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Systematic Literature Review : The Role Of Financial Reports In Improving Government Accountability And Transparency

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Abstract

This study aims to identify and analyze the role of financial reports in realizing transparency and accountability in local governments through a Systematic Literature Review (SLR) approach. The main focus of this study is to map trends, themes, methods, and research gaps related to accountability and transparency in public sector financial reporting in Indonesia. This study is a Systematic Literature Review (SLR) of 20 scientific articles selected from a total of 1,310 articles obtained through the SINTA-accredited national journal database and several internationally indexed sources. The analysis was conducted descriptively by examining the thematic focus, research methods, and empirical relevance between financial reports, transparency, and public accountability in the 2016-2025 period. The results of the study indicate that financial reports play a significant role in improving government accountability and transparency. Analysis of research from 2016-2025 revealed that the quality of report presentation, information accessibility, and the implementation of electronic financial systems such as e-budgeting and SIPD consistently strengthen transparency, efficiency, and public trust. However, challenges remain, including limited human resources, system integration, and public literacy. Overall, financial reports serve a strategic function as an instrument for establishing transparent and accountable governance. The findings of this study emphasize the importance of financial reports as a strategic tool in strengthening public trust and accountability in local governments. The results can serve as a reference for local governments in strengthening financial reporting systems, digitizing fiscal information, and increasing the capacity of public finance officials. This study provides novelty in the form of a systematic mapping of research trends, directions, and gaps regarding the relationship between financial reports,

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transparency, and public sector accountability in Indonesia, and offers directions for further research related to the digitalization and transformation of financial reporting.

KEYWORDS: Financial Reports; Transparency; Accountability; Local Government; *Systematic Literature Review (SLR).*

INTRODUCTION

Public financial management is a key pillar in realizing good governance. In the context of regional government, the preparation and presentation of financial reports plays a strategic role as a tool that provides the public and stakeholders with access to information on how public resources are used in a transparent and accountable manner. Transparency in financial reports allows stakeholders to assess how public funds are allocated and used, thereby increasing trust and strengthening public accountability. Furthermore, financial reports that are prepared in a high-quality, transparent, and accessible manner reflect the effectiveness of regional financial management.

For example, research by (Wijaya et al., 2017) found that the accessibility of financial reports had a significant and strong relationship with public accountability in North Bengkulu Regency (rs = 0.63 > rtable = 0.450), meaning that the easier it is for the public to access financial reports, the higher the public accountability. Similarly, research by (Pratiwi et al., 2022) showed that accounting information systems (AIS) had a positive and significant effect on the quality of financial reports in the local government of Nagan Raya Regency, with an influence coefficient of ±50.1%. Both studies emphasize that financial reports are not merely administrative reports, but rather financial communication tools that connect the government with the public, the legislature, and other stakeholders.

Transparency in the presentation of financial reports provides stakeholders with the opportunity to assess how public funds are allocated and utilized, thereby strengthening public trust and serving as a foundation for public accountability. Therefore, financial reports that are prepared in a high-quality, accountable, and easily accessible manner are an important reflection of financial management performance at the local government level. Research by Guasmin & Febrianti (2019) states that the presentation of regional financial reports and their accessibility simultaneously and significantly influence the transparency and accountability of regional financial management.

However, various studies show that improving the quality of local government financial reports still faces a number of significant challenges, such as limited human resource capacity, weak internal control systems, and low levels of public financial

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reporting literacy. For example, a study on accessibility by (Wijaya et al., 2017) suggested improving the accessibility of financial reports in North Bengkulu Regency to strengthen public accountability.

Amidst the development of the digital era and increasing demands for public transparency, the implementation of information technology and electronic reporting systems such as *e-budgeting* and *e-government* has become increasingly crucial. Digital-based financial reporting provides faster, more transparent, and more efficient access for stakeholders, thereby strengthening transparency and accountability in local governments. Therefore, to truly understand and optimize the benefits of financial reporting, a systematic literature review is needed to map empirical research on the role of financial reporting in enhancing transparency and accountability in local government.

