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The influence of regional wealth, regional expenditure, and debt financing ratio on internet financial reporting in Indonesia. *Economic and Business Horizon*, 5(5), 679-692.

The Influence of Regional Wealth, Regional Expenditure, and Debt Financing Ratio on Internet Financial Reporting in Indonesia

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Abstract

Internet Financial Reporting (IFR) is an important mechanism for enhancing transparency and accountability in regional financial management by providing public access to government financial information. This study aims to examine the partial and simultaneous effects of regional wealth, regional expenditure, and debt financing ratio on internet financial reporting in Indonesia. This study employs a quantitative approach using secondary data from Provincial Government Financial Reports for the 2022–2024 fiscal years, obtained from the Audit Board of the Republic of Indonesia and provincial government websites. The data were analyzed using multiple linear regression. The results indicate that regional wealth and debt financing ratio do not significantly influence IFR, while regional expenditure has a significant influence on IFR. Simultaneously, regional wealth, regional expenditure, and debt financing ratio significantly influence IFR. These findings suggest that regional expenditure plays a more important role in encouraging financial information disclosure through digital platforms, while regional wealth and debt financing ratio alone are insufficient to determine the extent of IFR. Therefore, strengthening expenditure management and digital disclosure practices is important to improve transparency and public accountability in regional financial management.

Keywords

Debt Financing Ratio, Internet Financial Reporting, Regional Expenditure, Regional Wealth.

1. Introduction

Local government financial management is an essential component of good governance, requiring transparency and accountability to ensure public access to information on the use of financial resources (Jannah et al., 2025). Government Regulation Number 11 of 2001 concerning Regional Financial Information and Law Number 23 of 2014 concerning Regional Government emphasize the obligation of local governments to manage and disclose financial information transparently and responsibly. Transparency in regional financial management also contributes to strengthening accountability and improving the quality of governance (Masdar et al., 2021). In this context, transparent financial reporting serves as an important mechanism for strengthening public accountability and trust in government institutions.

The development of information and communication technology has further increased public demand for accessible government financial information. Supported by Law Number 14 of 2008 concerning public information disclosure, local governments increasingly utilize official websites to implement Internet Financial Reporting (IFR) through the publication of Budget Realization Reports, Local Government Financial Reports (*Laporan Keuangan Pemerintah Daerah/LKPD*), and other financial information (Masra & Sari, 2020). IFR facilitates public access while reflecting the extent of transparency through the availability, accessibility, completeness, and timeliness of financial information. Previous studies confirm the importance of IFR in local government transparency, although its implementation remains uneven across regions (Windarti, 2021; Albahrudin et al., 2023).

The implementation of IFR among provincial governments in Indonesia has shown positive development; however, differences in disclosure practices remain. As presented in Figure 1, the percentage of provincial governments publishing LKPD through official websites increased from 58% in 2022 to 71% in 2023 and reached 68% in 2024. These findings indicate that although most provincial governments have implemented IFR, several governments still have not optimized their official websites as financial transparency platforms. This condition highlights the need to examine factors that influence IFR implementation (Nurhaliza et al., 2025).

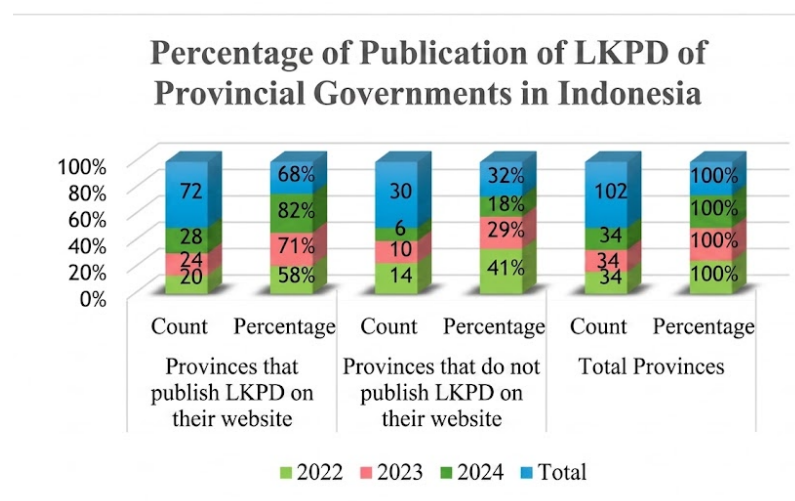


Figure 1. Percentage of Publication of LKPD of Provincial Governments in Indonesia

