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The influence of internal control systems and managerial competence on the quality of BUMDES financial reports with information technology as a moderating variable (study in Karo Regency)

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Abstract

This study examines the influence of internal control systems (SPI) and managerial competence on the quality of financial reports in Village-Owned Enterprises (BUMDes) in Karo Regency, Indonesia, with information technology (TI) as a moderating variable, amid challenges in rural economic governance and digital adoption. Employing a quantitative associative design, data were collected via questionnaires from 105 managers (chair, secretary, treasurer) across 35 BUMDes, selected through purposive sampling, and analyzed using multiple linear regression and Moderated Regression Analysis (MRA) in IBM SPSS 25, following classical assumption tests. Findings reveal SPI and competence significantly and positively affect financial report quality both partially ($t=8.261$, $p<0.001$; $t=8.188$, $p<0.001$) and simultaneously ($F=62.705$, $p<0.001$; $R^2=55.1\%$), while IT significantly moderates SPI's effect ($t=-2.820$, $p=0.006$; coefficient=-0.031) but shows no moderation for competence ($t=-0.996$, $p=0.321$). The full MRA model explains 66.3% variance. These results underscore the need for integrated capacity building and phased IT implementation to enhance BUMDes transparency and PADes, enriching contingency theory in rural accounting contexts.

Keywords: BUMDes, Financial Report Quality, Internal Control Systems, Information Technology Moderation, Managerial Competence

INTRODUCTION

Current national economic development relies heavily on strengthening the village economy through optimizing the role of Village-Owned Enterprises (BUMDes) as a key

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pillar of community welfare. Globally, the trend of strengthening community-based business entities such as BUMDes is increasingly relevant amidst efforts to achieve the Sustainable Development Goals (SDGs), particularly SDG 8 on decent work and economic growth, where BUMDes are able to drive the wheels of the local economy by utilizing the potential of village resources independently and professionally (Sidik, 2020). At the national level, the latest data shows that in 2023-2025, the number of BUMDes experienced a significant increase, with contributions to Village Original Income (PADes) reaching billions of rupiah, although financial governance challenges remain a crucial issue that hinders their effectiveness (Hidayat, 2023). The relevance of this topic is not only practical in supporting village independence, but also scientific as it forms the basis for the development of public sector accounting theory in the digital era.

However, at the village level, particularly in Karo Regency, the vast potential of Village-Owned Enterprises (BUMDes) in the agriculture and tourism sectors has not been fully realized due to the weak quality of financial reports, which often do not meet accounting standards such as SAK ETAP. Field phenomena show variations in performance among BUMDes, where some have succeeded in winning transparency awards, but the majority face obstacles in standardizing reports, with data from the Karo Regency Statistics Agency (BPS) in 2025 recording financial data discrepancies of up to 30% in several sub-districts (BPS Karo Regency, 2025). Furthermore, weaknesses in the internal control system (SPI) and the low competence of human resources (HR) managers often lead to inaccurate reporting, which in turn reduces public trust and hinders external investment (Firnanda, 2023).

Previous research has confirmed that SPI plays a fundamental role in improving the reliability of BUMDes financial reports, as demonstrated by a study in Temanggung that found a significant positive effect of SPI on reporting quality (Almas et al., 2025). Similarly, human resource competencies, including accounting knowledge and training, have been shown to promote accurate journaling and reporting in accordance with regulations (Amira & Astuti, 2023). Furthermore, the implementation of information technology is often cited as a key enabler, with findings across various regions confirming its role in accelerating the reporting process and reducing human error (Nasser & Al-Kharusi, 2022).

However, research findings show striking inconsistencies; for example, some studies find SPI to be the sole dominant factor (Putri et al., 2025), while others argue that without adequate human resource competencies, SPI is ineffective (Nadhifah et al., 2025). The role of information technology is also contradictory: some view it as a driver

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of quality (Hanifah et al., 2023), while others view it as a cost burden amidst limited village infrastructure (Defana & Rahayu, 2023). The main limitations of previous studies lie in the lack of analysis of information technology's moderation of the SPI-competence relationship with report quality, as well as the limited focus on unique sociogeographical contexts such as Karo Regency, which is dominated by agricultural and tourism potential with high management turnover (Al Farishi & Lauw, 2023).

