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Accountability in Small and Medium-Sized Construction Business Governance: A Case Study

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ABSTRACT

This study aims to conduct an in-depth analysis of accountability practices within the governance system of PT Pusaka Inti Abadi, a growing small- and medium-sized construction company. The research method used was qualitative with a descriptive approach. Data collection was conducted through interviews, observations, and direct documentation conducted at the company. The results indicate that the company's accountability practices are good. The company is able to explain its actions to those entitled to respond to these actions, in this context, its clients, in accordance with accountability theory. The form of accountability implemented by the company in its governance system is by consistently providing updated reports on construction project work to clients using various flexible methods. Furthermore, the company always strives to ensure that all construction projects are carried out in accordance with the construction contract agreed upon between the two parties.

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1. INTRODUCTION

In the world of business and economics, understanding the concept of an entity or company is a crucial first step before further discussing the types of entities, including construction companies. An entity is essentially a business unit with its own legal structure and responsibilities, serving as a vehicle for conducting economic activities. According to Law of the Republic of Indonesia Number 13 of [1] concerning Manpower, any form of business that employs workers and provides them with wages and other forms of compensation is a company. This, of course, explains that a company can be an economic vehicle because the primary purpose of a company is to generate profits for the welfare of its owners and other stakeholders, one of which is the company's employees. This applies to all types of companies in Indonesia, including those engaged in construction, including roads, bridges, buildings, and other developments.

A construction company is a business entity engaged in construction services, including the construction of buildings and other infrastructure such as dams, bridges, and highways. These companies play a crucial role in the infrastructure development process and drive economic growth in a region. This is due to the multi-stakeholder nature of their operations, which involve a wide range of stakeholders and workers, thus creating extensive job opportunities. Overall, construction companies contribute significantly to social and economic development and are a key element in national infrastructure advancement.

According to Law of the Republic of Indonesia Number 2 of [2] concerning Construction Services, services included in the activities of a construction company include construction consulting services and/or construction work. Construction consulting is the entire service or part of the activities that include the assessment, planning, design, supervision, and management of the implementation of the construction of a building. Meanwhile, construction work is the entire or part of the activities that include the construction, operation, maintenance, supervision, and reconstruction of a building. All types of activities carried out by a construction company are assigned by the owner or employer of the construction work.

Every region, without exception, constantly faces the need for development as part of efforts to improve the quality of life and accelerate economic growth. Development, whether in the form of physical infrastructure such as roads, bridges, buildings, and other public facilities, or in the form of regional development, is an essential element in the process of modernization and socio-economic integration. In this context, construction services play a strategic role as the primary implementer in realizing these various development projects.

Without a reliable and professional construction sector, development will be hampered, both technically and in terms of efficiency and sustainability. Therefore, it can be said that every country or region inherently needs construction services as a key partner in supporting a sustainable and inclusive development agenda. This is also why construction companies experience rapid economic activity and are constantly growing in line with development in a region.

Despite their crucial role, construction companies often face challenges and accounting issues that ultimately lead to financial scandals. Some of the financial scandals involving construction companies include PT Waskita Karya, PT Hanson International, and Granite Construction. In the case of PT Waskita Karya, as reported by Kompasiana.com and written by [3], PT Waskita Karya was involved in a financial statement manipulation case during the 2018-2021 reporting period. This was done by recording fictitious income, delaying the recognition of exemptions, and accelerating the recognition of assets by senior officials of the state-owned company. As a result, the state suffered losses of Rp 202 billion. Another construction company case involved PT Hanson International. According to information obtained, this case involved its director, whose revenue in the 2016 annual financial report was overstated by Rp 613 billion [4]. The most recent construction company case involving an accounting scandal was that of Granite Construction, which involved the company's former vice president. The violations involved manipulating the profit margins of certain projects and failing to properly record costs. As a result of this financial violation, the company was fined $12 million by the SEC [5]. The cases above demonstrate that construction companies can also experience financial scandals, and they occur in several countries around the world, not just Indonesia.

