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BUDGET TRANSPARENCY, PUBLIC ACCOUNTABILITY, AND INTERNAL CONTROL IN LOCAL GOVERNMENT FINANCIAL MANAGEMENT: EVIDENCE FROM ACEH

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Abstract: This study aims to explore and gain an in-depth understanding of how budget transparency, public accountability, and internal control systems are enacted in the financial management practices of local governments in Aceh Province, and how these three aspects relate to local financial management performance. Sound local financial governance is a key prerequisite for achieving good governance, particularly in a region with special autonomy status such as Aceh. This study employs a qualitative approach with a descriptive case study design. Informants were selected through purposive and snowball sampling, comprising financial management officials, financial administration officers, internal government supervisory apparatus, and civil society actors involved in budget oversight across several regencies/cities in Aceh. Data were collected through in-depth interviews, non-participant observation, and documentation review, then analyzed using the interactive model of Miles, Huberman, and Saldana, comprising data reduction, data display, and conclusion drawing/verification. Data trustworthiness was established through source and method triangulation and member checking. The (illustrative) findings indicate that budget transparency is enacted through the openness of budget documents, yet still faces accessibility barriers for laypeople; public accountability is upheld through formal reporting mechanisms but remains limited in its responsiveness to public input; and the effectiveness of the internal control system is highly dependent on the commitment of unit leadership. Together, these three aspects form an interrelated pattern of local financial management that cannot be understood in isolation. This study offers rich contextual understanding to inform policy formulation for strengthening local financial governance in Aceh.
Keywords: budget transparency; public accountability; internal control system; local government financial management performance; qualitative study.

Abstrak: Penelitian ini bertujuan untuk mengeksplorasi dan memahami secara mendalam bagaimana transparansi anggaran, akuntabilitas publik, dan sistem pengendalian internal diwujudkan dalam praktik pengelolaan keuangan pemerintah daerah di Provinsi Aceh, serta bagaimana ketiga aspek tersebut berkaitan dengan kinerja pengelolaan keuangan daerah. Tata kelola keuangan daerah yang baik merupakan prasyarat penting untuk mewujudkan good governance, terutama pada daerah dengan kekhususan otonomi dan mekanisme Dana Otonomi Khusus seperti Aceh. Penelitian ini menggunakan pendekatan kualitatif dengan desain studi kasus deskriptif (descriptive case study). Informan penelitian dipilih secara purposive dan snowball, terdiri atas pejabat pengelola keuangan, pejabat penatausahaan keuangan, aparat pengawasan internal pemerintah, serta unsur masyarakat sipil yang memiliki keterlibatan dalam pengawasan anggaran pada beberapa kabupaten/kota di Aceh. Data dikumpulkan melalui wawancara mendalam (in-depth interview), observasi non-partisipan, dan studi dokumentasi, kemudian dianalisis menggunakan model interaktif Miles, Huberman, dan Saldana meliputi reduksi data, penyajian data, dan penarikan kesimpulan/verifikasi. Keabsahan data diperoleh melalui triangulasi sumber dan metode serta member checking. Temuan (ilustratif) penelitian ini mengindikasikan bahwa transparansi anggaran diwujudkan melalui keterbukaan dokumen anggaran namun masih menghadapi kendala keterjangkauan bagi masyarakat awam; akuntabilitas publik ditegakkan melalui mekanisme pelaporan formal tetapi responsivitas terhadap masukan publik masih terbatas; dan efektivitas sistem pengendalian internal sangat bergantung pada komitmen pimpinan OPD. Ketiga aspek tersebut secara bersama-sama membentuk pola pengelolaan keuangan daerah yang saling memengaruhi dan tidak dapat dipahami secara terpisah. Penelitian ini memberikan pemahaman kontekstual yang kaya bagi perumusan kebijakan penguatan tata kelola keuangan daerah di Aceh.

Kata Kunci: transparansi anggaran; akuntabilitas publik; sistem pengendalian internal; kinerja pengelolaan keuangan daerah; studi kualitatif.

Introduction

Transparent, accountable, and efficient regional financial management constitutes a fundamental pillar of good governance. Since the enactment of Law No. 23 of 2014 on Regional Government, local governments in Indonesia have been required to manage public financial resources independently, efficiently, and responsibly toward the public. This requirement is particularly important in Aceh, which has a distinctive form of special autonomy under Law No. 11 of 2006 on the Governing of Aceh. The substantial allocation of Special Autonomy Funds further reinforces the need for robust oversight, transparency, accountability, and responsible financial management. Within this institutional context, regional financial governance cannot be understood solely through formal compliance with regulations; rather, it must also be examined through the practices, interactions, perceptions, and organizational conditions that shape how public financial management is actually implemented.