An explicit research gap is the absence of a comprehensive study examining the moderating role of information technology on the influence of SPI and HR competency on the quality of BUMDes financial reports in Karo Regency, where contingency theory emphasizes system adjustments to local factors such as infrastructure and environmental uncertainty (Otley, 1980; Chenhall, 2003). This problem statement arises due to the inconsistency between the literature and the field reality in Karo, where despite strong central regulations, implementation at the village level is still weak, so a moderation model is needed to optimize village fund management.

This study aims to analyze the influence of SPI and human resource competency on the quality of BUMDes financial reports in Karo Regency, with information technology as a moderating variable, through a moderated regression analysis approach. The urgency of this current research is driven by the dynamics of village financial regulations post-2025 and the need for BUMDes development in rapidly developing regions such as Karo, to prevent fund leakage and increase PADes. The novelty lies in the integration of contingency theory with Karo contextual moderation analysis, which has not been previously explored, thus providing a theoretical contribution in the form of enrichment of digital-based village accounting models and practical contributions in the form of policy recommendations for the Karo Regency Government in developing BUMDes (Theana et al., 2025; Rahmawati et al., 2022).

METHOD

This study used a quantitative method with an associative design to examine the relationship between variables. The population in this study were all active BUMDes managers in Karo Regency. The research sample was determined using a purposive sampling technique with the criteria of managers directly responsible for the financial function. Primary data were collected through questionnaires distributed to respondents. The independent variables consisted of the Internal Control System (X1) and Manager Competence (X2), the dependent variable was Financial Report Quality (Y), while Information Technology acted as a moderating variable (M). Data analysis was performed

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using IBM SPSS 25 with multiple linear regression techniques and Moderated Regression Analysis (MRA) to examine the effect of moderating variable interactions (Ghozali, 2021). Classical assumption tests and validity-reliability tests were conducted prior to hypothesis testing (Sugiyono, 2021).

DISCUSSION

This research was conducted at Village-Owned Enterprises (BUMDes) in Karo Regency, North Sumatra Province. BUMDes are village-owned enterprises managed by the community and village government to strengthen the village economy and build social cohesion. Respondents in this study were BUMDes managers, including the chairperson, secretary, and treasurer of BUMDes in Karo Regency.

Research data was collected by distributing questionnaires to all BUMDes managers who were included in the research sample. A total of 105 questionnaires were collected and met the criteria for processing, originating from 35 BUMDes in Karo Regency, with each BUMDes represented by three managers.

The characteristics of the respondents in this study were grouped into four categories: gender, education level, position, and length of service. The following provides an overview of the characteristics of the respondents in this study's sample.

Table 1 Descriptive Statistics Results

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Internal Control System	105	23.00	48.00	35,5714	5.27486
Management Competencies	105	21.00	47.00	33,6381	4.86772
Quality of Financial Reports	105	26.00	45.00	37,0000	4,40061
Information Technology	105	21.00	41.00	31,7905	4,23741
Valid N (listwise)	**105**				

Table 1 shows 105 respondents from 35 BUMDes (Village-Owned Enterprises) in Karo Regency, with an even representation of chairpersons, secretaries, and treasurers per BUMDes. Descriptive statistics indicate data homogeneity, with the standard deviation of all variables being smaller than the mean, with no significant gaps in responses between respondents. This reflects shared perceptions of managers regarding

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SPI, competence, IT utilization, and financial reporting quality, making the data suitable for further analysis.

Table 2 Results of Reliability Test of All Research Variables

Variables	Cronbach's Alpha	N of Items	Information
Internal Control System (X1)	0.880	10	Reliable
Manager Competence (X2)	0.860	10	Reliable
Information Technology (M)	0.746	10	Reliable
Financial Report Quality (Y)	0.851	9	Reliable

Table 2 shows that all research instruments used to measure the Internal Control System, Management Competence, Information Technology, and Financial Report Quality of Village-Owned Enterprises (BUMDes) in Karo Regency were declared reliable, with Cronbach's Alpha values above 0.746. These reliability test results confirm the consistency and trustworthiness of the instruments, making them suitable for further analysis.

