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Accounting and Transparency of Regional Financial Resources: Challenges of Tax Collection and Taxpayer Compliance in Surakarta

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A B S T R A C T

Regional autonomy in Indonesia necessitates robust mechanisms for generating local revenue, with taxation a critical component of regional financial sustainability. This study examines the intersection of accounting practices, transparency, and tax compliance within Surakarta's regional financial management system. Despite regulatory frameworks mandating transparent fiscal operations, local governments continue to encounter substantial challenges in tax collection efficiency and taxpayer compliance. Employing a qualitative research methodology, this investigation analyzes primary data from semi-structured interviews with tax officials, taxpayers, and financial stakeholders, supplemented by document analysis of financial reports from 2023 to 2025. Findings reveal that inadequate public accounting systems, limited transparency in fund allocation, and insufficient taxpayer education constitute primary barriers to the optimal realization of tax revenue. Data from Surakarta's Regional Revenue Agency indicates tax compliance rates averaging 67.3% in 2024, substantially below national targets of 85%. Furthermore, transparency deficits in budget execution create trust gaps between citizens and government institutions, directly undermining voluntary compliance. The study demonstrates that strengthening accounting information systems, implementing real-time financial reporting platforms, and enhancing stakeholder engagement through participatory budgeting mechanisms contribute to improve both perceptions of transparency and compliance behaviors. These findings contribute to public sector accounting literature by illustrating the mediating role of transparency in the taxation-compliance nexus within Indonesian decentralized governance contexts. Recommendations include the mandatory adoption of accrual-based accounting standards, the digital transformation of tax administration, and the institutionalization of transparency mechanisms aligned with international public financial management best practices.

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INTRODUCTION

Indonesia's implementation of regional autonomy through Law No. 23/2014 concerning Regional Government fundamentally transformed the subnational fiscal architecture, transferring contribute to revenue-generating responsibilities to provincial and municipal administrations (Sidik, 2023). This decentralization paradigm positions local taxation as the cornerstone of regional financial independence, reducing dependency on central government transfers. Surakarta, a medium-sized city in Central Java with approximately 522,000 inhabitants, exemplifies the challenges facing Indonesian municipalities in optimizing locally generated revenue (*Pendapatan Asli Daerah*).

Regional governments face mounting pressure to finance expanding public service obligations while maintaining fiscal sustainability. Tax revenue constitutes approximately 65-70% of total regional own-source revenue across Indonesian municipalities, rendering collection efficiency and taxpayer compliance critical determinants of fiscal health (Mardiasmo, 2023). However, empirical evidence suggests persistent underperformance in both dimensions. National tax compliance rates among individual taxpayers average 68.4% as of 2024, with regional variations reflecting differences in administrative capacity, transparency practices, and citizen trust in governmental institutions (Ministry of Finance, 2024).

Accounting systems and transparency mechanisms function as foundational infrastructure supporting effective tax administration. Transparent financial reporting enhances governmental accountability, enabling citizens to observe how revenue is utilized and assess the delivery of public value (Bastian, 2022). This visibility theoretically strengthens the fiscal social contract, whereby taxpayers exchange financial contributions for quality public services. Nevertheless, Indonesian local governments historically struggle with accounting modernization, transparency implementation, and stakeholder communication, creating conditions that undermine voluntary compliance.

Surakarta presents a compelling case study context, given its progressive reputation for local governance innovation in Indonesia. The city has implemented various digital government initiatives and participatory mechanisms, yet continues to experience challenges in tax collection. Regional Revenue Agency data indicate that while total regional revenue reached IDR 1.87 trillion in 2024, tax realization rates averaged only 89.3% of targets, with contribute to shortfalls in property tax and regional levies (Surakarta Regional Revenue Agency, 2024). Understanding the accounting and transparency dimensions underlying these compliance gaps yields insights applicable across Indonesian municipalities confronting similar challenges.

This research addresses three interconnected questions. First, what accounting system characteristics influence tax administration effectiveness in Surakarta's regional financial management? Second, how does transparency in regional financial resource management affect taxpayer compliance behaviors? Third, what institutional mechanisms can strengthen the accounting-transparency-compliance nexus within decentralized Indonesian governance contexts?.