Based on the description above, this study conducted *a Systematic Literature Review (SLR)* of scientific articles that discuss the role of financial reports in increasing transparency and accountability in local governments in Indonesia with the title **" *SYSTEMATIC LITERATURE REVIEW* : THE ROLE OF FINANCIAL REPORTS IN IMPROVING GOVERNMENT ACCOUNTABILITY AND TRANSPARENCY".** This study is expected to provide theoretical contributions to the development of accounting and corporate governance science, as well as provide practical implications for company management in strengthening internal control systems as a strategy for achieving long-term business sustainability.

METHOD

This study uses a *Systematic Literature Review (SLR) approach* to identify, analyze, and synthesize the results of previous studies that discuss the role of financial reports in improving accountability and transparency in the local government sector. The SLR approach was chosen because it can provide a comprehensive overview of the direction, trends, and research gaps *in* the topic under study.

This research process was carried out through several stages, namely:

1. Identification and selection of articles based on the main keywords: *"financial reports", "accountability",* and *"government transparency", "public sector"* .
2. Screening is carried out to ensure that the articles used are relevant to the theme of public sector accounting and local government.
3. Classification of articles based on year of publication, research object, research method, and main findings.

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4. Thematic analysis and synthesis of research results obtained to draw general conclusions.

The data sources come from national and international indexed journals published by Google Scholar with a publication period between 2016 and 2025. The selection of the database is based on reputation, accessibility, and relevance to public accounting topics in Indonesia.

purposive sampling technique was used to select the sample articles, considering their relevance to the research theme, particularly regarding local government financial reporting, transparency, and public accountability. The initial search yielded 1,310 articles, but after filtering according to the inclusion criteria, only 20 articles were used as the primary sample in this study.

The inclusion criteria in this study include:

1. Articles that focus on the role of local government financial reports on accountability and/or transparency.
2. Articles that discuss aspects of public financial reporting, including the implementation of *e-government* , *e-budgeting* , and government accounting systems.
3. Articles published between 2016-2025 and available in *open access* or fully accessible form.

Data analysis was conducted using a qualitative descriptive approach, examining the findings in each article to identify similarities, differences, and relationships between research themes. The synthesized results were then compiled into a table that included the research identity, methods used, and the findings' contribution to improving local government accountability and transparency.

This approach allows researchers to understand the direction of research that has been conducted and find opportunities for future research development, particularly in the context of improving the quality of government financial reports as an instrument of transparency and public accountability.

Chart 1: Article Search and Selection Flow

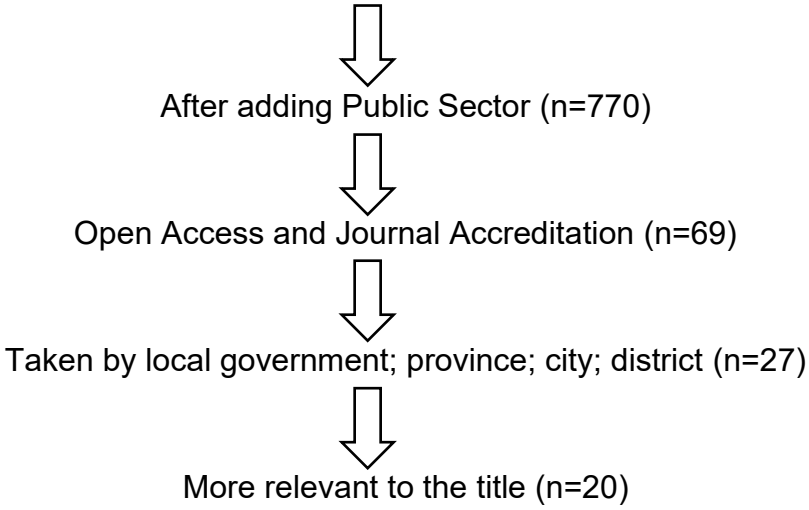
Google Scholar (Initial keywords "financial reports", "accountability", and "government transparency")

Total Articles n=1,310

⇩

Journal Year 2016-2025 (n=1,240)

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THEORETICAL BASIS

Agency Theory

Agency theory stems from the relationship between the agent principle, where one party (the principal) delegates authority to another party (the agent) to perform a task. In the context of the public sector, the government (or regional financial institutions) can position themselves as agents over public funds entrusted by the community/stakeholders (the principals). This theory explains that there is a potential conflict of interest and information asymmetry between agents and principals, which can give rise to accountability issues if the agent does not act in accordance with the principle of public interest (Institute of Chartered Accountants in England & Wales, 2005) .

