

Construction of the Meaning of Honesty as Social Accountability in PAD Reporting

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ABSTRACT

This study aims to construct the meaning of honesty as a form of social accountability in reporting Regional Original Revenue (PAD) at the Regional Revenue Agency of Taliabu Island Regency. This study uses a qualitative approach with a phenomenological method. Data were obtained through in-depth interviews with three informants, namely the Head of Bapenda, the Head of Revenue Division, and the Treasurer of Bapenda Receipts of Taliabu Island Regency. Data analysis was carried out through data reduction, theme categorization, interpretation of meaning, and drawing conclusions. The results of the study indicate that honesty in PAD reporting is constructed in five main meanings, namely honesty as a match between data and facts, honesty as the courage to convey PAD realization as it is, honesty as a public mandate, honesty as a moral control mechanism, and honesty as a basis for social accountability. The research findings indicate that PAD reporting is not only interpreted as an administrative and technical process, but also as a social practice that contains moral, legal, and public responsibilities. Honesty is an important foundation in building transparency, strengthening public trust, and producing accountable regional financial information. This research contributes to the development of public sector social accounting studies by placing the value of honesty as an important element in the practice of accountability in regional financial reporting.

INTRODUCTION

Locally Generated Revenue (PAD) is a crucial source of funding for regional development. In the context of regional autonomy, PAD is understood not only as a revenue

figure but also as an indicator of a region's ability to manage local economic potential independently, orderly, and responsibly. Therefore, PAD reporting plays a crucial role in regional financial governance, serving as the basis for local governments' evaluation, planning, and development policymaking. However, PAD reporting cannot be understood simply as the technical activity of recording and communicating figures. It encompasses the values, ethics, integrity, and social responsibility of government officials. Public sector accounting positions financial reports as an instrument of accountability to the public, so reporting quality depends heavily on data reliability, oversight systems, apparatus competence, and the moral commitment of implementers.

Research by Tran, Nguyen, and Hoang (2020) shows that the quality of financial reporting is related to the accountability and performance of public organizations, especially because public organizations are funded by public resources and must be accountable for their activities to the public.

In the context of Indonesian local governments, demands for transparency and accountability in financial reporting are increasing. Research by Ritonga and Syahrir (2016) found that the level of transparency in regional financial management in provincial governments in Indonesia remains relatively low, with an average transparency of only 16.84%. This finding indicates that accountability in regional financial reporting remains a critical issue in public sector governance. Another study by Adriana and Ritonga (2018) also found that the average financial transparency index of regional governments in Java remains low, at 19.59%. Therefore, local governments need to strengthen the provision of publicly accessible financial information.

From a social accounting perspective, regional financial reports are not sufficient to simply meet formal requirements. They must represent the government's responsibility to the public as the primary stakeholder. Retolaza and San-Jose (2021) explain that social accounting emphasizes expanding the accounting function from merely providing economic information to stakeholders to providing information on the social value and impact of organizations on society. Therefore, regional revenue (PAD) reporting can be understood as part of social accounting practices because it relates to how regional governments demonstrate their responsibility to the public through honest, accurate, and reliable regional revenue information. Therefore, the main problem of this research is how Bapenda officials construct the meaning of honesty as a form of social accountability in PAD reporting.

This research is important because studies on public sector accountability often emphasize systems, regulations, technology, and internal control. However, accountability is also shaped by individual awareness, moral values, and the subjective experiences of officials. Li, Koppenjan, and Wang (2025) emphasized that public accountability research needs to focus on the individual, organizational, and institutional levels because accountability occurs not only within formal structures but also in interactions between actors, organizations, and

the institutional environment. Therefore, this research seeks to fill this gap by examining the meaning of honesty based on the experiences of Bapenda officials in reporting PAD.

RESEARCH METHODS

This study employed a qualitative approach with a phenomenological method. This approach was employed because it sought to understand the subjective experiences of Bapenda officials in interpreting honesty in the PAD reporting process. The focus of the study was not on quantitative measurements of honesty levels, but rather on the construction of meaning formed through the informants' experiences, perceptions, and reflections.

