



## DETERMINANTS OF TRANSPARENCY IN FINANCIAL MANAGEMENT ON LOCAL GOVERNMENT WEBSITES: EVIDENCE FROM INDONESIA

 Nuryani<sup>1</sup>  
 Amrie  
Firmansyah<sup>2\*</sup>

<sup>1,2</sup>Department of Accounting, Polytechnic of State Finance STAN, South Tangerang, Banten, Indonesia.

\*Email: [amrie.firmansyah@gmail.com](mailto:amrie.firmansyah@gmail.com)



(+ Corresponding author)

### ABSTRACT

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This study aimed to examine the determinants of transparency in financial management on local government websites in Indonesia. The level of transparency was measured at each stage of local government finance: planning, implementation, and reporting and accountability, using internal, local government characteristics, and external, community conditions, factors of influence. The internal factor was represented by local government size, expenditure, and dependence, while community welfare was adopted for the external factor. The study was designed as quantitative research based on a multiple linear regression model. The study sample of 424 observations was selected from the district/city governments in Java that met the criteria of having an official and accessible website, as well as completes financial data from 2013 to 2016. The results suggested that the average level of transparency in financial management on these local government websites over the four-year period was 24.76%. In addition, both the size and expenditure of the selected local governments were positively associated with their transparency levels, while no association was shown with the levels of both dependence and community welfare. The conclusions drawn offer suggestions on how central government can encourage regional financial transparency in their policies and for local governments in increasing their commitment to implementing transparency.

**Contribution/Originality:** This study contributes to the current literature on transparency in regional financial management by covering more than one fiscal year—2013 to 2016—and illustrating how local government size and expenditure play a role in increasing the level of transparency.

### 1. INTRODUCTION

The Local Government Act No.22/1999 in Indonesia ushered in the decentralization of government, which delegated authority to local governments to independently regulate and manage their regional affairs, except those related to defense, monetary and fiscal, judicial, religious, and foreign policies. However, local governments were granted considerable discretion in managing their financial resources and determining the direction of regional development policies that would be outlined in their budgets. Such a system is open to abuse by regional officials, though, as seen in the results from the Indonesian Corruption Watch (ICW), there were 30 local government leaders were suspected of corruption in 2017 (Kuswandi, 2018). The high rate of corruption in regional government, the ease with it can be undertake, is caused by weak supervision, the lack of checks and balances (Scholastica, 2018).

Transparency could be a solution, minimizing the opportunities for corruption (Sol (2013): increasing public awareness prevents public officials misusing their authority (Florini, 2007). To prevent and reduce corruption, the

central government issued Presidential Instruction No.7, 2015, on “National Action for Corruption Prevention and Eradication,” which established transparency for local government budgets by requiring the publication of planning, budget, implementation, and accountability documents through local government websites. Further regulations mandating financial disclosure followed: the Disclosure of Public Information Act No. 14/2008 and Minister of Home Affairs Instruction No. 188.52/1797/SJ/2012 on “Improvement of Transparency in Local Budget Management.

Transparency is both a general principle of managing regional finance and pillar of good governance, and Government Regulation No. 58/2005 on “Regional Financial Management” mandated that local government finance be managed efficiently, economically, effectively, transparently, and responsibly, defining transparency as the principle of openness that raises public awareness of and enables access to information on regional finances. Furthermore, the United Nations Development Programme (UNDP) states that transparency is a characteristic of good governance and related to the independent availability of and direct accessibility to those affected by the decisions (CUI-ITB, 2004). Thus, transparency ensures information on government activities is easily obtainable and understood by stakeholders.

Local governments are expected to implement transparency in regional financial management. According to agency theory, local governments are the agents to whom communities, the principal, grant the authority to manage public resources in their best interests, by means of general elections. Consequently, local governments are obliged to disclose financial information to stakeholders, often on websites, providing evidence that their policies are in the interests of their communities (Puspita and Martani, 2012).