One factor that may influence IFR is regional wealth. Regional wealth represents the financial capacity of local governments in managing their resources. According

to Winangsih and Fathah (2023), regional wealth can be measured through the total realization of Local Own-Source Revenue (*Pendapatan Asli Daerah*/PAD), which reflects the ability of local governments to support operational activities. Higher regional wealth may encourage governments to provide wider financial disclosures as a demonstration of responsible resource management. Putri and Setiawan (2022) found that regional wealth influences IFR, indicating that financially capable governments tend to have better transparency practices.

Another factor related to IFR is regional expenditure. Regional expenditure represents the allocation of government funds to finance public programs and governmental activities. Putri and Setiawan (2022) stated that higher expenditure levels may encourage governments to disclose financial information because greater budget utilization requires stronger accountability to the public. However, Winangsih and Fathah (2023) found that regional expenditure does not influence IFR, indicating inconsistent empirical findings regarding this relationship.

Furthermore, the debt financing ratio or leverage may also affect IFR implementation. Amanda et al. (2025) stated that leverage reflects the government's ability to manage funds obtained through debt financing for public services and development programs. Higher leverage may increase external supervision from the central government, creditors, and society, which encourages local governments to provide more transparent financial information. Putra and Syofyan (2020) found that leverage influences IFR, suggesting that financial obligations can motivate governments to improve disclosure practices.

Previous studies have provided different findings regarding the determinants of IFR. Putri and Setiawan (2022) found that regional wealth and expenditure influence IFR, while Winangsih and Fathah (2023) found that only regional wealth affects IFR, and regional expenditure has no significant effect. Meanwhile, Amanda et al. (2025) demonstrated that leverage influences IFR. These inconsistencies indicate a research gap regarding the factors affecting IFR, particularly in the context of Indonesian provincial governments. This study extends previous research by incorporating regional wealth, regional expenditure, and debt financing ratio simultaneously using a broader sample of provincial governments in Indonesia during 2022–2024.

Therefore, this research aims to examine the influence of regional wealth, regional expenditure, and debt financing ratio on internet financial reporting practices among provincial governments in Indonesia. This study is expected to provide theoretical and practical benefits. It contributes to the development of public sector accounting literature by providing insights into the factors influencing IFR. The findings provide information for evaluating public sector financial transparency and offer recommendations for local governments to improve financial management disclosure practices.

2. Literature Review and Hypothesis Development

2.1. Influence of Regional Wealth on Internet Financial Reporting

According to Law Number 23 of 2014, local own-source revenue is regional income generated from local sources, including regional taxes, levies, management of separated assets, and other legally recognized revenues. Higher PAD reflects greater regional financial capacity but also increases public demands for transparency and accountability in managing public resources. As principals, the public has the right to monitor government performance and access financial information. Therefore, local governments can utilize IFR to disclose financial reports, reduce information asymmetry, and strengthen public accountability (Hadi & Setiawan, 2020). This is consistent with Law Number 33 of 2004, which

emphasizes that regional financial information should be transparent and accessible to the public.

Based on agency theory, this demonstrates a close relationship between the central government, regional governments, and the public. The regional government acts as the agent and the public as the principal (Jensen & Meckling, 1976). The local government is entrusted by the public with the responsibility to manage resources derived from regional taxes and levies. The government must strive to demonstrate accountability for the performance and management of regional assets to the public, who are entitled to financial information presented through IFR. Putri and Setiawan (2022) stated that regional wealth has a significant influence on internet financial reporting. Local governments with substantial regional wealth will be encouraged to implement IFR on their official websites as a form of accountability and transparency (Nurhaliza et al., 2025). This view is also supported by Pattawe et al. (2022), who emphasized that effective regional financial management and financial reporting are important for strengthening accountability in local governments. Research conducted by Winangsih and Fathah (2023) and Afrian and Nelvrita (2025) also explains the influence of regional wealth on IFR in local governments.

H1: Regional wealth has a positive effect on internet financial reporting.

