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From Fiscal Disclosure to Effective Oversight: A Systematic Literature Review of Public Financial Management in Local Governments

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ABSTRACT

This review examined how transparency, budgeting, accounting, audit, and fiscal resilience interacted in local public financial management. A bounded, DOI-verified search of scholarly publication records identified 23 relevant studies published between 2022 and November 2026. The articles were examined through a structured thematic matrix emphasizing institutional mechanisms, empirical settings, and reported outcomes. Four connected themes emerged: the distinction between fiscal disclosure and usable information; the coordination of planning, budgeting, and intergovernmental finance; the conversion of accounting and audit outputs into substantive accountability; and fiscal resilience under debt, inflation, and organizational disruption. Digital reporting and supervisory tools generally expanded the potential for scrutiny, but access alone did not ensure meaningful oversight. Audit opinions and formal reporting could coexist with unresolved implementation weaknesses, while fiscal sustainability depended on institutional context and budgetary choices. The review proposed a financial-accountability cycle linking credible information, inclusive deliberation, execution controls, audit follow-up, and organizational learning. It highlighted the need to assess not only transparency outputs but also whether financial evidence informed decisions, corrective action, and public service continuity.

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INTRODUCTION

Public financial management (PFM) determines how public authorities mobilize resources, formulate budgets, authorize spending, account for transactions, and demonstrate responsibility for the use of public funds. At the subnational level these activities have direct implications for infrastructure, health, education, and other locally delivered services. Fiscal decentralization increases the importance of these administrative choices because local authorities often combine own-source revenues with intergovernmental transfers while operating under legal, political, and capacity constraints. Recent research shows that local financial performance is shaped by both formal financial arrangements and the organizational practices through which those arrangements are implemented (Hummel & Kusumasari, 2026; Padovani et al., 2025; Tuanaya et al., 2026).

Financial transparency has become an explicit objective of public-sector reform. Governments increasingly publish budget documents, digital expenditure reports, audit opinions, and financial statements. Yet the existence of public information is not equivalent to citizens' ability to understand, verify, or influence financial decisions. A structured review by Cuadrado-Ballesteros et al. (2023) conceptualized transparency as a multidimensional governance problem; Haustein and Lorson (2023) examined how citizens perceive municipal financial statements; and Ferza and Lee (2026) demonstrated the continuing institutional importance of online financial disclosure by local public enterprises in

Indonesia. These studies suggest that accessibility, comparability, timeliness, and comprehensibility must be considered together.

Technological reforms have expanded the available means for recording and monitoring fiscal decisions. Han et al. (2025) investigated the effects of public data access on fiscal transparency across Chinese cities, while Jin and Wang (2025) examined digital budget supervision in prefecture-level governments. Both provide evidence that digital tools can alter the information environment of fiscal governance, although organizational incentives and state capacity condition their contribution. A broader question therefore arises: when does digital disclosure improve accountability, and when does it merely increase the volume of available documentation?

A related literature links fiscal openness to democratic control and public participation. Jung and Kim (2025) examined the interaction between budget transparency, political participation, and fiscal soundness, showing that these relationships cannot be assumed to be uniformly beneficial. Citizen-oriented reporting scholarship likewise emphasizes the distinction between technical accuracy and information that non-specialist users find meaningful (Schlünß et al., 2026). The challenge for administration is not to maximize disclosure independently of institutional design but to connect understandable financial information to deliberation, responsible decision-making, and enforceable follow-up.

Accounting and auditing represent a second set of accountability mechanisms. Financial statements can make expenditure, liabilities, and performance visible, but their value depends on the quality of controls and the ways in which financial evidence is used. Davidyan and Waymire (2025) examined the transparency-accountability relationship in local auditor management letters. Parker and Favotto (2026) highlighted the political dimension of public-sector accounting and audit, while Abdullah et al. (2026) questioned the assumption that an unqualified audit opinion necessarily establishes substantive accountability in Indonesian local governments. Financial compliance and meaningful oversight must therefore be distinguished analytically.