Although the central government has encouraged the implementation of transparency, it has not yet established any means of evaluating its implementation. Adriana and Ritonga (2018) attempted to assess the level of transparency on the websites of all local governments in Java for the 2016 fiscal year; they examined the three main stages of regional financial management—planning, implementation, and reporting and accountability—using the transparency indicators developed by Huawei (2016). Their findings suggested that the average level of transparency was 19.59%, with the highest level of 50.62% achieved by Bojonegoro Regency, and the lowest of 3.4% by Madiun Regency, indicating the varying commitment among district/city governments to implementing transparency.

Several previous studies have examined the factors, categorized as either internal or external, expected to influence the disclosure of government financial information. The internal factors are based on either the government’s characteristics or leader’s profile, while external factors are based on either community or political conditions. Puspita and Martani (2012) adopted variables representing local government characteristics—local government size, level of dependence, complexity of government, and local government expenditure—to test their influence on the level of information disclosure on the websites of 108 district/city governments in Indonesia. They found that the size, level of dependence, and complexity of local government exerts a positive influence on disclosure on their websites.

In addition, socioeconomic conditions in the community are often regarded as factors influencing the disclosure of government financial information. Ingram (1984), Giroux and McLelland (2003), Styles and Tennyson (2007), Serrano-Cinca *et al.* (2009), and Rodríguez *et al.* (2013) all used a per capita income variable. According to Styles and Tennyson (2007), when their income increases, members of the community scrutinize government activities more closely and demand a higher disclosure of information with which to assess government performance. Research using the same variable has also been used to assess transparency on websites in Indonesia (Medina (2012); Nainggolan and Purwanti (2016), with Nainggolan and Purwanti (2016) adopting per capita income to reflect the level of community welfare.

This study also aims to examine the influence of the size, level of dependence, and expenditure of local government and community welfare on transparency in local government financial management through their

websites. However, it differs from the earlier studies by measuring the level of transparency/disclosure through the planning, implementation, and reporting and accountability stages, similar to the study of [Adriana and Ritonga \(2018\)](#), rather than the disclosure of budgeting and financial reporting documents. In contrast to [Adriana and Ritonga \(2018\)](#), though, this study aims not to assess the level but to identify the factors that influence the level of transparency, as well as covering more than one fiscal year to trace the development of transparency each year. The variables were selected due to the inconsistent results from testing the size of the local government on its level of financial information disclosure and the lack of research in Indonesia using the expenditure, and levels of dependence and community welfare.

## 2. HYPOTHESES

Agency theory explains how information asymmetry occurs when agents (i.e., local governments) possess more information related to the resources (i.e., financial management) they manage than the principals (i.e., communities), leading to the different perceptions of each party and eroding the principal's trust in their agents. Therefore, the disclosure of financial information could minimize asymmetric information and subsequent conflicts between agents and principals. According to [García and García-García \(2010\)](#), larger entities face more information asymmetry than smaller ones, meaning conflicts of interest are more likely to occur and, thus, the benefits of information disclosure more significant ([Serrano-Cinca et al., 2009](#)). Indeed, [Medina \(2012\)](#), [Puspita and Martani \(2012\)](#), [Medina \(2012\)](#) and [Chusna \(2016\)](#) proved the positive association between the size of local governments in Indonesia and the level of financial information disclosure on their websites. Therefore, the first hypothesis in this study is:

*H1: Local government size is positively associated with the level of transparency in financial management on their websites.*

According to agency theory, principals trust their agents to manage resources and act in the interests of the principals; according to signaling theory, agents will demonstrate how their actions are in the principals' interests, as well as provide evidence of their achievements and profit predictions for the resources they manage. Local government performance is proved by improvements in their communities' quality of life ([Nainggolan and Purwanti, 2016](#)); the higher the performance, the better the quality of life, and the greater the desire of the local government to disclose information to the community on its website ([Puspita and Martani, 2012](#)). Obviously, local government expenditure supports these achievements was thus adopted by both [Puspita and Martani \(2012\)](#) and [Nainggolan and Purwanti \(2016\)](#) as a factor that influences the level of financial information disclosure on local government websites. As a result, the higher the expenditure, the more readily available is funding for local government programs, the better the quality of services provided to the community, and the fuller the disclosure of complete financial information on the local government website. Therefore, the second hypothesis in this study is:

