IRJEMS International Research Journal of Economics and Management Studies
ISSN: 2583 – 5238 / Volume 5 Issue 11 November 2026 / Pg. No: 93-105
Paper Id: IRJEMS-V5I11P111, Doi: 10.56472/25835238/IRJEMS-V5I11P111

Original Article

Analysis of Transparency and Financial Information Disclosure in Local Governments: A Descriptive Study of Official Websites and Local Government Financial Statements

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Received Date: 23 October 2026 Revised Date: 15 November 2026 Accepted Date: 17 November 2026 Published Date: 19 November 2026

Abstract: *Financial transparency has become an important concern in local government administration as public financial information is increasingly expected to be accessible through digital platforms. Nevertheless, the availability of financial documents does not necessarily indicate that the information has been disclosed comprehensively or presented in a form that can be easily understood by the public. This study aims to examine financial information transparency on official local government websites and the completeness of disclosures in local government financial statements. A descriptive quantitative approach was applied using a structured simulation dataset representing 36 local government units comprising provincial, regency and municipal administrations. Website transparency was assessed through 12 indicators, while financial statement disclosure was measured using 15 indicators. Descriptive statistics and comparative index analysis were employed. The calculated results showed an average website transparency index of 63.89%. Audited financial statements were available in 26 of the 36 cases. Among these 26 cases, the financial statement disclosure index reached 78.72% while website transparency averaged 68.91%. A difference of 9.81 percentage points was therefore identified between the two dimensions. The largest weaknesses were associated with historical document archives, audit information accessibility and several explanatory disclosures within financial statements. These patterns illustrate why financial reporting completeness and public accessibility should be evaluated separately. Greater attention to document organization, timely publication and consistent explanatory disclosure is needed when developing financial transparency practices in local government.*

Keywords*: Financial Disclosure, Financial Transparency, Local Government, Public Accountability, Public Financial Reporting.*

I. INTRODUCTION

Transparency in public financial management has been widely recognized as an essential element of accountable government administration. Public funds are collected and managed on behalf of citizens. Information concerning their allocation and use is therefore expected to be disclosed in ways that allow public examination. Financial transparency should not be understood merely as the publication of budget figures or accounting documents. A broader responsibility is involved because relevant information needs to be available, accessible and sufficiently understandable. Through these conditions, financial decisions can be examined by interested parties and public accountability can be supported. Cucciniello et al. explained that government transparency covers several dimensions and produces outcomes that are influenced by institutional circumstances. Transparency has consequently been treated as a governance issue rather than a narrow administrative requirement (Agu et al., 2024).

The development of digital government has provided opportunities for improving the dissemination of public financial information. Official government websites can be used to publish approved budgets, budget realization reports, financial statements and other accountability documents. Information that previously required direct administrative requests may be distributed electronically with fewer geographical restrictions. Digital publication can also reduce dependence on physical documents. However, the availability of technology does not guarantee that meaningful transparency has been achieved. Meijer emphasized that transparency develops through interactions between institutions and information users. Similar concerns were expressed by Dawes, who associated information-based transparency with the usefulness and management of disclosed information. These perspectives suggest that an official website should be assessed not only by its existence but also by the information that can actually be obtained through it (Aprila et al., 2023).

In the context of local government, financial transparency is particularly relevant because regional administrations exercise authority over public expenditure and service delivery. Local revenue, intergovernmental transfers and expenditure

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allocations are managed within budgetary arrangements that affect community welfare. Public access to financial information provides opportunities for examining whether these resources are being administered responsibly. In Indonesia, the importance of information openness is recognized under Law Number 14 of 2008 concerning Public Information Disclosure. Government Regulation Number 12 of 2019 establishes the framework for regional financial management. The technical administration of regional finances is further regulated through Minister of Home Affairs Regulation Number 77 of 2020. Meanwhile, Information Commission Regulation Number 1 of 2021 provides standards for public information services. These provisions establish a regulatory basis for promoting openness although the quality of actual information delivery remains an issue requiring evaluation (Garrido-Rodríguez et al., 2022).

Local Government Financial Statements, commonly referred to as Laporan Keuangan Pemerintah Daerah or LKPD, occupy an important position in the financial accountability process. Financial statements are prepared to communicate financial performance and financial position in accordance with government accounting requirements. Government Regulation Number 71 of 2010 concerning Government Accounting Standards provides the principal accounting framework. Financial reporting is therefore not limited to numerical presentations. Explanations concerning accounting policies and significant financial accounts are also required to support the interpretation of reported figures. The Notes to Financial Statements or Catatan atas Laporan Keuangan (CaLK) are particularly important because financial information may be difficult to interpret without the accompanying explanations (Grossi et al., 2023).

The relationship between financial reporting and public transparency is not always straightforward. A financial statement may have been prepared through an established accounting process but remain difficult for citizens to locate. Conversely, financial information may be prominently displayed on a website while important explanations are missing from the documents provided. Pina et al. found that electronic government initiatives did not automatically produce substantial improvements in the accountability of local governments. Their findings indicate that technological facilities should be distinguished from the institutional practices needed to support transparency. In Indonesia, Nor et al. examined the disclosure of financial statements through local government websites and identified audit opinion as a significant factor associated with publication practices. Nuryani and Firmansyah also investigated financial management transparency through local government websites and reported considerable variation in disclosure levels (Juanda et al., 2023).

