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Systematic Literature Review: The Role Of Transparency In Government Accounting

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Abstract

This research applies a Systematic Literature Review (SLR) to investigate the relationship between transparency and government accounting, including how these studies are distributed and categorized. Findings indicate that transparency in governmental accounting significantly enhances accountability, public confidence, and the overall quality of state financial administration. A large portion of the literature highlights that adopting accrual-based accounting standards, maintaining publicly accessible financial reporting, and utilizing information technology contribute positively to improving transparency outcomes. However, challenges such as insufficient human resource competence, lack of managerial commitment, and regulatory limitations still impede achieving optimal transparency in the public sector. Based on evidence from 14 national and international journal articles, transparency supports accountability and public trust, especially when combined with accrual-based accounting and information technology utilization, although limitations in expertise and institutional readiness remain barriers. This study offers a novel contribution by merging a systematic literature review approach with a focused analysis of transparency and government accounting within the 2016–2025 timeframe.

KEYWORDS: transparency; government accounting

INTRODUCTION

The modernization and digital transformation of public sector accounting systems are increasingly important to strengthen efficiency, transparency, and the reliability of

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government financial administration. Recent studies emphasize that the application of advanced technologies—such as artificial intelligence (AI), cloud-based solutions, and blockchain—can accelerate recording, processing, and reporting of financial information. Nevertheless, technological reforms alone are not sufficient; successful implementation also depends on adapting organizational structures, enhancing staff competencies, and preparing for risks including cyber threats and internal resistance to technological change (Hoxha et al., 2025). The central aim of this paper is to assess how modern information systems are implemented within the Albanian public sector while identifying the resulting benefits and obstacles in enhancing the performance of government financial management.

Transparency, trust, and accountability function as mutually reinforcing elements rather than as a sequential hierarchy. Higher transparency alone does not automatically ensure accountability or public trust; instead, each of these components interacts and strengthens the others (Ferry et al., 2024). In the context of government accounting, accessible financial disclosures foster accountability; effective accountability encourages public confidence; and public confidence, in turn, pushes institutions to exercise further transparency and responsible governance.

Previous work indicates that the decision-making processes of public sector accountants are influenced by organizational norms and the quality of accessible information—both of which closely relate to transparency (Krishnan, 2023). For instance, Ocampo-Salazar (2020) demonstrated that public accounting reforms in Medellín, Colombia increased financial openness and improved public monitoring.

Grounded in these empirical insights, this study explores **"Systematic Literature Review: The Role of Transparency in Government Accounting"** The goal of this review is to contribute theoretical insights into how transparency interacts with accountability and public trust in public sector financial administration, and to enrich the scholarly discussion on how technological advancement and government reporting practices affect financial governance efficiency and integrity.

METHOD

This study utilizes the Systematic Literature Review (SLR) method to identify and analyze prior scholarship concerning transparency and government accounting. Through this procedure, the researchers conducted targeted searches within reputable academic databases—primarily Scopus—employing specific keywords to locate relevant publications. The retrieved articles were then screened based on topic alignment,

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publication period, and completeness of information. Each selected article was further examined to capture its thematic orientation, methodological framework, and principal conclusions. The synthesized results enabled a comprehensive perspective on patterns, contributions, and research voids regarding transparency in government accounting. The keywords applied in the search were “transparency” and “government accounting,” while the sampling was determined using a purposive selection technique.

The SLR approach was chosen because it enables a structured mapping of research development trends, theoretical approaches, and methodological variations regarding the topic. The review process refers to the core procedures of the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework, consisting of four major phases:

1. Identification
   Locating all relevant articles from trusted scholarly sources (e.g., Scopus).
2. Screening
   Filtering studies according to predetermined criteria such as publication year (2016–2025), accepted language (English/Indonesian), and thematic relevance.
3. Eligibility
   Evaluating whether articles meet the eligibility standards through detailed assessment of their abstracts and full text.
4. Inclusion
   Selecting the final set of articles that are most relevant to the topic of transparency in government accounting for deeper examination. No experimental or direct field data collection was conducted in this research.

Chart 1: Search flow and article selection

Scopus (early keyward of transparency and government accounting)(n = 544)
⇩
Journal Year 2016-2025(n = 361)
⇩
transparency AND Government accounting article(n = 274)
⇩
Using "transparency" and "Government accounting"(n = 25)
⇩
Open Access and Journal Types(n= 14)
⇩
Articles in accordance with research (n=14)

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THEORETICAL BASIS

The Concept of Transparency in Government Accounting

Transparency is a fundamental component of good governance within public sector accounting. In principle, transparency reflects the government's willingness to openly present accurate and relevant financial data that can be accessed and reviewed by the public and oversight authorities (Bradley et al., 2025). This implies not only data availability, but also its clarity, comprehension, and usability for stakeholders.