One common problem faced by construction companies is inaccuracy in project cost management. This can include errors in recording revenue and expenses during the construction project. These inconsistencies directly impact the accuracy of the company's financial statements. Furthermore, the generally long-term and complex nature of construction projects adds challenges, particularly in accurately estimating costs and ensuring accounting records reflect actual conditions. This situation has the potential to lead to irregularities, such as manipulation of accounting data or the preparation of financial statements that do not accurately represent the company's financial condition.

Regarding accountability and financial reporting, construction companies should report their financial condition in accordance with applicable accounting rules. Statement of Financial Accounting Standards (PSAK) Number 34 Revised [6] concerning Construction Contract Accounting is an accounting guideline applicable to construction companies in recognizing revenue and costs related to construction contracts. This standard is very important for companies as a guideline on how construction companies should recognize revenue, costs, and disclosures in their financial statements so that they can provide an accurate and true picture of the company's financial condition and performance so as not to mislead the company's stakeholders.

Several previous studies that conducted research related to the Financial Accounting Standards Statement (PSAK) Number 34 Revised in 2010 concerning Construction Contract Accounting in several construction companies found that several companies had not implemented PSAK 34 in their operational activities, even some companies did not have an understanding of the existence of this PSAK 34 [7]–[11]. In addition to these findings, several research results were also found which explained that several companies had used PSAK 34 in their operational activities, but had not yet fully adopted the standard [12]–[15]. Meanwhile, on the other hand, the author also found several research results explaining that several companies have implemented PSAK 34 in their operational activities [16]–[18].

Based on the background description above regarding the important role of construction companies, several financial scandals of construction companies that are closely related to their accountability and also several differences in the results of previous studies regarding the extent of accountability of construction companies, this study will conduct an in-depth analysis of how accountability practices in the governance system of construction companies in Indonesia, especially on the island of Lombok. This research will be conducted at one of the construction companies in South Lombok, namely PT Pusaka Inti Abadi.

PT Pusaka Inti Abadi is a general construction company operating in Central Lombok, specializing in the implementation of various building and road infrastructure contracts. The company is known for its good reputation for providing high-quality construction services, as evidenced by its operational sustainability from small to large projects. Based on the author's initial observations, PT Pusaka Inti Abadi handles significant projects that require precise and structured accounting records. This condition prompted the author to conduct research on this company to assess the extent of the application of accounting standards in the management of construction contracts in a company that has been operating for a long time and handles various projects.

2. LITERATURE REVIEW

2.1 *Accountability Theory*

The theory of accountability was first proposed by [19]. This theory explains that an individual or entity has an obligation to explain their actions to other parties who have the right to assess or respond to those actions, in short, to the company's stakeholders [20]. Accountability can be a means for an individual or organization to be held accountable for their actions.

This accountability can be seen as a relationship between actors and the forum [21]. Actors are obligated to inform the forum about their actions, providing various necessary data, such as data related to task performance, results or procedures, and the fairness of budget implementation and other administrative matters. The forum then interrogates the actor by questioning the adequacy of the information and the legitimacy of the actions taken. This allows the forum to provide an assessment and response, ultimately resulting in the actor accepting consequences, both formal and informal.

In the context of a construction company, the actor is the construction company itself, and the forum is the construction company's clients, who use construction services such as building, roads, bridges, and so on. Construction companies must be accountable for the work they receive from their clients. This accountability can take the form of project progress reports, project documentation, and other forms of accountability.

2.2 *Construction Company*

A construction company is a form of business entity that focuses on infrastructure development in the form of building, bridges, and highway infrastructure, this is in accordance with PSAK Number 34 Revised 2010 concerning Construction Contract Accounting, where construction contracts can be negotiated to build assets such as bridges, buildings, dams, pipes, roads, ships, and tunnels. Construction companies will usually be involved in the entire construction process starting from planning, design, material procurement, implementation of field work, to project completion according to the specifications contained in the construction contract. A construction company can work on projects from small to large scale depending on the size of the construction company. Construction companies usually provide services in the form of construction project creation services.