In the context of government financial reporting, agency theory has relevance because financial reports function as a means of communication between the agent and the principal (society/public), as well as a supervisory instrument that ensures the agent is accountable for managing the resources entrusted to him.

Transparency and Accountability in Public Financial Management

Transparency in public financial management is defined as openness and ease of access for stakeholders to obtain and understand government financial information. Transparency enables the public to assess the extent to which the government manages public resources efficiently and responsibly. Research by (Panggeso et al., 2024) confirms that transparent and accountable public financial management is key to achieving good governance. Public sector accounting systems play a crucial role in providing relevant and

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reliable information, thus helping government institutions account for their performance to the public.

Accountability is a mechanism by which public institutions are required to account for the management and use of public funds to the public and other stakeholders, whether through financial reports, audits, or applicable oversight systems. According to research (Igboke & Raj, 2023) , the general-purpose financial reporting system is globally recognized as the primary mechanism for demonstrating public sector financial accountability.

These two concepts are closely related. Transparency ensures the availability of open and easily understood financial information to the public, while accountability is reflected when the government or public institution can provide clear, measurable, and verifiable accountability for the use of public funds. Therefore, transparency is a fundamental requirement for the realization of financial accountability within the framework of good governance.

The Role of Regional Government Financial Reports

Regional government financial reports include presentations of financial position, budget realization, cash flow, and changes in equity or assets and liabilities of the regional government. In the context of good governance, financial reports serve as one of the main mechanisms to facilitate transparency because they allow the public and stakeholders to obtain an overview of how public budgets and resources are used and support accountability by providing auditable and comparable information, thus enabling performance evaluation and oversight (internal/external audits). A study found that the Presentation of Financial Reports and Internal Control Systems have a positive and significant effect on Regional Financial Accountability (Wan Nailah, Abdullah Syahiza et al., 2023) .

RESULTS AND DISCUSSION

Based on a review of 20 scientific articles indexed by Sinta for the 2016-2025 period, research on the role of financial reports in enhancing government accountability and transparency has shown consistent and increasingly significant development each year. This topic has evolved in line with increasing public demand for information transparency, strengthening regional financial governance, and the implementation of digital-based systems for government financial preparation and reporting.

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In general, these studies emphasize that government financial reports serve not only as a tool for administrative accountability but also as a strategic instrument for achieving public transparency and performance accountability. Through reliable, measurable, and easily accessible financial reports, the public can assess the extent to which the government manages public resources efficiently and responsibly.

In terms of methodological approach, approximately 65% of the studies used quantitative methods with regression and correlation analysis to examine the influence of various factors on financial report quality, accountability, and transparency. The remaining 35% were qualitative and descriptive, focusing on the implementation of reporting systems and digital innovations such as *e-budgeting* , *e-government* , and electronic-based financial systems (SIPD, SIA, SAKTI, and non-cash).

results show a clear trend that internal control, human resource competency, and the use of information technology are key factors in improving the quality of government financial reports. Good financial report quality subsequently has a positive impact on public accountability and transparency in regional financial management. Government financial reports play a strategic role in achieving transparency and public accountability. Improved financial report quality, supported by internal control systems and the use of information technology, has been shown to strengthen public trust in regional financial governance.

Research productivity peaked in the 2022-2025 period, with more than half of the publications highlighting the integration of digital technology into financial reporting and accountability systems. The primary focus shifted from mere accounting compliance to the strategic function of financial reporting as a means of transparency, oversight, and improving governance performance.

Overall, the mapping results indicate a paradigm shift in the management of government financial reports, from merely fulfilling regulations to a strategic orientation in sustainable governance. Financial reports are no longer viewed merely as administrative obligations, but have become a tool for legitimacy, a medium for increasing public trust, and a means of strengthening regional accountability systems. This shift in orientation indicates that transparency and accountability are now key pillars in realizing *good governance* . Therefore, financial reports serve not only as reporting documents but also as strategic instruments for fostering public participation and the credibility of government institutions.

