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# Transparency and Accountability in Report Management

Khairum Nadila Sandy [1)], Haliah [2)], Nirwana [3)]

[1,2,3] Master of Accounting, Economics and Business, Universitas Hasanuddin, Indonesia

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**Correspondence:**
Khairum Nadila Sandy
khairumnadila5@gmail.com

**ABSTRACT**

The aim of this study is to provide a comprehensive context on the importance of transparency and accountability in financial management, and to provide knowledge that will help improve the financial management systems of organizations and the government sector. This research uses a literature method, an approach that aims to analyze and integrate various literature related to the issues discussed. This study uses English or Indonesian articles published in the last 5 years (2021-2025). From the 18 journals studied, it is shown that transparency and accountability in financial statements are very important elements that help increase trust, prevent fraud, and facilitate good decision-making. The study observed that organizations that do not apply these principles risk facing a crisis of trust and legal sanctions, and can increase the risk of bankruptcy Transparent and accountable financial management contributes to organizational stability and operational efficiency.



# Introduction

In the era of globalization and rapid economic development, the concepts of transparency and accountability in financial reporting have become critical issues that garner significant attention from various stakeholders. Transparency, defined as the openness in presenting complete and easily understandable financial information (Boiral et al., 2022), and accountability as the obligation of management to account for the stewardship of resources (Adams & Abhayawansa, 2021), are fundamental pillars of good corporate governance. Recent studies indicate that strong practices of transparency and accountability are positively correlated with corporate financial performance and investor trust (García-Sánchez et al., 2023). Nevertheless, the implementation of these principles across organizations still faces considerable challenges that require further examination.

Instances of non-transparency in financial reporting remain prevalent across various sectors, including private companies and government institutions. A study by Dienes et al. (2021) revealed that around 40% of companies in developing countries still struggle to apply transparent financial reporting standards. Financial reporting scandals such as those involving Enron and Lehman Brothers serve as stark reminders of the detrimental effects of weak transparency (Coffee, 2020). In Indonesia, financial accountability within local governments remains a major concern, with frequent discrepancies reported between financial statements and budget realization (Sari et al., 2022). This situation is exacerbated by the public's limited understanding of the importance of financial oversight (Alawattegama & Wattegama, 2023).

Previous studies have explored various aspects of financial transparency and accountability. Joseph et al. (2021) found that the application of blockchain technology can enhance transparency in corporate financial reporting. Meanwhile, research by Bracci et al. (2022) showed that financial accountability in local governments is significantly influenced by organizational culture and human resource competence. On the other hand, Liu et al. (2023) revealed that institutional pressure from regulators and the public has a significant impact on the level of financial information disclosure. However, there remains a research gap, particularly in understanding mechanisms to strengthen transparency and accountability within organizations that have specific characteristics, as well as the implications for strategic decision-making.

The novelty of this research lies in its comprehensive approach that integrates theoretical and practical perspectives in analyzing the implementation of transparency and accountability. Unlike previous studies that mainly focused on the technical aspects of reporting, this study will explore the social and cultural factors within organizations that affect the effectiveness of these principles. The scholarly contribution of this research includes the development of a new conceptual model on the determinants of successful implementation of transparency and accountability, as well as practical policy recommendations to improve the quality of financial reporting. The findings are expected to enrich the literature in the fields of accounting and organizational governance, particularly in the context of developing countries (Guthrie & Parker, 2020).

The main objective of this study is to analyze the implementation of transparency and accountability principles in financial reporting and to identify the factors that influence them. Specifically, the study aims to: (1) evaluate the level of organizational compliance with transparent financial reporting standards, (2) analyze the financial accountability mechanisms in place, and (3) identify barriers to the implementation of these principles. The benefits of this research span three key areas: theoretically, it will contribute to the literature on financial governance; practically, the results may serve as a reference for organizations seeking to improve the quality of their financial reporting; and in terms of policy, the findings can inform regulators in developing more effective regulations (Mauro et al., 2021). Additionally, this research is expected to raise public awareness about the importance of monitoring public financial management (Bauwhede & Willekens, 2022).

## Method

This research uses a literature method, an approach that aims to analyze and integrate various literature related to the issues discussed. The literature review of this topic focuses on understanding previous concepts, theories, and knowledge that can provide the comprehensive context in question (Atiaturrahmaniah et al., 2022). This study uses the narrative literature review method to examine various literature in relation to transparency and accountability. This approach allows research to represent a comprehensive picture of relevant concepts, challenges, and solutions in this field (Daffa Maulana et al., 2024).

