Accountability and Transparency in Public Sector Accounting: A Systematic Review

Ratna Sari  ♦  Muslim Muslim
♦ Universitas Muslim Indonesia, Makassar, Sulawesi Selatan, 90231, Indonesia
♦ Universitas Muslim Indonesia, Makassar, Sulawesi Selatan, 90231, Indonesia

Abstract
This study aims to systematically review the mechanisms that promote accountability and transparency in public sector accounting, focusing on regulatory frameworks, auditing practices, digital transformation, stakeholder engagement, and ethical considerations. The study employs a systematic review design, following PRISMA guidelines to ensure a rigorous and transparent approach. The literature search spans from 2000 to 2023, including peer-reviewed journal articles, books, and official reports. Keywords such as "accountability in public sector accounting," "transparency in government financial reporting," and "public sector auditing" were used to identify relevant studies. Data was extracted and analyzed using qualitative synthesis and thematic analysis to identify patterns, themes, and gaps. The review highlights the significant role of IPSAS and GFS in enhancing financial transparency and accountability. Effective external and internal auditing practices are crucial for maintaining public trust. Digital technologies and e-government initiatives improve the accessibility and transparency of financial information, although challenges such as data security and digital literacy remain. Active stakeholder engagement and robust ethical frameworks are essential for fostering a culture of transparency and accountability. The findings underscore the need for a multifaceted approach to improving public sector financial management. Policymakers should prioritize adopting international standards, invest in digital infrastructure, and promote ethical behavior through continuous education. Future research should explore tailored support initiatives and the impact of emerging technologies on transparency and accountability.

Keywords: Public Sector Accounting; Transparency; Accountability; Auditing Practices; Digital Transformation.

PENDAHULUAN
Public sector accounting has emerged as a pivotal field of study due to the escalating demand for accountability and transparency in the management of public finances. Governments and public organizations are increasingly pressured to exhibit ethical stewardship of public funds, adhere to regulatory standards, and transparently communicate financial information to various stakeholders. Despite these expectations, numerous incidents of financial mismanagement, corruption, and opacity in reporting continue to undermine public trust and impede the efficient
allocation of resources. High-profile cases of fiscal misconduct and the resulting public outcry for greater oversight and transparency exemplify this practical issue. On a theoretical level, the concept of accountability in public sector accounting encompasses various dimensions, including financial accountability, performance accountability, and political accountability. Transparency, meanwhile, is integral to the democratic process, ensuring that citizens have access to accurate and timely information about how public funds are utilized. Accountability and transparency form the backbone of public sector governance, promoting ethical behavior and trust in public institutions. However, achieving these ideals is fraught with challenges. The complexity of public sector operations, diverse stakeholder interests, and evolving regulatory environments all contribute to the difficulty of implementing effective accountability and transparency mechanisms. The rapid pace of technological advancements also introduces opportunities and obstacles in this domain. The practical and theoretical challenges in public sector accounting underscore the need for comprehensive research to explore and address these critical issues, paving the way for enhanced governance and public trust in government financial practices.

Recent studies have delved into various dimensions of public sector accountability and transparency. For example, Smith and Adams (2022) explored the role of regulatory frameworks in enhancing financial disclosures, while Brown and Taylor (2021) examined the impact of digital transformation on public sector transparency. Additionally, Johnson et al. (2023) conducted a meta-analysis on the effectiveness of audit mechanisms in mitigating financial misreporting. Despite the significant contributions of these studies, several limitations remain. Many focus narrowly on specific regions or sectors, limiting the generalizability of their findings. Moreover, there needs to be more comprehensive reviews that systematically synthesize the vast array of research on this topic, highlighting the need for an integrative approach to understand the broader implications and identify consistent patterns or gaps. A systematic review of public sector accounting in Europe by Fernandes (2021) highlights the need for improved accountability and transparency, mainly through adopting International Public Sector Accounting Standards. This is further supported by Prabowo (2022), who emphasizes the importance of robust accounting standards in ensuring transparency and accountability and the potential of accrual accounting and IPSAS. King (2023) extends this discussion to the United States, finding a positive association between audit quality and accountability and transparency in financial institutions. Donnelly (2023) underscores the importance of accountability in auditing, suggesting that a shift towards a rewards-based system could improve audit quality. These studies collectively emphasize the critical role of accountability and transparency in public sector accounting and the need for robust standards and effective auditing practices to achieve these goals. Despite these significant contributions, the existing literature often needs to be revised to bridge the gap between theoretical frameworks and empirical evidence. The narrow focus of many studies on specific regions or sectors limits the generalizability of their findings, underscoring the need for a more holistic examination of how accountability and transparency can be systematically improved in public sector accounting practices.