Research findings suggest that the application of modern accounting technologies and digital information systems improves transparency by accelerating financial reporting and strengthening data precision (Hoxha et al., 2025). As a result, higher transparency fosters increased levels of public trust and confidence in governmental integrity (Siahay, 2023).

Accountability and its Relationship to Transparency

Transparency and accountability operate as complementary aspects of public sector financial management. Transparency allows internal and external observers to examine governmental performance, while accountability emphasizes the obligation to justify the use of public resources responsibly (Krishnan, 2023).

According to Bourmistrov et al. (2024), insufficient accounting competence and inadequate understanding of government accounting standards can obstruct fiscal openness and weaken accountability. Conversely, Kahar et al. (2023) demonstrated that well-executed auditing practices and transparent budgeting accelerate local government performance and help reinforce public credibility in the system.

Government Accounting Standards and Transparency

The adoption of accrual-based accounting and IPSAS (International Public Sector Accounting Standards) is recognized as a pivotal mechanism to strengthen fiscal transparency. Heald and Hodges (2018) argue that consistency in accounting procedures enables year-to-year comparability and elevates the clarity of government financial statements.

However, in many developing countries, IPSAS implementation encounters systemic barriers including limited expertise, insufficient human capital, and underdeveloped technical infrastructure (Boente, 2021). Even so, these standards remain essential as tools for enhancing financial performance, supporting value-for-money

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principles, and improving accountability and transparency in the public sector (Sam & Haliah, 2024).

RESULTS AND DISCUSSION

Overview of Reviewed Studies

From a total of 544 publications initially identified through Scopus and other recognized scientific indexes, only 14 articles satisfied the final inclusion parameters. The overall patterns emerging from these sources show that transparency in government accounting plays a strategic role in building accountability, improving performance efficiency, and strengthening citizens' confidence in fiscal governance. Most literature acknowledges that adoption of accrual-based accounting, digital financial systems, independent auditing, and publicly accessible financial disclosures are key drivers of transparent governmental operations. Nevertheless, recurring obstacles such as limited human expertise, resistance to administrative transformation, and insufficient exploitation of available financial data continue to hinder broader transparency outcomes. Generally, the analyzed publications highlight that transparency functions not merely as financial information provision, but as a structural mechanism that enables public monitoring and responsible fiscal stewardship — ensuring that financial resources are managed ethically, efficiently, and in alignment with public development objectives.

Systematic Literature Review

Tables 1 through 8 present detailed literature synthesis compiled through purposive selection. Each table summarizes the authors, publication year, study title, thematic emphasis, methodological design, principal findings, and journal source.

Table 1 2016

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source / Publisher
1.	Gama, JR; Rodrigues, GM	Transparency and access to information: A study in Brazilian public entities	**transparency and public access to financial information** in Brazilian government institutions after the regulation of openness of information	Qualitative Case Study	Access to public information is still limited despite transparency regulations.	Elsevier

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Table 2 2018

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source / Publisher
1.	Heald, D.; Hodges, R.	Accounting for government guarantees	**challenges of reporting government guarantees** and hidden risks in public accounting.	Conceptual Study & Policy Analysis	Public guarantee accounting still lacks transparency.	Elsevier

Table 3 2019

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source/ Publisher
1.	Chow, DSL; Pollanen, R.; Baskerville, R.; Ahrens, T.	Usefulness of consolidated government accounts	Evaluate **benefits of government consolidated financial reports** in increasing transparency and policy decision making	Quantitative / Mixed Methods	Consolidated reports enhance cross-agency fiscal understanding.	Elsevier
2.	Heald, D.; Wright, I.	The UK's Exit Charge from the EU: Insights from accounting	**the implications of public accounting for post-Brexit public finances**, emphasizing the importance of fiscal transparency	Policy Analysis & Public Accounting	This study highlights the lack of fiscal transparency during Brexit.	Elsevier

Table 4 2020

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source / Publisher
1.	Ocampo-Salazar, CA	Governmental accounting reform in Medellín	**government accounting reform in Medellín, Colombia ,** as an effort to strengthen fiscal transparency	Descriptive Case Study	Reforms strengthen transparency and public oversight	Elsevier