*H2: Local government expenditure is positively associated with the level of transparency in financial management on their websites.*

Based on agency theory, principals monitor agents to ensure that the latter's decisions are in the principals' interests. Such a principal-agent relationship also exists between local and central governments: in Indonesia, the central government distributes General Allocation Funds (DAU) from the state budget (APBN) to local governments to ensure financial equity in funding decentralization. The proportion of a local government's total income that is funded from DAU reflects the level of local dependence: according to [Puspita and Martani \(2012\)](#), the higher the level of dependence, the greater the pressure to increase disclosure rates. In practice, central governments may specify the use of these funds and require financial disclosure to monitor the implementation for the defined purposes ([Ingram, 1984](#)). [Robbins and Austin \(1986\)](#), [Puspita and Martani \(2012\)](#), and [Rodríguez et al. \(2013\)](#) all found a positive association between the level of dependence on central government funds and the disclosure of local government financial information. Therefore, the third hypothesis in this study is:

*H3: Local government dependence is positively associated with the level of transparency in financial management on their websites.*

Finally, agency theory states that principals supervise the policies adopted by agents, and increases as their per capita income increases (Styles and Tennyson, 2007). Income or gross domestic product (GDP) per capita is an indicator of the level of community welfare, which describes the ability to not only satisfy basic needs but also obtain an education through the internet and group participation. Furthermore, a positive association between per capita income and the level of financial information disclosure on local government websites was found by Styles and Tennyson (2007), Serrano-Cinca *et al.* (2009), Rodríguez *et al.* (2013), and Nainggolan and Purwanti (2016). According to Styles and Tennyson (2007), the higher the per capita income in the community, the higher their supervision and the greater their demand for disclosure of information with which to assess the local government's performance. Meanwhile, Serrano-Cinca *et al.* (2009) revealed that higher standards of living derive more benefit from technology and online request services and information (including financial) through the internet. Therefore, it would be advisable for local governments providing high levels of community welfare to disclose financial management information on their websites. Therefore, the fourth hypothesis in this study is:

*H4: Community welfare is positively associated with the level of transparency in financial management on local government websites.*

### 3. METHODOLOGY

#### 3.1. Population and Sample

The population studied in this study consists of the district/city governments in Java, which have higher revenue and expenditure realization than other local governments, more prosperous communities, and frequent internet access. A purposive sampling method was adopted, using the following criteria: official website for district/city government, accessible website, availability of complete district/city government financial data from 2013 to 2016. The final sample comprised 424 observations (Table 1).

**Table-1.** Sample selection summary.

Criteria	Observations
District/city governments in Java	113
District/city governments whose website is inaccessible	(6)
District/city governments whose financial data is incomplete	(1)
District/city governments observed	106
Research year/period	4
Number of research samples over four years (2013–2016)	424

#### 3.2. Design

Four independent variables were used to represent the factors likely to influence the level of transparency. Local government size and expenditure were measured by the natural logarithms of total assets (Medina (2012); Puspita and Martani (2012); Chusna (2016); Nainggolan and Purwanti (2016) and the number of unrecoverable expenses from the general cash account, respectively. The level of local government dependence on the central government was measured by dividing the realization value of DAU by the total regional income, while community welfare was measured by per capita income (Batafor (2011)).