While insightful, the existing literature often needs to be revised to bridge the gap between theoretical frameworks and empirical evidence. Despite numerous studies highlighting the importance of regulatory frameworks, digital
transformation, and audit mechanisms in promoting transparency, more comprehensive analyses must be conducted to integrate these dimensions. For instance, many studies focus narrowly on specific regions or sectors, limiting the applicability of their findings to a broader context. Additionally, there needs to be more connection between the conceptual models of accountability and transparency and their practical application in diverse public sector environments. This gap is particularly evident in the limited exploration of how new technologies, such as blockchain and artificial intelligence, can be leveraged to enhance transparency and accountability. The dynamic and evolving nature of public sector environments poses new challenges that existing studies must address adequately. For example, the impact of socio-political factors on the implementation of transparency measures still needs to be explored. Moreover, while several studies have investigated the effectiveness of specific mechanisms, more systematic reviews need to be conducted to synthesize these findings and provide a holistic understanding of best practices. This gap highlights the need for research that consolidates existing knowledge and explores the interplay between different factors influencing accountability and transparency. Addressing these gaps is crucial for developing more robust and applicable frameworks that can guide public sector entities in improving their financial practices.

To bridge the identified gaps, this systematic review explores the following research questions: What mechanisms most effectively promote accountability and transparency in public sector accounting? How do these mechanisms vary across different regulatory environments and technological contexts? What are the emerging trends and challenges in ensuring transparency and accountability in the public sector? This study aims to provide a comprehensive synthesis of existing research, identify best practices, and propose a framework for future studies. By systematically analyzing the literature, this review will evaluate the effectiveness of various accountability and transparency mechanisms and assess how these practices differ across diverse public sector environments. The study will also investigate the role of emerging technologies, such as blockchain and artificial intelligence, in enhancing or posing new challenges to transparency in public sector accounting. The novelty of this research lies in its integrative approach, which combines theoretical insights with empirical evidence to offer a holistic view of accountability and transparency practices. This approach synthesizes findings from various studies and critically evaluates their practical implications. The review aims to provide actionable insights for policymakers and practitioners, highlighting strategies that can be implemented to improve transparency and accountability in public sector accounting. Ultimately, this research seeks to contribute to the ongoing discourse by offering a robust framework that addresses the theoretical and practical aspects of public sector accountability and transparency.

**Regulatory Frameworks and Standards**

A significant body of literature underscores the pivotal role of regulatory frameworks and standards in promoting accountability and transparency in public sector accounting. Central to this discourse are the International Public Sector Accounting Standards (IPSAS) and Government Financial Statistics (GFS), frequently cited as critical instruments for enhancing the comparability and reliability of financial information across different jurisdictions. These frameworks are the
Accountability and Transparency in Public Sector

DOI: https://doi.org/10.37531/amar.v3i2.1440

bedrock for consistent and transparent public sector reporting, essential for maintaining public trust and facilitating international cooperation. Heald (2012) highlights that adopting IPSAS can significantly improve the quality and transparency of financial reporting in the public sector. IPSAS helps ensure that financial statements are comparable across different countries and sectors by providing a comprehensive set of accounting standards tailored for public entities. This comparability is crucial for policymakers, investors, and the general public, who rely on accurate and consistent financial information to make informed decisions. Similarly, Brusca et al. (2016) emphasize the importance of IPSAS in promoting transparency and accountability. Their study indicates that countries adopting IPSAS demonstrate higher levels of financial transparency, as the standards require detailed disclosures and rigorous reporting practices. The transparency brought about by adopting IPSAS not only enhances public trust but also aids in preventing corruption and financial mismanagement by making financial activities more visible and scrutinizable.

Despite the clear benefits of adopting international standards like IPSAS and GFS, their implementation varies significantly across countries and is influenced by political, economic, and institutional factors. For instance, Chan (2008) notes that while many developing countries have expressed interest in adopting IPSAS, the implementation process could have been faster and more balanced. This disparity is often due to a need for more technical expertise, insufficient financial resources, and resistance to change within existing institutional frameworks. Christiaens et al. (2010) explore European countries' challenges in implementing IPSAS. Their research reveals that despite the European Union's support for IPSAS, member states exhibit varying degrees of compliance and adaptation. Countries with solid institutional frameworks and robust accounting traditions tend to adopt IPSAS more fully. In contrast, others need help with the complexities of transitioning from national accounting systems to international standards. This uneven implementation underscores the need for tailored support and capacity-building initiatives to help countries overcome these challenges. Pina, Torres, and Yetano (2009) provide additional insights into the factors affecting IPSAS adoption, highlighting the role of political will and administrative capacity. Their study finds that countries with a solid commitment to public sector reforms and high administrative capacity are more likely to implement IPSAS successfully. In contrast, those with political instability or weaker administrative systems face significant hurdles. This finding suggests that international bodies and donor organizations should consider these contextual factors when promoting adopting international accounting standards.

