulatory changes, ineffective information channels, and limited public interest in financial information (Putri et al., 2021). Disclosure also tends to be administrative, presenting only aggregate budget totals while public participation remains limited (Soli et al., 2026). Implementation quality also depends on those responsible for it: officials' competence, information technology, and internal control have been shown to improve accountability in village fund management (Purba et al., 2023), while the use of village accounting applications is a stronger determinant of financial management than knowledge or competence alone (Kalsum et al., 2026). Research in Minahasa Regency likewise found that sound accounting systems, effective internal controls, and strong organizational commitment enhance village financial accountability (Kewo & Evinita, 2024).

Two instruments are central to these efforts. Performance-based budgeting (PBB) links budget allocations to targets, outputs, and outcomes and has been associated with greater accountability among village officials in Berau Regency (Ganie et al., 2023) and improved local government performance and public accountability (Yuliani, 2014). Financial reporting systems (FRS) document transactions and communicate the use of resources to oversight authorities and the public. However, the literature offers inconsistent findings on the human factors that enable these instruments to function effectively. Organizational commitment strengthens the relationship between budgetary participation and local government performance in Bandung City (Rivito & Mulyani, 2019), while budget goal commitment mediates the relationship between budget participation and managerial performance at public universities (Alhasnawi et al., 2024). Conversely, in village fund management in Siak Regency, organizational commitment had no significant effect on accountability (Purba et al., 2023), whereas a study in Indragiri Hulu Regency found a positive effect of commitment that was further moderated by value-for-money performance measurement (Masdi et al., 2023). These divergent findings suggest that commitment may be more appropriately treated as a condition determining the effectiveness of formal systems rather than merely a direct determinant of accountability.

Nevertheless, research simultaneously examining organizational commitment as a moderator of the effects of PBB and FRS on village officials' performance accountability, while supplementing statistical findings with practitioners' explanations, remains limited. Most previous studies have treated commitment, competence, or internal control as direct predictors and adopted exclusively quantitative approaches that cannot explain the mechanisms underlying statistical coefficients. This study addresses that gap by investigating village government organizations across all subdistricts of Denpasar City and integrating partial least squares structural equation modeling (PLS-SEM) results with thematic evidence from village heads, village secretaries, finance officers, and planning officers. Specifically, this study aims to (1) examine the effects of PBB and FRS on the performance accountability (PA) of village government organizations; (2) assess organizational commitment (OC) as a moderator of both relationships; and (3) explain the mechanisms underlying the statistical results through qualitative evidence.

The novelty of this study lies in three aspects. First, organizational commitment is conceptualized as a condition that translates formal systems into accountable practices and is simultaneously tested across two governance instruments, namely PBB and FRS. Second, conditional effects (simple slopes) are reported to identify the levels of commitment at which each system produces benefits. Third, the explanatory design allows the statistical coefficients to be interpreted through village officials' own experiences. In practical terms, the findings can inform

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municipal governments and regional oversight bodies in developing capacity-building programs that extend beyond the provision of applications and procedures.

***Theoretical Review and Hypothesis Development***

Agency and stewardship theories. The theoretical foundation of this study draws on agency and stewardship perspectives. Agency theory predicts that information asymmetry and conflicts of interest between principals and agents require control through formal mechanisms such as budgets and reports (Jensen & Meckling, 1976). In village governance, communities, village consultative bodies, and local governments act as principals, while village officials act as agents managing public resources. Stewardship theory, by contrast, proposes that managers who identify with their organizations act in the collective interest, making formal oversight not the sole safeguard of appropriate conduct (Davis et al., 1997). These perspectives are complementary: PBB and FRS are formal mechanisms that make performance observable, whereas organizational commitment determines how consistently those mechanisms are implemented.