The level of transparency was the dependent variable in this study: transparency in regional financial management was indicated by the disclosure and availability of regional financial information at the planning, implementation, and reporting stages on district/city government websites, and others, for the 2013, 2014, 2015, and 2016 fiscal years. Therefore, this study used an amended version of those indicators adopted by Adriana and Ritonga (2018), which were originally developed by Huawei (2016). The amendments included:

- a. Additions to the Budget Surplus Changes and Operational Reports, and Equity Report Change in relation to transparency levels in 2015 and 2016, as regulated by Government Regulation No. 71/2010 on “Government Accounting Standards”.
- b. Combining the Budget Realization Reports for all Local Government Work Units (SKPD) and Regional Financial Information Officer (PPKD) into Local Government Budget Realization Reports to facilitate assessment.
- c. Excluding the Regional Head regulations in relation to accounting policy due to the regulations not being a routine annual document.

Each of the three regional financial management stages comprise indicators (shown in [Appendix I](#)) that are measured against availability and accessibility criteria. Availability refers to the presence of links from the indicators to and download options for relevant information on the website, while accessibility refers to the ability for financial information to be easily read and downloaded by the public. Each transparency indicator was measured using a dichotomous score: if an indicator is available and accessible, it is assigned a score of 1 for each criterion; if it is unavailable and inaccessible, each is given a score of 0. Each score is then multiplied by the weight for each criterion, both of which carry the same weight of 0.5: if an indicator is available but inaccessible, it is only scored as 0.5. Finally, the scores for each indicator are added together to obtain an overall score, which is then divided by the expected total score to generate a value for the transparency variable.

The regression model tested in this study was as follows:

$$RFMT_{i,t} = \alpha_0 + \beta_1 LGS_{i,t} + \beta_2 LGE_{i,t} + \beta_3 LGD_{i,t} + \beta_4 CW_{i,t} + \varepsilon_{i,t}$$

Where,

$RFMT_{i,t}$  = Regional Financial Management Transparency.

$LGS_{i,t}$  = Local Government Size.

$LGE_{i,t}$  = Local Government Expenditure.

$LGD_{i,t}$  = Local Government Dependence.

$CW_{i,t}$  = Community Welfare.

## 4. RESULTS AND DISCUSSION

### 4.1. Results

The descriptive statistics for each variable are shown in [Table 2](#). In Java, the average level of district/city government transparency in regional financial management from 2013 to 2016 was 24.76%, which is higher than the 20% reported in previous studies. However, despite the Minister of Home Affairs Instruction No. 188.52/1797/SJ/2012 mandating regents/mayors to publish budget management documents no later than June 15, 2012, the lowest transparency level of 0% indicates that some local governments have not yet published the relevant information on their websites.

Over the same four-year period, the average size for local governments in Java was 28.87, and with the median value being 28.74, most appear to be of an average size. Similarly, with a median value of 28.21, most local governments disclosed average expenditures of 28.20. The level of local government dependence on central government between 2013 and 2016 was on average 49.48%; however, the 51.21% median value indicated that most still required central funding as a source of regional income. The average per capita income during this period amounted to 36.18 million rupiahs, but again the median of 23.86 million rupiahs revealed that for people in Java, their income was much less.

Table-2. Descriptive statistics.

Statistics	RFMT	LGS	LGE	LGD	CW
Mean	0.247	28.868	28.203	0.494	36.185
Median	0.203	28.747	28.205	0.512	23.859
Maximum	0.833	31.294	29.598	0.676	377.322
Minimum	0.000	27.807	26.959	0.037	11.748
Std. Dev.	0.172	0.598	0.476	0.091	38.359

A multicollinearity test was conducted to determine whether any correlation existed between the independent variables in the regression model. According to Ghozali (2016), the correlation between variables is relatively high when its value exceeds 0.9, and as is evident from the correlation matrix in Table 3 there is no such relationship between the variables in this study. It is thus concluded that this study is free from the problem of multicollinearity.

Table-3. Correlation matrix.

Variables	LGS	LGE	LGD	CW
LGS	1.000	0.736	-0.675	0.225
LGE	0.736	1.000	-0.616	0.028
LGD	-0.675	-0.616	1.000	-0.315
CW	0.225	0.028	-0.315	1.000

The regression results shown in Table 4 show that all four variables exert a significant influence on the level of transparency in regional financial management. Both the size and expenditure of local governments have positive coefficients, supporting hypotheses H1 and H2; however, the coefficients for the levels of local government dependence and community welfare are negative, rejecting hypotheses H3 and H4.