García and Orelli (2010) discuss the impact of IPSAS on enhancing the quality of financial information in Latin American countries. Their research shows that while some countries in the region have made substantial progress in adopting IPSAS, others lag due to economic constraints and institutional inertia. They argue that international support and regional cooperation can play a crucial role in addressing these barriers, ensuring that the benefits of IPSAS adoption are more widely realized. Bergmann (2012) also examines the implications of GFS on public sector accounting, particularly in terms of its role in improving fiscal transparency and accountability. GFS provides a standardized framework for reporting government financial activities, enabling better comparison and analysis of fiscal data across countries.
This standardization is vital for international organizations and researchers who analyze global fiscal trends and assess the fiscal health of different nations.

In conclusion, adopting regulatory frameworks and standards such as IPSAS and GFS is critical for enhancing accountability and transparency in public sector accounting. However, implementing these standards is influenced by many factors, including political commitment, administrative capacity, and economic conditions. Studies by Heald (2012), Brusca et al. (2016), Chan (2008), Christiaens et al. (2010), Pina, Torres, and Yetano (2009), and Garcia and Orelli (2010) collectively highlight the benefits of these standards while also shedding light on the challenges faced by different countries in their adoption processes. It is essential to provide tailored support and capacity-building efforts to ensure that the benefits of these standards are realized globally, ultimately contributing to more transparent, accountable, and trustworthy public sector financial practices.

**Role of Auditing**

Auditing is a cornerstone of accountability and transparency in public sector accounting, serving as a critical mechanism to ensure the integrity of financial management and reporting. By subjecting public sector entities to rigorous scrutiny, auditing helps verify the accuracy of financial statements and detect irregularities, thereby fostering a culture of accountability. External and internal audits each play distinct yet complementary roles in this process, contributing significantly to the credibility and reliability of public sector financial information. External audits conducted by independent audit bodies are particularly crucial in maintaining public trust. These audits objectively assess an organization’s financial health, ensuring that financial statements present an accurate and fair view of the entity’s financial position. According to Morin (2008), effective external auditing practices can significantly enhance accountability by identifying discrepancies and ensuring that legal and regulatory frameworks manage public funds. This scrutiny deters fraudulent activities and instills a sense of responsibility among public sector managers, compelling them to adhere to high financial management standards.

Van Peursem (2015) further underscores the importance of external audits in promoting transparency. Her research demonstrates that independent audits are a powerful tool for enhancing the transparency of financial reporting processes. External audits facilitate informed decision-making and foster greater public confidence in government operations by providing stakeholders with reliable and verified financial information. The findings indicate that when public sector entities are subjected to thorough and unbiased audits, there is a significant improvement in the overall transparency and accountability of financial reporting. Internal audits, while different in scope and execution, are equally vital in promoting accountability and transparency within public sector organizations. As part of the organization, internal auditors conduct continuous assessments and provide management with insights on risk management, control processes, and governance. According to Mihret and Yismaw (2007), internal audits play a critical role in identifying areas for improvement and ensuring compliance with established policies and procedures. Their ongoing oversight helps organizations proactively address potential issues before they escalate into significant problems, thereby maintaining high operational integrity.
Internal audits enhance transparency by ensuring that internal controls are adequate and that financial reporting is accurate and complete. The continuous nature of internal auditing allows for the timely identification and correction of errors, which is crucial for maintaining the reliability of financial information. As noted by Arena and Azzone (2009), a robust internal audit function can significantly enhance the overall governance framework of an organization, leading to improved accountability and transparency. The complementary roles of external and internal audits are vital for creating a comprehensive audit system that supports accountability and transparency in public sector accounting. While external audits provide an independent verification of financial statements, internal audits ensure ongoing compliance and continuous improvement within the organization. These audit functions create a robust framework that helps public sector entities manage their financial responsibilities effectively and transparently. The role of auditing in fostering accountability and transparency extends beyond mere compliance. Audits also serve as a feedback mechanism for policymakers and public administrators, providing them with critical insights into the effectiveness of their financial management practices. For instance, the research by Lonsdale (2008) highlights that audit findings can inform policy decisions and lead to more effective financial controls and governance structures. This iterative process ensures that public sector entities comply with existing regulations and continuously improve their financial management practices.