Practically, the results of this study can serve as a reference for local governments and supervisory institutions in improving financial reporting systems and enhancing public transparency. Recommendations from the synthesis of previous articles can be used as a

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basis for formulating policies to strengthen financial accountability, develop digital-based regional financial information systems, and enhance the capacity of financial management personnel, all of which support more transparent, adaptive, and sustainable governance.

Research Gaps and Shortcomings

The results of various studies from 2016 to 2025 indicate that studies on the role of financial reports in improving government accountability and transparency have developed rapidly, but still leave several research gaps. Conceptually, most studies still focus on the direct relationship between financial reports, transparency, and accountability, without explaining the deeper causal mechanisms. The theoretical approaches used are also still limited to *agency theory* and *good governance theory* , while new perspectives such as *public value* or *digital governance* have not been widely integrated to explain the strategic role of financial reports in creating public value.

Methodologically, existing research is dominated by descriptive quantitative approaches, thus failing to comprehensively explore the implementation context, bureaucratic obstacles, and social dynamics within the government financial reporting process. Qualitative and *mixed methods studies* are still relatively few, despite their importance for a deeper understanding of reporting practices. Empirically, the majority of research focuses on local governments in specific regions, particularly Java, while other regions remain underexplored. Furthermore, the involvement of external oversight bodies such as the Supreme Audit Agency (BPK) or the Regional People's Representative Council (DPRD) in ensuring the accountability of financial reports has also been understudied.

On the other hand, research related to the use of information technology, such as *e-budgeting* and *SIPD* , has shown progress, but has not addressed the aspects of system integration, data security, and human resource readiness, which are crucial factors in achieving digital transparency. The resulting policy recommendations tend to be normative and lack concrete implementation models.

Thus, there is still ample room for further research to strengthen the integration between conceptual, methodological, and practical aspects, so as to produce a more comprehensive understanding of how financial reports play a strategic role in building government accountability and transparency in the era of digital transformation.

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Systematic literature review

The table below presents a literature review of journals obtained through *purposive sampling.* The literature review includes the journal's publishing institution, research title, research focus, research method, research findings, and accreditation.

Table 1 2016

No	Research Title	Author & Year	Accreditation	Research methods	Research result
1	Implementation of the E-Budgeting System on Public Financial Transparency and Accountability (Study on the Surabaya City Government)	Dimas Rizky Gunawan	Sinta 3	Descriptive Qualitative	The Surabaya City Government has successfully implemented an e-budgeting system effectively. This system increases transparency and public accountability through open access to information and coordination between regional government agencies (Rizky Gunawan Dimas, 2016) .

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Table 2 2017

No	Research Title	Writer	Accreditation	Research methods	Research result
1	The Relationship between Accessibility of Financial Reports and Public Accountability in the North Bengkulu Regency Government	Mirta Wijaya, Neri Susanti, & Sulisti Afriani	Sinta 3	Quantitative	There is a significant and strong relationship between financial report accessibility and public accountability (rs = 0.63 > 0.450). Both financial report accessibility and public accountability are in the "very good" category (Wijaya et al., 2017).

Table 3 2018

No	Research Title	Writer	Accreditation	Research methods	Research result
1	The Influence of Regional Head Characteristics, Government Size, and Audit Findings on Regional Financial Performance	I Gusti Made Ary Anggara Tama & Priyo Hari Adi	Sinta 3	Quantitative	The size of local government and the characteristics of regional heads projected by the length of service influential positive and significantly on the financial performance of regional governments. The BPK audit findings and the characteristics of regional heads projected by age and education do not significantly influence financial performance (Tama & Adi, 2018) .

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2	The Influence of Human Resource Capacity and Internal Accounting Control on Financial Reporting of Regional Work Units (SKPD) in Gianyar Regency	Ni Putu Riski Martini	Sinta 3	Quantitative	Human resource capacity And accounting internal control has a positive and significant effect on the financial reporting of regional government agencies (SKPD) in Gianyar Regency. This means that the better the human resources and internal control systems, the higher the quality of the accounting information produced (Riski Martini, 2018) .