Budget institutions also confront longer-term sustainability risks. The financial vulnerability of local governments during the pandemic varied across national systems (Padovani et al., 2025), while inflation and rising borrowing costs presented additional pressures for municipal fiscal health (Martell, 2024). Studies of debt intensity, public accounting reforms, and government consolidation reveal that apparently technical financial interventions have distributional and organizational effects (Karatzimas et al., 2024; Wan et al., 2025; Andrews & De Widt, 2026). These findings challenge perspectives that equate balanced accounts with the continuing capacity to provide services.

Despite substantial scholarship, the connections among transparency, budget coordination, audit follow-up, and fiscal resilience often remain fragmented. Digital finance studies frequently investigate disclosure or adoption, public-sector accounting research emphasizes control and reporting, and fiscal federalism analyses address transfers and sustainability. Each approach provides a necessary part of the explanation, but none on its own fully explains how financial information becomes corrective action and sustained service delivery. This review responds to that fragmentation through an integrated, administrative perspective on local PFM.

The article asks three research questions. First, what mechanisms connect fiscal transparency and digital reporting to usable public financial information? Second, how do budgeting, accounting, audit, and intergovernmental arrangements shape financial accountability in local administrations? Third, what institutional conditions help governments convert formal fiscal controls into sustainable performance and public service continuity? The intended contribution is a thematic synthesis of recent empirical literature and a financial-accountability cycle that can guide subsequent comparative and case-based research. The framework is analytical and does not claim to establish statistical causality across the reviewed studies.

RESEARCH METHODS

The study employed a structured systematic literature review with qualitative thematic synthesis. It used a bounded corpus of scholarly publications identified through targeted searches of publisher

websites, DOI-resolved article records, and academic indexing records during November 2026. Searches combined the terms "public financial management", "local government finance", "budget transparency", "fiscal accountability", "digital budgeting", "government audit", "municipal financial sustainability", "fiscal decentralization", and related expressions. Backward examination of references in relevant articles identified additional studies directly addressing local financial administration. The search did not use an authenticated export of all records from Scopus; consequently, it should not be interpreted as an exhaustive Scopus-wide retrieval.

Articles were eligible when they were published from 2022 through 19 November 2026 in scholarly journals with established publication records, addressed financial processes or institutions in government or public administration, and offered material relevant to at least one of the research questions. The selection favored empirical and analytically substantive articles covering budgeting, financial reporting, audit, digital financial governance, intergovernmental finance, or fiscal sustainability. Comparative or general-government studies were retained when they developed mechanisms applicable to local administrative financial management. News reports, promotional texts, undated essays, working papers lacking an identified peer-reviewed version, and papers dealing exclusively with private corporate accounting were excluded.

Twenty-three papers were retained for the bounded synthesis. Bibliographic details and DOI links were checked against identifiable publisher or scholarly records, while accessible abstracts and publication summaries were used where full texts could not be consulted. This limitation is important: some contributions could be coded at the level of research questions, study settings, methods, and reported findings rather than through complete line-by-line article reading. A fully reproducible database-level review would additionally require a recorded search string for each database, search dates, a deduplication file, and explicit counts at each title, abstract, and full-text screening stage. Since these data are not available for this bounded search, no PRISMA flow counts are invented (Page et al., 2021).

The analysis used a structured extraction matrix recording authors and year, jurisdiction or scope, substantive financial-management problem, methodological orientation, key mechanism, and contribution to the research questions. The coding scheme was developed iteratively around recurring ideas and tensions. Studies could contribute to more than one theme because fiscal transparency, budget execution, and oversight frequently intersected. The four final themes concerned information usefulness, budgetary coordination, substantive control and audit accountability, and fiscal resilience. Where contrasting evidence was reported, the difference was retained rather than collapsed into a single directional conclusion.

The review emphasizes mechanisms and conditions instead of estimating pooled effect sizes. The included publications differ in national administrative systems, levels of government, types of financial data, research designs, and outcome measures. This heterogeneity would make an unqualified meta-analytic comparison inappropriate. Conclusions therefore identify patterns that appear across settings while explaining why their applicability depends on institutional context. The proposed framework represents a reasoned synthesis of the reviewed research, not an empirically validated universal model.