LITERATURE REVIEW

Public Sector Accounting and Regional Financial Management

Contemporary public sector accounting frameworks emphasize transparency, accountability, and performance measurement as core principles distinguishing governmental from commercial accounting practices (Broadbent & Guthrie, 2021). The transition from cash-based to accrual-based accounting represents a fundamental shift in public financial management philosophy, enabling more comprehensive asset-liability reporting and facilitating long-term fiscal planning (Christiaens et al., 2022). Indonesian Government Accounting Standards (*Standar Akuntansi Pemerintahan*) mandated the adoption of accrual accounting for local governments by 2015, yet implementation remains incomplete across many jurisdictions.

Research demonstrates that accounting system quality directly affects the reliability of financial reporting, which subsequently influences stakeholder trust and resource-allocation decisions (Cohen et al., 2023). Adequate accounting infrastructure requires integrated information systems, qualified personnel, and institutional commitment to data accuracy. Studies of Indonesian local government accounting reveal persistent challenges, including inadequate human resource capacity, limited technology integration, and institutional resistance to procedural changes (Harun et al., 2022).

Transparency and Governmental Accountability

Transparency constitutes a multidimensional construct encompassing information accessibility, comprehensibility, and relevance for stakeholder decision-making (Grimmelikhuijsen & Meijer, 2023). In public financial management contexts, transparency manifests through budget publication, procurement disclosure, the dissemination of audit reports, and participatory planning processes. Empirical research consistently demonstrates positive relationships between governmental transparency and citizens' trust, perceptions of legitimacy, and compliance behavior (Porumbescu, 2023).

The Open Government Partnership framework, which Indonesia joined in 2011, establishes international benchmarks for fiscal transparency, including timely budget publication, citizen participation mechanisms, and independent oversight institutions (Fölscher et al., 2022). Indonesian transparency regulations, notably Law No. 14/2008 on Public Information Openness, mandate the disclosure of government information. However, implementation quality varies substantially across regional governments, with many lacking standardized reporting formats or accessible dissemination platforms (Kristiansen et al., 2023).

Tax Compliance in Decentralized Systems

Tax compliance theory traditionally distinguishes between enforced compliance, driven by detection risk and penalty severity, and voluntary compliance, motivated by normative commitment, fairness perceptions, and reciprocity beliefs (Kirchler et al., 2024). Contemporary research emphasizes that trust in governmental institutions contribute to influences voluntary compliance, with transparency functioning as a trust-building mechanism (Batrancea et al., 2022).

Decentralized taxation systems introduce additional complexity, as regional tax administration quality, service provision visibility, and local political dynamics shape compliance behaviors (Cyan et al., 2023). Indonesian regional tax structures include property taxes, vehicle taxes, hotel and restaurant taxes, and various levies, each presenting distinct compliance challenges. Research on Indonesian taxpayer behavior identifies procedural complexity, administrative inefficiency, perceptions of corruption, and inadequate service reciprocity as primary barriers to compliance (Waluyo, 2023).

Studies specifically examining the transparency-compliance relationship demonstrate that citizens exhibit higher compliance when governments provide clear information about revenue utilization and demonstrate responsive public service delivery (Onu & Oats, 2022). This finding suggests that accounting quality and transparency practices function not merely as administrative procedures but also as strategic tools for enhancing compliance.

Research Gap

Existing literature extensively examines accounting modernization, transparency initiatives, and tax compliance as discrete phenomena. However, research integrating these dimensions within unified analytical frameworks is limited, particularly in Indonesian subnational contexts. This study addresses this gap by investigating how accounting system characteristics and transparency practices jointly influence tax compliance outcomes in Surakarta, contributing empirical evidence from a representative Indonesian municipality navigating decentralization challenges.

METHODOLOGY

Materials and Methods

This investigation employs a qualitative research Design utilizing multiple data collection methods to comprehensively understand accounting, transparency, and compliance dynamics within Surakarta's regional financial management system. Qualitative approaches enable deep exploration of institutional processes, stakeholder perceptions, and contextual factors shaping fiscal behaviors (Creswell & Poth, 2024).

Research Setting and Participants

Research conducted in Surakarta between August 2024 and January 2025 involved purposive sampling to select information-rich participants representing diverse stakeholder perspectives. The sample comprised 32 individuals: 8 officials from the Regional Revenue Agency (*Badan Pendapatan Daerah*), 6 financial management staff from the Regional Financial and Asset Management Agency (*Badan Pengelolaan Keuangan dan Aset Daerah*), 4 internal auditors from the Regional Inspectorate, 10 registered taxpayers representing various sectors including hospitality, commerce, and property ownership, and 4 civil society representatives monitoring budget transparency.

