

## Accounting Students' Perceptions of Good Governance Practices in Public Sector Financial Management

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### ABSTRACT

This study aims to explore accounting students' perceptions of good governance practices in public sector financial management. A qualitative approach was employed, utilizing a phenomenological study design. The participants consisted of six final-year accounting students who had completed the public sector accounting course, selected through purposive sampling. Data were collected through in-depth interviews and analyzed using thematic analysis based on the Miles & Huberman model. The findings indicate that students possess a solid conceptual understanding of good governance principles such as transparency, accountability, and efficiency. However, this understanding remains largely theoretical and is not yet fully supported by practical experience. Students also recognize the importance of technology, professional ethics, and international financial reporting standards in supporting public sector governance. This study recommends that educational institutions strengthen practice-based learning and the development of students' ethical character to shape competent and integrity-driven public accountants.

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## INTRODUCTION

Effective and accountable public sector financial management is a fundamental pillar in realizing good governance. Governments bear a significant responsibility to manage public resources transparently and responsibly to maintain public trust in state institutions. In this context, good governance encompasses principles such as transparency, accountability, effectiveness, efficiency, and participation. These practices are not only relevant at the central government level but are also crucial at regional, village, and even educational institutional levels. As public awareness of oversight increases, the application of good governance principles becomes increasingly vital in preventing corruption and misuse of public funds. Research by Megasyara & Imawan (2023) demonstrates that the implementation of good governance in village financial management effectively prevents fraud. They emphasize that regulatory clarity, transparency in fund utilization, and community participation are key factors in establishing a clean and professional financial management system. This indicates that the success of good governance implementation heavily depends on the quality of human resources and the supporting institutional structure. Good regulations alone are insufficient-what is also needed is a profound understanding of sound governance values among public sector actors. In this regard, higher education institutions play a crucial role in instilling these values early on in future accountants. Accounting students, as future public accounting professionals, hold a strategic position in promoting good governance in the future. According Syah et al. (2023) students' perceptions of ethical and professional issues in accounting are significantly influenced by their understanding of professional norms and ethical orientation acquired during their studies. Students who understand and appreciate professional ethics are more likely to critically evaluate deviant practices such as creative accounting. Therefore, fostering positive perceptions of good governance practices during college years can help prepare students to become agents of change in public sector institutions. Accounting education thus bears a significant responsibility in shaping students' awareness and character regarding honesty and integrity.

In a broader context, Nurimansyah & Ariyani (2020) argue that the implementation of good governance in political party financial management contributes to the maturation of democracy in Indonesia. This highlights that governance values are not limited to government budget management but are also relevant to socio-political organizations. Consistently applied principles of transparency and accountability can strengthen public trust in political institutions. When students understand this significance, they will value integrity and professionalism more in financial functions. Therefore, strengthening students' perceptions of good governance practices has long-term implications for national development. Setyawan & Lampung (2025) state that public sector accounting plays a key role in bridging financial and governmental performance, thereby enabling the realization of good governance principles. Consequently, accounting students must be equipped with an understanding of the functions and roles of public sector accounting

within an effective governance framework. Without this understanding, accounting graduates may struggle to contribute optimally to public financial management. Practice-oriented training and public sector case studies can serve as effective strategies to cultivate students' comprehension and sensitivity. This awareness is essential to ensure that students not only become competent professionals but also individuals of high moral and ethical integrity.

Research by Zuckweiler et al. (2016) reveals that business students hold diverse perceptions regarding good corporate governance practices. This reflects the fact that students' perceptions are shaped by various factors, including academic experiences, social environment, and exposure to current issues in business and government. Thus, it is important to systematically examine accounting students' perceptions of good governance practices to determine the extent of their understanding. The findings are expected to serve as a basis for evaluating accounting education curricula to ensure greater responsiveness to governance issues not only for academic purposes but also for the formation of professional character. From an international perspective, Al Kharousi et al. (2023) assert that students' perceptions of the accounting profession are strongly influenced by their understanding of the role of management accounting and its relation to public accountability. This strengthens the argument that students' comprehension of governance and financial ethics is essential not only in local contexts but also globally. Given that the modern workforce demands cross-border competencies, good governance education should align with international standards. In addition, soft skill development such as communication, leadership, and critical thinking also plays an essential role in shaping students' perceptions. Higher education institutions are thus expected to create learning environments that foster a global outlook. Gamage et al. (2023) highlight the changing landscape of the accounting profession in the digital era and the future challenges faced by accounting graduates. Today, good governance practices also involve the use of information technology in public financial reporting and transparency. Hence, students must understand the link between governance and the implementation of technologies such as ERP, big data, and IPSAS-based reporting systems. This is supported by Alrasyid et al. (2024) who state that ERP implementation can enhance business performance and reporting efficiency. These findings imply that the understanding of good governance must extend to include aspects of technology and information systems.