2.2. Influence of Regional Expenditure on Internet Financial Reporting

According to Government Accounting Standards Statement Number 02, regional expenditures are government expenditures that reduce the regional general treasury balance and must be borne within the fiscal year. Under Government Regulation Number 71 of 2010, expenditures are classified into operational, capital, unforeseen, and transfer expenditures. Regional expenditures also provide information on development progress and serve as a basis for controlling and evaluating government performance (Winangsih & Fathah, 2023). In the perspective of agency theory, regional expenditures reflect the government's responsibility to manage and account for public resources transparently in accordance with public interests. Regional expenditure data in this study cover the 2022–2024 fiscal years.

Regional Expenditure Theory is defined as any form of regional government obligation recognized as a reduction in net assets. High regional expenditure can be used as evidence that the regional government has used the budget for the public interest (Masra & Sari, 2020). Therefore, it can be interpreted that the higher the regional expenditure, the greater the government's desire to submit its financial reports to the public, especially through the government website, namely internet financial reporting.

Research conducted by Putri and Setiawan (2022) found that regional expenditure has a positive effect on internet financial reporting, Wulandari (2024) found that regional expenditure has an effect on internet financial reporting, Nurhunah et al. (2023) found that regional expenditure has an effect on internet financial reporting, Masra and Sari (2020) found that regional expenditure has a positive effect on internet financial reporting. Winangsih and Fathah (2023) found that regional expenditure has a positive effect on internet financial reporting. Sarumaha et al. (2024) also found that regional expenditure influences internet financial reporting accessibility among regency and city governments in South Sumatra.

H2: Regional expenditure has a positive effect on internet financial reporting.

2.3. Influence of Debt Financing Ratio on Internet Financial Reporting

The debt financing ratio, or leverage, reflects the government's ability to manage and guarantee borrowed funds used to finance public services, development programs, and community needs. From the government's perspective, debt financing provides additional resources to support regional development and the realization of public aspirations. However, higher leverage also increases the government's obligations to creditors and creates greater demands for monitoring its financial capacity and debt repayment. Therefore, local governments with higher leverage may have stronger incentives to disclose financial information transparently through IFR. Based on Signaling Theory, IFR can function as a mechanism for local governments to communicate financial conditions to the public and creditors, reduce information asymmetry, and strengthen public confidence in government financial management (Juniantika & Hapsari, 2020; Iszardani & Hardiningsih, 2021; Astuti & Pertiwi, 2022).

Empirical studies provide support for the relationship between debt-to-financing ratio and internet financial reporting. Hadiananto and Murtin (2020), Putra and Syofyan (2020), and Amanda et al. (2025) found that debt financing ratio influences internet financial reporting. As the debt financing ratio increases, local governments may have greater incentives to provide accessible and transparent financial information to demonstrate their ability to manage financial obligations. Internet financial reporting therefore serves not only as a disclosure mechanism but also as a signaling instrument to stakeholders regarding the government's financial accountability.

H3: Debt payment ratio has a positive effect on internet financial reporting.

2.4. The Simultaneous Effect on Internet Financial Reporting

In the digital era, IFR has become an important mechanism for local governments to communicate financial information to the public and other stakeholders. IFR refers to the disclosure of local government financial information through internet-based platforms, enabling wider and easier access to financial reports as a form of transparency and public accountability. Several financial characteristics may influence IFR disclosure, including regional wealth, regional expenditure, and leverage. Regional wealth, commonly measured by PAD, reflects the financial capacity of local governments, while regional expenditure represents government activities in providing public services and developing infrastructure. Meanwhile, leverage indicates the extent to which regional activities are financed through liabilities and may encourage greater disclosure to demonstrate the government's ability to manage its financial obligations. Putri and Setiawan (2022) found that regional wealth and expenditure are relevant to IFR disclosure, supporting the importance of these financial characteristics in explaining government transparency.

Based on Agency Theory, local governments act as agents entrusted by society and the central government as principals to manage public resources. This delegation creates information asymmetry and increases the need for transparency and accountability through financial disclosure. Furthermore, Signaling Theory suggests that regional wealth, expenditure, and leverage can provide signals regarding government financial capacity, performance, and responsibility to stakeholders. Anto et al. (2023) also indicate that financial characteristics, including regional expenditure and leverage, are associated with IFR practices in Indonesian local governments. Therefore, the simultaneous relationship among regional wealth, regional expenditure, and leverage is important to examine in determining the extent of IFR disclosure by local governments in Indonesia.