More recent research has continued to examine financial transparency through different institutional perspectives. Octavio and Urumsah investigated digital transparency among Indonesian local governments and discussed the importance of electronic government maturity, financial reporting quality and accountability systems. Badewin et al. examined financial reporting accountability and transparency by considering institutional and technological factors. These studies offer useful explanations of conditions associated with disclosure practices. Nevertheless, transparency through a website and completeness of disclosure within a financial statement represent related but different dimensions. A comparative descriptive assessment is therefore useful for showing where information becomes available and where explanatory detail may remain limited (Cárcaba et al., 2022).

The present study is directed toward that distinction. Instead of treating website publication and financial statement disclosure as one undifferentiated measure, both dimensions are assessed separately. Website transparency is examined through document availability, publication characteristics and accessibility. Financial statement disclosure is evaluated through accounting information and explanatory reporting indicators. The two assessments are then compared to illustrate differences in their respective levels. A structured teaching dataset is used to demonstrate the analytical procedure without representing the calculated observations as verified administrative records.

Three objectives are established. First, the level of financial information transparency through official local government websites is assessed. Second, the completeness of financial information disclosure within local government financial statements is examined. Third, differences between both dimensions are identified and discussed in relation to public financial accountability. The study is expected to provide an analytical framework that can subsequently be applied to verified local government documents. Its contribution lies in clarifying that the preparation of financial reports and the accessibility of those reports are distinct responsibilities within public financial management.

II. LITERATURE REVIEW

A) Financial Transparency in Local Government

Financial transparency refers to the openness of information concerning the collection, allocation, management and reporting of public financial resources. Information should be made available in a manner that permits public scrutiny. Within local government administration, such openness is closely associated with the responsibility to explain financial decisions and the use of public funds. Transparent administration enables stakeholders to obtain relevant financial information without unnecessary procedural barriers (Muftih & Muhammedi, 2024).

Transparency has been examined from institutional, informational and behavioral perspectives. Cucciniello et al. demonstrated that transparency cannot be represented adequately by a single uniform dimension. Different forms of openness may produce different administrative and public outcomes. Meijer similarly explained that transparency is shaped by institutional arrangements and the relationship between information providers and users. Government information becomes more meaningful when its presentation responds to the needs of those expected to use it (Pratama et al., 2022).

Website-based transparency has introduced a further dimension into this discussion. Electronic publication allows financial documents to be distributed through publicly accessible platforms. Pina et al. investigated electronic government development in local administrations and found that the expected accountability benefits were not always achieved. A similar distinction was discussed by Dawes, who argued that government information should be managed with attention to usefulness. Publication alone is therefore insufficient when information is poorly organized or cannot be located without considerable effort (Iacuzzi, 2022).

In Indonesia, financial transparency is also connected to the legal obligation to provide public information. Law Number 14 of 2008 establishes the general framework for access to public information. Information Commission Regulation Number 1 of 2021 further addresses public information service standards, including periodic publication of audited financial information summaries. These provisions support the assessment of financial transparency through indicators concerning availability and accessibility (Amanda et al., 2024).

For the purpose of this study, website financial transparency is represented by three practical dimensions. The first concerns the availability of budget and financial reporting documents. The second concerns accessibility through downloadable files, navigation facilities and document archives. The third relates to the clarity of publication information, particularly update dates and supporting financial explanations. These dimensions are measured separately from financial statement disclosure because public accessibility may not correspond directly with document completeness.

B) Financial Information Disclosure in Local Government Financial Statements

Financial information disclosure refers to the presentation of financial data and explanatory information required for understanding an entity's financial position and activities. In public sector accounting, the disclosure process is intended to support accountability and informed evaluation of financial management. Users of government financial statements may include legislative institutions, oversight bodies, researchers and members of the public.

Under Government Regulation Number 71 of 2010, government financial reporting is guided by Government Accounting Standards. Financial statements contain information relating to budget realization, financial position, operations, cash flows and other relevant reporting elements. The Notes to Financial Statements provide explanations that extend beyond numerical presentations. Significant accounting policies, details of financial accounts and additional information required for interpretation are presented through these notes (Hartanto, 2022).

The relevance of disclosure is closely related to the usefulness of financial information. A financial report may contain complete primary statements while providing limited explanation of important financial accounts. In such circumstances, the ability of users to understand financial performance can be reduced. Explanations concerning receivables, fixed assets, liabilities and budget differences are especially relevant when substantial financial resources are managed by local government institutions.

Financial statement disclosure should also be distinguished from compliance judgments. The presence of explanatory information may be evaluated through an operational checklist, but a complete assessment of compliance with Government Accounting Standards requires more extensive accounting examination. The present study therefore measures the visibility of selected disclosures rather than determining whether a government entity has fully complied with all accounting standards.

Nor et al. examined financial statement publication on Indonesian local government websites and highlighted the relevance of audit-related characteristics. Their findings reinforce the importance of understanding how accounting information reaches public users. The completeness of information within an LKPD remains a separate question. For this reason, the disclosure assessment in the present study focuses on the presence of reporting explanations and selected financial account disclosures (Boufounou et al., 2024).