Performance accountability. Accountability is understood as a relationship between an actor and a forum in which the actor is obliged to explain and justify their conduct, the forum may raise questions, and the actor may face consequences (Bovens, 2007). In the public sector, accountability is multidimensional and operates through multiple systems, including hierarchical, legal, professional, and political arrangements (Mulgan, 2000; Romzek & Dubnick, 1987). Performance accountability emphasizes responsibility for outcomes rather than procedural compliance alone, and performance information becomes useful only when genuinely employed in planning and decision-making (Moynihan, 2008). In this study, performance accountability is measured using ten indicators, including the use of performance reports as inputs to program planning.

Performance-based budgeting and performance accountability (H1). PBB links budget allocations to targets, outputs, and outcomes, so budgets represent not only expenditure ceilings but also performance commitments. From an agency perspective, explicit targets and indicators provide principals with a basis for assessing agents' achievements (Jensen & Meckling, 1976). Empirical evidence supports this relationship: PBB implementation in village fund management in Berau Regency is associated with greater accountability (Ganie et al., 2023), and PBB implementation has been linked to better local government performance (Yuliani, 2014). Accordingly, the first hypothesis is proposed: H1: PBB has a positive effect on performance accountability.

Financial reporting systems and performance accountability (H2). FRS document transactions and communicate resource utilization to oversight bodies and communities, thereby providing accountability forums with information on which to request explanations (Bovens, 2007). The utilization of accounting systems is associated with improved village financial management (Kalsum et al., 2026), and well-functioning accounting systems are associated with higher village financial accountability (Kewo & Evinita, 2024). Conversely, disclosure limited to administrative and aggregate information reduces the usefulness of reporting to communities (Soli et al., 2026). Accordingly, the second hypothesis is proposed: H2: FRS have a positive effect on performance accountability.

The moderating role of organizational commitment (H3 and H4). Organizational commitment is the psychological bond between employees and their organization, encompassing affective, continuance, and normative components (Meyer & Allen, 1991), as well as identification with organizational goals and willingness to exert effort on behalf of the organization (Mowday et al., 1979). According to stewardship theory, committed officials consistently implement formal mechanisms because their interests are aligned with organizational objectives (Davis et al., 1997). Conversely, when commitment is low, budgets and reports tend to be treated merely as

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administrative obligations. Previous findings show that commitment strengthens the relationship between budget participation and performance (Rivito & Mulyani, 2019), serves as a mechanism linking budgeting practices with managerial outcomes (Alhasnawi et al., 2024), and is positively associated with village fund accountability (Masdi et al., 2023). Therefore, two hypotheses are proposed: H3: OC strengthens the effect of PBB on performance accountability; and H4: OC strengthens the effect of FRS on performance accountability. The conceptual framework is presented in Figure 1.