RESULTS AND DISCUSSION

The 23 included publications cover government finance research from 2022 to 2026 and address cases in Indonesia, China, the United States, the United Kingdom, Germany, South Korea, other European contexts, and cross-country samples. The literature includes econometric panel analyses, comparative institutional research, qualitative case studies, audit-report analysis, and conceptual or structured reviews. This diversity is informative: it permits comparison of mechanisms across settings but limits attempts to interpret individual findings as universal effects. Table 1 summarizes the studies by their principal analytical contribution.

Table 1 identifies four overlapping clusters rather than exclusive categories. Several papers address financial information and audit quality simultaneously, while others connect fiscal decentralization to sustainability and performance. These relationships explain why the subsequent

discussion treats the financial-management cycle as an interconnected administrative process rather than as separate technical functions.

Table 1 Thematic Evidence Matrix of 23 Included Studies

Study	Scope	Financial management focus	Primary contribution
Alam & Alam (2022)	Subnational budgeting	Decentralization and resource allocation	Budget process and intergovernmental institutional constraints
Cuadrado-Ballesteros et al. (2023)	Public administration review	Fiscal transparency scholarship	Conceptual and institutional drivers of information disclosure
Haustein & Lorson (2023)	Local financial reporting	Citizen perceptions of reports	Comprehensibility and usefulness of financial statements
Kim & Park (2023)	United States	Fiscal monitoring and intervention	Accountability arrangements and performance
Afonso et al. (2024)	Cross-country fiscal analysis	Decentralization and sustainability	Institutional variation in sustainability effects
Martell (2024)	United States	Inflation and municipal finance	Revenue, costs, borrowing, and resilience
Karatzimas et al. (2024)	Local government cost behavior	Debt intensity and expenditure	Financial constraints and asymmetric adjustment
Padovani et al. (2025)	Multi-country municipalities	Pandemic financial vulnerability	System-level conditioning of fiscal resilience
Davidyan & Waymire (2025)	Local government audit	Auditor management letters	Transparency, control findings, and accountability
Han et al. (2025)	China	Government data-platform access	Digital information access and fiscal transparency
Jung & Kim (2025)	International comparison	Transparency and participation	Conditional links with fiscal soundness
Wan et al. (2025)	China	Accounting reform and public debt	Fiscal transparency and debt recognition
Jin & Wang (2025)	China	Digital budget supervision	Institutional incentives and disclosure improvement
Hummel & Kusumasari (2026)	Indonesia	Local fiscal indicators	Interpretation and use of performance information
Ferza & Lee (2026)	Indonesia	Public enterprise financial disclosure	Parent-government institutions and accessibility
Abdullah et al. (2026)	Indonesia	Unqualified public audit opinions	Procedural compliance versus substantive accountability
Andrews & De Widt (2026)	United Kingdom	Forced local consolidation	Transition costs and financial condition
Parker & Favotto (2026)	Public-sector accounting	Multiple accountability logics	Political and managerial influences on audit
Raffer et al. (2026)	Germany	Intergovernmental grants	Oversight design and administrative burden
Tuanaya et al. (2026)	Ambon, Indonesia	Local budget policy process	Communication, bargaining, and coordination delays
Dionisijev et al. (2026)	Balkan states	Local audit reporting	Audit transparency and follow-up practices
Schlünß et al. (2026)	Germany	Citizen-oriented financial reporting	Accessible presentation and public information needs
Tamazian et al. (2026)	Developing countries	PFM evaluation using PEFA	Internal controls, audit, and legislative follow-up

Source: Authors' DOI-checked thematic extraction; methodological and substantive descriptions are limited to accessible publication evidence.

Fiscal transparency: from disclosure to usable information

The reviewed studies converge on a basic distinction: financial disclosure is a necessary condition of transparent administration, but disclosure alone does not guarantee informed scrutiny. Cuadrado-Ballesteros et al. (2023) show why the transparency concept requires specification of its institutional determinants and implementation practices. Haustein and Lorson (2023) shift attention to the citizen perspective, asking whether municipal financial statements are intelligible and relevant to people outside professional accounting. For public managers, the implication is that transparency should be assessed through the clarity and decision usefulness of information rather than through document publication alone.