C) Previous Studies and Conceptual Framework

Previous studies have approached local government transparency through different methodological perspectives. Pina et al. emphasized the limitations of relying on electronic government development as evidence of accountability improvement. In an Indonesian setting, Utomo and Aryani examined factors associated with financial information disclosure through local government websites. Their research demonstrated that institutional characteristics may be associated with different disclosure practices (Juliyanti & Ditasari, 2025).

Nor et al. investigated the determinants of financial statement publication using Indonesian local government observations. The study focused on publication decisions and audit-related characteristics. Nuryani and Firmansyah subsequently examined transparency in financial management through planning, implementation and accountability information. Their findings provided further evidence that local government website transparency varies considerably (Octavio & Urumsah, 2024).

Octavio and Urumsah extended the discussion through an examination of digital transparency and electronic government practices in Indonesia. Badewin et al. connected local government financial reporting transparency with institutional capacity and financial accountability. Although the studies differ in research design, a shared concern can be identified: the presence of formal reporting systems does not necessarily resolve problems involving public access and information disclosure (Vanhaverbeke et al., 2024).

The conceptual approach adopted in this study separates website transparency from financial statement disclosure. Website transparency is represented by a Website Transparency Index (WTI), while reporting disclosure is represented by a Financial Statement Disclosure Index (FSDI). Differences between the two measures are interpreted as descriptive information regarding the relationship between document accessibility and the presentation of financial explanations (Haustein & C. Lorson, 2023).

This approach does not assume that website transparency causes higher financial statement disclosure. Nor is financial disclosure treated as a causal determinant of website performance. Both measures are used to identify patterns that may otherwise remain hidden when financial transparency is represented by one general score.

D) Research Method

A descriptive quantitative design was applied through a structured simulation of local government financial information. The study was developed for methodological teaching and analytical demonstration. The dataset was not obtained by inspecting live government websites or original audited LKPD documents. Consequently, the numerical outcomes represent internally calculated simulation results rather than verified empirical findings concerning named Indonesian local governments.

Thirty-six anonymized local government units were represented in the dataset. These consisted of six provincial administrations, eighteen regency administrations and twelve municipal administrations. The simulated financial reporting reference year was 2024. Each unit was assigned a unique identification code ranging from LG01 to LG36. No actual local government identity was attached to these codes.

Two groups of indicators were developed. The first group contained twelve indicators of website financial transparency. These included the availability of approved and revised budgets, budget realization information, expenditure and revenue details, transfer information, audited financial statements, audit opinions, historical document archives, downloadable links, publication dates and navigation accessibility.

The second group contained fifteen financial statement disclosure indicators. They covered information about the reporting entity, accounting basis, accounting policies, revenue and expenditure explanations, financing disclosures, budget differences, receivables, inventories, fixed assets, liabilities, equity movements, cash-flow explanations and the disclosure of contingent obligations or their absence.

The indicators were informed by the public information framework under Law Number 14 of 2008 and Information Commission Regulation Number 1 of 2021. The financial reporting dimension was developed with reference to Government Regulation Number 71 of 2010. The resulting indices were operational measurements for this study and were not designed as comprehensive legal compliance ratings (Olatinsu & Eke, 2025).

Binary scoring was employed. A value of one was assigned when the specified information was present under the indicator definition. A value of zero represented the absence of the specified information. All website indicators were assigned equal weights. The same weighting approach was used for financial statement disclosure indicators.

The simulation was constructed using fixed generation parameters and a reproducible random seed of 20261117. Differences between administrative groups and individual units were introduced to produce variation in the binary records. The resulting scoring matrix contained 36 website observations and twelve website indicators per observation.

The Website Transparency Index was calculated as follows:

$$WTI_i = \frac{\sum_{j=1}^{12} W_{ij}}{12} \times 100\%$$

Where WTI_i represents the website transparency index of local government (i), while W_{ij} represents the binary score for website indicator (j).

Financial statement disclosure was assessed only for units whose simulated website records indicated that the complete audited LKPD was publicly accessible. Twenty-six units met this condition. Ten units without accessible statements were excluded from the disclosure-content calculation because an unavailable document cannot be interpreted automatically as a document containing no disclosure.

The Financial Statement Disclosure Index was calculated using:

$$FSDI_i = \frac{\sum_{k=1}^{15} D_{ik}}{15} \times 100\%$$

Where D_{ik} represents the disclosure score for indicator (k) in the financial statements of local government (i).

Descriptive analysis was conducted by calculating frequencies, percentages, arithmetic means, medians and standard deviations. Comparisons across administrative categories were also performed. For paired comparisons, only the twenty-six units with available financial statements were included. All percentages and index values were calculated directly from the same coding matrix (Krah & Mertens, 2023).

Reproducibility was assessed through recalculation of the indicator totals and index denominators. However, empirical instrument validation and inter-coder reliability testing were not claimed because the records were simulated rather than independently coded from original documents. This distinction should be maintained when interpreting the results.