Table 5 2021

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source / Publisher
1.	**Abhayawansa, S.; Adams, CA; Neesham, C.**	Accountability and governance in pursuit of SDGs	**the role of accountability and governance**	Qualitative (document analysis /	the importance of accounting transparency to	Elsevier

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				policy studies)	achieve the SDGs	
2.	Prux, P.R.; da Silva Momo, FDS; Melati, C.	Opportunities and challenges of using blockchain in accounting	**opportunities and challenges of blockchain implementation** to improve the reliability and transparency of accounting data	Literature Review / Exploratory	Blockchain is considered to increase the reliability and security of financial reports.	Elsevier
3.	Boente, DR	Evaluation of the informational capacity of accounting statements	**financial report information capacity**	Quantitative (content analysis of reports)	public financial reports are still limited in disclosure	Elsevier

Table 6 2023

No	**Researcher & Year**	**Research Title**	**Main Focus / Relevance**	**Research methods**	**K Findings (Results)**	**Source / Publisher**
1	Kahar, A.; Furqan, AC; Tenripada, T.	The effect of budget, audit and government performance on accountability	the relationship between budget quality, audits, and government performance on public accountability.	Quantitative (regression/ data analysis)	significant positive relationship between audit and public performance accountability	Elsevier
	Krishnan, SR	Decision-making processes of public sector accountants	public sector accountant decision-making process	Qualitative (interviews/ behavioral studies)	Revealing bias and the influence of organizational culture in the public accounting process	Elsevier

Table 7 2024

No	**Researcher & Year**	**Research Title**	**Main Focus / Relevance**	**Research methods**	**Key Findings (Results)**	**Source / Publisher**
1.	Bourmistrov, A.; Gilberg, B.; Gårseth-Nesbakk, L.	Extinction of central and local government accounting?	Ownership structure and effectiveness of internal controls.	Conceptual / Reflective Study	accounting paradigm shift due to digitalization	Elsevier
2.	Ferry, L.; Fright, M.; Midgley, H.; Murphy, A.	Are local government accounts trusted? Exploring assurance and transparency	The influence of control mechanisms on the sustainability of public finances.	Survey Study / Social Experiment	transparency and independent audits increase public trust	Elsevier

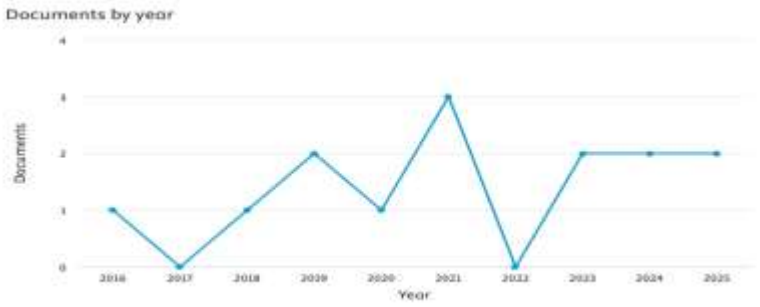
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Table 8 2025

No	Researcher & Year	Research Title	Main Focus / Relevance	Research methods	Key Findings (Results)	Source / Publisher
1.	Bradley, L.; Heald, D.; Hodges, R.	The under-realized potential usefulness of the Whole of Government Accounts	The Great Potential of the Whole of Government Accounts (WGA) Report	Conceptual Study / Document Analysis	Lack of internal control hampers the sustainability of SMEs.	Elsevier
2.	Hoxha, E.; Angjeli, A.; Bombaj, F.	Implementation of modern information systems for efficiency in the public sector	Implementation of Modern Information Systems To Improve the Efficiency and Transparency of Public Sector Operations.	Quantitative (system analysis & efficiency)	Sustainable accounting systems strengthen internal controls and ESG performance.	Elsevier

Graph 1.



The analysis of publication progression from 2016–2025 demonstrates a clear evolution in scholarly interest in transparency and government accounting. Early research activity (2016–2018) remains limited, suggesting that the topic had not yet escalated into widespread academic discussion. A substantive rise occurred during 2019–2021, peaking in 2021, which suggests increased attention to issues such as audit quality, fiscal openness, and digital transformation in the public sector.

A temporary decline in research publications was observed in 2022, possibly due to a shift in research priorities or pandemic-related academic disruptions. Research output regained consistency in 2023–2025, with around two relevant publications per

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year. This continuity indicates ongoing concern with public accountability, digitization of accounting practices, and transparency in fiscal policies.