Table 3 Results of the One-Sample Kolmogorov-Smirnov Normality Test

Information		Unstandardized Residual
N		105
Normal Parametersa,b	Mean	0.0000000
	Standard Deviation	2.67343830
Most Extreme Differences	Absolute	0.082
	Positive	0.062
	Negative	-0.082
Test Statistics		0.082
Asymp. Sig. (2-tailed)c		0.081
Monte Carlo Sig. (2-tailed) d	Sig.	0.084

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Information		Unstandardized Residual
	99% CI - Lower Bound	0.076
	99% CI - Upper Bound	0.092

a. *Test distribution is Normal.*
b. *Calculated from data.*
c. *Lilliefors Significance Correction.*
d. *Lilliefors' method based on 10000 Monte Carlo samples with starting seed 1241531719.*

Table 3 shows the results of the Kolmogorov-Smirnov test with a Test Statistic of 0.082 and Asymp. Sig. (2-tailed) of 0.081 (> 0.05), supported by Monte Carlo Sig. of 0.084 (99% CI: 0.076–0.091, all > 0.05). Thus, the residuals of the regression model are normally distributed, so the normality assumption is met and the regression model is suitable for further analysis.

Table 4 Multicollinearity Test Results Coefficientsa

Model	*Unstandardized Coefficients*		*standardized coefficients*	t	Sig.	*Collinearity Statistics*	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3,814	2,690		1,418	0.159		
Internal Control System (X1)	0.289	0.062	0.346	4,632	0,000	0.655	1,527
Manager Competence (X2)	0.276	0.072	0.305	3,845	0,000	0.579	1,727
Information Technology (M)	0.429	0.092	0.413	4,663	0,000	0.466	2,145

a. *Dependent Variable*: quality of financial reports (Y)

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The Internal Control System variable (X1) has a Tolerance value of 0.655 and a VIF value of 1.527. The Managerial Competence variable (X2) has a Tolerance value of 0.579 and a VIF value of 1.727. The Information Technology variable (M) has a Tolerance value of 0.466 and a VIF value of 2.145. All independent variables have a Tolerance value greater than 0.10 and a VIF value less than 10. Thus, it can be concluded that there is no multicollinearity between the independent variables in the regression model of this study, so that the non-multicollinearity assumption is met.

Table 5 Results of Heteroscedasticity Test - Glejser Coefficient Test

Model	*Unstandardized Coefficients*		*standardized coefficients*	t	Sig.
	B	Std. Error	Beta		
(Constant)	3,417	1,426		2,396	0.018
Internal Control System (X1)	-0.017	0.033	-0.062	-0.510	0.611
Manager Competence (X2)	-0.015	0.038	-0.051	-0.392	0.696
Information Technology (M)	-0.002	0.049	-0.006	-0.041	0.968
a. Dependent Variable: ABS_RES					

Table 5 shows the results of the Glejser test with coefficient B for each X1 (-0.017; sig. 0.611), X2 (-0.015; sig. 0.696), and M (-0.002; sig. 0.968), all > 0.05. Thus, there are no symptoms of heteroscedasticity in the regression model, so the assumption of homoscedasticity is met and the model is suitable for further analysis.

Table 6 Multiple Linear Regression Results Coefficientsa

Model	*Unstandardized Coefficients*		*standardized coefficients*	*T*	*Sig.*
	B	*Std. Error*	*Beta*		
(Constant)	*4,130*	*2,950*		*1,400*	*0.165*
Internal Control System (X1)	*0.458*	*0.055*	*0.549*	*8,261*	*<0.001*
Manager Competence (X2)	*0.492*	*0.060*	*0.545*	*8,188*	*<0.001*

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Model	*Unstandardized Coefficients*		*standardized coefficients*	*T*	*Sig.*
	B	*Std. Error*	*Beta*		
Dependent Variable: Quality of Financial Reports					

The constant (a) of 4.130 indicates the baseline of BUMDes Financial Report Quality (Y) at 4.130 when the Internal Control System (X1) and Management Competence (X2) are zero, before the contribution of the independent variables is taken into account.

The coefficient X1 = 0.458 (positive) means that every one unit increase in SPI increases Y by 0.458 units (ceteris paribus), indicating a unidirectional relationship. The coefficient X2 = 0.492 (greater than X1) indicates that the contribution of manager competence is slightly more dominant, where every one unit increase in X2 pushes Y up by 0.492 units in the model without moderation.