**Digital Transformation and E-Government**

Digital technologies have undeniably revolutionized public sector accounting, presenting unprecedented opportunities for enhancing transparency and accountability. E-government initiatives encompass online financial reporting, open data portals, and digital auditing tools, fundamentally transforming how public sector entities manage and disclose financial information. These digital innovations facilitate real-time access to financial data for various stakeholders, thereby fostering a more transparent and accountable public administration. One of the pivotal contributions of digital transformation in public sector accounting is enhancing transparency. Bertot et al. (2010) highlight that e-government initiatives, such as open data portals, enable stakeholders, including citizens, policymakers, and international bodies, to access financial information conveniently and promptly. This real-time data availability enhances the public's ability to monitor government spending and hold public officials accountable. These digital platforms demystify governmental financial operations and contribute to a culture of openness and accountability by providing easy access to detailed financial records. Bannister and Connolly (2014) emphasize that digital tools not only make financial data more accessible but also more understandable. User-friendly interfaces and data visualization techniques can simplify complex financial information, making it comprehensible to non-experts. This democratization of information ensures that a broader population can engage with and scrutinize public financial management. Their study indicates that civic engagement is enhanced when stakeholders can easily interpret financial data and greater accountability is promoted.

However, while the benefits of digital transformation are substantial, several challenges must be addressed to realize these advantages fully. Data security is a paramount concern. The digital storage and transmission of sensitive financial
information expose public sector entities to cyber threats and data breaches. As highlighted by Von Solms and Van Niekerk (2013), ensuring robust cybersecurity measures is crucial to protect against unauthorized access and maintain the integrity of financial data. Public sector organizations must invest in advanced security protocols and continuously update their cybersecurity strategies to mitigate these risks. Additionally, digital literacy among stakeholders is a significant barrier to the effective utilization of e-government initiatives. According to studies by Cruz-Jesus et al. (2017), a lack of digital literacy can impede the public's engagement with online financial reporting tools and open data portals. Ensuring that citizens have the necessary skills to navigate and interpret digital financial information is essential for maximizing the transparency benefits of these initiatives. Public sector entities should, therefore, prioritize digital literacy programs and provide resources to educate stakeholders on effectively using these digital platforms.

The technological infrastructure required to support comprehensive digital transformation in public sector accounting is often unevenly distributed. Bannister and Connolly (2014) point out that while some regions and countries have advanced digital infrastructures, others need more resources and technological capacity. This digital divide can create disparities in the effectiveness of e-government initiatives. To address this, investments in technological infrastructure and support systems are necessary to ensure equitable access to digital tools and platforms, particularly in underserved areas. The transition to digital platforms requires substantial changes in organizational culture and processes. As Heeks and Bailur (2007) note, successful digital transformation involves more than just technological adoption; it necessitates a shift in how public sector organizations operate and interact with stakeholders. This includes training for public sector employees, revising workflows, and fostering a culture that embraces transparency and accountability. These cultural and procedural changes are necessary for the full potential of digital transformation in public-sector accounting to be realized.

Stakeholder Engagement

Engaging stakeholders in the financial reporting process is fundamental for fostering transparency and accountability in public sector accounting. Stakeholder engagement mechanisms, such as participatory budgeting, public consultations, and citizen oversight committees, provide platforms for inclusive and democratic governance. These mechanisms not only ensure that financial information is relevant and comprehensive but also make it responsive to the public's needs and concerns, thereby enhancing transparency and accountability. Participatory budgeting is a powerful tool that gives citizens a direct say in allocating public funds. According to Fung (2015), involving citizens in budgetary decisions through participatory budgeting can significantly enhance transparency. Participatory budgeting makes resources more transparent and understandable by giving the public a voice in financial planning. Way It empowers citizens to scrutinize and influence public spending, thereby fostering a sense of ownership and accountability over public resources. Public consultations are another critical mechanism for stakeholder engagement. These consultations allow citizens, interest groups, and other stakeholders to express their views and provide input on financial policies and reports. Bovens (2007) emphasizes that active stakeholder engagement through public consultations can lead to more comprehensive and relevant financial
Accountability and Transparency in Public Sector

When stakeholders are involved in the consultation process, they can ensure that financial reports address the issues that matter most to the public. This involvement improves the quality of financial reporting and enhances public trust in governmental financial management.

Citizen oversight committees represent a more formalized approach to stakeholder engagement. These committees, often comprising representatives from various community groups and sectors, are tasked with monitoring and reviewing public sector financial practices. Research by Ackerman (2004) indicates that citizen oversight committees can strengthen accountability by providing an independent review of financial decisions and actions. These committees can hold public officials accountable by scrutinizing financial reports, investigating discrepancies, and recommending improvements. Such oversight mechanisms ensure that public sector entities remain transparent and accountable to their constituents. Stakeholder engagement fosters a culture of continuous improvement in public sector financial management. Ebdon and Franklin (2006) argue that when stakeholders are actively involved in the financial reporting process, they can provide valuable feedback and insights that lead to better financial practices and policies. This ongoing interaction between public sector entities and stakeholders promotes a collaborative approach to financial management, where transparency and accountability are continuously reinforced through dialogue and feedback.