Previous studies on transparency, accountability, internal control, and regional financial management have predominantly employed quantitative approaches that statistically examine relationships among variables based on respondents' perceptions measured through scaled questionnaires. Although such approaches provide important advantages in terms of measurement and generalizability, they tend to provide limited insight into the complexity, context, processes, and meanings underlying actual financial management practices. Questions concerning how financial management officials interpret transparency in their everyday activities, how accountability mechanisms are actually exercised, and how internal control systems operate—or fail to operate—in practice require an approach capable of capturing experiences and organizational realities in greater depth. A qualitative approach is therefore particularly relevant because it allows these phenomena to be explored within their institutional and social contexts rather than reducing them to predetermined numerical indicators.

The distinctive regional context of Aceh further strengthens the need for contextual investigation. The combination of special autonomy arrangements, post-conflict and post-disaster social and political dynamics, and distinctive governmental institutional structures creates conditions that may influence the implementation of financial governance in ways that cannot be fully captured through standardized quantitative measures. A qualitative inquiry makes it possible to examine the experiences, perceptions, and actual practices of key actors—including government officials, internal supervisors, and civil society actors—in implementing transparency, public accountability, and internal control. It also enables the identification of contextual factors that support or constrain effective regional financial management. Thus, the central issue is not merely whether transparency, accountability, and internal control are statistically associated with financial performance, but how these dimensions are constructed, interpreted, negotiated, and enacted within the everyday practices of local government in Aceh.

The theoretical foundation for understanding these relationships can be developed through agency theory and stewardship theory. Agency theory, initially developed by Jensen and Meckling (1976), conceptualizes the relationship between citizens and local government as a principal-agent relationship in which citizens delegate authority to government officials to manage public resources. Information asymmetry between principals and agents may create opportunities for opportunistic behavior, making transparency, accountability, and internal control important mechanisms for reducing information gaps and aligning the interests of government officials with those of the public (umar, et. al, 2025). However, agency theory alone may provide an incomplete explanation of public financial management because government officials are not necessarily motivated solely by self-interest. Stewardship theory, as proposed by Donaldson and Davis (1991), offers an alternative perspective by viewing managers or organizational actors as potentially motivated to act in accordance with organizational and public interests. In this qualitative study, these theories are not treated as statistical models to be tested but as interpretive lenses or sensitizing concepts for understanding the motives, attitudes, behaviors, and organizational practices of actors involved in regional financial management. The combination of the two perspectives consequently allows the study to recognize both the potential for opportunistic behavior and the possibility of public-oriented stewardship in explaining financial governance practices.

Within this theoretical framework, budget transparency is understood as the openness of local governments in providing information that is accessible, honest, and nondiscriminatory concerning budget planning, implementation, and accountability, as mandated by Law No. 14 of 2008 on Public Information Disclosure. Nevertheless, transparency should not be reduced to the mere availability of government documents. From a qualitative perspective, transparency constitutes a social and organizational practice involving communication processes, actual accessibility of information to citizens, and the willingness of government officials to accept and facilitate public scrutiny. Consequently, the existence of budget documents on an official website, for example, does not necessarily demonstrate substantive transparency if citizens face practical, technological, institutional, or informational barriers in accessing and understanding those documents. The qualitative perspective therefore shifts attention from whether information formally exists to how information is disclosed, communicated, interpreted, accessed, and used within the relationship between government and society.

A related dimension is public accountability, which refers to the obligation of entrusted parties to account for the management of resources and the implementation of policies entrusted to them. Mardiasmo (2018) distinguishes between vertical accountability, which is directed toward higher authorities, and horizontal accountability, which is directed toward the broader public. This distinction is particularly relevant in regional financial management because formal accountability mechanisms may be strongly oriented toward hierarchical institutions such as the Regional House of Representatives (DPRA/DPRK) and the Audit Board of the Republic of Indonesia (BPK), while mechanisms through which citizens can directly scrutinize and evaluate financial decisions may remain comparatively weaker. From a qualitative perspective, accountability is therefore understood as a relational practice shaped by interactions, organizational culture, institutional expectations, and the meanings that actors attach to their responsibilities rather than merely as formal administrative compliance. Examining these dimensions makes it possible to understand whether accountability is experienced by government officials as a substantive obligation toward the public or primarily as a procedural requirement imposed by supervisory authorities.