Table-4. Regression test results.

Variables	Prediction	Coefficient	t-Statistic	Probability
LGS	+	0.027	1.833	0.033
LGE	+	0.191	6.480	0.000
LGD	+	-0.266	-2.550	0.005
CW	+	-0.001	-2.232	0.013
Constant		-5.740	-6.564	0.000
R-squared			0.912	
Adjusted R-Squared			0.882	
F-Statistic			30.027	
Probability (F-Statistic)			0.000	

#### 4.2. Discussion

*H1: Local government size is positively associated with the level of transparency in financial management on their websites.*

The results suggested that the first hypothesis was supported. To run the administration and serve the many stakeholders, large local governments manage extensive resources, which are provided by various parties: the community, central government, creditors, and grant donors, among others. Local governments fulfill the requirement for accountability by revealing their management of financial resources, more efficiently and effectively if disseminated through the internet. Efficiency lies in disclosing a large amount of information without increasing the publication costs, while effectiveness is in ensuring that information is disseminated to a wide range of users. This result corresponds to that of Styles and Tennyson (2007), Serrano-Cinca *et al.* (2009), García and García-García (2010), Medina (2012), and Puspita and Martani (2012).

Moreover, the descriptive statistics reveal that most local governments in Java are of a large enough size to supports the implementation of transparency through the internet. Serrano-Cinca *et al.* (2009) stated that larger local governments possess sufficient resources to provide services, including financial information disclosure, to

their communities through the internet: they are able to invest in building the infrastructure for maintaining and developing websites. However, although all the district/city governments were observed to have websites, not all had good accessibility, which includes issues with document links. Accessibility relies on routine website maintenance, domain extension, and web hosting to ensure the sustainability of the website, for which large local governments are usually to afford information technology services (Styles and Tennyson, 2007). In Java, the city government of Surabaya is the largest its average level of transparency in financial management reached 44%.

*H2: Local government expenditure is positively associated with the level of transparency in financial management on their websites.*

This study suggested that the second hypothesis was also supported. Whereas increased spending encouraged local governments to disclose financial information on their websites in this study, Puspita and Martani (2012) and Nainggolan and Purwanti (2016) found that the amount of expenditure showed no such effect. However, this could be due to the difference in how transparency levels were measured: Puspita and Martani (2012) using financial and non-financial information; Nainggolan and Purwanti (2016), the components of financial statements and the regional budget; while this study used not only financial reports and regional budgets but also planning documents, such as the Regional Government Work Plan (RKPD), and the procurement of goods and services.

Furthermore, the descriptive statistics showed a high level of expenditure by most local governments in Java. More detailed examination indicated that on average the greatest proportion consists of indirect expenditure, at around 60%. The desire to disclose financial information is not lessened, though, because indirect expenditure also provides public services and improves community welfare: personnel expenditure remunerates public servants for providing services; grants expenditure supports the improvement of essential services; and social assistance expenditure improves the community's welfare.

The online disclosure of financial information increases trust in and support for local governments (Hadi et al., 2018). Trust is built when the public views the local government as competent, reliable, honest, and meeting their needs (Park and Blenkinsopp, 2011). Therefore, high-spending local governments are further encouraged to publish complete financial management information to demonstrate their performance in improving services to their communities.

*H3: Local government dependence is positively associated with the level of transparency in financial management on their websites.*

According to the results, the third hypothesis is rejected. Like Chusna (2016), this study found that a high level of dependence does not result in an increased level of transparency on local government websites. This contrasts with Puspita and Martani (2012), who concluded that a high level of disclosure reflected a high level of dependence; however, as explained for hypothesis H2, the difference was the effect of the different methods with which transparency levels were measured.