III. RESULTS AND DISCUSSION

A) Overview of the Research Objects

The dataset comprised 36 local government units representing three administrative categories. Regency governments formed the largest group with eighteen units. Twelve units represented municipal governments, while six represented provincial administrations. This composition was established to demonstrate differences in financial information disclosure across administrative classifications.

Website transparency was measured for all 36 units. Financial statement disclosure could be assessed for only twenty-six units because complete audited LKPD documents were treated as accessible in those records. Ten units had no accessible audited financial statements under the website assessment. Their disclosure index values were therefore retained as missing values rather than being replaced with zero.

Table 1: Characteristics of the Research Objects

Administrative category	Total units	Accessible LKPD	LKPD not accessible
Provincial government	6	6	0
Regency government	18	11	7
Municipal government	12	9	3
Total	36	26	10

Source: *Calculated simulation dataset.*

Table 1 shows that audited financial statements were available in 26 of the 36 units or approximately 72.22%. The remaining 27.78% did not have an accessible audited LKPD within the constructed assessment. Although financial reporting is formally required in government administration, the ability to retrieve a report through an official website represents a different aspect of accountability.

A distinction was also identified between administrative categories. All six provincial units had accessible audited financial statements. At the regency level, eleven of eighteen units met the accessibility condition. Nine of twelve municipal units also provided access. These differences were not interpreted as evidence that particular administrative categories in Indonesia perform better because the observations were generated for instructional analysis. Nevertheless, the comparison demonstrates how an accessibility assessment can reveal unequal publication patterns.

An important methodological consideration arises from the missing reports. When a government website does not provide a financial statement, two possible situations must be distinguished. The document may have been prepared but not made available through the website. Alternatively, a problem may exist in the availability of the underlying document itself. The website assessment alone cannot determine which explanation is correct.

For this reason, the absence of a downloadable LKPD was evaluated as an accessibility limitation. It was not treated as proof of inadequate accounting records or incomplete financial statement preparation. This treatment prevents an unsupported conclusion from being drawn about financial reporting quality.

B) Availability and Accessibility of Financial Information on Official Websites

Financial information availability was assessed through twelve indicators covering budget documentation, reporting information and website accessibility. The number of units meeting each indicator was calculated from the binary scoring matrix. Differences were observed across the indicators, suggesting that the level of financial information openness depends on the particular information being examined.

Table 2: Availability of Financial Information on Local Government Websites

Financial Transparency Indicator	Available (N = 36)	Percentage
Approved annual budget (APBD)	28	77.78%
Revised annual budget	22	61.11%
Budget realization summary	28	77.78%
Detailed expenditure realization	18	50.00%
Regional revenue breakdown	28	77.78%
Intergovernmental transfer summary	23	63.89%
Complete audited LKPD	26	72.22%
Audit opinion information	16	44.44%
Historical financial document archive	15	41.67%
Functional document download link	26	72.22%
Publication or update date	19	52.78%
Navigation within three clicks	27	75.00%

Source: *Calculated simulation dataset.*

Budget-related information appeared relatively frequently in the constructed records. Approved annual budgets, budget realization summaries and revenue breakdowns were each available in twenty-eight units. These findings illustrate a disclosure pattern in which general financial information receives greater attention than some supporting explanations.

A different pattern was found for detailed expenditure information. Only eighteen units met the relevant indicator. In practical financial transparency assessment, this difference is important because aggregated budget information does not provide the same level of detail as expenditure realization records. An annual budget may indicate planned spending across major sectors. Detailed expenditure information allows further examination of how resources are allocated and used.

The availability of revised budget documents was also less frequent than the availability of approved budgets. Twenty-two units disclosed revised annual budget information. This difference matters because budget adjustments can change spending priorities and financial allocations during the fiscal year. Where revised information is unavailable, public users may be left with budget documents that no longer reflect the latest financial authorization.

The weakest results were associated with historical archives and audit-related information. Historical financial document archives were available in fifteen units or 41.67%. Audit opinion information was separately accessible in sixteen units or 44.44%. These two indicators are important for different reasons. Historical archives support comparisons across reporting periods while audit information provides an additional basis for understanding the examination of government financial statements.

The absence of a historical archive may restrict the ability to assess financial developments over time. A researcher examining changes in revenue, expenditure or financial position would need documents from multiple periods. When older documents are removed or dispersed across several website sections, comparisons become more difficult even if current-year information is available.

Audit opinion accessibility presents another issue. The existence of an audited financial statement does not necessarily mean that its audit opinion can be located easily. Audit information may be embedded within a large document or stored separately from the financial reporting section. From a public information perspective, this arrangement can reduce practical accessibility. A person unfamiliar with financial reporting procedures may have difficulty identifying the relevant audit information.

Website organization was reflected in the availability of functional download links and navigation accessibility. Downloadable financial documents were indicated in twenty-six units, while twenty-seven units satisfied the navigation criterion.

The latter indicator was defined as the possibility of reaching the relevant financial information within a maximum of three navigation steps.

These results underline the difference between displaying information and making it usable. A financial document may technically be available online but remain difficult to retrieve because of unclear menus or inactive links. The usefulness of digital financial information can therefore be reduced by weaknesses in website management. This issue is consistent with Dawes, who discussed the importance of usefulness in information-based transparency (Amalia, 2023).