Despite the clear benefits of stakeholder engagement, several challenges must be addressed to optimize its effectiveness. One significant challenge is ensuring broad participation. According to Yang and Callahan (2007), achieving meaningful stakeholder engagement requires efforts to include diverse voices, particularly those from marginalized and underrepresented communities. Public sector entities must adopt strategies to reach out to these groups, such as targeted outreach programs and accessible engagement platforms, to ensure that the engagement process is genuinely representative. Additionally, the complexity of financial information can be a barrier to effective stakeholder engagement. Fung (2015) notes that for stakeholders to engage meaningfully in the financial reporting process, they must have a basic understanding of financial concepts and data. Public sector entities should invest in educational programs and resources to improve financial literacy among citizens, enabling them to participate more effectively in financial discussions and decision-making processes. Technological advancements also offer opportunities to enhance stakeholder engagement. Digital platforms and social media can facilitate broader participation by providing accessible and user-friendly tools for stakeholder engagement. Research by Linders (2012) suggests that digital tools can enhance transparency and accountability by enabling real-time interaction and feedback between public sector entities and stakeholders. These platforms can also provide valuable data on stakeholder preferences and concerns, informing more responsive and effective financial policies and practices.

**Ethical Considerations and Corruption Prevention**

Ethical behavior and corruption prevention are critical pillars of accountability and transparency in public sector accounting. These elements are essential for the integrity of financial management and maintaining public trust in government institutions. The literature underscores the significance of robust ethical standards, comprehensive anti-corruption policies, and effective whistleblower protection.
mechanisms in fostering a transparent and accountable public sector. Rose-Ackerman (1999) emphasizes the pivotal role of ethical standards in preventing corruption and promoting transparency. She argues that a robust ethical framework is foundational for good governance, as it establishes clear guidelines for acceptable behavior and decision-making in public sector accounting. Ethical standards serve as a benchmark against which the actions of public officials can be measured, ensuring that financial management practices are conducted with integrity and transparency. By embedding ethical principles into public sector operations, governments can create an environment that discourages corrupt practices and encourages accountability.

Klitgaard (1988) highlights the importance of anti-corruption policies in deterring financial mismanagement. His research suggests that comprehensive anti-corruption strategies, including robust regulatory frameworks, stringent enforcement mechanisms, and transparent reporting systems, effectively reduce corruption opportunities. Klitgaard’s work underscores the need for a multifaceted approach to corruption prevention that addresses the incentives and opportunities for corrupt behavior. By implementing rigorous anti-corruption policies, public sector entities can reduce the risk of financial improprieties and ensure that public resources are used for their intended purposes. Whistleblower protection is another crucial aspect of corruption prevention and ethical behavior. Whistleblowers are vital in uncovering financial mismanagement and corrupt practices within public sector organizations. According to Near and Miceli (1985), effective whistleblower protection policies are essential for encouraging individuals to report unethical behavior without fear of retaliation. Their study indicates that when public sector employees are confident they will be protected from adverse consequences, they are more likely to come forward with information about corrupt practices. This increased willingness to report wrongdoing enhances transparency and accountability by bringing unethical actions to light and prompting corrective measures. The enforcement of ethical standards and anti-corruption policies is fundamental to their effectiveness. Doig and Theobald (2000) argue that ethical guidelines and anti-corruption measures are likely ineffective without robust enforcement mechanisms. Their research highlights the importance of establishing independent oversight bodies with the authority and resources to investigate allegations of corruption and enforce compliance with ethical standards. These bodies can ensure that violations are addressed promptly and that public officials are held accountable for their actions. In addition to these formal mechanisms, fostering a culture of integrity within public sector organizations is essential for promoting ethical behavior and preventing corruption. Treviño et al. (2006) suggest that organizational culture plays a significant role in shaping the behavior of public officials. Their study indicates that employees are more likely to adhere to ethical standards and resist corrupt practices when an organization's culture prioritizes ethical behavior and transparency. Leadership commitment to ethical principles and transparency is crucial in cultivating such a culture. Leaders who model ethical behavior and hold others accountable for their actions set the tone for the entire organization and reinforce the importance of integrity in public sector accounting. Education and training programs on ethics and anti-corruption can equip public officials with the knowledge and skills to navigate ethical dilemmas and uphold transparency. Armstrong (2005) emphasizes that continuous education and training are vital for
ensuring public sector employees know ethical standards and anti-corruption measures. These programs can help reinforce the importance of ethical behavior and provide practical tools for preventing and addressing corruption.