Table 4 2019

No	Research Title	Writer	Accreditation	Research methods	Research result
1	Analysis of Financial Management Performance of the Regional Government of Morotai Island Regency, North Maluku Province (Study of the Morotai Island Regency Government for the Last	Nurhikmah Sibua & Firman Pribadi	Sinta 5	Qualitative descriptive method	2013-2015 high decentralization ratio, good financial capacity - Dependency ratio 2013-2015 was very low, revenue efficiency increased- Independence ratio 2013-2015 high, delegative pattern (regions becoming more independent). (Sibua & Pribadi, 2019)

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	Five Years 2011-2015)				
2	The Influence of Regional Financial Report Presentation and Accessibility of Regional Financial Reports on Transparency and Accountability of Regional Financial Management in Palu City	Guasmin & Dasa Febrianti	Sinta 5	Causal research, Multiple linear regression analysis	X1 & X2 simultaneously have a significant positive effect on transparency & accountability (F-count 53.506; Sig. 0.000) X1 is partially significant (t-count 2.070; Sig. 0.042) X2 is partially significant (t-count 7.001; Sig. 0.000). (Guasmin & Febrianti, 2019)

Table 5 2020

No	Research Title	Writer	Accreditation	Research methods	Research result
1	The Importance of Internal Control to Increase Transparency and Accountability in Regional Financial Management	Ratna Purnama Sari, Citra Setia Mulyani & Dekeng Setyo Budiarto	Sinta 3	Quantitative	Presentation of financial reports does not have a significant effect on transparency & accountability (Sig. 0.401) Accessibility does not have a significant effect (Sig. 0.117) Internal control has a significant positive effect on transparency and

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					accountability (Sig. 0.000). (Sari et al., 2020)

Table 6 2022

No	Research Title	Writer	Accreditation	Research methods	Research result
1	The Influence of Accounting Information Systems on the Quality of the Nagan Raya Government's Financial Reports	Ayu Pratiwi, Sari Maulida Vonna & Mastuti Harmi .	Sinta	Quantitative	SIA has a positive and significant effect on the quality of financial reports: Sig. value 0.022 < 0.05 significant thitung 2.836 > t tabel 2.262 The influence is 50.1% (R^2 = 0.501) The government needs to audit and improve the implementation of SIA regularly (Pratiwi et al., 2022) .

Table 7 2023

No	Research Title	Writer	Accreditation	Research methods	Research result
1	Determinants Affecting the Quality of Government Financial Reports	Ratih Purwasih, Anna Yulianita & Rela Sari	Sinta 4	Quantitative	The results of this study indicate that the application of government accounting standards, the use of agency-level financial application systems, the administration of state assets, and the application of reconciliation each have a positive and significant

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					effect on the quality of government financial reports (Purwasih et al., 2023) .
2	The Role of E-Budgeting in Supporting Budget Transparency of the Surakarta City Government	Adhisa Nurafia Rahma & Utpala Rani .	Sinta 5	Qualitative	The findings of this study indicate that E-Budgeting is very important in encouraging budget transparency in the Surakarta City Government. (Rahma et,. al 2022) .
3	The Influence of SAKD on Regional Tax Revenue Accountability (Kendari City Regional Revenue Agency)	Erwin Hadisantoso, Fitriaman & Apriyanti	Sinta 5	Qualitative	SAKD is good , regional tax accountability is very good . Improvements to the asset recording and reporting system are still needed (Hadisantoso et al., 2023)
4	Organizational Transparency in Public Information Management at the Bandung City Culture & Tourism Office	Dhafin Arkarizki, R. Ira Irawati & Dedi Sukarno	Sinta	Qualitative	Organizational transparency in managing public information at the Bandung City Culture and Tourism Office is not yet fully transparent (Arkarizki et al., 2023) .
5	Regional Financial Management with a Non-	Tania Meylina Sitinjak, Candrade	Sinta 4	Qualitative	The implementation of a cashless system at the Tebing Tinggi Regional Revenue and

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	Cash Transaction System at the Regional Financial and Revenue Management Agency (BPKPD) of Tebing Tinggi City	wini, & Mas Dadang Enjat Munanjat			Expenditure Management Agency (BPKPD) has made fund flows more transparent and accountable, provided real-time transaction recording, and increased regional tax revenues from 2018 to 2021. However, challenges remain in the dissemination and public understanding of the cashless system (Dan et al., 2023) .
6	The Role of the Ministry of Finance's Sakti Web in Increasing the Productivity of Making Payment Orders (SPM) at the Ministry of Religion Office	M. Noor Fuadi	Sinta 4	Qualitative	The implementation of Sakti Web increases the efficiency and transparency of SPM creation , accelerates work processes, and enhances accountability. Challenges arise in employee adaptation and the need for ongoing training (Fuadi 2023, 2021) .