Table 7 Results of Determination Coefficient Without Moderation Model Summaryb

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.743	0.551	0.543	2.97594

a. *Predictors: (Constant),*X2M, internal control system (X1
b. *Dependent Variable*: quality of financial reports (Y)

Table 7 shows an R value of 0.743, indicating a strong relationship between the independent variables (SPI and Managerial Competence) and Financial Report Quality. The R^2 value of 0.551 (55.1%) means that SPI and X2 explain 55.1% of the variation in Y in BUMDes in Karo Regency, while 44.9% is influenced by other variables outside the model.

The Adjusted R^2 of 0.543 (54.3%) provides a conservative measure confirming the model's substantial explanatory power, adjusted for the number of predictors. The Std. Error of the Estimate of 2.976 indicates an average deviation of the prediction from the actual value of 2.976 units on the measurement scale.

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Table 8 Results of the Determination Coefficient with Moderation Model Summaryb

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.814	0.663	0.646	2,618

a. *Dependent Variable*: quality of financial reports (Y)
b. *Predictors: (Constant),*X2M, internal control system (X1), information technology (M), managerial competence (X2), X1M

After incorporating the moderating variable Information Technology (M) along with the X1M and X2M interactions, the R value increased to 0.814 and R^2 0.663 (66.3%), up 11.2 percentage points from 55.1% in the baseline model. This increase demonstrates the significant contribution of IT in strengthening the model's predictive power regarding variations in BUMDes Financial Report Quality.

Adjusted R^2 of 0.646 (64.6%) confirmed a significant improvement in model quality, while Std. Error of the Estimate decreased from 2.976 to 2.618, indicating higher prediction accuracy and lower error in the moderated model.

Table 9 Simultaneous Test Results (F TEST) Without ANOVA Moderation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1110,664	2	555,332	62,705	<0.001
	Residual	903,336	102	8,856		
	Total	2014,000	104			

a. *Dependent Variable*: quality of financial reports (Y)

Source: Processed Primary Data, SPSS (2026)

Based on Table 9, the calculated F value is 62.705 with a significance value of <0.001 (p <0.05). The F table value at df1 = 2 and df2 = 102 with α = 5% is approximately 3.085. Since the calculated F (62.705) >> F table (3.085) and Sig. <0.001 <0.05, then H_0rejected and Ha accepted.

Thus, it can be concluded that the Internal Control System (X1) and Management Competence (X2) simultaneously have a significant influence on the Quality of BUMDes Financial Reports in Karo Regency.

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Table 10 Simultaneous Test Results (F Test) of the MRA ANOVAa Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1335,287	5	267,057	38,954	<0.001
	Residual	678,713	99	6,856		
	Total	2014,000	104			

a. *Dependent Variable*: quality of financial reports (Y)
b. *Predictors: (Constant),*X2M, internal control system (X1), information technology (M), managerial competence (X2), X1M

Table 10 shows the calculated F value of 38.954 with a significance of <0.001 (p <0.05), far exceeding the F table of 2.311 (df1=5, df2=99, α=5%). The ANOVA of the MRA model recorded a Sum of Squares Regression of 1,335.287 (df=5; Mean Square 267.057) versus a Residual of 678.713 (df=99; Mean Square 6.856), confirming the model fit and statistical significance.

Thus, the Internal Control System (X1), Management Competence (X2), Information Technology (M), and the interaction of X1M and X2M simultaneously have a significant effect on the Quality of BUMDes Financial Reports in Karo Regency. The MRA model is goodness of fit with R^2 66.3% (vs. 55.1% without moderation), proving the meaningful contribution of moderating variables in strengthening the overall predictive power.

Table 11 Results of Partial Test (T-Test) Without Moderation Coefficientsa

Model	*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,130	2,950		1,400	0.165
Internal Control System (X1)	0.458	0.055	0.549	8,261	0,000

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Model	*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
	B	Std. Error	Beta		
Manager Competence (X2)	0.492	0.060	0.545	8,188	0,000
a. *Dependent Variable*: quality of financial reports (Y)					

Table 11 shows the results of the partial test (t-test) on the multiple linear regression model without moderation, with a t-table of ±1.984 (df=102, α/2=2.5%). The Internal Control System (X1) obtained a t-count of 8.261 (sig. 0.000 <0.05), exceeding the t-table so that H1 is accepted—it has a positive and significant partial effect on the Quality of BUMDes Financial Reports in Karo Regency.