Digitization changes the means of producing and distributing financial data. Han et al. (2025) linked access to government data platforms with higher fiscal transparency in Chinese prefecture-level governments, using a quasi-experimental approach that treats digital access as an institutional intervention. Jin and Wang (2025) similarly found favorable links between digital budget supervision and fiscal disclosure, with the effect conditioned by governance environments. Their results are consistent with the claim that digital monitoring can reduce information barriers, yet they do not

establish that every information portal will result in informed civic control. Administrative routines, verifiability, and the ability to respond to discrepancies remain central.

Financial information may be fragmented across government organizations and delegated enterprises. Ferza and Lee (2026) demonstrate the significance of local public-enterprise statements in Indonesia, where the parent local authority's institutional characteristics shape the accessibility of reporting by its agents. This observation expands PFM beyond the core budget office: citizens and legislators may not be able to evaluate financial exposure when significant activities are managed through enterprises or special arrangements that are weakly integrated into public reporting. A transparent budget therefore requires attention to its wider public-sector boundary.

Citizens require information that can be connected to everyday questions about spending priorities, affordability, and service outcomes. Schlünß et al. (2026) develop the argument for citizen-oriented popular reporting, which translates technical statements into comprehensible formats without abandoning accounting standards. The reform challenge is to combine simplicity with faithful representation: excessive technicality may exclude the public, while oversimplification may conceal risks and contingencies. Useful disclosure should retain auditable detail and present summaries that explain fiscal trade-offs.

The relationship between transparency and budget quality is not mechanically positive. Jung and Kim (2025) find that the association between openness, political participation, and fiscal soundness depends on the broader institutional environment and may involve incentives for fiscally costly policy choices. Transparency can make budget pressures visible, but participatory processes also require rules that explain resource constraints and prevent narrow demands from dominating collectively financed priorities. The relevant outcome is informed public deliberation accompanied by responsible allocation, not information volume or participation counts in isolation.

Budget coordination, decentralization, and the politics of allocation

Budget formulation is an administrative negotiation involving sector agencies, planning institutions, finance offices, elected representatives, and higher levels of government. Alam and Alam (2022) examined how decentralization and resource splitting shape budget processes, reinforcing the need to study formal authority alongside the practical allocation of resources. Hummel and Kusumasari (2026) describe the usefulness and limitations of local government financial indicators in Indonesia, where variations in local revenue capacity, transfers, and the interpretation of financial ratios affect assessments of fiscal performance. A ratio that appears favorable in one locality may conceal structural dependency in another.

The local budget process also depends on communication. Tuanaya et al. (2026), examining Ambon City, identify political bargaining, fiscal transfer dependence, and coordination gaps as sources of timing deviations in budget preparation. Their proposed administrative communication mechanisms highlight the importance of documented information exchanges and escalation procedures. The study helps explain why technical budgeting software cannot independently resolve delays arising from institutional disagreement, unclear decision authority, or inconsistent planning documents. Financial management involves not only allocating money but also coordinating the actors who authorize and implement its use.

Intergovernmental finance creates additional accountability questions. Raffer et al. (2026) examine German grant reforms that seek to reduce administrative burden through simplified allocation and different audit arrangements. Such reforms may increase local discretion but also require clarity over the distribution of responsibilities between grantors and recipients. The administrative design of transfers can facilitate local adaptation or encourage formal compliance without improving service delivery. Grant conditions, reporting costs, and evaluation requirements therefore deserve analysis as elements of PFM, not merely as financial inputs.

The connection between decentralization and sustainable fiscal performance is conditional. Afonso et al. (2024) analyze variation in fiscal sustainability linked to decentralization, while Padovani et al. (2025) show that local vulnerability during a shared pandemic shock was shaped by national and

system-level factors. Together these studies suggest that fiscal autonomy cannot be evaluated without considering the tax base, transfer rules, expenditure obligations, and the availability of buffers. Policies that assign additional duties without adequate resources can undermine financial sustainability even when budget documentation and compliance procedures remain technically sound.