Publication dates were available in nineteen units. The relatively limited presence of this information presents a different concern. Without a clear publication or update date, users may find it difficult to determine whether a document represents the most recent reporting information. Although the financial year may be shown within the document, the date of website publication provides additional context regarding timeliness.

Taken together, the indicator results suggest that transparency cannot be established merely by showing that an official website contains financial information. The type of information, its organization and the continuity of publication all need to be considered. The constructed results particularly highlight the importance of moving beyond general budget summaries toward more complete reporting and accessible supporting documentation.

C) Level of Financial Transparency on Local Government Websites

The website transparency index was calculated by dividing the total number of fulfilled indicators by the twelve indicators assessed for each unit. Across the thirty-six units, 276 of 432 possible indicator scores were fulfilled. The resulting average transparency index was 63.89%.

The median website transparency index reached 66.67%. A standard deviation of 17.25 percentage points was obtained. The lowest recorded index was 16.67%, while the highest reached 91.67%. This range illustrates considerable variation in the degree of financial information availability across the constructed local government records.

Table 3: Financial Transparency Index by Administrative Category

Category	Units	Mean WTI	Standard deviation
Provincial government	6	70.83%	6.97
Regency government	18	60.19%	19.29
Municipal government	12	65.97%	17.21
Overall	36	63.89%	17.25

Source: *Calculated simulation dataset.*

The highest average website transparency index was found among provincial units at 70.83%. Municipal units followed with an average of 65.97%. Regency units recorded an average of 60.19%. The differences demonstrate how descriptive indices may be used to identify variation across administrative classifications.

Provincial units also showed the smallest variation in website transparency. Their standard deviation was 6.97, compared with 19.29 among regency units and 17.21 among municipal units. Greater variation within a group indicates that disclosure practices are less uniform across its individual observations. The provincial group was relatively concentrated around its mean, while wider differences were observed in the other categories.

The distribution of scores provides further information beyond the group averages. Seven units recorded website transparency below 50%. Fifteen units were positioned between 50% and below 75%. Fourteen units reached at least 75% of the assessed indicators. These categories were established for descriptive interpretation and were not treated as official government performance classifications.

A website transparency score of 63.89% indicates that approximately two-thirds of the selected disclosure conditions were met across the dataset. However, the average should not be interpreted as equivalent to full public accessibility. Certain indicators may have greater practical relevance than others. The availability of an audited financial statement, for instance, is not necessarily interchangeable with the presence of an update date. Both indicators receive equal numerical weights in the operational index but they perform different functions.

The equal-weighting approach was selected because the study was intended to provide an understandable and reproducible descriptive measurement. A weighted index could be developed in further research after the relative importance of each indicator has been assessed through expert judgment or an appropriate validation procedure. Such an extension would be particularly useful if the index were to be employed for formal institutional evaluation.

The variation represented in Table 3 also supports the need for indicator-level interpretation. A relatively high aggregate score may conceal weaknesses in particular areas. A government website could provide many budget documents while lacking a historical archive or clear audit information. Conversely, a website with fewer published documents may offer a more organized navigation structure. The aggregate index therefore provides an initial assessment rather than a complete explanation of transparency quality.

This analytical distinction is consistent with Meijer, who described transparency as a process shaped by institutional and informational relationships. The constructed results suggest that improvements in financial transparency should not be directed only toward increasing the number of uploaded documents. Improvements in the organization and accessibility of financial information are also needed (Sihombing et al., 2026).

D) Financial Information Disclosure in Local Government Financial Statements

Financial statement disclosure was examined separately from website transparency. The assessment included only the twenty-six units with accessible audited LKPD documents within the dataset. Fifteen disclosure indicators were evaluated for each unit. A total of 307 indicators were fulfilled out of 390 possible indicators. The average financial statement disclosure index was therefore 78.72%.

The disclosure index ranged from 53.33% to 100%. A median of 80.00% was obtained with a standard deviation of 13.34 percentage points. These descriptive results illustrate a comparatively higher degree of information completeness among the financial statement records that could be assessed.

Table 4: Financial Information Disclosure Indicators in LKPD

Disclosure Indicator	Fulfilled (n = 26)	Percentage
Reporting entity information	25	96.15%
Basis of financial reporting	23	88.46%
Revenue accounting policies	24	92.31%
Expenditure or expense accounting policies	21	80.77%
Revenue account explanations	22	84.62%
Expenditure account explanations	23	88.46%
Financing activity explanations	19	73.08%
Budget variance explanations	20	76.92%
Receivables disclosures	25	96.15%
Inventory disclosures	19	73.08%
Fixed asset disclosures	16	61.54%
Liability disclosures	21	80.77%
Equity reconciliation explanations	16	61.54%
Cash-flow explanations	16	61.54%
Contingent obligation information or absence statement	17	65.38%

Source: *Calculated simulation dataset.*

The highest disclosure proportions were found in reporting entity information and receivables disclosures. Both indicators were fulfilled in twenty-five of the twenty-six assessed records. Revenue accounting policies were also frequently disclosed, with a proportion of 92.31%. These items represent information that is closely connected to the identification of the reporting entity and the explanation of its accounting records.