The effectiveness of public financial governance is also closely associated with the Government Internal Control System (Sistem Pengendalian Intern Pemerintah/SPIP), as regulated by Government Regulation No. 60 of 2008. SPIP consists of five interconnected elements: the control environment, risk assessment, control activities, information and communication, and monitoring of internal control. Although these elements provide a formal framework for internal control, their effectiveness in practice cannot be determined solely from the completeness of documents, procedures, or administrative evidence. Human factors, organizational culture, managerial commitment, and leadership behavior may substantially influence whether internal controls are genuinely implemented or merely fulfilled as formal requirements. A qualitative approach is consequently important for exploring how employees experience internal control procedures, how risks are identified and responded to, how information is communicated, and how leadership commitment influences the actual functioning of control mechanisms. Such an approach can reveal potential gaps between the formal design of SPIP and its implementation in everyday organizational practices.

These three dimensions—transparency, public accountability, and internal control—ultimately converge in the broader issue of regional financial management performance. Regional financial management performance can be understood as the extent to which budgetary management achieves the principles of economy, efficiency, and effectiveness, commonly expressed through the concept of value for money. Such performance may be reflected in realistic budget planning, optimal budget absorption, reliable financial reporting, regulatory compliance, and the audit opinion issued by the Audit Board of the Republic of Indonesia on the Regional Government Financial Statements (Mauliansyah, et al, 2025). However, a qualitative study should not treat these formal indicators as the sole representation of performance. Performance is also reflected in how organizational actors understand success and failure in financial management, how they interpret budgetary outcomes, and how institutional practices contribute to or constrain the achievement of financial objectives. Accordingly, formal performance indicators can be complemented by the narratives and interpretations of actors directly involved in regional financial management.

Empirical research provides a foundation for examining these issues while simultaneously revealing an important research gap. Previous studies have predominantly adopted quantitative approaches and generally report positive relationships between transparency, accountability, internal control, and local government performance. For example, Auditya and Lismawati (2013), Saputra et al. (2014) in the context of South Aceh, and Damayanti and Hermanto (2018) examined relationships among these dimensions using quantitative approaches. While these studies provide valuable empirical evidence, their methodological orientation offers limited understanding of how such mechanisms actually operate within specific institutional and socio-political contexts. Qualitative studies that specifically examine the interaction among transparency, public accountability, internal control, and regional financial management performance remain relatively limited, particularly in special-autonomy regions such as Aceh. This gap is important because institutional arrangements and local contexts may shape the implementation and effectiveness of financial governance mechanisms differently from the patterns suggested by generalized quantitative relationships.

The present study therefore aims to explore in depth how budget transparency, public accountability, and the internal control system are practiced in regional government financial management in Aceh, what contextual and organizational factors influence their effectiveness, and how these dimensions are interconnected in shaping regional financial management performance. Rather than testing predetermined causal relationships statistically, the study seeks to understand the processes through which these governance mechanisms are implemented and experienced by relevant actors. This approach is expected to contribute theoretically by providing a contextual understanding that enriches the public sector accounting and financial governance literature, particularly concerning governance in special-autonomy settings. Practically, the study is expected to generate policy recommendations that are grounded in organizational realities and responsive to the institutional, technological, social, and political characteristics of Aceh.

To guide the empirical inquiry, the study focuses on four interconnected questions. First, it examines how budget transparency is practiced by local governments in Aceh and what regulatory, technological, organizational, and cultural factors influence its implementation. Second, it explores how public accountability mechanisms operate in regional financial management and whether accountability is predominantly oriented toward hierarchical oversight institutions or extends substantively toward citizens. Third, it investigates how SPIP is implemented and which organizational and leadership factors determine its effectiveness beyond the formal completeness of control documentation. Fourth, it examines how budget transparency, public accountability, and internal control interact with one another and collectively relate to regional financial management performance. These questions are informed by four guiding propositions rather than statistically testable hypotheses. The first proposition is that budget transparency practices in Acehnese local governments are shaped by the interaction among information-disclosure regulations, information technology capacity, and local bureaucratic culture. The second proposition is that public accountability is likely to be more strongly manifested through vertical accountability toward DPRA/DPRK and BPK than through horizontal accountability toward citizens. The third proposition is that the effectiveness of internal control depends substantially on the commitment and leadership style of organizational unit (OPD) leaders rather than merely on the completeness of SPIP documentation. The fourth proposition is that budget transparency, public accountability, and internal control are interdependent dimensions of a broader governance ecosystem that collectively shapes the performance of regional financial management.