Planning-budget coherence is therefore an important point of control. Administrators need consistent data between strategic plans, annual budgets, expenditure authorizations, procurement commitments, and final accounts. When these documents use incompatible classifications or are produced on misaligned schedules, oversight can become retrospective and unable to influence implementation. The Ambon evidence is especially relevant to decentralized administrations that confront late transfers or executive-legislative negotiation: improving information exchange may be as consequential as improving the accounting platform itself (Tuanaya et al., 2026).

Accounting reform, internal control, and substantive audit accountability

Government accounting reform aims to improve the representation of liabilities, obligations, and the cost of public activity. Wan et al. (2025) examine accounting reform, fiscal transparency, and explicit local government debt in China, illustrating that improvements in the visibility of public borrowing can alter how debt is recorded and understood. The research cautions against assuming that accounting recognition itself reduces indebtedness; reporting may instead reveal previously obscured exposure or enable different financial choices. The quality of information and the decisions taken in response must be evaluated separately.

Audit processes can provide an institutional channel through which observations become corrections. Davidyan and Waymire (2025) study auditor management letters and their potential to connect disclosure of weaknesses with more accountable management. Dionisijev et al. (2026), comparing reporting practices of supreme audit institutions in four Balkan countries, demonstrate that audit transparency varies in structure, scope, accessibility, and follow-up. The comparative evidence implies that a publicly accessible report is more valuable when it specifies deficiencies, identifies responsible units, and allows a reviewer to determine whether a recommendation has been implemented.

A central tension concerns the meaning of apparently successful audit results. Abdullah et al. (2026) find that unqualified audit opinions in selected Indonesian local governments can coexist with weak substantive accountability and broader institutional risks. An audit opinion is designed to assess financial statements within the relevant standards and scope; it cannot be treated as a comprehensive certification that all expenditures were efficient, all services equitable, or all corruption risks absent. This distinction is vital when audit outcomes become political symbols that displace scrutiny of spending decisions and implementation consequences.

Parker and Favotto (2026) provide a conceptual complement by treating public, managerial, and political accountability as related but different demands within public-sector accounting and audit. Financial information may satisfy a professional standard yet fail to address the questions posed by elected officials or affected citizens. Conversely, political narratives may emphasize visible achievements without considering technical liabilities and operational risks. Effective PFM requires relationships among these audiences rather than the dominance of any one. Financial managers need to explain what the accounts show, what they cannot establish, and what corrective decisions are supported by the evidence.

Recent PEFA-based research by Tamazian et al. (2026) emphasizes the combined role of internal expenditure controls, internal audit, external audit, and legislative follow-up in governance outcomes. Its contribution is the notion of a control-audit chain: weaknesses at one link can reduce the value of the other links. A technically advanced audit office may not generate change when recommendations are not implemented; similarly, strong internal controls can be undermined by weak external scrutiny or limited legislative action. The evidence strengthens a process-oriented view of accountability, in which reporting, review, correction, and renewed monitoring form a sequence.

The distinction between formal and substantive accountability suggests a practical research agenda. Rather than counting favorable audit opinions alone, evaluation can examine the timeliness of financial statements, the severity and recurrence of audit findings, implementation of recommendations, closure of internal-control weaknesses, and the relationship between budget deviations and service outcomes. Such indicators are not interchangeable, and their interpretation should be sensitive to audit coverage and reporting incentives. Yet together they can reveal whether financial oversight is creating administrative learning (Davidyan & Waymire, 2025; Abdullah et al., 2026).

Fiscal resilience: debt, shocks, and organizational change

A local authority can satisfy current financial reporting requirements and still face unsustainable medium-term obligations. Martell (2024) describes how inflation and high interest rates affect revenues, operating expenditure, capital costs, and debt service in United States local governments. Revenue bases do not necessarily adjust at the same speed as contracted costs, and intergovernmental assistance may be temporary. This evidence suggests that performance evaluation must address the capacity to finance recurring services and infrastructure maintenance over time, not only annual budget execution.