The research location was the Regional Revenue Agency of Taliabu Island Regency. The research informants consisted of three officials who have a direct role in the management and reporting of PAD: the Head of Bapenda, the Bapenda Revenue Treasurer, and the Head of the Bapenda Revenue Division. These three informants were selected because of their experience, authority, and direct involvement in the planning, collection, recording, verification, and reporting of PAD.

The research data was obtained through in-depth interviews. Interview questions covered the informants' understanding of honesty, experiences in reporting local revenue (PAD), factors supporting honesty, challenges in maintaining integrity, and expectations for the PAD reporting system. The empirical data used in this article comes from interview manuscripts containing the responses of the Head of Bapenda, the Treasurer of Revenue (Bapenda), and the Head of Revenue (Bapenda) of Taliabu Island Regency.

Data analysis was conducted in several stages. First, reading all interview transcripts to understand the context of the informants' experiences. Second, data reduction was performed by selecting statements relevant to the themes of honesty, accountability, local revenue reporting, public responsibility, and integrity. Third, themes were categorized based on shared meaning. Fourth, phenomenological interpretation was conducted to uncover the essence of honesty in local revenue reporting. Fifth, conclusions were drawn based on the relationships between themes.

Data validity was verified through source triangulation, comparing responses from three informants with different positions within the Bapenda structure. Furthermore, validity was strengthened through consistency of themes across informants, particularly regarding the meaning of honesty as the correspondence between data and evidence, the courage to convey truthful statements, and responsibility to the community.

RESULTS AND DISCUSSION

Honesty as Conformity between Figures, Facts, and Administrative Evidence

Honesty in reporting Locally-Owned Revenue (PAD) cannot be understood simply as a personal attitude of officials who refrain from lying. In the context of the Taliabu Island Regency Regional Revenue Agency (Bapenda), honesty is present as an administrative awareness to ensure that every figure included in the report is factually based and has valid

evidence. PAD reporting is not simply a technical process of collecting revenue data, but rather a space for officials to be accountable for ensuring that regional financial information is not detached from reality.

In public sector accounting, regional revenue reports serve a crucial role as a basis for local government decision-making. The figures in the PAD report represent not only nominal figures but also the government's responsibility to the public. Therefore, when reported figures do not reflect the facts, the report is not only administratively problematic but also socially problematic, as it can mislead public policy. This aligns with Tran et al.'s (2020) view that the quality of financial reporting in public organizations is closely linked to their accountability and performance. This awareness is evident in the statement of the Bapenda Revenue Treasurer:

"My responsibility as the PAD reporting manager at the Bapenda office is to ensure that every receipt is recorded according to its actual condition, not reduced, not overstated, and reported based on valid evidence."

This quote is crucial because it demonstrates that honesty is constructed as a correspondence between receipts, records, and administrative evidence. The phrase "not reduced, not increased" indicates that the informant understands honesty not only as a prohibition against major fraud, but also as accuracy in presenting figures. In this context, manipulation occurs not only when figures are deliberately altered for a specific purpose, but also when reports are not based on sufficient evidence. The researcher's justification for this interpretation lies in the statement "reported based on valid evidence." This statement demonstrates that honesty is not merely an abstract morality but is inherent in concrete administrative practices, such as proof of payment, supporting documents, verification, and data matching. This means that honesty in PAD reporting operates through auditable accounting mechanisms. A similar meaning is also found in the Head of Bapenda's statement:

"Honesty means conveying revenue data according to the facts, not manipulating figures, not covering up deficiencies, and not making up reports just to look good."

This quote demonstrates that honesty extends beyond recording data and includes the courage to avoid creating a false image of performance. The statement "not creating reports just to look good" demonstrates an awareness that PAD reports have the potential to be used as a tool for projecting success if not governed by integrity. In such situations, honesty serves as a moral compass to prevent reports from becoming instruments of administrative justification.

This finding broadens the understanding that accountability in local revenue (PAD) reporting is not only driven by systems and procedures, but also by the apparatus' moral commitment to data accuracy. Ritonga and Syahrir (2016) emphasized that transparency in regional financial management is a crucial component of regional government accountability. However, transparency will be meaningless if the data presented is dishonest from the recording process. Therefore, honesty is a prerequisite for transparency.