Methodological Tendencies Within Related Scholarship

The majority of studies predominantly apply qualitative methodologies, particularly case analysis and document examination, to observe accounting practices and transparency mechanisms across countries. Some works incorporate quantitative or mixed-method approaches to examine relationships between accounting standards implementation, audit quality, and fiscal transparency levels.

Theoretical and Practical Contributions

Theoretical Implications

Academically, this research supports the notion that transparency in governmental accounting is fundamental to sound governance, vocational accountability, and legitimacy in fiscal administration. The reviewed literature reinforces the theoretical linkage between transparency, accrual-based accounting, independent audits, and public confidence. Moreover, the findings broaden conceptual understanding by positioning transparency as an institutional and managerial tool rather than merely a reporting obligation. Such an understanding enriches theoretical perspectives on the interaction between accounting frameworks, organizational conduct, and state legitimacy.

Practical Implications

Practically, the results provide actionable guidance for governments, regulators, and oversight institutions—emphasizing the need to strengthen financial reporting systems, invest in human competency development, and incorporate timely and independent auditing practices. For policymakers, the findings highlight the importance of integrating financial datasets across institutions, ensuring information accessibility, and including public engagement in fiscal scrutiny. These insights may inspire development of more transparent, technologically empowered public accountability systems.

Research Gap

The outcomes of the SLR indicate several identifiable research gaps:

1. Current research is largely concentrated in developed nations, while investigations within developing country contexts remain relatively scarce.

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2. The existing literature overwhelmingly relies on qualitative, descriptive analysis, with limited incorporation of quantitative or empirical data-based methodologies.
3. The exploration of advanced digital tools—such as blockchain and contemporary information systems—remains insufficiently elaborated in relation to their potential impact on fiscal transparency.
4. The role of citizen participation and societal engagement in evaluating public financial reports is underrepresented in existing scholarship.
5. The vast majority of studies examine transparency in a cross-sectional perspective; longitudinal and cross-country comparative analyses are lacking.
6. The theoretical framework utilized in most research remains narrowly framed within conventional accounting and accountability frameworks, with minimal integration of interdisciplinary perspectives such as governance theory, institutional theory, or social trust models.

Research trend trends

Aspect	General Trends/Findings	Detailed Explanation
1. Research Focus	Fiscal transparency and accountability	Most studies highlight the role of transparency in increasing accountability, efficiency, and public trust in government financial management.
2. Geographical Context	Dominated by developed countries	Much research has been conducted in the UK, Norway and Brazil, while studies in developing countries such as Indonesia are still very limited.
3. Methodological Approach	Qualitative and case studies	Most studies use interviews, document analysis, and case studies; quantitative research based on empirical data is still minimal.
4. The Role of Technology	Starting to be associated with digitalization of accounting	Several studies examine the application of modern information systems and blockchain to improve the transparency and efficiency of public financial reporting.
5. Public Participation	Lack of attention	There is little research that highlights public involvement in utilizing financial data to strengthen government accountability.
6. Research Time Coverage	Cross-sectional in nature	The majority of studies are conducted over a single time period, with not many being longitudinal to assess changes in transparency on an ongoing basis.
7. Theoretical Approach	Limited to a public accounting perspective	The theories used still focus on accounting and accountability and have not integrated many cross-disciplinary theories such as governance or trust theory.

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Aspect	General Trends/Findings	Detailed Explanation
8. Further Research Directions	Integration of technology and empirical approaches	Future research is recommended to combine quantitative methods, cross-country comparisons, and analysis of the role of digitalization and public participation in strengthening public sector transparency.

CONCLUSION

This SLR research investigates how transparency functions within government accounting over the 2016–2025 period. The review reveals that transparency plays a crucial role in reinforcing accountability, nurturing public confidence, and elevating the effectiveness of state financial administration.

The examined studies consistently highlight the importance of accrual-based accounting standards, open access to financial reporting, and the integration of modern information technologies in fostering transparent fiscal processes. Transparency thereby serves not only as an informational disclosure practice but as a governing principle that enables external oversight and responsible management of public resources.

Despite its essential contribution, this review identifies persistent challenges that impede the full realization of transparency in governmental settings — including insufficient human capital, gaps in managerial dedication, and regulatory constraints. These limitations suggest that efforts to achieve comprehensive transparency require not only technical improvements but also institutional and organizational restructuring.

Overall, the findings enrich theoretical discussions within public sector accounting and offer practical recommendations for policymakers and practitioners to advance sustainable, transparent, and accountable financial governance.

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