The relatively strong performance of accounting policy indicators indicates that foundational reporting information was represented more consistently within the constructed documents. However, the presence of an accounting policy statement does not automatically establish that the policy was applied correctly. A separate compliance examination would be needed to evaluate the appropriateness of the underlying accounting treatment.

More variation was observed in disclosures concerning financial account details. Inventory explanations were fulfilled in nineteen units, or 73.08%. Liability disclosures were recorded in twenty-one units, or 80.77%. Fixed asset disclosures were fulfilled in sixteen units. The comparatively lower fixed asset score is worth examining because public assets represent resources used to support government services and administrative activities.

Financial statement users may require information about asset acquisition, depreciation, changes in asset values and other matters affecting the reported financial position. When explanatory disclosures are limited, the interpretation of financial statement figures becomes more difficult. Such limitations do not necessarily mean that accounting records are incorrect. They indicate that supporting explanations may be insufficient under the selected assessment criteria.

Equity reconciliation explanations and cash-flow explanations also recorded relatively low disclosure proportions of 61.54%. These results illustrate the importance of explanatory information connecting financial statement balances and changes over the reporting period. Without adequate reconciliation, readers may be unable to identify the principal reasons for changes in reported financial positions.

Contingent obligation information or an explicit absence statement was represented in seventeen units. This indicator was included to examine whether relevant information concerning potential obligations had been addressed. It was not assumed that all local governments necessarily held contingent liabilities. The indicator was considered fulfilled when the reporting treatment was explicitly explained.

Disclosure results were also grouped into four broader categories to examine the relative completeness of financial reporting information.

Table 5: Financial Statement Disclosure Index by Information Group

Disclosure Group	Fulfilled Indicators	Possible Indicators	Disclosure Rate
Reporting identity and accounting policies	93	104	89.42%
Revenue, expenditure and budget explanations	84	104	80.77%
Financial position account explanations	81	104	77.88%
Additional reconciliation and obligation disclosures	49	78	62.82%
Overall	307	390	78.72%

Source: *Calculated simulation dataset.*

The grouping confirms that general reporting information was more consistently represented than additional explanatory disclosures. Reporting identity and accounting policy information reached 89.42%. Revenue, expenditure and budget explanations achieved 80.77%. Financial position account explanations were slightly lower at 77.88%.

The lowest result was obtained for additional reconciliation and obligation disclosures at 62.82%. This category included explanations concerning equity movements, cash flows and contingent obligations. These matters can be more demanding to communicate because they require information beyond the presentation of principal financial statement figures.

The difference between disclosure groups suggests that financial statement completeness should not be evaluated solely through the presence of primary reporting elements. A financial statement may provide general accounting information while leaving several analytical explanations less developed. The assessment of disclosure quality therefore needs to consider both foundational reporting information and the additional explanations required to interpret financial conditions.

From a public accountability perspective, this distinction is important. Citizens and other stakeholders may be able to obtain the principal financial statements but remain unable to understand why particular financial accounts changed. Reporting transparency is consequently influenced by the explanatory value of the documents rather than their availability alone.

E) Comparison Between Website Transparency and Financial Statement Disclosure

The relationship between website transparency and financial statement disclosure was examined through a matched comparison involving twenty-six units. Only units with accessible audited LKPD records were retained to ensure that both indices referred to the same set of observations.

The average website transparency index among these units reached 68.91%. The corresponding financial statement disclosure index was 78.72%. A difference of 9.81 percentage points was identified in favor of the financial statement disclosure index.

Table 6: Comparison of Website Transparency and Financial Statement Disclosure

Administrative Category	Matched Units	Mean WTI	Mean FSDI	Difference
Provincial government	6	70.83%	77.78%	6.94 pp
Regency government	11	68.18%	80.61%	12.42 pp
Municipal government	9	68.52%	77.04%	8.52 pp
Overall	26	68.91%	78.72%	9.81 pp

Source: *Calculated simulation dataset. Differences are expressed in percentage points. Minor differences may arise from rounding.*

The comparison illustrates a situation in which financial statement disclosure scores exceed website transparency scores. The result suggests that document completeness and public information accessibility may develop at different levels. Even when accounting information is represented within a document, the website through which the document is distributed may not provide equally comprehensive access to other financial information.

The largest average difference was found among the regency units at 12.42 percentage points. Municipal units recorded a difference of 8.52 percentage points, while provincial units showed the smallest difference at approximately 6.94 percentage points. The results demonstrate how the magnitude of the difference can vary across administrative classifications.

The comparison should be interpreted carefully because both indices contain different indicators. Website transparency was based on twelve measures, while financial statement disclosure involved fifteen measures. Converting the scores into percentages makes the results comparable in scale but does not establish that the two dimensions measure exactly the same underlying construct.

The paired comparison is therefore intended to identify descriptive differences rather than determine which institutional function is objectively superior. A higher disclosure index indicates that more of the selected reporting explanations were present. A lower website index indicates that fewer of the assessed accessibility and publication conditions were satisfied.

Further variation can be observed through the distribution of index categories. For website transparency, three matched units scored below 50%. Eleven units recorded scores from 50% to below 75%. Twelve units reached at least 75%. For financial statement disclosure, three units scored below 60%, six units were positioned from 60% to below 80%, and seventeen units reached at least 80%.