In the context of the Taliabu Island Regency Regional Revenue Agency (Bapenda), honesty, as defined by the accuracy of figures, facts, and administrative evidence, demonstrates that public sector accounting is not merely a technical task but also an ethical practice. Every figure in the PAD report carries social consequences, as it will be used as the basis for evaluation and policymaking in regional development. Therefore, an honest PAD report is not only administratively complete but also one that accurately presents the reality of regional revenues.

Honesty as the Courage to Convey PAD Realization as It Is

The importance of honesty becomes clearer when Bapenda officials face the pressure of achieving local revenue (PAD) targets. In regional revenue management practices, targets are often used as a measure of performance success. However, targets can also create pressure when revenue realization falls short of expectations. In situations like this, honesty is no longer simply defined as accurate recording of figures, but rather as the courage to address suboptimal conditions.

In the logic of bureaucratic performance, achieving targets is often a symbol of organizational success. However, if target-orientedness is not balanced with integrity, reports can be driven to present better results than the actual situation. This is where honesty becomes a crucial value in social accountability. Honest reports may not always demonstrate success, but they provide a sound basis for local governments to conduct evaluations. The Head of Bapenda explained:

"One common experience is when PAD realization falls short of the established target. In such circumstances, reports must still be submitted based on actual realization. We cannot inflate figures just to appear to meet the target."

This statement demonstrates that target pressure is a situation that tests the integrity of officials. The phrase "you must not inflate figures just to appear to meet targets" demonstrates an awareness that administrative achievements should not be built through data manipulation. The researcher's justification for this interpretation lies in the informant's courage to prioritize data accuracy over the desire to display success. A similar sentiment emerged in the statement by the Bapenda Revenue Treasurer:

"If revenue has not reached the target, then it must be reported honestly, accompanied by an explanation of the obstacles encountered."

This quote demonstrates that honesty means not only reporting actual figures but also explaining the context behind them. The statement "accompanied by an explanation of the constraints" indicates that honest reporting goes beyond numbers but also needs to present an evaluative narrative about the causes of achievements. Thus, honesty serves an organizational learning function. Honest reporting enables the government to identify the true problems, while manipulated reporting actually closes off room for improvement. The Head of Revenue also shared a similar experience:

"If the realization is low, then the cause must be explained objectively."

This quote emphasizes that objectivity is part of honesty. Objectivity is not only presenting data without alteration, but also avoiding biased explanations or obscuring issues on the ground. In the context of local revenue (PAD) reporting, objectivity is needed so that local governments can distinguish between administrative failures, regulatory constraints, limited human resources, low taxpayer compliance, or geographic factors. This finding aligns with Overman and Schillemans' (2022) notion of felt accountability, which is the individual's awareness of being accountable for their decisions and actions. In the informants' experiences, officials not only felt supervised by the formal system but also felt responsible for reporting PAD realization based on actual conditions. Honesty then emerges as moral courage to avoid using targets as a reason to polish reports.

Honesty as a Public Trust and Social Responsibility

Honesty in local revenue (PAD) reporting is not only understood as adherence to procedures, but also as a public trust. Informants viewed PAD as regional funds sourced from the community and must be reused for the public good. In this understanding, PAD reporting becomes a social practice because it connects government officials with the community as the primary stakeholders.

From a social accounting perspective, public organizations are accountable not only to bureaucratic structures but also to the wider community. Retolaza and San-Jose (2021) explain that social accounting broadens the accounting orientation from merely financial information to accountability for social values to stakeholders. In the context of Bapenda (Regional Revenue Agency), this social value emerges from the awareness that local revenue (PAD) reports must reflect the truth because they relate to the public interest. The Head of Bapenda stated:

"PAD is regional money that comes from the community and must be reused for the benefit of the community."

This quote demonstrates that PAD is not viewed simply as an object of fiscal revenue, but as a public trust. This statement forms the basis for constructing honesty as a trust. If PAD originates from the community, then its reporting must be done in a manner that does not harm them. Dishonest reporting can lead local governments to adopt inappropriate policies, with the impact reciprocating to the community. The Bapenda Revenue Treasurer also emphasized:

"When we are honest in reporting PAD, it means we are fulfilling the public's mandate."

This statement demonstrates a direct link between honesty and social accountability. The phrase "community mandate" demonstrates that the informant interprets his work not only as an administrative task to his superiors, but also as a moral responsibility to the public. The researcher's justification for this interpretation lies in the shift in accountability orientation from vertical-bureaucratic to social-public. Officials not only question whether

reports are received by their superiors, but also whether they are accurate for the public. The Head of Revenue reinforces this meaning:

"We work using the authority granted by the state, so we must be accountable for our work to the public."