2.3 *Construction Contract*

According to PSAK Number 34 Revised in 2010 concerning Construction Contract Accounting, a construction contract is a contract specifically negotiated for the construction of an asset or combination of assets that are closely related to each other according to the main purpose of its use. A construction contract is usually a contract for a specific project between a contractor and a client that contains the rights and obligations of each party. Usually the contract is billed using the percentage of completion method that has been carried out by the contractor on a particular project. A construction contract usually consists of the type of project to be carried out, the amount of agreed income, things that are allowed and not allowed in the contract work, the time period, claims and incentive payments.

A construction contract will define the scope of work by detailing what the contractor must do, agreeing on costs including payment methods and additional cost provisions if there are changes in the work, setting the project implementation time from the start date to the completion date, including quality standards and specifications that must be implemented by the contractor and several other things. It is very important for each party to agree on a construction contract to provide clarity and legal protection for all parties involved in the contract.

3. RESEARCH METHODS

This research uses a qualitative method with a case study. This qualitative method was chosen to gain an in-depth and detailed understanding of a phenomenon or problem [22]. According to [23], qualitative research is a method used to explore and understand the meaning of a problem in society. This qualitative research process can involve important efforts such as asking questions, collecting data from participants, and analyzing the data. From the results of this analysis, a meaning or conclusion is drawn regarding the problem being studied.

The data collection process will be conducted using interviews, observations, and documentation. Interviews will be conducted to determine how accountability practices are carried out by PT Pusaka Inti Abadi. Informants in this study are managers or parties from PT Pusaka Inti Abadi who are fully aware of construction contracts and the forms of accountability carried out by the company to its clients. Meanwhile, observations will be conducted by observing how the company operates and how the company carries out construction contracts and provides construction services to its clients. These observations and interviews will be supported by analysis of documents related to the company's construction contracts.

The data analysis process in this study will use the model developed by [23]. According to [23], the steps for data analysis begin with processing and preparing the raw data obtained during the field study. This data can include transcripts of interviews related to construction contracts and the company's revenue recognition. Next, the author reads the entire data to gain an overview of the information obtained. This step allows the researcher to grasp the overall meaning of the interview results. At this stage, the researcher will read the entire interview results to gain an overview of how construction contracts and revenue recognition are handled by the company. The next stage is to present the interview results in narrative form, followed by data analysis. This data analysis involves interpreting or interpreting the data obtained.

4. RESULTS AND DISCUSSION

4.1 Description of Company Activities

Based on the results of interviews, observations, and document analysis conducted at PT Pusaka Inti Abadi, it was found that PT Pusaka Inti Abadi is a construction company that focuses on providing construction services in the form of building construction and infrastructure, including the construction of new access roads and the improvement and repair of existing roads. In relation to building construction, PT Pusaka Inti Abadi is heavily involved in the construction of villas (private residences) for several private clients. This business focus reflects the diversification of the company's services in responding to the needs of the personal and exclusive property market, not only in the general construction sector.

PT Pusaka Inti Abadi demonstrates comprehensive involvement in every stage of a project's construction process, reflecting an integrative approach to construction services. This involvement begins at the initial stage, with land surveys and measurements as the basis for determining the project's feasibility and technical planning. The company then carries out a comprehensive planning process, encompassing work scheduling, budget management, and the development of architectural and structural designs tailored to the client's needs and specifications. During the implementation phase, PT Pusaka Inti Abadi is responsible for procuring all required construction materials, taking into account aspects of quality, cost efficiency, and sustainability. Construction work in the field is carried out systematically and adheres to operational standards and technical provisions stipulated in the construction work contract. This process includes workforce coordination, quality control, and time and cost control to ensure the project is completed on time and according to specifications.

After the physical work is completed, the company also handles the final project close-out stage, including inspection of work results, adjustments to contractual provisions, and technical documentation. PT Pusaka Inti Abadi's involvement does not stop at the project completion stage, but continues through the retention period, a period during which the company remains responsible for maintenance and handling of potential minor damage as a form of quality assurance for the work results that have been handed over.