Managerial Competence (X2) recorded a t count of 8.188 (sig. 0.000 < 0.05), also greater than the t table so that H2 is accepted—it has a positive and significant partial effect on the dependent variable.

Table 12 Partial Test Results (T-Test) of the MRA Model Coefficientsa

Model	*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
	B	Std. Error	Beta		
(Constant)	-42,845	16,419		-2,610	0.010
Internal Control System (X1)	1,267	0.347	1,518	3,648	0,000
Manager Competence (X2)	0.608	0.348	0.672	1,747	0.084
Information Technology (M)	1,917	0.518	1,846	3,701	0,000
X1M	-0.031	0.011	-1,932	-2,820	0.006
X2M	-0.011	0.011	-0.621	-0.996	0.321

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Model	*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
	B	Std. Error	Beta		
Dependent Variable: quality of financial reports (Y)					

Table 12 shows the results of the partial test (t-test) of the Moderated Regression Analysis (MRA) model with a t-table of ±1.984 (df=99, α/2=2.5%). The Internal Control System (X1) recorded a t-count of 3.648 (sig. 0.000 <0.05), having a positive and significant effect. Management Competence (X2) obtained a t-count of 1.747 (sig. 0.084 > 0.05), which was not partially significant at the 95% confidence level. Information Technology (M) was significantly positive with a t-count of 3.701 (sig. 0.000 <0.05).

The X1M interaction recorded a t-value of -2.820 (sig. 0.006 < 0.05), proving that IT moderates the influence of SPI on Financial Report Quality with a negative (weakening) quasi-moderator effect. On the other hand, X2M was not significant with a t-value of -0.996 (sig. 0.321 > 0.05), confirming that IT does not moderate the influence of Management Competence.

DISCUSSION

1. The Influence of Internal Control Systems on the Quality of BUMDes Financial Reports in Karo Regency (H1)

   The first hypothesis test shows that the Internal Control System (X1) has a positive and significant effect on the Quality of BUMDes Financial Reports in Karo Regency, with a t-count value of 8.261 (sig. 0.000 < 0.05), so H1 is accepted.

   This finding aligns with the COSO Framework (2013), which emphasizes five components of SPI—control environment, risk assessment, control activities, information and communication, and monitoring—to ensure the reliability of financial reporting. The positive regression coefficient (0.458) confirms that improved SPI results in higher-quality financial reporting.

   The research results are consistent with Al Farishi & Lauw (2023) and Hapsari et al. (2024), which demonstrated the positive influence of SPI on the quality of BUMDes financial information. In the field, BUMDes Karo, with its separation of duties, orderly documentation, and routine supervision, produces relevant, reliable reports that comply with SAK ETAP.

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2. The Influence of Manager Competence on the Quality of BUMDes Financial Reports in Karo Regency (H2)

   The second hypothesis test shows that Manager Competence (X2) has a positive and significant effect on the Quality of BUMDes Financial Reports in Karo Regency, with a t-count value of 8.188 (sig. 0.000 < 0.05), so H2 is accepted.

   This finding aligns with Jensen & Meckling's (1976) agency theory, which emphasizes the agent's (manager's) capability in presenting accurate financial information to the principal (the village community). The positive regression coefficient (0.492) confirms that increasing competency—including technical, operational, educational, experience, and managerial—directly improves the quality of reports according to accounting standards.

   The study's findings are consistent with those of Hapsari et al. (2024) and Ariska et al. (2023), which demonstrated the significant contribution of human resources to the quality of village-owned enterprise (BUMDes) reporting. Although 92.4% of managers in Karo have a high school education or equivalent, technical accounting competency, work experience, and training still significantly contribute to producing quality reports.