H4: Regional wealth, regional expenditure, and debt financing ratio have an impact on internet financial reporting.

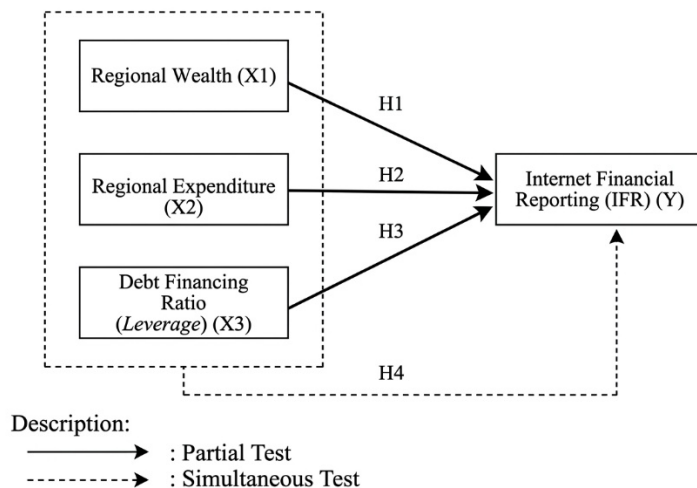


Figure 2. Research Framework

Based on the framework of thought outlined in Figure 2, it can be seen that this study analyzes the influence of the independent variables, regional wealth, regional expenditure, and debt financing ratio (leverage), on the dependent variable, namely internet financial reporting.

3. Methods

This study uses a quantitative research design with a causal approach to examine the factors influencing internet financial reporting among provincial governments in Indonesia. The quantitative approach is applied because this study aims to test hypotheses and analyze the relationship between independent variables and the dependent variable using statistical analysis (Sugiyono, 2023). The data used in this study are secondary data obtained from audited LKPD published by provincial governments and the official website of the Audit Board of the Republic of Indonesia (*Badan Pemeriksa Keuangan Republik Indonesia/BPK RI*) (Badan Pemeriksa Keuangan RI, 2025). The research was conducted on provincial governments in Indonesia using financial data and website disclosure information during the 2022–2024 period. The data collection and analysis process was carried out from February to June 2026.

The study examines IFR as the dependent variable and regional wealth, regional expenditure, and leverage as independent variables. IFR is measured using a dummy scale, where a value of 1 is assigned if the provincial government publishes LKPD through its official website, and a value of 0 is assigned if the provincial government does not publish financial reports through its website. Regional wealth is measured using the natural logarithm of total PAD with a ratio scale, representing the financial capacity of local governments. Regional expenditure is measured using the natural logarithm of total regional expenditure with a ratio scale, reflecting government spending activities in providing public services. The debt financing ratio is measured using the Debt to Asset Ratio (DAR), calculated by comparing total liabilities to total assets, using a ratio scale to represent the extent of government financing through debt.

The population of this study includes all 38 provincial governments in Indonesia. The sampling technique used is purposive sampling, where samples are selected based on specific criteria relevant to the research objectives. The criteria include: (1) provincial governments that provide complete LKPD data during the 2022–2024

period, (2) provincial governments that publish financial reports consistently during the observation period, and (3) provincial governments that disclose or do not disclose LKPD through their official websites during the research period. Based on these criteria, 32 provincial governments were selected as samples, resulting in 96 observations from three years of research data.

Data were collected through documentation by obtaining secondary data from official government sources, including regional financial reports, regional financial information, and financial disclosure information published on the official websites of provincial governments in Indonesia. The data were analyzed using logistic regression with SPSS version 25 (Ghozali, 2021), as the dependent variable was a dummy variable indicating whether a provincial government implemented IFR. Analysis comprised descriptive statistics and logistic regression. Model evaluation included the Overall Model Fit test, Hosmer-Lemeshow Goodness-of-Fit test, Nagelkerke R Square, and classification matrix to assess model suitability, feasibility, explanatory power, and prediction accuracy. Hypothesis testing employed the Wald test to examine the partial effects of regional wealth, regional expenditure, and debt financing ratio, while the Omnibus Test of Model Coefficients assessed their simultaneous effects on IFR.