Furthermore, Barrett (2002) in his speech, underscored the importance of expectations regarding best governance practices in the public sector from an audit perspective. He emphasized that the audit function serves not only as a monitoring tool but also as a means of improving the efficiency and accountability of public institutions. Accounting students must understand how audits can serve as effective mechanisms for enforcing good governance principles. In their future careers, this understanding will help them not only to be technical auditors but also strategic thinkers capable of offering solutions to governance challenges. This may also encourage the emergence of young professionals who are willing to critically evaluate and improve non-

transparent systems. Based on the discussion above, it is evident that accounting students' perceptions of good governance practices in public sector financial management are highly significant and merit further investigation. These perceptions are closely tied to their future roles as financial managers, auditors, and policymakers. This research is expected to provide insights into students' understanding and attitudes toward good governance principles. Additionally, the findings may serve as valuable input for higher education institutions in designing adaptive and contextually relevant accounting curricula. Ultimately, accounting education should aim to produce graduates who are not only technically proficient but also ethical, integrity-driven, and ready to contribute to public sector governance reform in Indonesia.

## **LITERATURE REVIEW**

### **Accounting Students and Their Perceptions of Ethics and the Profession**

Accounting students are future professionals who will be involved in various financial reporting, oversight, and management processes in both private and public sectors. Therefore, their understanding and perception of professional ethics, governance, and accounting practices are crucial in determining the quality of their future performance. Research by Syah et al. (2023) indicates that knowledge of professional ethics and ethical orientation significantly influence students' perceptions of creative accounting practices, which are considered deviations in financial reporting. These findings highlight the strategic role of ethics education in shaping the integrity of future accountants. International research by Al Kharousi et al. (2023) supports these findings by showing that students' perceptions of the accounting profession are also influenced by their understanding of the role of management accounting and its social responsibilities. This affirms that students equipped with a broad comprehension of accounting and governance tend to develop more critical and responsible views toward accounting practices. Academic environment, curriculum design, and exposure to real-world practices all play significant roles in shaping accounting students' perceptions.

### **Good Governance Practices in the Public Sector**

Good governance refers to governance principles emphasizing transparency, accountability, effectiveness, efficiency, and public participation in decision-making processes. In the public sector context, these principles are foundational to achieving clean and accountable financial management. Nurimansyah & Ariyani (2020) assert that the application of good governance principles in political party financial management significantly contributes to democratic maturity, showing that governance extends beyond formal government institutions into political and social organizations. Meanwhile, a study by Megasyara & Imawan (2023) found that good governance practices serve as effective strategies for fraud prevention in village financial management. This research emphasizes the importance of transparency and public participation in all stages of public fund management. With open systems in place, financial managers' accountability can be enhanced, and public trust in public institutions can be restored. Barrett (2002) further adds that auditing plays a strategic role in supporting good governance by providing

objective assurance on the reliability of public sector financial information. From the perspective of accounting students, understanding the role of audits in governance can enhance their awareness of the importance of honest reporting and transparent systems.

### **Public Sector Financial Management and the Role of Accounting**

Public sector financial management differs from that of the private sector in its emphasis on achieving social objectives and public service delivery rather than profit generation. Therefore, public sector accounting plays a critical role in assisting governments in establishing efficient and responsible management systems. Setyawan & Lampung (2025) argue that public sector accounting bridges the gap between financial and governmental performance by serving as a core information system that upholds good governance principles. In practice, the use of information technology such as Enterprise Resource Planning (ERP) systems is also a vital part of modern public financial management. Alrasyid et al. (2024) state that ERP systems enhance organizational efficiency and effectiveness by providing real-time and accurate data integration. This not only supports financial reporting but also strengthens internal controls and facilitates data-driven decision-making. Accounting students must be introduced to these technological developments to remain adaptive to digital transformation in the public sector. Moreover, the adoption of international standards such as the International Public Sector Accounting Standards (IPSAS) is gaining traction in various countries. Patrick et al. (2017) noted that public accountants in Nigeria viewed IPSAS implementation as a means to improve accountability and transparency in government financial reporting. Hence, an understanding of these global standards is essential to be included in accounting education curricula to prepare students for global practices in public sector financial management.

### **METHODOLOGY**

This study employs a qualitative approach with a phenomenological design aimed at exploring in-depth accounting students' perceptions of good governance practices in public sector financial management. The research was conducted at several universities in South Sulawesi during February 2025. Participants were selected through purposive sampling, with the criteria being active final-year students who had completed the public sector accounting course. A total of six informants participated in this study. Data were collected through in-depth interviews using a semi-structured interview guide, along with documentation of syllabi or learning materials. The researcher, serving as the primary instrument, conducted the interviews, transcription, and direct data interpretation. Thematic analysis was applied based on the Miles & Huberman model, which involves data reduction, data display, and conclusion drawing. Data validity was ensured through triangulation, member checking, and peer debriefing discussions. This methodology is expected to provide a deep understanding of how students perceive and evaluate the importance of good governance in public financial management.