These distributions indicate that relatively high financial statement disclosure scores were more frequently represented than high website transparency scores. However, the category boundaries differ and should not be interpreted as equivalent official ratings.

The paired records also revealed situations in which the two indices moved in opposite directions. Selected observations are presented in Table 7 to clarify the distinction.

Table 7: Selected Differences between Website and Financial Statement Disclosure Indices

Unit Code	Category	WTI	FSDI	Difference
LG14	Regency	41.67%	86.67%	+45.00 pp
LG26	Municipal	41.67%	80.00%	+38.33 pp
LG29	Municipal	58.33%	93.33%	+35.00 pp
LG04	Provincial	66.67%	53.33%	−13.33 pp
LG23	Regency	83.33%	53.33%	−30.00 pp

Source: *Calculated simulation dataset. Positive values indicate higher FSDI scores than WTI scores.*

The patterns shown in Table 7 offer a clearer understanding of why separate indices are useful. Unit LG14 recorded relatively limited website transparency but a much higher financial statement disclosure index. Under the constructed scoring system, this means that the accessible financial statement contained many of the selected explanations while other website transparency conditions were not fulfilled.

The opposite pattern appeared in LG23. The website transparency index reached 83.33%, whereas financial statement disclosure was 53.33%. This illustrates that a well-populated website may still contain reporting documents with incomplete explanatory information under the selected disclosure criteria.

The distinction is important because public financial accountability requires more than one administrative activity. Financial reports need to be prepared and explained. They also need to be published in a way that enables public use. Improvements in only one activity may leave important limitations unresolved.

A descriptive Spearman rank correlation between the matched indices was also calculated at approximately −0.244. This value indicates a weak inverse association within the constructed records. It was not treated as evidence of an actual relationship among Indonesian local governments, and no causal interpretation was applied. The main analytical purpose remains the identification of differences between publication accessibility and reporting disclosure.

F) Discussion of Findings and Implications for Public Accountability

The results offer several points for consideration in evaluating financial transparency in local government administration. The first concerns the difference between formal financial reporting and practical access to reporting information. Government financial statements are prepared within an accounting and accountability framework. Their publication through official websites involves an additional set of administrative responsibilities. The two processes are related but should not be regarded as identical.

The constructed website transparency index of 63.89% indicates that many selected financial disclosure conditions were fulfilled while several remained absent. In particular, weaknesses were represented in historical document archives, audit opinion

accessibility and publication metadata. These dimensions may appear secondary when compared with the publication of a complete financial statement. Yet they influence the manner in which financial information can be examined and used.

Historical information deserves particular attention. Transparency is often understood through the availability of current financial documents. However, the ability to compare reporting periods is important for understanding changes in public financial management. Without consistent archives, a financial statement may be available for one year but difficult to compare with the previous year. This reduces the value of information for longitudinal examination.

The relatively limited accessibility of audit information also illustrates an important concern. Audit opinions are produced through an external examination process and provide information relevant to the reliability of financial reporting. Nor et al. [5] identified a relationship between audit opinion and financial statement disclosure practices in their empirical research. The present descriptive framework adds a different consideration: audit information should not only exist as part of the accountability process but should also be reasonably accessible to public users.

A second finding concerns differences in the completeness of financial statement information. The average disclosure index of 78.72% was higher than the corresponding website transparency score among matched units. However, financial statement disclosure was not uniform across the selected indicators. General reporting information and accounting policy explanations were more frequently represented than additional reconciliations and supporting disclosures.

This distinction may be explained conceptually through the different purposes served by financial statement components. Primary financial statements communicate summarized financial information. Explanatory notes are expected to provide additional detail regarding accounting treatments and material financial accounts. When explanatory information is incomplete, the financial statements may become more difficult to interpret even though the primary figures are available.

From the perspective of Government Accounting Standards, explanatory disclosure forms part of meaningful government financial reporting. The importance of financial statement notes should therefore not be underestimated. Information regarding fixed assets, liabilities and changes in equity can provide useful context for understanding the financial position of a public institution (Ginting, 2024).

The constructed results also suggest that disclosure assessments may reveal weaknesses that are not immediately visible through simple document availability measures. A website may contain an audited financial statement and therefore satisfy the accessibility indicator. Yet the content of the report may still receive a lower disclosure score because certain explanations are not represented under the selected criteria.

This finding supports the use of a two-dimensional assessment framework. Website transparency captures the information distribution process, while financial statement disclosure captures selected characteristics of the accounting information presented. When both dimensions are evaluated separately, a more detailed view of public financial transparency becomes possible. The third issue concerns the interpretation of transparency as a contributor to accountability. Greater information availability is often associated with expectations of stronger public oversight. Such expectations are reasonable because users require information before financial decisions can be examined. Nevertheless, the relationship should not be assumed to operate automatically.

Grimmelikhuijsen found that the relationship between transparency and citizens' trust involves both information and individual perceptions. Cucciniello et al. similarly emphasized that transparency outcomes are influenced by different conditions. These findings indicate that publishing additional documents should not automatically be interpreted as proof of improved public trust or more effective oversight (Inata et al., 2022).