4. Results

The descriptive analysis presents the characteristics of the research variables, consisting of IFR, regional wealth, regional expenditure, and debt financing ratio. This study uses secondary data from provincial governments in Indonesia during the 2022–2024 period, with a total of 102 observations. The results provide an overview of the development and variation of each variable during the research period. The implementation of IFR among provincial governments in Indonesia shows an increasing trend. In 2022, 20 provinces published their financial reports through official government websites. This number increased to 24 provinces in 2023 and reached 28 provinces in 2024. This development indicates that provincial governments have gradually improved their commitment to transparency and accountability through the utilization of digital platforms for financial information disclosure.

Regional wealth experienced slight fluctuations during the observation period. The average value increased from 28.65 in 2022 to 28.81 in 2023 and slightly decreased to 28.71 in 2024. These changes indicate differences in the financial capacity of provincial governments in managing their regional resources. Meanwhile, regional expenditure showed a relatively stable increasing trend, with the average value rising from 29.41 in 2022 to 29.48 in 2023 and 29.51 in 2024. This indicates that government spending activities continued to grow in supporting public services and regional development. Furthermore, the debt financing ratio showed relatively stable conditions with minor fluctuations during the research period. The average debt financing ratio remained at 0.061 in 2022 and 2023 before slightly decreasing to 0.058 in 2024. These findings indicate that provincial governments generally maintained relatively low levels of debt financing. The descriptive results demonstrate variations in the financial conditions of provincial governments, while the increasing implementation of IFR reflects greater efforts to improve transparency and accountability in public financial management through digital reporting.

Table 1 presents the descriptive statistics of the secondary data used in this study, including regional wealth, regional expenditure, debt financing ratio, and IFR. The results show that regional wealth has a minimum value of 28 and a maximum value of 3,156, with a mean value of 2,583.86 and a standard deviation of 817.758. Regional expenditure has a minimum value of 283 and a maximum value of 3,187, with an average value of 2,763.80 and a standard deviation of 677.034. Meanwhile, the debt

financing ratio has a minimum value of 0.003 and a maximum value of 0.227, with a mean value of 0.05973 and a standard deviation of 0.045561. The mean values of all three variables are higher than their respective standard deviations, indicating that the data distribution is relatively stable and does not show excessive variation among the observed provincial governments.

Table 1. Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Internet Financial Reporting	102	0	1	0.71	0.458
Regional Wealth	102	28	3,156	2,583.86	817.758
Regional Expenditure	102	283	3,187	2,763.80	677.034
Debt Financing Ratio	102	0.003	0.227	0.05973	0.045561

The descriptive statistics for IFR indicate a minimum value of 0 and a maximum value of 1, with a mean value of 0.71 and a standard deviation of 0.458. Since IFR is measured using a dummy variable, the mean value indicates that the majority of provincial governments in the sample have implemented IFR practices through their official websites. This finding suggests that digital financial disclosure has become a common practice among Indonesian provincial governments as part of efforts to improve transparency and accountability in public financial management.

Table 2. Model Fit Block 0 & 1

Step	Iteration	-2 Log Likelihood	Constant	Regional Wealth	Regional Expenditure	Debt Financing Ratio
Step 0	1	123.640	0.824	—	—	—
	2	123.583	0.875	—	—	—
	3	123.583	0.875	—	—	—
Step 1	1	114.962	-0.338	0.000	0.001	-0.248
	2	114.331	0.004	-0.001	0.001	-0.417
	3	114.311	0.108	-0.001	0.001	-0.445
	4	114.311	0.113	-0.001	0.001	-0.446
	5	114.311	0.113	-0.001	0.001	-0.446

Table 2 shows the initial -2 Log Likelihood (-2LL) value (Block Number = 0) of 123.640. Furthermore, Table 2 shows the final -2 Log Likelihood (-2LL) value (Block Number = 1) of 114.962. These results indicate a decrease in the -2 Log Likelihood value of 8.678 after the independent variables were entered into the model. The decrease in the -2 Log Likelihood value from the initial to the final model indicates that the logistic regression model used has a better ability to explain the dependent variable. Therefore, it can be concluded that the hypothesized model fits the research data and is suitable for further analysis.