The PEO framework is used as a guide in the search of the library. The PEO consists of three components: P (population), E (exposure), and O (outcome). The population in this study includes the government sector, public companies, and private companies. The exposure variable used is the financial reporting system. Meanwhile, the expected outcome is transparency and accountability in accounting. With this framework, the process of searching the literature can be adjusted to the research questions that have been set, including inclusion and exclusion criteria (Fatimah & Nuryaningsih, 2021). Article collection is done manually through Google Scholar and Sciencedirect. Keywords used in article searches include: "Transparency", "Accountability", "Financial Statements", and "Accounting". This study uses English or Indonesian articles published in the last 5 years (2021-2025)

## Results and Discussion

(Nakpodia et al., 2024) focuses on the importance of accountability and transparency in the public sector to achieve the Sustainable Development Goals (SDGs).  that public accounting and financial management (PFM) practices have a significant positive impact on the achievement of the Sustainable Development Goals (SDGs), (Biehl et al., 2024) reviewed and mapped the current literature on the real effects of financial reporting in the real sector, which have broader implications than just their impact on capital markets. This study examines how much the quality of financial reporting can affect a company's investment decisions and efficiency.

The majority of existing studies focus more on the real effects at the reporting company level. However, there is an increasing number of studies that also investigate the real effects of financial reporting on peer firms, indicating a positive influence of quality reporting on real decisions taken by other firms. (Arwani & Priyadi, 2024) discusses the importance of openness in the Islamic trading system to ensure fairness and honesty, as well as to increase compliance with sharia principles. In this context, transparency is key to reducing practices that are not in accordance with sharia such as riba, maisir, and gharar, as well as to increase public trust in the Islamic financial system.

The study emphasizes the great potential of blockchain technology in improving the Islamic financial system, although there are still challenges that need to be overcome for its widespread implementation. The application of blockchain technology can increase transparency and accountability in the Islamic financial sector. The study found that with a decentralized system, blockchain can strengthen public trust and efficiency in Islamic financial management, despite the challenges of ensuring compliance with sharia principles and technological adaptation in the Society. (Secinaro et al., 2025) focuses on the risks and opportunities associated with technologies that enable accountability in fintech, as well as establishing the importance of establishing an appropriate regulatory framework.

By paying attention to critical dimensions such as sustainability, governance, and innovative accounting approaches, this study aims to show how these technologies can improve transparency and trust in the financial system. That accountability in the fintech sector is still only partially addressed, so a more structured approach is needed to develop cohesive knowledge on this subject, disruptive technologies can shape the future of the fintech sector, with an emphasis on transparency and accountability as important pillars in the industry's development strategy.

(Kaur & D'Andreamatteo, 2025) explores the evolution of urban food policy governance by considering accounting, accountability, and auditing practices, as well as to identify emerging research opportunities in these areas. Although there is some research identifying the relevance of accountability in participatory procedures for urban food policy, evidence regarding the application of accounting and auditing in crisis situations is limited. There is a gap in focus on how these practices can be strengthened to improve decisions and policies. (Sulastri et al., 2024) discuss how digitalization and dataification in the financial system can increase efficiency but also potentially lead to exclusion of certain groups. Therefore, the government is looking for ways to increase financial inclusion and ensure that no party is left behind. Systemic transformation approach, not just technological change, but also regulatory and governance reforms to ensure the sustainability of financial inclusion.

(Mayapada et al., 2024) The timeliness of financial reporting is an important factor in maintaining transparency and accountability of charitable organizations. Regulations in the UK require charitable organizations to report financials within 10 months after the fiscal year ends, but not all organizations comply. The timeliness of financial reporting in charitable organizations is not only influenced by regulations, but also by pressure from donors, the financial condition of the organization, and the quality of audits and reporting. Therefore, transparency and accountability must be top priorities for charitable organizations to maintain the trust of donors and the sustainability of their operations

**Table 1 List of Previous Research Articles**

| Writer | Article Title | Year |
|---|---|---|
| G. Di Martino | The impact of ESG scores on the value relevance of fair value hierarchy of financial instruments: Evidence from European Banks | 2024 |
| Agus Arwani | Exploring the Role of Blockchain Technology in Enhancing Transparency and Accountability in Islamic Finance: A Systematic Review | 2024 |
| Mutiara Mardaw, M. Cholid Mawardi, Siti Aminah Anwar | The Effectiveness of the Implementation of the Village Financial System Application (Siskeudes) in Increasing the Accountability and Transparency of Financial Statements in Grati Village, Sumbersuko District, Lumajang Regency | 2022 |
| Putri Salsabila Aprilia | Accountability and Transparency in the Financial Management of Non-Governmental Organizations in Lombok Island | 2023 |
| Lestari Sitorus, Nurullaeli Uswatun Suci Ananda Sitompul, Nazwa Feryal Kamila, Wahjoe Pangestoeti | Transparency and Accountability in State Financial Management | 2025 |
| Albertina Paula Monteiro | Linking quality of accounting information system and financial reporting to non-financial performance: The role women managers | 2024 |
| Henrike Biehl | The Real Effects of Financial Reporting: A Review of the Literature | 2024 |
| Silvana Secinaro, Federico Lanzalonga, Michele Oppioli d, Elbano de Nuccio | The effects of disruptive technologies on accountability in fintech industry: Using bibliometric analysis to develop a research agenda | 2025 |