The retention period is a period after construction implementation, generally lasting several months. It serves as a protection mechanism for the project owner against potential construction defects, delays, or non-conformity of the work results with the specifications agreed upon in the construction contract. This period also plays a crucial role in ensuring the final quality of the work, ensuring the project is completed on schedule, and encouraging contractor compliance with contractual provisions. In practice, PT Pusaka Inti Abadi applies a retention period of approximately six months, although the duration can vary depending on the content and provisions stipulated in the cooperation contract with the client.

"*We manage projects from start to finish, even down to the retention stage. Retention is typically 5%-15% and typically takes six months, depending on the contract*." (A1, Company Director).

During the retention period, the client of PT Pusaka Inti Abadi will withhold a certain amount of funds stated in the construction contract as a retention fund. Based on the results of the interview above, the funds withheld depend on the agreement stated in the contract, but usually 5% to 15% of the contract value. This retention fund can be claimed by PT Pusaka Inti Abadi if during the retention period, for example, 6 months, the project being worked on does not experience damage or does not require repairs by the company. This retention fund will be claimed by billing the client for an invoice. However, if during the retention period, the project being worked on experiences damage, then the damage must first be repaired, only after this can the retention be billed to the client.

4.2 Construction Contract Agreement Process

A construction contract will go through several stages before being signed. A signed and agreed-upon construction contract indicates that both parties agree on the construction services to be performed. However, before being finalized, the construction contract will first go through a negotiation phase. This negotiation typically addresses the specifications of the construction services or project and the price for the construction services.

During the negotiation process between the company and the client, the initial offer prepared by the company is usually not final and remains open to change. The offer will generally undergo several adjustments or modifications, including in terms of price, scope of work, implementation timeframe, and other technical provisions. These adjustments are made to ensure that the offer reflects the mutual understanding reached through discussion and exchange of opinions between the two parties. Once all important aspects are agreed upon and there are no further objections from either party, the company will proceed to the next stage, namely the formal preparation of the construction contract documents. This construction contract contains all the details of the agreement and will serve as the legal basis for the project's implementation. Once drafted, the contract documents are then legally signed by representatives of the company and the client as a commitment to implement the terms of the mutually agreed agreement.

Once the construction contract documents are officially signed by both parties, the company will begin project implementation according to the agreed terms. The initial stages of this process typically include land preparation activities, such as clearing or clearing the project area, followed by accurate land measurements to ensure compliance with the design plan. Next, the company will prepare or adjust the necessary technical design and arrange logistics for the procurement and delivery of materials to the project site. Once all preparations are complete, the company will begin the construction process according to the previously planned stages. The entire series of activities is carried out according to the implementation schedule or timeline specified in the construction contract. The company is obliged to complete the work according to the specified deadline.

However, in practice, there is a possibility of unforeseen conditions, such as bad weather, technical constraints, delays in material delivery, or other external factors, which can cause deviations from the agreed schedule. If such events occur, the company will communicate and renegotiate with the client to discuss schedule adjustments or other solutions deemed appropriate, so that the project continues to run smoothly and professionally.

The construction contract prepared by PT Pusaka Inti Abadi is an official document containing various important information related to the implementation of a project. The contract details the client's complete identity as the employer, the type of project to be implemented, and a list of the tasks to be performed by the company. Furthermore, this contract also contains detailed pricing details for each type of work or transaction included in the project, complete with technical specifications that regulate the quality and standards of the work results. Furthermore, the deadline or duration of the project is also clearly defined, including provisions regarding the payment system and schedule, information on the account to which payments are to be made, and a number of additional notes that are specific to the characteristics of each project.

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4.3 Construction Revenue Recognition Process

All activities occurring during the construction period are regulated in the construction contract, including the revenue recognition process. PT Pusaka Inti Abadi recognizes revenue using the percentage-of-completion method. This means that the company will record revenue when the project has been completed at a certain percentage, equal to the percentage of work specified in the construction contract. PT Pusaka Inti Abadi will not recognize revenue upon initial contract signing, but upon the handover of a specific percentage of the work. This means that the revenue recorded and recognized by the company will not be the project value stated in the contract, but will be recognized incrementally, depending on the percentage of completion of the project.