Public accountability requires institutions to provide explanations and remain answerable for their decisions. Financial transparency can support this process by making relevant information available. However, accountability also depends on the capacity of users to interpret the information and the existence of mechanisms through which questions and concerns can be addressed. The practical value of a financial statement may therefore remain limited when its presentation is highly technical, or its supporting information is difficult to obtain. A complete document containing hundreds of pages is not necessarily accessible in a meaningful sense if ordinary users cannot identify the information they need.

A fourth consideration relates to differences among administrative categories. The constructed provincial units recorded a higher average website transparency index than the regency and municipal groups. The provincial group also displayed lower score variation. This pattern demonstrates how administrative comparisons can be used in descriptive transparency research. However, differences between administrative categories should not be explained solely through organizational size or financial resources without further evidence. Administrative capacity, information technology management, internal procedures and

leadership commitment may all be relevant. Previous research by Nuryani and Firmansyah [6] and Octavio and Urumsah [7] provides empirical discussion of institutional factors associated with government transparency. Their findings offer a basis for future explanatory research but cannot establish causal explanations for the simulated patterns presented here.

The fifth issue concerns the management of public information through digital platforms. Website transparency is often influenced by administrative activities that are separate from accounting preparation. Information may need to be approved for publication, transferred to website administrators and organized within information service categories. Delays or weaknesses in these procedures can reduce accessibility even when the underlying documents have already been prepared.

A more integrated publication process may therefore be useful. Financial reporting units, public information officers and website administrators should have clearly defined responsibilities. Procedures can be developed to ensure that approved financial information is published consistently and remains accessible through stable website links.

Information should also be organized according to the needs of different users. Researchers may require downloadable financial statements and historical records. Citizens may prefer concise summaries of revenue and spending. Legislative institutions and oversight bodies may require detailed financial explanations. These different needs suggest that effective transparency should combine comprehensive documents with accessible information summaries.

The findings further demonstrate why public financial transparency should not be reduced to an administrative checklist without interpretation. Binary indicators are useful for producing consistent measurements. Nevertheless, the presence of a document does not describe its readability, technical accuracy or relevance in full. A file may be downloadable but difficult to understand. An archive may exist but contain outdated documents. Such characteristics require additional qualitative assessment.

For future empirical implementation, the index could be expanded to include document readability, machine-readable formats, accessibility for users with disabilities and the consistency of publication across reporting periods. These additional measures would provide a more detailed understanding of digital financial transparency.

The present study also has implications for the interpretation of financial disclosure indices. Equal weighting provides a straightforward measurement procedure but does not reflect all differences in informational importance. Certain disclosures may have substantial relevance for understanding financial position while others provide more general background information. A future measurement framework could apply expert assessment to determine whether differentiated weights are appropriate.

Several practical priorities can be derived from the analytical patterns. First, financial information publication should be maintained through stable and clearly organized website sections. Second, historical financial documents should be preserved to support comparisons between reporting periods. Third, audited financial statements and relevant audit information should be made easier to locate. Fourth, explanatory information in financial statements should be prepared with attention to the needs of users who may not have specialized accounting knowledge.

These priorities should not be interpreted as findings that particular Indonesian local governments have failed to comply with legal obligations. The dataset was developed for analytical instruction. The value of the exercise lies in demonstrating how different transparency dimensions can be measured and how their results should be interpreted without making unsupported claims.

A final implication concerns the development of public sector accounting research. Descriptive studies can contribute useful findings when operational definitions are clear and when the interpretation of the results extends beyond reporting percentages. By separating website accessibility from financial statement disclosure, the proposed framework provides a more detailed structure for examining public financial openness.

For actual research implementation, the indicators would need to be applied to identifiable local governments using recorded website observations and authenticated financial statements. Independent coding and appropriate validation procedures would also be necessary. Once these requirements are satisfied, the analytical framework could be used to evaluate real financial transparency practices and identify areas where public access to government financial information should be improved.

IV. CONCLUSION

The study was developed to examine two dimensions of local government financial transparency through a descriptive assessment of website accessibility and financial statement disclosure. Based on the structured simulation of thirty-six local government units, the average website transparency index was calculated at 63.89%. Complete audited financial statements were accessible in twenty-six cases. For these units, the financial statement disclosure index reached 78.72% while website transparency averaged 68.91%.

The difference of 9.81 percentage points illustrates that financial statement disclosure and website transparency should not be treated as interchangeable measures. Documents may contain relatively comprehensive financial explanations even when other website disclosure conditions remain limited. Conversely, extensive publication through an official website does not necessarily indicate completeness of the information presented within financial reports.

The analysis identified historical document archives, audit information accessibility and additional financial statement explanations as important areas for assessment. These dimensions indicate that financial transparency requires attention to both information preparation and public dissemination. The proposed two-dimensional framework provides a structured approach for examining these responsibilities separately.

The principal limitation concerns the use of simulated records rather than verified financial statements and actual website observations. Consequently, the numerical findings cannot be generalized to Indonesian local governments. Future empirical research should employ authenticated LKPD documents and systematically recorded website evidence. Indicator validation and independent coding should also be incorporated. Such research would provide a stronger basis for assessing financial transparency and developing practical recommendations for improving public financial accountability.

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