Based on agency theory, Greiling and Spraul (2010) described how various forms of information asymmetry explained local governments' reluctance to disclose information, and although asymmetric information cannot be eliminated, it can be minimized. The specific form of information asymmetry referred to was hidden knowledge, occurs when the agent fails to act in the best interests of the principal despite achieving the expected results, while the principal is restricted in its evaluation of the agent's policies (Benz, cited in Greiling and Spraul (2010)).

In light of the findings of this study, the low transparency levels could be explained by local governments' using DAU for purposes not intended by the central government. The central government provides DAU to help fund public services that will directly benefit the local community such as roadbuilding, health care, education, and other types of infrastructure, whereas the impact of spending on personnel cannot be directly enjoyed (Mardiasmo (2004). Therefore, DAU is expected to be used for capital expenditure; however, in practice, almost half, if not the greatest portion, of the funds are spent on personnel (Fiscal Policy Agency (BKF), 2017).

There are two reasons for this tendency in the spending of DAU: first, the salaries of local civil servants, and second, DAU is a block grant. One of the components determining the amount of DAU is the Basic Allocation, which equals 100% of local civil servant salaries, indicating that the funds should be used for personnel expenditure. As a block grant, DAU is not explicitly regulated by the central government—unlike the Specific Allocation Funds (DAK); instead, the local government uses its discretion in spending the funds to meet their local needs (BKF, 2017).

Furthermore, there are no regulations requiring disclosure on the use of DAU, and local governments submit no financial reports to the central government, still less their communities, for scrutiny. As this study revealed that the average contribution to the total local government income from DAU is 49.5%, so that disclosure is not required for the majority of the revenue, the lack of transparency in regional financial management is not surprising.

*H4: Community welfare is positively associated with and the level of transparency in financial management on local government websites.*

Based on the findings of this study, the fourth hypothesis is rejected. Improving people's welfare does not result in the local government increasing its transparency; in fact this study showed that per capita income negatively affected the availability and accessibility of financial information on local government websites. In this context, Medina (2012) findings become relevant: other than income, other factors, such as education, influence whether the public expect information to be disclosed on local government websites. However, these findings differ from those of Styles and Tennyson (2007), Serrano-Cinca *et al.* (2009), Rodríguez *et al.* (2013), and Nainggolan and Purwanti (2016), who discovered that financial transparency increased in conjunction with per capita income. Once more, though, the discrepancy is explained by different ways in which the transparency levels were evaluated.

The reason for the level of community welfare having no influence over transparency in regional financial management is possibly due to the community's low level of supervision. The descriptive statistics showed that most people's per capita income in Java was less than the average, indicating that this study is dominated by local governments providing a lower level of community welfare, which, in turn, people's access to education. Based on the OECD's *Education at a Glance 2017*, only 10% of all those aged 25–64 in Indonesia entered tertiary education, which is not only lower than the average of 16% across OECD countries but far below the 46% of the United States (OECD, 2017). According to the data published by Statistics Indonesia (BPS) in 2017, 57% of Indonesia's population lives in Java, from which it can be concluded that the level of education in Java is low (BPS, 2018). Thus, the level of education could be an influential factor in whether the community monitors the administration of their local government.

Moreover, the lack of public participation in government activities reduces their supervision of local government. Sopianah (cited in Hidayat (2011)) revealed that community participation in the preparation of the Regional Budget (APBD) was minimal, even nonexistent, and in 2017, The Secretary-General of the National Secretariat of the Indonesian Forum for Budget Transparency revealed that it was still insufficient and remained a mere formality (Arkhelau, 2017). However, community participation is vital at every stage of financial management to ensure that funds are well-managed for the benefit of the community (Hidayat, 2011).

From the perspective of agency theory, Greiling and Spraul (2010) explained that the agent's hidden intention, another form of information asymmetry, leads to the lack of financial information disclosure. Hidden intention refers to the agent's motivation and willingness to not fulfill their mandate, or their intention to take advantage of any loopholes for their personal benefit. Thus, any hidden intentions of the local government, as the agent, will result in its reluctance, or at least caution, in disclosing financial information; this is especially true when it serves and is scrutinized by a community with a high level of welfare. In such a situation, the local government tends to publish relatively "safe" data, meaning any feedback from the public is of little value (Janssen *et al.*, 2012).