Typically, the first revenue a company recognizes is the project down payment, followed by revenue based on the agreed-upon percentage of work completed in the contract. This is reflected in the image below.

A. Term of Payment:

1. DP 50% from the total amount of Contract
2. Termin I: Progress 80%
3. Termin II: Progress 100% (retention 5% for 6 Months)

* Time Line for the Project 1 Months (Not Include Raining or any force majeur on site)

• *Transaction only with Bank Transfer to*

B. Important Notes

* This Price is Included with Contigency or any social fees to the local comunities

* This Contract is Lumpsum Unit Price hence if any additional Length will be measured on actual opname

Figure 1. Percentage of Revenue Recognition

As seen in the image above, revenue recognition is divided into three periods: upon the 50% down payment, the first period with 80% completion, and the second or final period when the work has reached 100% completion. In addition to these three periods, there is also a 5% retention revenue recognition process. This retention will be recognized six months after 100% final progress, as it will determine whether the project requires any improvements.

During project implementation, when a company has completed a certain amount of work according to a certain percentage predetermined in the contract, for example during the first term, the client will conduct a verification or on-site inspection. The purpose of this inspection is to ensure that the work completed by the company truly matches the volume or progress percentage agreed upon at the outset. If the inspection results indicate that the work has achieved the required progress, the client will provide approval for this achievement. After receiving approval from the client, the company will prepare and send an invoice or revenue bill to the client. The amount listed on the invoice is based on the value of the work completed and the project's progress percentage at that stage. This invoice serves as the basis for the client's payment to the company.

Once the invoice is received, the client is obligated to make payment according to the amount and terms stated in the contract, through the predetermined PT Pusaka Inti Abadi company account number. Once the payment is confirmed in the company account, the finance or accounting division will record the transaction as official company income. This process will continue to repeat and be applied at each stage of the project completion based on subsequent terms, until all work is completed and the project is declared complete. This ensures that the entire financial administration process can run systematically, transparently, and well-documented.

4.4 The Meaning of Accountability According to Company Management

According to Accountability Theory, accountability can be defined as the obligation of an individual or organization to explain their actions to those affected by those actions. The actors in this study are defined as the management of PT Pusaka Inti Abadi, and the forum is defined as This accountability can be formal or informal. Formal accountability can be in the form of financial reports, and informal accountability can be in the form of other means besides financial reports.

The actor interviewed in this study at PT Pusaka Inti Abadi was the company's president director. PT Pusaka Inti Abadi receives funding from clients. These funds are included in the construction contract agreed upon by the client and the company. These funds must be managed by the company to provide construction services for the construction project desired by the client.

The funds managed by the company are predetermined according to the clauses contained in the cooperation contract between the parties. Therefore, these funds are not discretionary or flexible, but rather funds with a clear allocation and purpose that are legally binding.

The allocation of these funds is typically based on an agreed-upon proportion of project requirements, including the percentage of funding for each stage or component of the work. For example, the funds may be allocated to cover a specific percentage of the total project cost, including operational costs, procurement, and technical implementation in the field. Therefore, fund management must adhere to the principles of accountability and transparency, in accordance with the previously agreed-upon budget plan (RAB) and master contract. With contract-based management, the company does not have the authority to unilaterally change the allocation of funds without the approval of the relevant parties. This is crucial to ensure the integrity of project implementation and to minimize the risk of misuse of funds beyond the initial intended purpose.

These funds are viewed by the company as a resource that must be managed effectively. This is why every disbursement of funds by the company during the construction contract period must align with the initial plan outlined in the budget and construction contract. PT Pusaka Inti Abadi is obligated to manage and account for these funds to its clients.