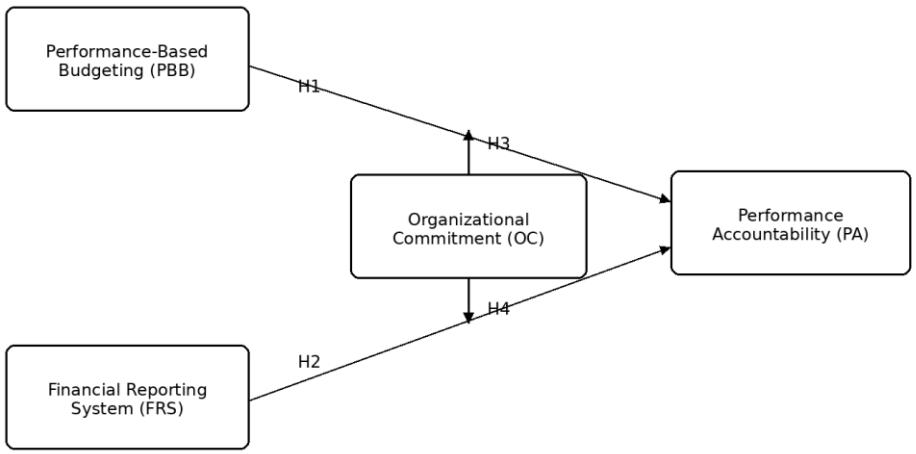



**Figure 1. Research Conceptual Framework**

Source: Developed by the authors, 2025

## METHODS

This study adopted an explanatory mixed-methods design, in which the quantitative phase constituted the primary component and the qualitative phase was used to explain the statistical findings (Creswell & Plano Clark, 2018). This approach was selected because the research questions required both the examination of relationships among variables and an explanation of how those relationships operate in practice. The study was conducted among village government organizations across all subdistricts of Denpasar City, Bali, with data collected in 2025.

Respondents were selected through purposive sampling based on their direct involvement in village financial management, including village heads, village secretaries, finance officers, planning officers, and other officials. The study population comprised village officials involved in planning, budgeting, and financial reporting in 43 villages/urban villages in Denpasar City. As shown in Table 1, 172 questionnaires were distributed and all were returned; 72 questionnaires were excluded because of incomplete responses, leaving 100 complete responses for analysis. Incomplete questionnaires were excluded to ensure that every respondent had complete observations for all constructs as required for the PLS-SEM estimation; the respondents' profile is presented in Table 2.

**Table 1. Sample Selection Criteria**

| No. | Sample Criteria | Number |
|---|---|---|
| 1 | Questionnaires distributed to village financial managers in all subdistricts of Denpasar City | 172 |
| 2 | Questionnaires returned (100% response rate) | 172 |
| 3 | Questionnaires excluded due to incomplete responses | (72) |

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| No. | Sample Criteria | Number |
|---|---|---|
| | **Valid responses analyzed (58.1% usable response rate)** | **100** |

Source: Processed data, 2025

**Table 2. Respondent Profile**

| Characteristic | Category | Number (%) |
|---|---|---|
| Position | Village head; | 10 |
| | Village secretary; | 15 |
| | Finance officer; | 25 |
| | Planning officer; | 20 |
| | Other: | 30 |
| Length of service | ≤ 5 years; | 35 |
| | > 5 years | 65 |
| Gender | Male; | 60 |
| | Female | 40 |
| Highest educational attainment | Senior high school; | 45 |
| | Diploma; | 15 |
| | Bachelor's degree; | 35 |
| | Postgraduate | 5 |

Source: Processed data, 2025. Note: Complete the count and percentage columns using the questionnaire data (n = 100).

The questionnaire measured four reflective constructs on a five-point Likert scale: performance accountability (PA; 10 indicators), PBB (8 indicators), FRS (8 indicators), and organizational commitment (OC; 8 indicators). The operational definitions were as follows: PA refers to the capacity of village government organizations to account for the achievement of performance targets to superiors, oversight authorities, and communities; PBB describes the extent to which budget preparation refers to targets, outputs, and outcomes; FRS captures the extent to which financial recording and reporting generate timely and accountable information; and OC refers to the psychological attachment of officials to their organizations, particularly its affective component (Meyer & Allen, 1991; Mowday et al., 1979).

Data were analyzed using PLS-SEM (Hair et al., 2022) in SmartPLS 25 software. The measurement model was evaluated using outer loadings (≥ 0.70), composite reliability (≥ 0.70), average variance extracted (AVE ≥ 0.50), and discriminant validity (Fornell & Larcker, 1981; Henseler et al., 2015; Hair et al., 2019). Structural paths were tested through bootstrapping at the 5% significance level ($|t| > 1.96$), and moderation was modeled using interaction terms with a two-stage approach (Henseler & Fassott, 2010). Because all data were collected through one respondent-completed questionnaire, potential common method bias was assessed using full collinearity VIF testing (Podsakoff et al., 2003; Kock, 2015). To supplement the reported estimates, AVE and composite reliability were recalculated from the outer loadings, approximate 95% confidence intervals were derived from each coefficient and its t-value, conditional effects (simple slopes) of PBB and FRS were calculated at low, mean, and high OC levels (Dawson, 2014), and sample adequacy was assessed (Kock & Hadaya, 2018).