## 5. CONCLUSIONS

This study measured the level of transparency in regional financial management on local government websites and examined the influence of local government size and expenditure, levels of dependence and community welfare. The results suggested that the level of transparency among district/city governments in Java remains low at only 24.76%. It was found that while the size and expenditure of local governments positively affected transparency levels, levels of dependence and community welfare had no effect. Despite local government dependence on DAU from the central government, the lack of regulations requiring any disclosure on its use and the spending of the funds on activities not intended by the central government results in a lack of transparency. Similarly, the continuing poor participation of the community in government activities means local governments have no incentive to improve their transparency. In addition, the reluctance to disclose complete financial information may be due to ulterior motives, resulting in the release of “safe” information only.

This study contributes to the current body of literature on transparency in regional financial management by identifying the factors that influence the implementation of transparency. It thus provides ideas for encouraging regional financial transparency when central government formulates its policies and emphasizes the need to monitor the implementation of those policies. Furthermore, an overview of the implementation of financial management transparency on local government websites is given, raising awareness that local governments need to commit more to implementation and the public to actively participate in supervising government policies so that communities become just and prosperous.

There are limitations to this research, though. First, the process of determining the transparency levels from local government, and other, websites, was conducted from the researchers' perspectives only, no other parties were involved to confirm the validity and reliability of the outcomes. Second, although the transparency scores were based on predefined availability and accessibility criteria, subjectivity in the researchers' scoring was not eradicated. Third, the sample studied cannot be generalized to all the Indonesian local governments. Consequently, future research could expand on the objectives of this study, include more indicators with which to measure transparency levels, use different independent variables, such as the attributes of regional leaders, and other proxies that better reflect public participation in government activities.

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**Appendix-1. Transparency in local government financial management indicators.**

No.	Indicators	Year
Planning Stages		
1	Local Government Work Plan	2013–2016
2	Budget General Policy	2013–2016
3	Budget Priorities and Ceiling	2013–2016
4	Budget Work Plan of SKPD	2013–2016
5	Budget Work Plan of PPKD	2013–2016
6	Draft Local Regulations for APBD	2013–2016
7	Local Regulations for APBD	2013–2016
8	Regulation from the Regional Head for the Implementation of APBD	2013–2016
9	Budget Implementation Document of SKPD	2013–2016
10	Budget Implementation Document of PPKD	2013–2016
Implementation Stages		
1	Regional revenue realization in Semester I	2013–2016
2	Regional expenditure realization in Semester I	2013–2016
3	Regional financing realization in Semester I	2013–2016
4	Draft Local Regulations for Amendment of APBD	2013–2016
5	Local Regulations for Amendment of APBD	2013–2016
6	Regulation from the Regional Head for the Implementation of the Amended APBD	2013–2016
7	Budget Work Plan for Amended APBD	2013–2016
8	General Procurement Plan	2013–2016
9	Decree from Regional Head for Regional Finance Manager	2013–2016
Reporting and Accountability		
1	Cash Flow Statement	2013–2016
2	Budget Realization Report	2013–2016
3	Balance Sheet	2013–2016
4	Financial Statement Notes	2013–2016
5	Report of BUMDs	2013–2016
6	Local Government Annual Accountability and Performance Report	2013–2016
7	Local Regulation on Accountability of APBD Implementation	2013–2016
8	BPK's Opinion on Local Government Financial Report	2013–2016
9	Budget Surplus Changes Report	2013–2016
10	Operational Report	2013–2016
11	Equity Report Change	2013–2016

**Note:** SKPD, Local Government Work Units; PPKD, Regional Financial Information Officer, APBD, Regional Budget of Revenue & Expenditure, BUMD, Regional Government-Owned Companies, BPK, Audit Board.

**Source:** Adapted from [Huawei \(2016\)](#).

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