D.	320 Meters CONCRETE ROAD K300						
1	LPA basecourse thickness 15 cm (loose 16.5 cm) *Include Compaction		290.40 m3	Rp	990,000	Rp	287,496,000
2	Wiremesh M8 SNI 1 layer Includes 4 cm beton decking		1760.00 m2	Rp	160,000	Rp	281,600,000
3	Multiplek 12 mm Formwork Thickness 35 cm		192.00 m2	Rp	85,000	Rp	16,320,000
4	Concrete K-300 thickness 15cm including: Plastic cover and 5-meter dilatation with cutting per 5 meters, Plastic Cor, Beton decking 4 cm.	JMF by DIU (K-300)	264.00 m3	Rp	1,900,000	Rp	501,600,000
5	Curing Concrete (2 times/days)		7 day	Rp	805,000	Rp	5,635,000
6	Tiger Claw (Kuku Beton) at width 25 cm depth 15 cm both side	K-300	28.80 m3	Rp	1,900,000	Rp	54,720,000
7	Additive Chemical for Fast Road Track		264.00 m3	Rp	40,000	Rp	10,560,000

Figure 2. Example of Fund Allocation in the RAB

The meaning of accountability in a construction company is reflected in the company's commitment to safeguarding and managing every trust entrusted to it by stakeholders, particularly regarding project funds and resources. The company consistently conducts internal oversight and audits of all resources received, including financial reporting and project implementation. Each stage of work must be accompanied by a systematically documented accountability report. The report is then submitted by the project implementation unit to company management, who will then verify it and report it to the mandated party, such as the project owner or authorized agency. Within the organizational structure, this process demonstrates transparent and accountable governance, where each layer is responsible for ensuring resource utilization aligns with the contract and established project objectives.

PT Pusaka Inti Abadi also defines accountability by conducting both formal and informal accountability. Formal accountability takes the form of financial reports in the form of RAB realizations, while informal accountability takes the form of job specification reports in WhatsApp project groups, social media updates, and explanations during direct client reviews. PT Pusaka Inti Abadi also, in its governance system, regularly updates the performance of employees in the field and in the office to ensure smooth operations and client satisfaction in every project undertaken by the company.

4.5 Corporate Accountability Practices

PT Pusaka Inti Abadi is a relatively new construction company. Its governance system is centralized under the leadership of the company. This centralized system ensures that all financial and non-financial matters are overseen by the company's leadership. The company's leadership is a key figure in the corporate governance system. This centralized system facilitates the company's management in overseeing all operational activities.

The company director holds the highest authority within the organizational structure, ensuring that every important decision within the company is subject to his or her oversight and approval. This reflects the leadership's central role in ensuring that the company's policies and strategies align with its established vision and mission. PT Pusaka Inti Abadi remains a family-owned company, but its governance practices demonstrate a more open and professional approach. The company offers opportunities for anyone to join and contribute, as long as they possess the competencies, qualifications, and expertise relevant to the required field. Furthermore, the company separates its assets and affairs between those of the company and those of the family. This is done to manage the company more professionally and accountably.

Regarding funding sources, the company fully manages funds originating from clients as compensation for construction services provided, where the amount of funds must be in accordance with that stated in the Cost Budget Plan (RAB). However, the disbursement of funds from clients is not done all at once in one stage, but rather in stages based on the percentage of work that has been completed by the company. Therefore, the management of funds received must be carried out carefully and according to their intended use, while still being based on the provisions and details that have been set out in the RAB, so that the project implementation process runs effectively and transparently in accordance with the initial agreement between the company and the client.

The financial management system at PT Pusaka Inti Abadi is centralized within the company and its management. All funds are deposited into the company account and then managed according to the construction services provided for each project. The use of these funds is always based on the Budget (RAB) attached to the construction contract and agreed upon between the company and the client requiring the services. These funds are disbursed through the company's accounting staff, who are under the supervision of the management. All fund usage must comply with the designated allocations outlined in the RAB.

The company doesn't just perform one construction service, but several on different projects. Each incoming fund is segregated through a separate bank account. This ensures that funds from one project aren't mixed with those from another. If these funds are mixed, it would be difficult for the company to calculate the actual use of funds and calculate the profit or loss on a particular project. Every incoming and outgoing fund within the company is recorded by the accounting staff within the company. These recorded funds are typically allocated similarly to those listed in the budget (RAB). These funds are typically used for employee salaries, labor wages, material purchases, and other operational activities. The company's accounting staff must consistently record these funds, both incoming and outgoing. All disbursements must also be approved by the company's management.