This quote demonstrates that state authority is understood as the basis for accountability. In local revenue (PAD) reporting, the authority to manage and report revenue data must not be used arbitrarily. This authority must be limited by responsibility to the public. Thus, honesty serves as an ethical principle in the use of public authority. This finding aligns with Fox (2015), who explains that social accountability relates to demands that public institutions provide explanations, responses, and improvements to the public. In the case of the Taliabu Island Regency Regional Revenue Agency (Bapenda), social accountability does not emerge in the form of public protests or formal participatory mechanisms, but rather in the apparatus' awareness that the PAD report must be accurate because it concerns the public's right to responsible regional financial management.

The meaning of honesty as a public mandate demonstrates that local revenue (PAD) reporting has a strong ethical dimension. Honesty is not merely a tool to avoid administrative errors, but also a way for officials to maintain a relationship of trust between the government and the public. When PAD reports are prepared honestly, local governments have a sound basis for allocating resources. Conversely, when reports are prepared inaccurately, the public is potentially disadvantaged because development policies are built on misinformation.

Honesty as Moral Control Amidst System Limitations

The meaning of honesty in local revenue reporting also emerges as a form of moral control. A system of monitoring, regulations, proof of payment, verification, and tiered audits are indeed necessary to maintain report quality. However, interview results indicate that a formal system is insufficient without the moral awareness of officials. In other words, honesty operates as an internal control for officials when the system has limitations. In regional financial reporting practices, an internal control system serves to prevent errors and irregularities. However, the system can only work effectively if implementers are willing to comply with procedures. At this point, moral values become crucial. Officials may have access to procedures and documents, but the decision not to manipulate data still rests on individual integrity. The Revenue Treasurer of Bapenda stated:

"A good system can prevent errors and irregularities. However, a system alone is insufficient if it is not supported by employee moral awareness."

This quote is central to the construction of honesty as a moral control. The statement "systems alone are not enough" demonstrates the informant's recognition of the limitations of formal mechanisms. Systems can regulate the reporting flow, but they cannot always guarantee the intention, courage, and honesty of those who implement them. The researcher's justification for this interpretation lies in the informant's recognition that the quality of PAD

reports depends on a combination of procedures and morality. The Head of Bapenda also stated that:

"The system must always be supported by the moral awareness of its employees. A good system won't function optimally if its employees lack integrity."

This quote demonstrates that integrity is a prerequisite for a system's survival. Without it, procedures can become mere formalities. In this context, honesty is not merely an added value, but a crucial element in determining whether a reporting system can produce accurate information. Formal oversight requires moral oversight to ensure it doesn't stop at mere administrative compliance. The spiritual dimension also emerged in the interview. The Bapenda treasurer explained:

"I believe that every job will be accounted for, not only to the leader, but also to God."

This statement demonstrates that honesty is shaped by transcendental awareness. Officials feel supervised not only by their superiors but also by God. From a socio-spiritual accounting perspective, accountability does not stop with humans and institutions, but extends to the divine dimension. Triyuwono (2015) explains that spirituality in accounting shifts the orientation of accounting from mere record-keeping to broader ethical awareness and accountability. These findings indicate that in PAD reporting, moral control operates through the fear of making mistakes, the feeling of unease when reports are inaccurate, and the belief that work is a mandate. The Bapenda treasurer stated that reports that do not reflect reality can be detrimental to the region, the community, and himself. This statement demonstrates that honesty is not only maintained due to legal risks, but also due to a sense of inner responsibility.

Construction of the Meaning of Honesty as Social Accountability in PAD Reporting

Based on the overall findings, honesty in reporting local revenue (PAD) to the Bapenda (Regional Revenue and Revenue Agency) of Taliabu Island Regency can be constructed as a form of social accountability. Honesty is not only understood as an individual characteristic of officials, but as a social practice that connects data, systems, leaders, organizations, society, and God. In this construction, the PAD report is not merely an administrative document, but a space of accountability that embodies the values of truth, trustworthiness, courage, and concern for the public interest. This meaning is evident in the statement of the Bapenda Treasurer:

"Reporting PAD is not just an administrative task, but also involves moral responsibility, legal responsibility, and responsibility to the community."