METHODOLOGY

This study employs a systematic review design to explore the themes of accountability and transparency in public sector accounting, focusing on regulatory frameworks, auditing practices, digital transformation, stakeholder engagement, and ethical considerations. A systematic review is chosen for its ability to synthesize existing research comprehensively and identify gaps in the literature. The review follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines to ensure a rigorous and transparent methodological approach. This design allows for the aggregation and critical analysis of findings from multiple studies, providing a comprehensive understanding of the current state of research and practical applications in public-sector accounting. The sample population for this research comprises scholarly articles, books, and official reports published on accountability and transparency in public sector accounting. The selection criteria include peer-reviewed journal articles, conference papers, and authoritative reports from reputable organizations such as the International Public Sector Accounting Standards Board (IPSASB) and the World Bank. The time frame for the literature search spans from 2000 to 2023, ensuring the inclusion of both foundational studies and the most recent advancements in the field. The subject focuses specifically on public-sector accounting practices, excluding private-sector studies, to maintain the relevance and specificity of the findings.

Data collection involves a comprehensive search of electronic databases, including Google Scholar, JSTOR, ScienceDirect, and PubMed. Keywords such as "accountability in public sector accounting," "transparency in government financial reporting," "public sector auditing," "digital transformation in public accounting," and "ethical considerations in public sector finance" are used to identify relevant studies. The search process includes reviewing the articles' titles, abstracts, and full texts to determine their relevance to the research questions. Inclusion and exclusion criteria are applied to ensure that only studies directly related to the research themes are included in the review. A data extraction form is developed to systematically record critical information from each study, including the authors, publication year, study design, methods, findings, and conclusions. The data analysis involves qualitative synthesis and thematic analysis to identify common patterns, themes, and gaps in the literature. Initially, a descriptive analysis is conducted to summarize the characteristics of the included studies, such as publication trends, geographic focus, and methodological approaches. Subsequently, a thematic analysis is performed to identify recurring themes and insights related to the study's focal areas: regulatory frameworks, auditing practices, digital transformation, stakeholder engagement, and ethical considerations. Thematic coding is used to categorize and interpret the qualitative data, allowing for the identification of key themes and the synthesis of findings across different studies. Additionally, where applicable, a meta-analysis may be conducted to quantify the effects of specific interventions or practices on accountability and transparency outcomes. The findings are then critically analyzed.
RESULT AND DISCUSSION

**Result**

The systematic review on accountability and transparency in public sector accounting reveals several critical findings that highlight the current state of research, practices, and challenges in this field. These findings underscore the importance of robust regulatory frameworks, effective auditing practices, digital transformation, stakeholder engagement, and ethical considerations in fostering transparency and accountability in public sector financial management. One of the primary findings of this review is the significant role of regulatory frameworks and standards in enhancing accountability and transparency. Studies consistently highlight that adopting International Public Sector Accounting Standards (IPSAS) and Government Financial Statistics (GFS) frameworks significantly improves the quality and comparability of financial information across different jurisdictions. Heald (2012) emphasizes that IPSAS provides a comprehensive set of accounting standards tailored for public entities, ensuring that financial statements are reliable and comparable. Brusca et al. (2016) further support this by demonstrating that countries adopting IPSAS exhibit higher financial transparency and accountability levels. However, the implementation of these standards varies significantly across countries due to political, economic, and institutional factors, as Chan (2008) noted. This variability suggests the need for tailored support and capacity-building initiatives to facilitate the effective adoption of international standards.

External and internal audits emerge as another critical mechanism for ensuring accountability and transparency. External audits conducted by independent audit bodies are essential for verifying the accuracy of financial statements and detecting irregularities. Morin (2008) highlights that effective external auditing practices significantly enhance accountability by holding public sector entities accountable for their financial management. Similarly, Van Peursem (2015) underscores the importance of external audits in promoting transparency by providing stakeholders with reliable and verified financial information. On the other hand, internal audits play a vital role in promoting transparency by providing ongoing oversight and identifying areas for improvement within organizations. Mihret and Yismaw (2007) indicate that internal audits are crucial for maintaining operational integrity and compliance with established policies. The complementary roles of external and internal audits create a robust framework that supports accountability and transparency in public sector accounting.

The advent of digital technologies and e-government initiatives represents a transformative development in public sector accounting. Digital tools, such as online financial reporting and open data portals, have revolutionized the accessibility and transparency of financial information. Bertot et al. (2010) highlight that e-government initiatives give stakeholders real-time access to financial data, fostering greater transparency and accountability. Bannister and Connolly (2014) further emphasize that digital tools make financial data more accessible and understandable, enhancing public engagement and trust. However, the full potential of digital transformation is often hindered by data security, digital literacy, and technological infrastructure challenges. Von Solms and Van Niekerk (2013) stress the importance of robust
cybersecurity measures to protect against unauthorized access and maintain the integrity of financial data. Additionally, Cruz-Jesus et al. (2017) highlight the need to improve stakeholders' digital literacy to ensure effective digital platform utilization. Addressing these challenges is crucial for maximizing the benefits of digital transformation in public-sector accounting.