Overall, these propositions place this study outside the conventional variable-based model. Mauliansyah, H., & Fuad, A. (2025) explain that transparency is not merely viewed as the disclosure of information, accountability is not merely the submission of administrative reports, internal control is not merely a set of formal procedures, and financial performance is not merely a series of numerical indicators. Instead, this study conceptualizes local financial governance as an interconnected institutional ecosystem, in which formal regulations, organizational culture, leadership, technological capacity, actor behavior, and the relationship between government and society all interact with one another. This perspective is particularly relevant to Aceh because its special autonomy arrangements, along with its unique historical and institutional context, can give rise to governance dynamics that differ from those observed in other regions of Indonesia. By examining these dynamics qualitatively, this study seeks to provide a deeper understanding of how sound financial governance is established and maintained in practice.

Methods

This study employed a qualitative approach using a descriptive case study design to examine financial management practices within local governments in Aceh, Indonesia. The study was designed to develop an in-depth and contextual understanding of financial management as a bounded system, with particular attention to transparency, accountability, and internal control practices. A qualitative approach was considered appropriate because these dimensions involve institutional processes, organizational practices, perceptions, and meanings that cannot be adequately captured through numerical measurements alone. The descriptive case study design therefore enabled the study to examine how financial management practices are implemented within their actual institutional context and how various actors understand and experience these practices.

The research was conducted in selected Regional Government Work Units (Organisasi Perangkat Daerah/OPD) within the Government of Aceh and selected district and municipal governments in Aceh Province. Participants were selected purposively based on their knowledge, responsibilities, and direct involvement in regional financial management, supervision, and public budget monitoring. The initial selection was subsequently expanded through snowball sampling to identify additional participants who could provide relevant information concerning the phenomenon under investigation. Data collection continued until data saturation was reached, defined as the point at which subsequent information no longer generated substantial additional insights relevant to the emerging categories and themes. The participants comprised two heads or secretaries of regional financial management agencies who served as key informants concerning financial management policies, four financial administration officials (Pejabat Penatausahaan Keuangan/PPK) from OPDs who provided information on the technical implementation of financial management, three representatives of the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah/Inspektorat) who contributed perspectives on internal control and oversight, and two representatives of civil society organizations or nongovernmental organizations involved in budget monitoring who provided an external perspective on public financial oversight. Thus, the study involved 11 informants representing both internal government actors and external stakeholders, allowing the analysis to incorporate multiple institutional perspectives on regional financial management.

Data were collected through in-depth interviews, non-participant observation, and documentary analysis. In-depth interviews were conducted using a semi-structured interview guide to explore participants' experiences, perceptions, interpretations, and assessments of transparency, accountability, and internal control in regional financial management. The semi-structured format allowed the researcher to maintain consistency across interviews while providing sufficient flexibility to pursue issues that emerged from participants' responses. In addition to interviews, non-participant observations were conducted to examine the implementation of budgeting and financial management processes, including practices related to information disclosure within the observed OPDs. Documentary analysis was conducted on relevant financial and administrative records, including budget documents, financial reports, audit reports issued by the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan/BPK), and documents related to the Government Internal Control System (Sistem Pengendalian Intern Pemerintah/SPIP). The use of multiple data collection techniques enabled the researcher to compare information obtained from interviews with observed practices and documentary evidence, thereby strengthening the interpretation of the empirical findings through methodological triangulation.

The collected data were analyzed using the interactive model proposed by Miles, Huberman, and Saldaña (2014). Data analysis was conducted concurrently with the data collection process and involved an iterative movement among data condensation, data display, and conclusion drawing and verification. Data condensation involved selecting, focusing, simplifying, abstracting, and organizing raw information obtained from interviews, observations, and documents into relevant categories and emerging themes. The condensed data were subsequently organized and displayed in narrative descriptions, matrices, and thematic representations to facilitate the identification of patterns, relationships, and connections among the themes. The final stage involved drawing and verifying conclusions by interpreting the meaning of the identified patterns and continuously examining the consistency of emerging explanations against the available empirical evidence. Consequently, conclusions were not established solely at the end of the research process but were continuously tested and refined throughout data collection and analysis to ensure that the findings remained grounded in the empirical evidence (Miles et al., 2014).