The pandemic exposed differences in financial vulnerability across local-government systems. Padovani et al. (2025) identify systemic factors that condition fiscal stress, supporting the argument that resilience is partly produced by intergovernmental design and accumulated institutional capacity. Fiscal reserves, revenue diversity, contingency rules, and the ability to reallocate resources may moderate the effect of shocks. These buffers, however, are not cost-free; excessively rigid reserve targets can also constrain services when populations face urgent needs. Financial resilience consequently involves judgments about the balance between near-term provision and future obligations.

Debt can affect managerial behavior well before formal distress occurs. Karatzimas et al. (2024) analyze debt intensity and asymmetric cost behavior in local governments, showing that financial constraints and adjustments to expenditure are relevant to the dynamics of fiscal management. Wan et al. (2025) likewise connect accounting reform to visibility of local debt. Together the studies indicate that the sustainability problem has several dimensions: the amount owed, the affordability of service costs, the timing of commitments, the transparency of contingent exposure, and the quality of expenditure choices.

Organizational reform does not automatically strengthen financial condition. Andrews and De Widt (2026) examine coercive vertical consolidation of English local authorities and the fiscal implications of transition. Structural changes can promise efficiencies of scale while also creating substantial reorganization costs, loss of institutional knowledge, and new coordination problems. The finding reinforces a general lesson for public financial administration: reforms should be evaluated using their actual transition costs and eventual results, not only projected savings or changes to formal organizational charts.

Fiscal sustainability is also inseparable from political and social objectives. Decentralization and intergovernmental transfers distribute risks, authority, and expectations across levels of government (Afonso et al., 2024; Raffer et al., 2026). Audit institutions may identify a financial problem after binding commitments have been made, while affected communities experience service disruptions before formal accounts are published. A resilient PFM system therefore depends on forward-looking risk assessment combined with transparent choices about trade-offs and accountable decision-making throughout the financial cycle.

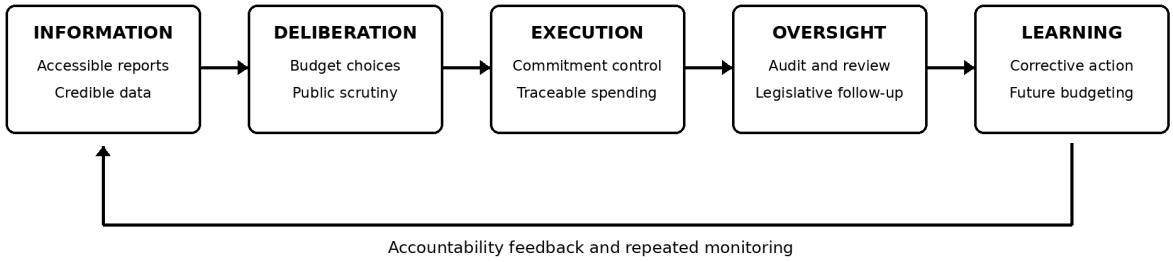
An integrated financial-accountability cycle

Across the four themes, the most persistent governance gap is the distance between producing financial information and acting on it. Digital financial systems can create timely records; budget deliberation can make trade-offs explicit; internal controls can prevent unauthorized spending; and audit can identify weaknesses. These activities provide public value only when their outputs are connected. The integrated cycle proposed in Picture 1 brings them into an ordered but iterative relationship: credible information, budget deliberation, controlled execution, independent oversight, and learning or

correction. Each stage depends on the quality of earlier decisions but can also generate feedback for them.

The framework treats transparency as an informational condition, not an outcome that substitutes for oversight. Accessible and comparable data allow citizens, councils, and auditors to ask more precise questions. Deliberation provides the opportunity to reconcile policy priorities with available resources. Execution controls preserve authorization and financial integrity; external scrutiny tests these processes; and follow-up converts findings into changes in practice. The loop returns information to the next budgeting cycle and makes repeated problems visible. Political incentives, fiscal capacity, administrative autonomy, and technological access condition all stages.