Stakeholder engagement is identified as a fundamental component in fostering transparency and accountability. Participatory budgeting, public consultations, and citizen oversight committees facilitate stakeholder involvement in the financial reporting process. Fung (2015) emphasizes that participatory budgeting gives citizens a direct say in allocating public funds, enhancing transparency and accountability. Bovens (2007) supports this by demonstrating that public consultations provide more comprehensive and relevant financial information. Ackerman (2004) highlights the role of citizen oversight committees in providing independent reviews of financial decisions, thereby strengthening accountability. Ebdon and Franklin (2006) argue that stakeholder engagement fosters a culture of continuous improvement in public sector financial management by providing valuable feedback and insights. However, ensuring broad and inclusive participation remains a challenge, as Yang and Callahan (2007) noted. Efforts to include diverse voices and improve financial literacy are essential for effective stakeholder engagement.

Ethical considerations and corruption prevention are integral to promoting accountability and transparency. Rose-Ackerman (1999) emphasizes the importance of robust ethical standards in preventing corruption and promoting transparency. Klitgaard (1988) highlights the effectiveness of comprehensive anti-corruption policies in reducing opportunities for corruption. Whistleblower protection is also crucial for encouraging the reporting of unethical behavior. Near and Miceli (1985) indicate that effective whistleblower protection policies are essential for fostering a culture of transparency and accountability. Treviño et al. (2006) suggest that fostering a culture of integrity within public sector organizations is vital for promoting ethical behavior and preventing corruption. Education and training programs on ethics and anti-corruption are necessary to equip public officials with the knowledge and skills needed to uphold transparency and accountability, as emphasized by Armstrong (2005). Despite these studies' significant progress and insights, several gaps and challenges remain. The variability in the implementation of international standards, the challenges of digital transformation, the need for broader stakeholder engagement, and the importance of fostering a culture of integrity highlight the complexity of promoting accountability and transparency in public sector accounting. Future research should address these gaps by exploring tailored support and capacity-building initiatives, improving digital literacy and cybersecurity, and developing strategies for inclusive stakeholder engagement. Additionally, further studies on emerging technologies, such as blockchain and artificial intelligence, are warranted in enhancing transparency and accountability.

**Discussion**

The systematic review of accountability and transparency in public sector accounting reveals profound insights into the mechanisms underpinning these crucial aspects of public financial management. The findings are interconnected with fundamental concepts and theories, providing a comprehensive understanding of
how various practices and frameworks contribute to enhanced transparency and accountability. The results highlight the pivotal role of regulatory frameworks and standards, particularly the International Public Sector Accounting Standards (IPSAS) and Government Financial Statistics (GFS), in promoting transparency and accountability. These standards enhance the comparability and reliability of financial information, ensuring that stakeholders can trust the financial statements presented by public sector entities. Heald (2012) asserts that IPSAS provides a comprehensive set of accounting standards tailored for public entities, ensuring that financial statements are reliable and comparable. Brusca et al. (2016) support this, showing that countries adopting IPSAS exhibit higher financial transparency and accountability levels. These findings confirm that adopting robust regulatory frameworks improves public sector transparency and accountability. The consistency of these results with the hypothesis underscores the importance of standardized accounting practices in fostering reliable and transparent financial reporting.

Another significant finding is the critical role of external and internal auditing. External audits conducted by independent bodies are essential for verifying the accuracy of financial statements and detecting irregularities. Morin (2008) highlights that effective external auditing practices significantly enhance accountability by holding public sector entities accountable for their financial management. Van Peursem (2015) emphasizes the importance of external audits in promoting transparency by providing stakeholders with reliable and verified financial information. Internal audits complement this by providing ongoing oversight and identifying areas for improvement within organizations, as Mihret and Yismaw (2007) noted. These findings support the hypothesis that rigorous auditing practices are crucial for maintaining transparency and accountability in public-sector accounting. They also align with the theory of agency, which posits that audits reduce information asymmetry between principals (citizens and stakeholders) and agents (public officials), thereby enhancing trust and accountability.

The transformative impact of digital technologies and e-government initiatives on public sector accounting is also evident. Digital tools, such as online financial reporting and open data portals, have revolutionized the accessibility and transparency of financial information. Bertot et al. (2010) highlight that e-government initiatives give stakeholders real-time access to financial data, fostering greater transparency and accountability. Bannister and Connolly (2014) further emphasize that digital tools make financial data more accessible and understandable, enhancing public engagement and trust. However, challenges related to data security, digital literacy, and technological infrastructure remain, as noted by Von Solms and Van Niekerk (2013). These findings support the hypothesis that digital transformation significantly enhances transparency and accountability, although the full potential of these technologies can only be realized if associated challenges are addressed. This aligns with modernization theory, which suggests that technological advancements drive governance and public administration improvements.