Table 8 2024

No	Research Title	Writer	Accreditation	Research methods	Research result
1	Stakeholder Perceptions of	Andi Syaiful Zainal,	Sinta 4	Qualitative	Information transparency in Kendari City has increased through e-

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	Information Disclosure in Development Good Governance in Kendari City	Riston G. Ahmad, Dian Arwulan, Musridwan, Mulyawan .			government innovations (SP4N-LAPOR, LAIKA, Kendarikota.go.id portal) and has received positive responses from stakeholders due to increased accountability, public participation, and decision-making quality. Key challenges include budget constraints, low public understanding of digital applications, and a lack of coordination between government agencies. Recommendations include improving public literacy, evaluating administrative barriers, and allocating adequate budgets. (Zainal et al., 2024) .
2	Analysis of Regional Government Financial Performance After Implementing Accrual-Based Government	Budhi Purwantoro Jati & Takrisia Umara Pangestu	Sinta 3	Quantitative	The financial performance of the Sleman Regency Government is quite good . Regional Original Revenue (PAD) is very effective (110.67%), financial efficiency is efficient (89.18%), spending efficiency is efficient (87.37%), and revenue growth is positive

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	Accounting Standards				(6.54%). However, financial independence remains low (47.64%), and dependence on the central government remains high (66.51%). The degree of decentralization is moderate (31.51%). (Jati & Pangestu, 2024)

Table 9 2025

No	Research Title	Writer	Accreditation	Research methods	Research result
1	Legal Study of Transparency and Accountability of Electronic-Based Regional Financial Management	Maissy Triyanti Petronella Dotulung	Sinta 5	Qualitative	Electronic-based financial systems (SIPKD, SIMDA, SIPD) increase transparency and accountability , but still face obstacles such as limited human resources, data security, and suboptimal system integration (Dotulung, 2025) .
2	The Influence of Accountability, Transparency, Supervision and Internal Control Systems of the Government on the Performance of Regional Governments (Empirical	Sri Wahyuni , Muhammad Ahyarudin, Annie Mustika Putri	Sinta 3	Quantitative	Accountability, transparency, and oversight have a positive impact on the performance of the Riau Provincial government. The Internal Control System also strengthens the effectiveness of good governance (Wahyuni Sri et al., 2025) .

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	Study on Regional Apparatus Organizations of Riau Province)				
3	Realizing Good Governance Through Strengthening the Internal Control System within the Batam City Government	Khadijah & Intan Juniarti	Sinta 3	Qualitative	Strengthening the internal control system is positively correlated with the realization of good governance and requires increased internal supervision and the capacity of regional financial human resources (Batam, 2025) .
4	The Influence of Human Resource Competence, Education Level and Professionalism with the Utilization of Information Technology as a Moderating Variable on the Quality of Regional Government Financial Reports	Ihgnasia Inge, Khristina Yunita, Muhsin, Rusliyawati, Angga Permadi Karpriana.	Sinta 3	Quantitative	Human resource competency, education level, and professionalism have a significant positive effect on the quality of financial reports . The use of IT strengthens the influence of competency and education , but does not strengthen the influence of professionalism (Inge et al., 2025) .

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Research Results per Year

2016 : Research by (Rizky Gunawan Dimas, 2016) showed that the implementation of an e-budgeting system in the Surabaya City Government significantly increased public transparency and accountability. This system facilitated public access to budget information and strengthened coordination between regional government agencies (SKPD). This finding provides an important basis for understanding the role of digital financial reporting on public transparency.