The qualitative phase employed semi-structured interviews with 172 respondents across four occupational roles, with each interview lasting 15 minutes. Interview excerpts were analyzed

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thematically (Braun & Clarke, 2006), grouped into themes, and compared with quantitative findings through a joint display (Guetterman et al., 2015; Fetters et al., 2013). All participants received an explanation of the study objectives, and their identities were kept confidential.

## RESULTS AND DISCUSSION

Measurement model. All 34 outer loadings ranged from 0.806 to 0.959, exceeding the 0.70 threshold, and all constructs had composite reliability values between 0.961 and 0.982 and AVE values between 0.711 and 0.876 (Table 3). Recalculating AVE and composite reliability from the outer loadings yielded identical values, confirming convergent validity and internal consistency. Discriminant validity was also satisfied (Table 4). Because the composite reliability values of all constructs exceeded 0.95, some items may be redundant (Hair et al., 2019), as discussed under limitations. The strongest indicators for each construct were the preparation of budget plans with reference to general budget policies (0.959) for PBB, information produced by financial statements (0.931) for FRS, emotional attachment to the workplace (0.936) for OC, and the use of performance reports in program planning (0.880) for PA.

**Table 3. Measurement Model Evaluation**

| Construct | Items | Outer loading range | Mean loading | Cronbach's alpha | Composite reliability | AVE |
|---|---|---|---|---|---|---|
| Performance accountability (PA) | 10 | 0.806 – 0.880 | 0.843 | 0.955 | 0.961 | 0.711 |
| Performance-based budgeting (PBB) | 8 | 0.910 – 0.959 | 0.936 | 0.979 | 0.982 | 0.876 |
| Financial reporting system (FRS) | 8 | 0.858 – 0.931 | 0.891 | 0.963 | 0.969 | 0.795 |
| Organizational commitment (OC) | 8 | 0.878 – 0.936 | 0.909 | 0.968 | 0.974 | 0.826 |

Source: Processed data, 2025

**Table 4. Discriminant Validity (HTMT Ratio)**

| Construct | PA | PBB | FRS | OC |
|---|---|---|---|---|
| PA | – | | | |
| PBB | 0.782 | – | | |
| FRS | 0.815 | 0.846 | – | |
| OC | 0.768 | 0.824 | 0.793 | – |

Source: Processed data, 2025. Criterion: HTMT < 0.90 (Henseler et al., 2015). Enter values from the SmartPLS output; add the Fornell–Larcker criterion if needed.

Structural model. Table 5 shows that all four hypotheses were supported. PBB had a positive and significant direct effect on PA ($\beta = 0.206$; $t = 2.000$; $p = 0.046$), as did FRS ($\beta = 0.251$; $t = 2.267$; $p = 0.023$). OC significantly moderated the effects of PBB ($\beta = 0.360$; $t = 3.663$; $p < 0.001$) and FRS ($\beta = 0.251$; $t = 2.230$; $p = 0.026$). The approximate confidence interval for H1 was only marginally above zero, suggesting that the direct effect of PBB should be interpreted as small but present, whereas the moderating effect of OC on PBB was the strongest relationship in the model. Structural model quality is summarized in Table 6: the coefficient of determination for PA was 0.684, predictive relevance was 0.312, and effect sizes were PBB: 0.214; FRS: 0.176; OC: 0.168; PBB × OC: 0.032; and

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FRS × OC: 0.046. The model fit index was 0.061. VIF values for all predictors ranged from 1.482 to 2.376, indicating no collinearity problems.