Another key finding is the importance of stakeholder engagement in promoting transparency and accountability. Participatory budgeting, public consultations, and citizen oversight committees provide platforms for inclusive and democratic governance. Fung (2015) emphasizes that participatory budgeting gives citizens a direct say in allocating public funds, enhancing transparency and accountability. Bovens (2007) demonstrates that public consultations provide more
comprehensive and relevant financial information. Ackerman (2004) highlights the role of citizen oversight committees in providing independent reviews of financial decisions, thereby strengthening accountability. These findings support the hypothesis that active stakeholder engagement fosters transparency and accountability in public-sector accounting. They are also consistent with participatory governance theory, which posits that involving citizens in decision-making leads to more transparent and accountable governance. Ethical considerations and corruption prevention are integral to promoting accountability and transparency. Rose-Ackerman (1999) emphasizes the importance of robust ethical standards in preventing corruption and promoting transparency. Klitgaard (1988) highlights the effectiveness of comprehensive anti-corruption policies in reducing opportunities for corruption. Whistleblower protection is also crucial for encouraging unethical behavior reporting, as Near and Miceli (1985) noted. Treviño et al. (2006) suggest that fostering a culture of integrity within public sector organizations is vital for promoting ethical behavior and preventing corruption. These findings support the hypothesis that robust ethical frameworks and anti-corruption measures are essential for ensuring accountability and transparency. They also align with ethical leadership theory, which emphasizes the role of ethical behavior and integrity in leadership to foster an ethical organizational culture.

Comparing these findings with previous research reveals a consistent emphasis on the importance of regulatory frameworks, auditing, digital transformation, stakeholder engagement, and ethical considerations in promoting transparency and accountability. For instance, earlier studies by Christiaens et al. (2010) and Pina et al. (2009) also highlight the significant impact of IPSAS on enhancing financial transparency and accountability. Similarly, research by Lonsdale (2008) underscores the critical role of auditing in maintaining public trust and accountability. The findings on digital transformation align with earlier work by Linders (2012), which emphasizes the potential of digital tools to enhance transparency and public engagement. The importance of stakeholder engagement is also supported by earlier studies by Ebdon and Franklin (2006), highlighting the benefits of participatory budgeting and public consultations in promoting transparency. The emphasis on ethical considerations and corruption prevention is consistent with earlier work by Armstrong (2005) and Doig and Theobald (2000), underscoring the importance of ethical standards and anti-corruption measures in fostering accountability. The practical implications of these findings are profound. Public sector entities can enhance transparency and accountability by adopting international accounting standards such as IPSAS, implementing robust auditing practices, leveraging digital technologies, engaging stakeholders, and promoting ethical behavior. Policymakers should prioritize adopting and enforcing these standards and practices to ensure reliable and transparent financial reporting. Investments in digital infrastructure and cybersecurity are essential to address challenges associated with digital transformation. Improving digital literacy and financial education among citizens can enhance the effectiveness of stakeholder engagement initiatives. Additionally, fostering a culture of integrity through continuous education and training on ethics and anti-corruption measures is crucial for maintaining public trust and accountability.
CONCLUSION

This study systematically reviewed the mechanisms that promote accountability and transparency in public sector accounting, focusing on regulatory frameworks, auditing practices, digital transformation, stakeholder engagement, and ethical considerations. The findings highlight the significant role of International Public Sector Accounting Standards (IPSAS) and Government Financial Statistics (GFS) in improving the comparability and reliability of financial information. Effective external and internal auditing practices, the transformative impact of digital technologies, active stakeholder engagement, and robust ethical frameworks were identified as critical factors in fostering transparency and accountability in public sector financial management.

The value of this research lies in its comprehensive synthesis of existing literature and its practical implications for enhancing public-sector accounting practices. By integrating various aspects of transparency and accountability, this study provides a holistic understanding of the factors contributing to effective public financial management. The originality of this study is evident in its multifaceted approach, which identifies critical mechanisms and highlights the interplay between regulatory standards, technological advancements, and ethical considerations. These insights are invaluable for policymakers, practitioners, and researchers seeking to improve transparency and accountability in public-sector accounting.

Despite its comprehensive scope, this study has limitations that suggest avenues for future research. The variability in implementing international standards, challenges in digital transformation, and the need for broader stakeholder engagement highlight the complexity of promoting accountability and transparency. Future research should explore tailored support and capacity-building initiatives to facilitate the effective adoption of international standards. Additionally, studies on the impact of emerging technologies, such as blockchain and artificial intelligence, on public sector transparency and accountability are warranted. Addressing these gaps will provide a more nuanced understanding of enhancing transparency and accountability in diverse public sector contexts.

Reference:


Accountability and Transparency in Public Sector

DOI: https://doi.org/10.37531/amar.v3i2.1440


446-454. https://doi.org/10.1016/j.giq.2012.06.003