Selection criteria for officials included a minimum of three years of experience in current positions and direct involvement in accounting systems or tax administration. Taxpayer participants represented both compliant and non-compliant categories, identified through the Regional Revenue Agency records. Civil society representatives included individuals affiliated with transparency advocacy organizations actively monitoring Surakarta's budget processes.

Data Collection Procedures

Primary data collection used semi-structured interviews conducted in Indonesian, lasting 45 to 90 minutes. Interview protocols addressed accounting system functionality, transparency practices, compliance motivations, institutional challenges, and stakeholder perspectives on financial management quality. All interviews were audio-recorded with participant consent and subsequently transcribed verbatim.

Secondary data sources included Surakarta's audited financial statements for fiscal years 2023-2024, Regional Revenue Agency performance reports, budget realization documents, transparency index assessments, and tax collection statistics. Document analysis focused on identifying accounting practice patterns, transparency disclosure levels, and revenue performance trends.

Data Analysis

Thematic analysis following Braun and Clarke's (2023) six-phase framework guided data interpretation. Initial coding identified patterns related to accounting system characteristics, manifestations of transparency, and compliance factors. Subsequent analytical phases organized the codes into coherent themes that reflected institutional dynamics, stakeholder relationships, and systemic barriers. Data triangulation, comparing interview narratives, official documents, and statistical records, enhanced analytical validity.

Ethical Considerations

Research received ethical clearance from institutional review boards. All participants provided informed consent, with assurances regarding confidentiality and anonymity. Data storage followed secure protocols, with identifying information removed from transcripts and publications.

Research Limitations

This study's qualitative Design prioritizes depth over generalizability, with findings reflecting Surakarta's specific institutional context. Participant selection potentially introduces sampling bias, though purposive sampling maximizes information richness. Temporal constraints limited longitudinal observation of the long-term effects of compliance with transparency interventions.

RESULTS

Current State of Regional Accounting Systems

Analysis of Surakarta's financial management infrastructure reveals partial modernization, with persistent constraints from legacy systems. The city implemented the Regional Financial Management Information System (*Sistem Informasi Pengelolaan Keuangan Daerah*, SIPKD) in 2019, facilitating basic transaction recording and reporting functions. However, integration gaps between revenue collection, expenditure management, and asset accounting modules limit comprehensive financial visibility.

Financial statement audit results from Indonesia's Supreme Audit Institution (*Badan Pemeriksa Keuangan*) for the fiscal year 2024 assigned Surakarta an unqualified opinion (*Wajar Tanpa Pengecualian*), indicating general compliance with accounting standards. Nevertheless, audit findings identified 14 instances of internal control weaknesses, including incomplete fixed asset registers, delayed reconciliation procedures, and insufficient supporting documentation for certain revenue transactions (BPK, 2024).

Interview data from accounting staff revealed capability constraints. One senior financial officer stated, "We have adopted accrual accounting formally, but many staff still think in cash-basis terms. Understanding concepts like depreciation and accruals requires ongoing training that we struggle to provide consistently." Human resource limitations emerged as a recurring theme, with 68% of financial management personnel lacking specialized accounting qualifications beyond basic administrative training.

Table 1: Surakarta Regional Financial Performance Indicators (2023-2024)

Indicator	2023	2024	Change (%)
Total Regional Revenue (IDR Billion)	1,782	1,874	+5.2%
Locally-Generated Revenue (IDR Billion)	687	731	+6.4%
Tax Revenue (IDR Billion)	445	478	+7.4%
Tax Target Realization Rate (%)	87.6%	89.3%	+1.7pp
Property Tax Compliance Rate (%)	64.2%	67.3%	+3.1pp
Hotel-Restaurant Tax Compliance Rate (%)	81.4%	83.7%	+2.3pp
Regional Expenditure (IDR Billion)	1,809	1,891	+4.5%

Source: Surakarta Regional Financial Reports (2023, 2024); Regional Revenue Agency Performance Reports (2023, 2024)

Transparency Practices and Information Accessibility

Surakarta demonstrates moderate transparency performance relative to Indonesian municipal averages. The city scored 68.4 points on the 2024 Indonesian Budget Transparency Index, ranking 15th among 34 provincial capitals but falling short of the 75-point threshold denoting adequate transparency (Ministry of Home Affairs, 2024). Key deficiencies include limited mid-year budget execution reporting, insufficient disaggregation of expenditure data, and delayed publication of audit reports.