Picture 1 is a conceptual synthesis rather than a model statistically estimated from the 23 studies. Its principal proposition is that a local administration's financial accountability should be assessed by the continuity of its information-to-action chain, not by a single disclosure index, audit opinion, or balance ratio. The reviewed evidence gives this proposition theoretical plausibility, but direct comparative research is required to test how the stages interact across different systems.



Picture 1 The Financial-Accountability Cycle in Local Government

Source: Authors' synthesis of the reviewed literature; relationships are conceptual.

Implications, research gaps, and limitations

The synthesis supports three administrative priorities. First, transparency reform should move beyond compliance-based publication toward usable disclosure. Local financial offices should link budget proposals, approved appropriations, procurement commitments, final accounts, and follow-up reports through consistent classifications and plain-language explanations. The usefulness of information can be evaluated through whether residents and council members can trace a reported allocation to its implementation status and associated service effects. This recommendation follows work on public data accessibility, citizen-oriented reporting, and transparency of public enterprises (Han et al., 2025; Ferza & Lee, 2026; Schlünß et al., 2026).

Second, a local government should establish a clear accountability route for each material weakness. Internal control findings, external audit recommendations, and unresolved budget deviations should have designated owners, corrective deadlines, evidence of completion, and periodic public or legislative review. This recommendation addresses the distinction between compliance-based audit outcomes and substantive improvements identified by Abdullah et al. (2026) and the importance of the control-audit chain emphasized by Tamazian et al. (2026). Oversight is more credible when responsibility for follow-up remains visible after reports are published.

Third, budget quality should be evaluated together with fiscal resilience. Administrators need to consider revenue uncertainty, debt-service obligations, inflation, future maintenance, earmarked transfers, and the costs of institutional reform. Short-run savings may shift liabilities into later years, and apparent annual balance may conceal contingent risks. This emphasis follows the financial vulnerability and debt literature and supports ex ante stress assessment as part of the budget preparation process (Martell, 2024; Padovani et al., 2025; Wan et al., 2025; Andrews & De Widt, 2026).

A significant gap remains in evidence directly connecting financial disclosure to subsequent administrative action. Many studies estimate effects on transparency indices, accounting quality, audit ratings, or fiscal ratios, but fewer trace how identified discrepancies trigger decisions, revised

appropriations, recovery of public resources, or changes in service performance. Longitudinal research could follow a set of audit findings and budget revisions across multiple fiscal years, recording which recommendations were implemented and whether the associated spending problems reappeared. Comparative research could further distinguish institutional autonomy, transfer dependence, and public participation as moderators of these relationships.

The bounded review has important limitations. The corpus was identified through targeted publication searches rather than a fully exported and deduplicated Scopus database search; therefore, neither exhaustive retrieval nor systematic database coverage can be claimed. Some papers were available chiefly through abstracts and publisher descriptions, preventing uniform assessment of all model specifications, data limitations, and contextual details. The evidence also combines national, subnational, and comparative studies with diverse outcome measures; the integrated cycle cannot be presented as a universally demonstrated causal sequence. These constraints justify a future Scopus-assisted review with a preregistered protocol, complete screening log, and critical appraisal of included designs.

CONCLUSION

This review synthesized 23 recent scholarly studies on public financial management to examine why transparency, budgeting, accounting, audit, and fiscal sustainability should be analyzed as connected administrative practices. The evidence indicates that the public availability of fiscal documents does not necessarily make them understandable or useful; that financial performance is shaped by intergovernmental arrangements and coordination within the budget process; that favorable audit outcomes may coexist with unresolved accountability risks; and that financial resilience depends on the capacity to manage debt, price shocks, institutional changes, and future service obligations.

The article developed a financial-accountability cycle linking credible information, deliberation, controlled execution, independent oversight, and corrective learning. Its contribution lies in specifying the administrative steps through which reporting can become accountable action. For local governments, this perspective encourages evaluation of document usability, budget coherence, audit follow-up, and medium-term fiscal capacity rather than reliance on a single disclosure score or accounting opinion. Further research should test the proposed connections through comparative longitudinal evidence and an expanded database-documented systematic review. The present synthesis offers a grounded analytical starting point while remaining explicit about its bounded literature coverage.

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