**Table 5. Hypothesis Testing Results**

| Path | H | β | t-statistic | 95% CI (approx.) | p-value | Decision |
|---|---|---|---|---|---|---|
| PBB → PA | H1 | 0.206 | 2.000 | [0.004; 0.408] | 0.046 | Supported |
| FRS → PA | H2 | 0.251 | 2.267 | [0.034; 0.468] | 0.023 | Supported |
| PBB × OC → PA | H3 | 0.360 | 3.663 | [0.167; 0.553] | < 0.001 | Supported |
| FRS × OC → PA | H4 | 0.251 | 2.230 | [0.030; 0.472] | 0.026 | Supported |

Source: Processed data, 2025. Confidence intervals were approximated as $\beta \pm 1.96 \times (\beta / t)$.

**Table 6. Structural Model Quality**

| Indicator | Value | Criterion |
|---|---|---|
| $R^2$ (PA) | 0.684 | 0.25 weak; 0.50 moderatee; 0.75 strong (Hair et al., 2019) |
| $f^2$ (PBB; FRS; OC; PBB × OC; FRS × OC) | 0.214; 0.176; 0.168; 0.032; 0.046 | 0.02 small; 0.15 medium; 0.35 large (Cohen, 1988) |
| $Q^2$ / PLSpredict | 0.312 | $Q^2 > 0$ (Shmueli et al., 2019) |
| SRMR | 0.061 | < 0.08 (Hair et al., 2019) |
| VIF inner model | 1.482-2.376 | < 3 (Hair et al., 2019) |
| Full collinearity VIF | 1.615-2.584 | < 3.3 (Kock, 2015) |

Source: Processed data, 2025. All values were obtained from the SmartPLS output.

Conditional effects of PBB and FRS. Because the interaction terms were significant, the effect of each predictor was evaluated at different levels of OC (Table 7 and Figure 2). Assuming standardized latent variables, as is common in PLS-SEM, the effect of PBB on PA was 0.206 at the mean level of OC, increased to 0.566 at one standard deviation above the mean, and declined to −0.154 at one standard deviation below the mean. The effect of FRS increased from 0.000 at low commitment to 0.251 at average commitment and 0.502 at high commitment. In other words, the PBB moderation coefficient was 1.75 times its direct effect, while the FRS moderation coefficient equaled its direct effect, indicating that the benefits of both systems depend on officials' commitment.

**Table 7. Conditional Effects of PBB and FRS on PA at Different OC Levels**

| Predictor | OC = −1 SD | OC = mean | OC = +1 SD |
|---|---|---|---|
| Performance-based budgeting (PBB) | −0.154 | 0.206 | 0.566 |
| Financial reporting system (FRS) | 0.000 | 0.251 | 0.502 |

Source: Processed data, 2025. Conditional effect = direct effect + (interaction coefficient × OC level).

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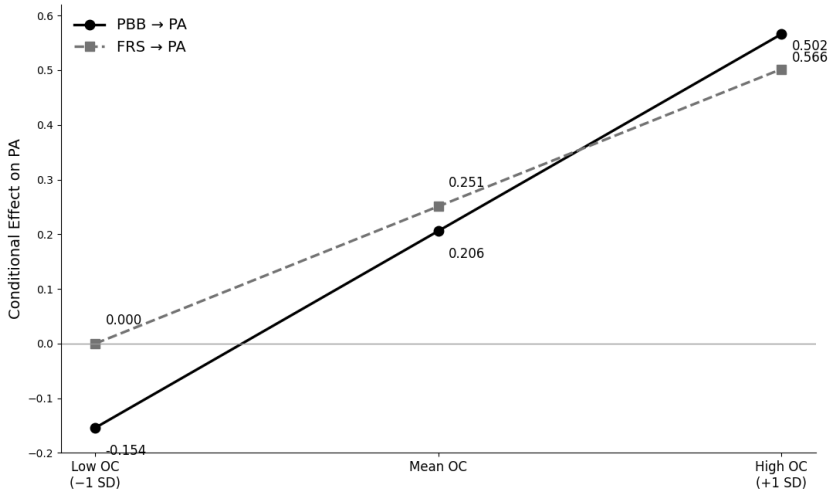