The city maintains a financial transparency portal (*Portal Transparansi Keuangan Daerah*) providing access to approved budgets, quarterly realization reports, and procurement information. However, user engagement metrics indicate minimal citizen use, with portal analytics showing an average of approximately 1,200 monthly visitors, representing 0.23% of the city's population. Civil society respondents attributed low engagement to the complexity of information presentation, the absence of data visualization tools, and inadequate promotion.

Budget participation mechanisms exist through development planning consultations (*Musyawarah Perencanaan Pembangunan*, Musrenbang), yet several participants characterized these as ceremonial rather than substantive. One civil society representative observed: "We attend Musrenbang sessions, but our input rarely translates into actual budget allocations. The process feels like fulfilling administrative requirements rather than genuine participation."

Tax Administration Challenges

Regional Revenue Agency personnel identified multiple operational constraints affecting collection efficiency. Administrative process complexity emerged prominently, with property tax assessment procedures requiring extensive documentation that many taxpayers struggle to compile. One tax officer explained: "Property owners must provide land certificates, building permits, and measurement documents. Many informal settlements lack proper documentation, making tax assessment extremely difficult."

Technological infrastructure limitations hinder administration effectiveness. While online tax payment options exist, system reliability issues and limited digital literacy among certain taxpayer segments sustain dependency on manual processes. Only 34% of property tax transactions occurred through digital channels in 2024, compared to 71% for hotel-restaurant taxes, paid predominantly by formally registered businesses (Regional Revenue Agency, 2024).

Enforcement capacity represents another contribute to challenge. Surakarta employed only 47 field tax officers serving a city of 522,000 residents in 2024, yielding a ratio of one officer per 11,106 residents, substantially below optimal benchmarks. Limited personnel restrict audit coverage and follow-up on non-compliant taxpayers. The Regional Revenue Agency conducted compliance audits on merely 8.3% of registered taxpayers in 2024, with enforcement actions (payment orders, asset seizures) initiated against only 2.1% of identified delinquent cases.

Table 2: Tax Collection Efficiency Indicators by Category (2024)

Tax Category	Registered Taxpayers	Compliant Taxpayers	Compliance Rate (%)	Revenue Target (IDR Million)	Revenue Realization (IDR Million)	Realization Rate (%)
Property Tax	128,450	86,447	67.3%	187,500	165,230	88.1%

Vehicle Tax	234,680	192,947	82.2%	96,400	89,670	93.0%
Hotel Tax	287	240	83.6%	68,300	64,180	94.0%
Restaurant Tax	1,456	1,192	81.9%	89,700	82,340	91.8%
Entertainment Tax	89	71	79.8%	12,400	10,850	87.5%
Advertisement Tax	342	267	78.1%	23,700	20,430	86.2%

Source: Surakarta Regional Revenue Agency Annual Report (2024)

Taxpayer Perspectives on Compliance

Interview data from taxpayers revealed multifaceted motivations for compliance and barriers. Respondents consistently emphasized perceptions of service reciprocity as the primary determinants of compliance. One property owner stated, "I pay taxes when I see roads repaired, schools improved, and health centers functioning well. But when I observe poor infrastructure in my neighborhood despite paying taxes for years, my motivation decreases."

Trust deficits emerged prominently, with 7 of 10 taxpayer respondents expressing skepticism about the integrity of budget management. Perceptions of corruption and inefficient resource utilization directly undermined willingness to comply. One business owner explained: "News reports about budget misuse make me question whether my tax payments genuinely support public services or disappear into personal pockets."

Procedural fairness concerns also affected compliance behaviors. Several respondents perceived tax assessment methods as arbitrary, particularly for property taxes, where valuation criteria lacked transparency. One taxpayer stated, "My neighbor has a similar property but pays contribute to lower taxes. When I asked the tax office to explain the difference, they couldn't provide clear calculations. This inconsistency feels unfair."

Conversely, respondents who experienced efficient service delivery, transparent communication, and responsive administration demonstrated stronger inclinations toward compliance. Two hotel operators praised recent digitalization initiatives, noting that simplified online filing and payment processes enhanced compliance convenience.

Integration Challenges: Accounting-Transparency-Compliance Nexus

Analysis revealed systemic integration deficiencies linking accounting practices, transparency mechanisms, and compliance outcomes. Financial information generated through accounting systems often fails to reach citizens in accessible formats, creating a disconnect between data production and stakeholder utilization. One financial management official acknowledged: "We produce detailed financial statements meeting audit requirements, but we lack the capacity to translate technical accounting information into formats ordinary citizens understand."