This quote embodies the core of the research findings. The statement demonstrates that local revenue (PAD) reporting carries three layers of accountability. First, moral responsibility, namely the inner obligation to convey the truth. Second, legal responsibility, namely the obligation to follow reporting rules and procedures. Third, social responsibility, namely the obligation to the community as a stakeholder in PAD management. The Head of Bapenda also emphasized:

"Honesty is the basis of service. Without honesty, positions and work lose their meaning."

This quote demonstrates that honesty is not merely a supporting value, but the foundation of civil servants' dedication. Public office loses its meaning if it is not carried out honestly. In this context, honesty provides moral legitimacy for civil servants in carrying out their duties of reporting local revenue (PAD). The Head of Revenue stated:

"Honesty makes work accountable and makes me feel calm in carrying out my duties."

This statement demonstrates that honesty produces two forms of accountability. First, external accountability, because work can be accounted for to leaders, institutions, and the community. Second, internal accountability, because the apparatus feels morally secure. Thus, honesty not only produces accurate reports, but also inner peace for the implementers. From various informant statements, the construction of the meaning of honesty in PAD reporting can be formulated in five dimensions. First, the factual dimension, namely honesty as the conformity between revenue data, proof of payment, and field conditions. Second, the administrative dimension, namely honesty as compliance with verification, recapitulation, and reporting procedures. Third, the moral-spiritual dimension, namely honesty as a trust accounted for to God and conscience. Fourth, the social dimension, namely honesty as a responsibility to the community. Fifth, the evaluative dimension, namely honesty as a basis for improving policies and strategies to increase PAD.

These findings expand the study of public sector accountability by demonstrating that social accountability does not always manifest itself in formal reports to the public, participatory forums, or public complaint mechanisms. In the context of the Taliabu Island Regency Regional Revenue Agency (Bapenda), social accountability is evident in the daily practices of officials: matching data with receipts, refusing to inflate figures to meet targets, objectively explaining obstacles, reminding each other, and ensuring reports are consistent with the facts.

Thus, honesty bridges the gap between accounting and social accountability. Accounting provides recording and reporting procedures, while honesty ensures that these procedures produce accurate information. Without honesty, local revenue (PAD) reports may remain formatted but lose their social significance. Conversely, when honesty underpins reporting, PAD reports not only fulfill administrative obligations but also serve as a form of social accountability for local government to the community. The novelty of this research lies in the construction of honesty as social accountability in PAD reporting. This research demonstrates that honesty is not merely a personal value or individual ethic, but a social mechanism that maintains a relationship of trust between Bapenda officials, local government, and the community. In the context of Taliabu Island Regency, honesty makes PAD reports more than just revenue figures; they reflect the trustworthiness, integrity, and social responsibility of the local government.

CONCLUSION

This study concludes that honesty in reporting Locally-Owned Revenue (PAD) at the Bapenda of Taliabu Island Regency is not only interpreted as a personal attitude of officials not to lie, but as a core value that forms social accountability in regional financial management. Honesty is understood as the correspondence between figures, facts, and administrative evidence, so that every PAD receipt must be recorded according to its actual condition, not reduced or overstated, and supported by valid evidence. Thus, honesty is the basis for the birth of PAD reports that are trustworthy, transparent, and accountable.

Honesty is also defined as the courage of officials to report actual revenue (PAD) realization, especially when revenue targets have not been achieved. Target pressure should not be an excuse to manipulate data or make reports appear successful. Instead, realization that has not met targets must be reported objectively, along with an explanation of the obstacles encountered. In this context, honest PAD reports serve not only as administrative documents but also as a means of evaluation and a basis for improving regional revenue policies.

Overall, honesty in PAD reporting encompasses factual, administrative, moral-spiritual, social, and evaluative dimensions. Honesty bridges accounting practices and social accountability because accounting provides recording procedures, while honesty ensures that the resulting information is accurate and meaningful to the public. Therefore, Bapenda needs to strengthen a work culture of integrity through exemplary leadership, ethical development of its staff, consistent oversight, improving the quality of human resources, and developing a digital-based reporting system that remains underpinned by staff integrity.

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