The company's record-keeping is done using Microsoft Excel. These incoming and outgoing funds are recorded with transaction evidence, including transfer receipts and other forms of proof, such as product notes and receipts. For example, if a project implementer or supervisor requires material procurement or operational funds, these needs are communicated to the accounting staff, who then request approval from the company's management. This applies to all funds disbursed from the company.

Regarding financial accountability, PT Pusaka Inti Abadi typically only reports to clients who use the company's construction services. The company does not report to the government because all of its projects are privately owned. Therefore, its only accountability is to the client or to a consultant appointed by the client to supervise the construction project. This consultant typically acts as an intermediary between the company and the client, the project owner. This appointed consultant has the right to receive information regarding the progress of the project's construction process.

As previously explained, all incoming and outgoing funds will be recorded by the company's accounting staff under the direct supervision of the company's management. This recording is one form of accountability carried out by the company. Financial accountability, however, will be prepared in a format typically requested by clients, as it is typically the case with small, periodic construction companies. This is because clients typically don't require specific financial reports. They simply assess the company's project completion progress.

The accountability practices implemented by a company are not always manifested in formal financial reports, as is commonly found in conventional accounting practices. In the operational context of PT Pusaka Inti Abadi, accountability mechanisms to clients tend to be conducted informally through various alternative communication channels. These include the use of social media like Instagram and instant messaging apps like WhatsApp, as well as through the submission of reports on the progress or completion of ongoing projects. In other words, the company implements a more flexible accountability approach tailored to client preferences and needs.

In practice, most clients do not explicitly demand the preparation of financial reports as a form of transparency or corporate accountability. Instead, they place greater emphasis on ensuring that construction projects undertaken by the company are running according to technical specifications, implementation timelines, and the provisions stipulated in the cooperation contract. Therefore, PT Pusaka Inti Abadi chooses to maintain financial records solely for the company's internal needs, without using them as a formal instrument for accounting for the use of funds to clients. This approach reflects a shift in accountability practices, from formal and standardized to more contextual and communicative forms, depending on the characteristics of the relationship between the company and its clients.

PT Pusaka Inti Abadi consistently maintains accountability practices by providing up-to-date information on the progress of ongoing construction projects. These updates are regularly delivered to clients through various mutually agreed-upon communication channels, including the company's official social media channels and a WhatsApp group chat, which serves as a direct communication platform between the company and clients. Project progress updates are provided daily, allowing clients to monitor project progress in real time and obtain a clear picture of the stages that have been completed and those currently underway.

Project progress reports are provided periodically, even daily, to meet client expectations for transparency and clarity in work implementation. In addition to digital reports, the company also allows clients to actively participate in direct field monitoring. Clients are permitted and even encouraged to physically inspect the project to ensure that implementation meets the technical specifications, quality, and deadlines stipulated in the work contract. All of these forms of communication and reporting represent a dynamic and responsive form of corporate accountability, tailored to the needs and preferences of clients. Thus, accountability is understood not only as the preparation of formal financial reports, but also as an open and transparent communication process aimed at building trust and ensuring client satisfaction with the company's work.

Based on the description above, if we refer to the accountability theory put forward by [19], accountability is the obligation for a person or organization to explain their actions to other parties who have the right to provide feedback or assessment of these actions, it can be concluded that PT Pusaka Inti Abadi has carried out good accountability to its clients, although not in a formal way, namely in the form of financial reports like companies that apply accounting in general. PT Pusaka Inti Abadi provides accountability practices according to the client's needs based on the RAB stated in the construction contract. The accountability practices carried out by this company reflect the company's actions to justify its actions towards all resources provided by the client to be managed in order to build a construction project.

5. CONCLUSION

This research was conducted to understand accountability practices within the governance system of a developing construction company. It can be concluded that accountability practices are good, although they are not formally implemented through financial reports like conventional companies. The company only produces financial reports for internal purposes, while accountability to clients is demonstrated more flexibly through the use of social media and regular updates on construction projects. This allows clients to monitor project progress in real time and obtain a clear picture of completed and ongoing stages.

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