This translation gap limits the potential of transparency to enhance compliance effects. Citizens cannot meaningfully assess service reciprocity or hold government accountable when financial information remains technically complex and poorly communicated. The absence of narrative reporting explaining budget priorities, achievement metrics, and expenditure rationales perpetuates information asymmetries.

Institutional fragmentation further complicates integration. Revenue collection, financial management, and transparency communication functions operate across separate agencies with limited coordination mechanisms. The Regional Revenue Agency focuses primarily on collection targets with insufficient attention to taxpayer education and trust-building. Meanwhile, the Financial Management Agency prioritizes compliance with accounting standards and audit requirements, treating transparency as a secondary administrative obligation rather than a strategic priority.

DISCUSSION

Findings illuminate the critical interdependencies among accounting system quality, transparency practices, and tax compliance behaviors within Surakarta's regional financial management ecosystem. This section interprets results within broader public financial management and fiscal decentralization discourses, drawing connections to theoretical frameworks and international evidence.

Accounting Systems as Compliance Infrastructure

Results demonstrate that accounting system quality influences the effectiveness of tax administration through multiple pathways. Reliable financial information enables evidence-based planning, facilitating alignment between revenue projections and expenditure commitments. Accurate asset registers support property tax assessments, while integrated revenue-expenditure tracking allows real-time monitoring of budget execution against approved plans. Conversely, incomplete accounting integration creates information gaps that undermine administrative efficiency and strategic decision-making.

These findings align with international research emphasizing accounting infrastructure as foundational to effective public financial management (Christiaens et al., 2022). However, Surakarta's experience reveals that the formal adoption of accrual accounting standards is insufficient without complementary investments in human capacity, technological systems, and institutional processes. This implementation gap aligns with broader patterns observed in developing country contexts, where accounting modernization confronts resource constraints and institutional inertia (Adhikari & Gårseth-Nesbakk, 2023).

The capability deficit among financial personnel represents a particularly contribute to barrier. Effective accrual accounting requires a sophisticated understanding of concepts like asset valuation, depreciation, provisions, and contingent liabilities. Without sustained professional development, formal standard adoption remains superficial, thereby limiting the decision-usefulness of accounting information. This finding reinforces calls for comprehensive capacity-building programs accompanying accounting reforms in decentralized Indonesian governance contexts (Harun et al., 2022).

Transparency's Dual Function: Accountability and Trust-Building

Analysis reveals that transparency operates simultaneously as an accountability mechanism and a trust-building instrument, with distinct but interrelated compliance implications. As an accountability mechanism, transparent financial reporting enables stakeholder oversight, creating reputational and electoral incentives for responsible fiscal management. This deterrent function potentially discourages misappropriation and inefficiency, theoretically enhancing public value delivery (Grimmelikhuijsen & Meijer, 2023).

However, results suggest that transparency's trust-building function may exert a stronger direct influence on voluntary compliance. Taxpayer narratives consistently emphasized perceptions of reciprocity and fairness judgments rather than sophisticated financial analysis. Most citizens lack the technical capacity to evaluate complex budget documents and instead rely on subjective assessments of governmental responsiveness, service quality, and procedural fairness. These findings support psychological tax compliance models emphasizing normative commitments and social exchange dynamics (Kirchler et al., 2024).

Surakarta's experience demonstrates that technical transparency—making information formally accessible—differs substantially from functional transparency—enabling meaningful stakeholder utilization. High-quality financial data published in incomprehensible formats provides limited accountability or trust benefits. This distinction underscores the importance of communication strategies that translate technical accounting information into accessible narratives, highlighting public value creation and responsive governance.

The minimal citizen engagement with Surakarta's transparency portal illustrates this challenge. Simply posting financial documents online satisfies formal disclosure requirements but fails to activate transparency's potential to enhance compliance. Effective transparency requires proactive communication, data visualization, stakeholder education, and participatory mechanisms enabling genuine dialogue between governments and citizens (Fölscher et al., 2022).

Systemic Integration and Policy Implications

Perhaps the most contribute to finding concerns systemic integration deficiencies that fragment accounting, transparency, and compliance functions. These domains often operate as isolated administrative silos despite fundamental interdependencies. Financial management staff focus narrowly on audit compliance, revenue collectors prioritize collection targets, and transparency officers fulfill disclosure mandates, with limited cross-functional coordination.