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|---|---|---|
| Reni Sulastri, Marijn Janssen, Ibo van de Poel,Aaron Ding | Transforming towards inclusion-by-design: Information system design principles shaping data-driven financial inclusiveness | 2024 |
| Idah Rosidah, Gunardi, Priatna Kesumah, Royke Bahagia Rizka | Transparency and Accountability in Fraud Prevention in Government Agencies (Case Study of Ciwidey District Office) | 2023 |
| Marusaha Simarmata, Hudi Yusuf | Policy Analysis for Handling Special Economic Crimes in Indonesia: A Case Study on Corruption Cases in the Public Sector | 2024 |
| Pardomuan Ritonga | Transparency and Accountability: The Role of Audit in Increasing Stakeholder Trust | 2024 |
| Fien Hapsari Somad, Naz'aina, Muammar Khaddafi, Razif | The Effect of Presentation, Accessibility, and Transparency of Financial Statements on the Accountability of SKPD Financial Management in the Lhokseumawe City Government | 2023 |
| Iklimah Nur Sholeha, Ersi Sisdianto | Analysis of Sharia Accounting Practices on the Transparency of Regional Financial Statements of Bandar Lampung City | 2024 |
| Xue Lu | Influence of Financial Accounting Information Transparency on Supply Chain Financial Decision-Making | 2024 |
| Franklin Nakpodia, Rilwan Sakariyahu, Temitope Fagbemi, Rasheed Adigun, Oluwatoyin Dosumu | Sustainable Development Goals, Accounting Practices, and Public Financial Management: A Pre and Post COVID-19 Assessment | 2024 |
| Silvia Dewi, Wahyu Widarto | Literature Review of Transparency and Accountability in Indonesia for a Decade: A Bibliometric Study | 2024 |
| Wan Ismail, W. A., Kamarudin, K. A., Mohamad Ariff, A., & Wan-Hussin, W. N. | Women on board, strength of auditing and reporting standards and analysts' forecasts accuracy: International evidence | 2023 |

**Aspects of the findings in the article**

All the articles referenced discuss that transparency and accountability in financial statements are very important because they help increase trust, prevent fraud, facilitate decision-making, ensure compliance with regulations, improve financial efficiency, and reduce risk and increase organizational stability. Organizations that do not apply the principles of transparency and accountability are likely to face a crisis of trust, legal sanctions, and the risk of bankruptcy. Therefore, maintaining the quality of transparent and accountable financial statements is the key in creating good financial governance. (Somad et al., 2023) argue that transparency and accountability are important principles in good governance. Corruption is still a major challenge in Indonesia, with low government financial transparency contributing to an increase in corruption cases.

(Mayapada et al., 2024) argue that Transparency and accountability should be top priorities for charitable organizations to maintain donor trust and operational sustainability. (Rosidah et al., 2023) argue that weak accountability has the potential to open up opportunities for fraud or fraud in the management of public resources. Serta (Secinaro et al., 2025) also have the same opinion about transparency and accountability, namely with an emphasis on transparency and accountability as important pillars in industrial development strategies. In line with all of the above opinions from the religious side, Arwani & Priyadi also

(Arwani & Priyadi, 2024) argue that openness in the Islamic trading system is to ensure justice and honesty, as well as increase compliance with sharia principles. In this context, transparency is key to reducing practices that are not in accordance with sharia such as riba, maisir, and gharar, as well as to increase public trust in the Islamic financial system.

## Conclusion

A total of 18 articles were used as references in this study, with articles sourced from various sources, both national and international. Of the total, 10 articles used an approach with a quantitative method while the rest used an approach with a qualitative method. In the topic of the journal that became a reference, it was explained that transparency and accountability are relevant and important in managing the accounting sector. Both ensure that financial management is carried out openly, honestly and is cared for. Transparency allows stakeholders to use clear and accurate information, but accountability obligations ensure that management's obligations are appropriately considered in the event of fraud or error. The implementation of transparency and accountability in financial management in government in organizations and the accounting sector is an important step in creating and accountable an efficient and transparent financial system. Due to the obligation to consider the disclosure of financial information and the decisions and use of funds, these two principles contribute to reducing the risk of abuse and increasing public trust. In addition, its implementation can improve financial management performance and support the achievement of organizational or government goals.

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