**Figure 2. Conditional Effects of PBB and FRS on PA at Three OC Levels**

Source: Processed data, 2025 (calculated from the coefficients in Table 5)

Sample adequacy. The largest number of predictors directed toward PA was five (PBB, FRS, OC, and two interaction terms). The ten-times rule requires at least 50 cases, while a power analysis for a medium effect size ($f^2 = 0.15$; $\alpha = 0.05$; power = 0.80) requires 92 cases; the 100 valid responses satisfied both criteria. However, the inverse square root method (Kock & Hadaya, 2018) indicates that detecting a coefficient of 0.206 at 80% power would require approximately 146 cases, compared with approximately 98 cases for a coefficient of 0.251. The sample was therefore adequate for the FRS path but borderline for the direct PBB path, consistent with its p-value approaching 0.05.

Qualitative findings. The interview excerpts comprised 22 statements from village heads (7), village secretaries (5), finance officers (7), and planning officers (3), which formed seven themes (Table 8). These themes explain how the quantitative relationships operate in everyday practice. Respondents described PBB as a shift from budget absorption toward achieving outcomes, but noted that performance indicators were still insufficiently clear for evaluation. Regarding reporting, one finance officer explained that 'reporting delays are usually not caused by the recording process itself, but because reports from activity implementers have not yet been submitted,' suggesting that report quality is a shared responsibility. Concerning transparency, another finance officer observed that 'not all community members understand the terminology used in financial statements,' implying that information should be simplified. Regarding competence, a finance officer stated that 'the system continues to improve, but if officials do not understand the procedures, work will still encounter obstacles.' Finally, a village head summarized the moderating role of commitment: 'rules and systems are already in place, but their implementation depends heavily on those responsible; when officials are committed to village objectives, PBB and financial reporting become more consistent.'

**Table 8. Joint Display of Qualitative Themes and Quantitative Findings**

| Theme | n | Key finding | Related hypothesis |
|---|---|---|---|
| Linking budgets to performance targets | 3 | Budgeting shifts from fund absorption to outcomes and benefits; indicators remain unclear | H1 (PBB → PA) |

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| Theme | n | Key finding | Related hypothesis |
|---|---|---|---|
| Reporting quality and timeliness | 3 | Reporting quality depends on complete documentation, verification, and timely activity reports | H2 (FRS → PA) |
| Transparency and accountability | 3 | Information must be comprehensible and accountable to the public, not merely published | H1, H2 |
| Coordination among village officials | 3 | Planning, implementation, and finance are interdependent; delays spread across functions | H1, H2 |
| Human resource competence | 3 | Systems do not guarantee quality; operators must understand procedures | H1, H2 |
| Oversight and evaluation | 3 | Internal oversight and evaluation inform planning for the next period | H1, H2 |
| Organizational commitment as a strengthening factor | 4 | Commitment promotes discipline, coordination, and consistent implementation | H3, H4 (moderasi) |

Source: Processed data, 2025. n = number of interview excerpts coded under each theme.

Discussion of the effect of PBB on performance accountability (H1). The positive effect of PBB on performance accountability is consistent with evidence from villages in Berau Regency (Ganie et al., 2023) and local governments (Yuliani, 2014). From an agency perspective, budgets specifying targets and indicators provide principals with a basis for evaluating agents' achievements (Jensen & Meckling, 1976). The qualitative themes illustrate the mechanism: budgets are increasingly prepared on the basis of outcomes rather than expenditure alone, although unclear indicators limit the extent to which performance can be evaluated. The small coefficient and descriptive finding that some respondents rarely apply results-oriented principles suggest that village-level PBB remains at an early stage of maturity. This accords with the view that performance information is useful only when employed in decision-making rather than merely produced (Moynihan, 2008).