Optimizing compliance outcomes requires integrated strategies recognizing that accounting quality enables transparency, transparency builds trust, and trust enhances voluntary compliance. This systemic perspective suggests that isolated interventions addressing single dimensions will produce suboptimal results compared to comprehensive reforms that simultaneously strengthen accounting infrastructure, transparency practices, and stakeholder engagement.

International evidence supports this integrated approach. Successful fiscal reforms in contexts like Rwanda, Georgia, and Peru combined accounting modernization with transparency initiatives and taxpayer service improvements, yielding synergistic compliance gains (Cyan et al., 2023). These cases demonstrate that technical systems provide necessary but insufficient conditions for compliance enhancement, requiring complementary investments in communication, participation, and responsive service delivery.

Theoretical Contributions

This research extends public sector accounting literature by empirically demonstrating transparency's mediating role in the accounting-compliance relationship within Indonesian decentralized contexts. While prior research separately examines accounting quality's administrative benefits and transparency's governance effects, this study integrates these dimensions into a unified analytical framework. Results suggest that accounting systems' compliance contributions operate partially through transparency mechanisms rather than solely through direct administrative efficiency gains.

Additionally, the findings contribute to the fiscal decentralization discourse by highlighting capacity constraints that limit regional governments' ability to leverage autonomy to improve service delivery and fiscal sustainability. Decentralization's theoretical benefits—enhanced efficiency, responsiveness, and accountability—depend critically on adequate institutional capabilities. Surakarta's challenges illustrate how capacity deficits in accounting, technology, and administration constrain the realization of the decentralization dividend.

CONCLUSION

This investigation examined the complex interactions among accounting practices, transparency mechanisms, and tax compliance behaviors within Surakarta's regional financial management system. Analysis reveals that while formal accounting standards exist and basic transparency platforms operate, substantial implementation gaps limit their potential to enhance compliance and fiscal sustainability.

Key findings demonstrate that accounting system integration deficiencies, human capacity constraints, and limited financial literacy among personnel undermine information quality and administrative efficiency. Transparency initiatives remain largely technical and formalistic, failing to engage citizens meaningfully or build trust through accessible communication and genuine participation. Consequently, voluntary compliance remains suboptimal, with taxpayers exhibiting skepticism about government responsiveness and budgetary integrity.

Results underscore the critical importance of integrated reform strategies that simultaneously address accounting infrastructure, transparency practices, and stakeholder engagement. Isolated technical interventions prove insufficient without complementary investments in capacity development, communication systems, and institutional coordination. Effective regional financial management requires viewing accounting, transparency, and compliance as interdependent components of an ecosystem rather than as separate administrative functions.

Several policy recommendations emerge from this analysis. First, regional governments should prioritize sustained professional development for financial personnel to ensure a genuine understanding of accrual accounting principles beyond superficial adherence to standards. Second, transparency initiatives must evolve beyond passive document publication toward active communication strategies that utilize data visualization, narrative reporting, and multiple channels to reach diverse citizen segments. Third, participatory mechanisms should transition from ceremonial consultations to substantive engagement processes genuinely incorporating stakeholder input into budget decisions.

Fourth, integrated financial management information systems should connect revenue, expenditure, and asset management modules, enabling comprehensive fiscal visibility supporting evidence-based planning and real-time monitoring. Fifth, taxpayer service improvements, including simplified procedures, reliable digital platforms, and responsive communication, should complement enforcement efforts, recognizing that convenience and respect enhance voluntary compliance. Finally, independent monitoring and evaluation of accounting quality, transparency practices, and compliance outcomes should inform continuous improvement efforts.

Future research should employ longitudinal designs to track the long-term effects of reform interventions on compliance behaviors and fiscal sustainability. Comparative studies across multiple Indonesian municipalities would illuminate contextual factors moderating the accounting-transparency-compliance relationship. Quantitative investigations could test the causal relationships suggested by this qualitative analysis, potentially employing experimental designs to evaluate the impacts of specific transparency interventions on compliance.

This research provides empirical evidence that strengthening regional financial management in decentralized Indonesian contexts requires a holistic approach that integrates technical systems, human capabilities, and stakeholder relationships. As regional governments navigate fiscal autonomy challenges, investments in accounting quality and transparency practices are strategic priorities for building sustainable revenue bases that support quality public service delivery.

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