## **RESULT AND DISCUSSION**

This study successfully explored the perceptions of six final-year accounting students who had completed the public sector accounting course. Overall, the informants demonstrated a good understanding of the concept of good governance, particularly in the context of public sector financial management. They described good governance as a governance system that emphasizes transparency, accountability, efficiency, and public participation in government financial processes. Several informants acknowledged the importance of transparency in budget reporting, particularly to allow the public to monitor the use of public funds. They also emphasized that accountability is not only the responsibility of the central government but must also be implemented at the village or lowest administrative levels. According to the informants, good governance practices are closely tied to anti-corruption efforts and public trust in state institutions. Additionally, the students connected their understanding of good governance with the values of professional ethics in accounting. They expressed that ethical education provided during their studies has significantly shaped their views on integrity and the social responsibility of accountants. Some even noted that good governance cannot be effectively implemented without morally aware and highly professional individuals. Regarding the learning experience, most students felt that the accounting curriculum had sufficiently provided insight into the importance of sound financial governance. However, they suggested the inclusion of more real-life case studies or public budget management simulations to better understand the practical challenges involved. This reflects a need for more contextual and applied learning approaches. Several informants also demonstrated awareness of the role of technology-such as the use of ERP systems and digital reporting in supporting good governance. They recognized that technology plays a vital role in enhancing transparency and efficiency in the public sector. This indicates that students are becoming more receptive to digital developments in the accounting field, even though most admitted to having limited technical expertise in such systems. Overall, the informants had a positive outlook on good governance and believed in its crucial role in shaping the future of the public sector. They also acknowledged that accountants-whether in government or non-profit organizations-bear the responsibility of acting as agents of change in realizing good governance. The interviews revealed that the values of good governance are beginning to take root in students' mindsets, although reinforcement through practical experience and cross-sectoral exposure is still needed. The findings indicate that accounting students possess a fairly strong conceptual understanding of good governance principles, including transparency, accountability, effectiveness, efficiency, and participation. This aligns with the findings of Syah et al. (2023) which emphasize the significant influence of ethical knowledge and orientation on students' attitudes toward deviant accounting practices. This understanding, while still largely theoretical, is beginning to shape students' critical awareness of the importance of sound governance in the public sector. These findings are also consistent with those of Megasyara & Imawan (2023), who highlight the importance of public

involvement and transparency in public fund management as key fraud prevention strategies. The participating students similarly acknowledged the need for public oversight and budget data transparency as a means of accountability to the public. As such, they recognize that public accountants must play a strategic role not only as financial record-keepers but also as ethical guardians in public financial management. Moreover, students' awareness of accounting technologies such as ERP and international standards like IPSAS suggests that they are beginning to appreciate the digital transformation occurring in public sector accounting. This finding is in line with studies by Alrasyid et al. (2024) and Patrick et al. (2017) which highlight the importance of adopting technology and global standards to improve the efficiency and transparency of public financial reporting. However, students also admitted that their understanding tends to remain theoretical. This is a crucial input for higher education institutions to develop more practice-based learning approaches, such as public sector financial simulations, case-based projects, and training in government accounting software. As noted by Zuckweiler et al. (2016), Student perceptions are greatly influenced by exposure to real contexts and students' perceptions are strongly influenced by their exposure to real-world contexts and the learning methods experienced during their academic journey. Considering these findings, it can be concluded that while students have a generally positive perception of good governance, there is still room for improvement in terms of practical experience and technological proficiency. Higher education institutions have a strategic role in producing graduates who are not only technically competent but also sensitive to governance, transparency, and accountability issues.

## **CONCLUSIONS AND RECOMMENDATIONS**

This study reveals that accounting students possess a sound understanding of the concepts and principles of good governance in public sector financial management particularly regarding the importance of transparency, accountability, and professional ethics. Although most students grasp the significance of good governance, their understanding remains largely theoretical and not yet fully connected to practical experience. They are aware of the strategic role of public accountants as agents of change in creating clean and responsible governance, as well as the importance of adopting technologies like ERP and international standards such as IPSAS. This reflects that higher education has begun to instil governance values, although further strengthening through more applied learning approaches is needed. Based on these findings, it is recommended that higher education institutions, particularly accounting programs, enhance their curricula by incorporating more practice-based learning methods such as case studies, public budgeting simulations, and training on public sector accounting systems. Furthermore, the development of ethical values and integrity should be continuously reinforced to ensure that graduates are not only technically skilled but also possess strong character and social responsibility in addressing public financial governance challenges.

## FURTHER STUDY

This research still has limitations so further research is still needed on this topic "Accounting Students' Perceptions of Good Governance Practices in Public Sector Financial Management".

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