Table 3. Hosmer and Lemeshow Test and Model Summary

Model Evaluation	Step	Chi-square	df	Sig.	-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
Hosmer and Lemeshow Test	1	6.099	8	0.636	—	—	—
Model Summary	1	—	—	—	114.311	0.087	0.124

Based on the results presented in Table 3, the Hosmer and Lemeshow Test shows a significance value of 0.636, which is greater than the 0.05 significance level. This

indicates that there is no significant difference between the values predicted by the model and the observed values. Therefore, the logistic regression model used in this study is considered fit with the research data and is appropriate for further analysis. These results demonstrate that the model has adequate ability to predict the implementation of IFR among provincial governments in Indonesia.

Furthermore, the model summary results presented in Table 3 show a Nagelkerke R-Square value of 0.124. This value indicates that regional wealth, regional expenditure, and debt financing ratio are able to explain 12.4% of the variation in IFR. Meanwhile, the remaining 87.6% is explained by other factors outside the research model that were not examined in this study. These findings suggest that the explanatory power of the model is relatively limited, indicating that other factors may have a greater influence on IFR implementation among provincial governments in Indonesia.

Table 4. Classification Table

Observed Classification	Predicted Classification		Percentage Correct (%)	
	Not Implementing IFR	Implementing IFR	Total	
Not Implementing IFR	5	25	30	16.7
Implementing IFR	1	71	72	98.6
Overall Percentage			102	74.5

The classification table is used to evaluate the ability of the logistic regression model to predict the implementation of IFR among provincial governments in Indonesia. Based on Table 4, the model demonstrates a good predictive ability, with an overall classification accuracy of 74.5%. The model correctly predicts 71 provincial governments that implement IFR, with an accuracy rate of 98.6%, while it correctly classifies 5 provincial governments that do not implement IFR, with an accuracy rate of 16.7%. These results indicate that the model has stronger predictive capability in identifying provincial governments that implement IFR compared to those that do not.

Table 5. Partial Logistic Regression Test Results

Variables	B	S.E.	Wald	df	Sig.	Exp(B)
Regional Wealth	-0.001	0.000	2.052	1	0.152	0.999
Regional Expenditure	0.001	0.000	5.693	1	0.017	1.001
Debt Financing Ratio	-0.446	4.947	0.008	1	0.928	0.640
Constant	0.113	1.366	0.007	1	0.934	1.120

Based on the logistic regression results presented in Table 5, regional wealth and debt financing ratio show a negative relationship with IFR, while regional expenditure shows a positive relationship. The constant value of 0.113 indicates that provincial governments tend to implement IFR even without the influence of the independent variables. Regional wealth has a negative coefficient of -0.001 but does not significantly affect IFR, as its significance value is above 0.05. Regional expenditure has a positive coefficient of 0.001 and significantly influences IFR, indicating that higher regional expenditure encourages greater financial disclosure through the internet. Meanwhile, the debt financing ratio has a negative coefficient of -0.446 but does not significantly affect IFR.

The hypothesis testing results indicate that regional wealth (H1) and debt financing ratio (H3) are rejected because they do not have a significant effect on IFR, while regional expenditure (H2) is accepted as it has a significant effect on IFR. These findings suggest that IFR implementation among provincial governments in

Indonesia is more strongly associated with the level of regional expenditure rather than regional wealth and debt financing ratio.

Table 6. Simultaneous Logistic Regression Test Results

Step	Chi-square	df	Sig.
Step	9.271	3	0.026
Block	9.271	3	0.026
Model	9.271	3	0.026

The simultaneous hypothesis test using the Omnibus Test of Model Coefficients was conducted to determine whether regional wealth, regional expenditure, and debt financing ratio jointly affect IFR. The decision criteria use a significance level of 5% ($\alpha = 0.05$), where a significance value below 0.05 indicates that the independent variables simultaneously have a significant effect on IFR, while a value above 0.05 indicates no significant simultaneous effect. Based on the test results presented in Table 6, a significance value of 0.026 was obtained. This value is lower than the established significance level of 0.05 ($0.026 < 0.05$). Therefore, H_0 is rejected, and H_a is accepted. These results indicate that the independent variables, consisting of regional assets, regional expenditures, and debt financing ratio, simultaneously have a significant effect on the dependent variable, IFR. This finding indicates that these three independent variables collectively have the ability to explain the implementation of IFR in provincial governments in Indonesia during the 2022–2024 period. In other words, changes in the variables regional assets, regional expenditures, and debt financing ratio can collectively influence the level of internet financial reporting implementation.