Discussion of the effect of FRS on performance accountability (H2). The positive effect of FRS is consistent with the argument that reporting documents resource utilization and makes it accountable (Bovens, 2007), with evidence that accounting system utilization is an important determinant of village financial management (Kalsum et al., 2026), and with findings that sound accounting systems improve village financial accountability (Kewo & Evinita, 2024). Interviews further indicate that report quality is not solely the responsibility of finance officers but also depends on supporting documents and timely activity reports from those implementing programs. Concerns that disclosure remains merely administrative (Soli et al., 2026) are reflected in finance officers' observations that community members struggle to understand financial terminology, indicating that accountability should extend beyond reporting to superiors to include the community as an accountability forum.

Discussion of the moderating role of organizational commitment (H3 and H4). The moderating role of organizational commitment is the central contribution of this study. Commitment strengthens both relationships, consistent with Rivito and Mulyani (2019), and the simple-slope results indicate that PBB does not produce a positive effect when commitment is low. This aligns with the stewardship view that identification with the organization translates formal mechanisms into consistent practices (Davis et al., 1997). The results differ from Purba et al. (2023),

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who found no significant direct effect of commitment on accountability, but do not contradict Masdi et al. (2023) and Kewo and Evinita (2024), who reported positive effects. This distinction is reasonable because the present study positions commitment as a conditioning factor for systems rather than a direct determinant. Interview evidence supports this interpretation: committed officials are more disciplined in completing documents, coordinate more readily, and identify problems more promptly. The commitment indicator with the highest loading, emotional attachment to the workplace, is consistent with the affective component of commitment (Meyer & Allen, 1991).

Integration of quantitative and qualitative findings. Overall, the quantitative and qualitative phases show that accountability emerges from an integrated governance system in which PBB links budgets to outcomes, FRS record and explain resource utilization, and competence, coordination, oversight, and commitment determine whether these instruments work in practice. The competence and oversight themes identified in the interviews were not modeled in the quantitative analysis but align with research on the role of competence, commitment, and oversight in village financial transparency (Syamsul et al., 2026), as well as the role of internal control in accountability (Kewo & Evinita, 2024; Masdi et al., 2023).

Theoretical and practical implications. Theoretically, these findings extend the agency perspective by demonstrating that formal mechanisms alone are insufficient and enrich the stewardship perspective by showing that organizational identification determines the effectiveness of those mechanisms. For village governments, investment in applications and procedures must be accompanied by continuous training on performance indicators, clearer allocation of reporting responsibilities, periodic internal evaluations, and commitment-building initiatives such as leadership support and role clarity. For municipal governments and regional oversight bodies, guidance should assess not only documentary compliance but also the quality of performance information use and human resource readiness. Simplifying the language of reports for communities could be an initial step toward expanding accountability to the public forum.

Limitations. Several limitations warrant acknowledgment. The study used a cross-sectional design with self-reported data from one city and 100 valid responses, which is borderline for detecting the smallest effect; composite reliability values above 0.95 may indicate item redundancy; and the interview excerpts are illustrative rather than exhaustive. Future research should expand the sample and geographical coverage, report all PLS-SEM quality criteria, employ longitudinal or multiple-source data, and consider competence and transparency as additional variables.

## CONCLUSION

This study concludes that performance-based budgeting and financial reporting systems both make positive and significant contributions to the performance accountability of village government organizations in Denpasar City, and that organizational commitment significantly strengthens both relationships. Conditional-effect analysis indicates that the benefits of the two systems, particularly budgeting, depend on the commitment of officials implementing them, while qualitative evidence demonstrates that this dependence operates through discipline, coordination, competence, transparency, and oversight.

Theoretically, this study extends agency and stewardship perspectives by positioning commitment as the condition that translates formal systems into accountable practices. In practical terms, village governments and regional oversight bodies should integrate system implementation with competence development, clearer performance indicators, more accessible public information, and measures to reinforce commitment. Future research could expand the sample and study area

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and investigate additional mediating or moderating variables, including competence, transparency, and internal control.

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