3. Information Technology Moderates the Effect of Internal Control Systems on the Quality of BUMDes Financial Reports in Karo Regency (H3)

   The third hypothesis test shows that the interaction variable X1M (information technology moderates SPI) obtained a t-value of -2.820 with a significance of 0.006 (<0.05), so that information technology statistically moderates the effect of the Internal Control System on the Quality of BUMDes Financial Reports in Karo Regency; H3 is accepted.

   The negative interaction coefficient (-0.031) indicates a negative quasi-moderation that weakens the relationship, as explained by Otley's (1980) Contingency Theory, which states that technology effectiveness depends on organizational readiness. In Karo BUMDes—the majority of which use simple spreadsheets with managers serving an average of 9.7 months—technology actually creates new dependencies without optimizing existing SPI, in line with Hadis et al. (2022) who emphasize the need for human resource support and mature infrastructure.

   This finding differs from Kansah et al. (2023) who found a moderation in strengthening local governments with advanced technology, due to differences in the context of initial technology adoption in Karo BUMDes, as emphasized by Otley's (1980) Contingency Theory regarding the dependence of contextual factors.

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4. Information Technology Moderates the Influence of Manager Competence on the Quality of BUMDes Financial Reports in Karo Regency (H4)

   The fourth hypothesis test shows that the interaction variable X2M (information technology moderates Manager Competence) obtained a t-value of -0.996 with a significance of 0.321 (> 0.05), so H4 was rejected; information technology does not moderate the effect of competence on the Quality of BUMDes Financial Reports in Karo Regency.

   The relationship between manager competence and report quality operates independently, unaffected by the still-simplistic and limited use of information technology in Karo BUMDes. Managers with a predominantly high school or equivalent education (92.4%) and an average tenure of 9.7 months demonstrate limited technological adaptation, so the influence of competence remains dominant without significant moderation.

   This finding differs from Sitawati et al.'s (2020) findings, which found a strengthening of moderation in high-tech contexts, but aligns with Theana et al.'s (2025) findings in Sikka Regency's regional government agencies (OPD), where human resource competencies were isolated due to limited infrastructure, training, and adaptations such as SIMDA—a similar situation in Karo's BUMDes.

5. The Simultaneous Influence of Internal Control Systems and Managerial Competence on the Quality of BUMDes Financial Reports in Karo Regency (H5)

   The fifth hypothesis test shows that the Internal Control System (X1) and Management Competence (X2) simultaneously have a significant effect on the Quality of BUMDes Financial Reports in Karo Regency, with an F-count value of 62.705 (sig. 0.000 < 0.05); H5 is accepted.

   An R^2 value of 0.551 indicates that the two variables explain 55.1% of the variation in financial report quality. This finding is consistent with Hapsari et al. (2024) in Banyuwangi BUMDes, which found a significant simultaneous effect of SPI and HR competency on reporting quality.

   These simultaneous influences emphasize the need for a comprehensive approach in Karo, namely strengthening SPI while simultaneously improving the competence of managers in an integrated manner to optimize the quality of BUMDes financial reports.

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CONCLUSION

This study concludes that Internal Control System (ISC) and Manager Competence partially and simultaneously have a positive and significant effect on the Quality of BUMDes Financial Reports in Karo Regency, with R^2 reaching 55.1% in the basic model and increasing to 66.3% after including Information Technology as a moderator. Information technology is proven to negatively moderate the effect of ISC (coefficient -0.031; sig. 0.006), reflecting a quasi-moderation that is weakened by limited infrastructure and an average manager experience of 9.7 months, while not moderating the effect of Manager Competence (sig. 0.321). This finding enriches the contingency theory of Otley (1980) and agency theory of Jensen & Meckling (1976) in the context of agrarian-tourism villages, consistent with studies such as Hapsari et al. (2024) and Al Farishi & Lauw (2023).

However, limitations of this study include the use of self-reported data from 105 respondents in 35 BUMDes, which is susceptible to subjective bias, and the single focus on Karo Regency, thus limiting generalizability. Future research is recommended to adopt mixed methods with secondary data from audited reports and multi-district samples for longitudinal validation. Practically, the Karo Regency Government and the Ministry of Villages are encouraged to prioritize integrated digital accounting training and IT infrastructure subsidies for BUMDes, in order to transform negative moderation into transparency-based strengthening and optimization of PADes.

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