5. Discussion

The first hypothesis examines the effect of regional wealth on IFR. The results indicate that regional wealth does not have a significant effect on IFR implementation. This finding suggests that the level of financial capacity owned by local governments is not the primary factor determining whether financial reports are disclosed through official government websites. The result is consistent with Livana (2020) and Hadiananto and Murtin (2020), who found that regional wealth does not influence internet-based financial reporting disclosure. However, this finding contradicts Putri and Setiawan (2022) and Afrian and Nelvirita (2025), who found that regional wealth affects financial disclosure through the internet. This condition indicates that both wealthy and less wealthy local governments have similar obligations to provide financial information as a form of transparency and public accountability. Therefore, IFR implementation may be more influenced by government commitment, information disclosure policies, technological readiness, and human resource capacity rather than the amount of financial resources owned. This finding does not support agency theory, which assumes that greater resources owned by government entities will increase public demands for accountability and transparency.

The second hypothesis analyzes the effect of regional expenditure on IFR. The results demonstrate that regional expenditure has a significant effect on IFR implementation. This finding indicates that higher government expenditure encourages local governments to provide broader financial disclosures through digital platforms. Large expenditure reflects greater government activities in implementing public programs and services, which increases the need for accountability regarding the utilization of public funds. This finding supports previous studies conducted by Putri and Setiawan (2022) and Wulandari (2024), which found that regional expenditure influences internet-based financial reporting. However, it differs from Winangsih and Fathah (2023) and Nurhunah et al. (2023),

who reported that regional expenditure does not affect IFR. The result supports agency theory because local governments, as agents, have an obligation to provide transparent information to society as principals regarding the management of public resources.

The third hypothesis examines the effect of debt financing ratio on IFR. The results show that the debt financing ratio does not significantly influence IFR practices. This finding indicates that the level of government debt financing does not determine the decision of local governments to publish financial information through the internet. This result is consistent with Putra and Syofyan (2020), who found that the debt financing ratio does not affect internet-based financial reporting disclosure. However, it contradicts Amanda et al. (2025), who found that debt financing ratio influences IFR. The absence of influence may occur because government debt levels are relatively controlled and supervised by the central government, resulting in limited differences in debt financing ratio conditions among regions. Therefore, financial disclosure through IFR is more likely driven by regulatory obligations and public accountability requirements rather than debt conditions. This finding does not support signaling theory, which suggests that governments with certain financial conditions tend to provide broader disclosures to deliver positive signals regarding their financial management capability.

The simultaneous results show that regional wealth, regional expenditure, and debt financing ratio collectively influence IFR, indicating that IFR implementation is shaped by the combined financial conditions of local governments rather than a single characteristic. Regional wealth provides financial capacity for transparency, while expenditure and debt financing ratio increase accountability pressures related to public fund management. This finding supports agency and signaling theories, as IFR enables local governments to reduce information asymmetry and signal transparency and accountability to stakeholders. Consistent with Juniantika and Hapsari (2020), financial characteristics, including local government wealth and debt levels, were also found to simultaneously influence IFR, reinforcing the role of financial conditions in shaping government financial disclosure.

6. Conclusion

This study concludes that regional wealth and debt financing ratio do not have a significant partial effect on IFR among provincial governments in Indonesia. These findings indicate that the level of financial capacity and debt financing does not necessarily determine the decision of local governments to disclose financial information through official websites. Meanwhile, regional expenditure has a positive and significant effect on IFR, suggesting that higher government spending increases the demand for transparency and accountability regarding the management of public funds. Furthermore, regional wealth, regional expenditure, and debt financing ratio simultaneously have a significant effect on IFR, indicating that the implementation of financial disclosure practices is influenced by the combination of local government financial characteristics.

This study provides practical implications for local governments to strengthen digital financial transparency by improving the quality, completeness, accessibility, and timeliness of financial information published through official websites. The findings also highlight the importance for policymakers to develop clearer regulations regarding internet-based financial disclosure to encourage consistent IFR implementation among local governments. However, this study has limitations, particularly regarding the observation period, which only covers 2022–2024, and the use of limited financial characteristics as explanatory variables. Future research is encouraged to extend the research period, include additional variables such as institutional factors, technological readiness, government size, or governance

quality, and apply alternative measurement approaches to obtain a more comprehensive understanding of factors influencing IFR practices.

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