2017: A study (Wijaya et al., 2017) confirmed a significant and strong relationship between financial report accessibility and public accountability in the North Bengkulu Regency Government (rs = 0.63). This result underscores the importance of open access to financial reports for the public as a form of local government accountability.

2018: Two important studies conducted this year, Tama & Adi (2018) and Riski Martini (2018) , strengthen empirical evidence that human factors and internal control systems significantly influence the quality of financial reports. Competent human resources and strong internal control systems improve reporting reliability, ultimately strengthening public accountability and trust in regional financial management.

2019: Research (Sibua & Pribadi, 2019) found increased regional financial independence in Morotai Island Regency, while (Guasmin & Febrianti, 2019) demonstrated that the presentation and accessibility of financial reports had a significant positive effect on the transparency and accountability of regional financial management in Palu City. This year marked a shift in focus from solely financial performance to increased transparency and public engagement.

2020: (Sari et al., 2020) emphasized that internal control has the strongest influence on transparency and accountability, compared to the presentation and accessibility of financial reports. This means that accurate financial reports can only be produced through an effective internal control system.

2022: Research (Pratiwi et al., 2022) showed that Accounting Information Systems (AIS) had a significant positive effect on financial report quality (Sig. 0.022 < 0.05), contributing 50.1%. This indicates that digitalization of accounting systems is a crucial component in creating accurate, transparent, and accountable financial reports.

2023: This period saw a surge in research on the digitalization of financial reporting and public transparency.

1. (Purwasih et al., 2023) showed that the implementation of Government Accounting Standards (SAP) and asset reconciliation had a significant impact on the quality of financial reports.

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2. (Rahma et al,. 2022) highlighted the role of e-budgeting in Surakarta City in increasing budget transparency.
3. (Hadisantoso et al., 2023) emphasized that SAKD contributes to regional tax accountability.
4. (Arkarizki et al., 2023) revealed that public information transparency is not optimal at the Bandung City Culture & Tourism Office.
5. (Dan et al., 2023) proved that non-cash transactions increase the efficiency and accountability of financial reporting.
6. (Fuadi 2023, 2021) shows that the Ministry of Finance's Sakti Web accelerates the administrative process and increases accountability in issuing SPM.

The overall results for 2023 demonstrate the transformation of the government's financial system toward transparent and efficient *smart governance .*

Year 2024: (Zainal et al., 2024) highlighted the increased transparency of public information in Kendari City through *e-government innovations* such as SP4N-LAPOR and LAIKA. Stakeholders assessed that this transparency increases accountability and public participation. Meanwhile, (Jati & Pangestu, 2024) showed that the implementation of accrual-based accounting can improve the effectiveness and efficiency of financial management, although regional fiscal independence still needs to be strengthened.

2025: In the recent period, research trends have increasingly emphasized the integration of electronic financial systems and strengthening internal controls.

1. (Dotulung, 2025) emphasized that SIPKD, SIMDA, and SIPD increase transparency and accountability, despite facing technical and human resource constraints.
2. (Wahyuni Sri et al., 2025) proved that accountability, transparency, supervision, and SPI have a positive influence on local government performance.
3. (Batam, 2025) shows a positive correlation between strengthening SPI and the realization of *good governance* in the Batam City Government.
4. (Inge et al., 2025) found that HR competency, education, and professionalism have a significant influence on the quality of financial reports, strengthened by the use of information technology.

CONCLUSION

The results of *a Systematic Literature Review* of research conducted during the 2016-2025 period indicate that financial reports play a central role in strengthening accountability and transparency in government administration. In general, financial reports serve not only as a tool for administrative accountability but also as a strategic instrument

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for building public trust and realizing good governance . The implementation of electronic-based financial systems such as *e-budgeting* , *SIPD* , and *SIA* has been proven to improve information transparency, effective coordination between regional agencies, and efficiency in public financial management.

Research developments indicate a paradigm shift from mere regulatory compliance to a strategic orientation in sustainable financial governance. However, challenges remain, such as limited human resource capacity, low financial information system integration, and gaps in public understanding of the accessibility of financial reports. Furthermore, most studies focus on analyzing direct relationships between variables without delving deeper into the social context, organizational culture, or institutional factors influencing transparency policy implementation.

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