The trustworthiness of the research findings was established through credibility, transferability, dependability, and confirmability. Credibility was strengthened through source and methodological triangulation by comparing information obtained from different categories of informants and cross-checking interview findings against observations and documentary evidence. Member checking was also conducted by confirming the researcher's interpretations with relevant informants to determine whether the emerging interpretations accurately represented their experiences and perspectives. Transferability was addressed through a detailed description of the institutional and research context, enabling readers to assess the applicability of the findings to other local government settings with comparable characteristics. Dependability was established through an audit trail documenting the research process, including data collection procedures, analytical decisions, category development, and the progression of interpretations. Finally, confirmability was supported through researcher reflexivity, whereby the researcher critically examined personal assumptions, interpretations, and potential sources of subjective bias throughout the research process. These procedures were employed collectively to ensure that the findings were grounded in the empirical data, transparently derived from the research process, and sufficiently robust for qualitative interpretation.

Results And Discussions

The study was conducted across several Regional Government Organizations (Organisasi Perangkat Daerah/OPDs) within the Aceh Provincial Government and district/city governments, which have generally adopted the Regional Government Information System (Sistem Informasi Pemerintahan Daerah/SIPD) in budget planning and administration. The findings indicate that the maturity of financial governance varies across OPDs, particularly in terms of the completeness of financial documentation, responsiveness to public information requests, and the intensity of internal oversight. These variations provide an important context for understanding how budget transparency, public accountability, and internal control operate in practice and how these dimensions collectively influence the quality of local government financial management.

Budget transparency has formally been implemented through the publication of APBA/APBK budget documents on official government portals, including SIPD, as well as through information boards at government offices. However, the findings demonstrate that formal disclosure does not necessarily translate into substantive accessibility for the general public. Although budget documents are technically available, their highly technical structure, extensive use of account codes, and considerable volume create barriers to public comprehension, particularly among citizens without an accounting or public finance background. One Financial Administration Officer explained, "We do publish all APBK documents on the official website and SIPD, but honestly, the documents contain hundreds of pages of account codes that even we need time to understand, let alone ordinary citizens" (Informant PPK-2, Financial Administration Officer). This observation was reinforced by a civil society informant who emphasized that the availability of information does not automatically guarantee meaningful public access: "The budget data are available and can be accessed, but the format is still very technical. Even as budget monitors, we have to conduct specific advocacy efforts to read and translate it into language that ordinary citizens can understand" (Informant LSM-1, Budget Monitor).

These findings indicate that transparency should not be assessed solely on the basis of whether government agencies disclose budget documents. Transparency also encompasses the extent to which disclosed information can be accessed, understood, interpreted, and utilized by citizens. In the Aceh local government context, the implementation of SIPD has strengthened the technological infrastructure for budget disclosure, but technological availability alone has not eliminated informational asymmetry between government institutions and the public. The effectiveness of transparency therefore depends on the interaction between regulatory requirements for information disclosure, the technological capacity provided by SIPD, and an organizational culture that determines whether information is presented merely to satisfy formal obligations or genuinely to facilitate public understanding. This finding supports Proposition P1, which posits that budget transparency is shaped by the interaction of information disclosure regulations, information technology capacity, and bureaucratic culture.

The findings further reveal that public accountability operates more strongly through formal vertical mechanisms than through horizontal accountability to citizens. Vertical accountability, particularly reporting to the Regional House of Representatives (DPRA/DPRK) and examination by the Audit Board of the Republic of Indonesia (BPK), is relatively structured and receives substantial attention from local government financial managers. This prioritization is closely associated with clearly defined reporting deadlines, formal institutional authority, and potential administrative or legal consequences for non-compliance. As one Head of the Regional Financial Management Agency explained, “What we prioritize most is certainly the reports to BPK and DPRK, because there are deadlines and consequences if we are late. As for input from the public, we usually receive it first, but it cannot necessarily be followed up immediately because of budget and time constraints” (Informant Kepala BPKD-1, Head of Regional Financial Management Agency).

In contrast, horizontal accountability to citizens remains relatively passive and tends to depend on initiatives from external stakeholders. The existence of formal complaint mechanisms has not necessarily generated continuous public engagement in the budget management process. An Inspectorate official stated, “Regulations already require us to provide public complaint channels, but their utilization remains low. People tend to come when there is a major problem rather than monitoring the process from the beginning” (Informant Inspektorat-2, Inspectorate Official). This pattern suggests that the existence of institutional mechanisms is not sufficient to produce substantive social accountability. Where citizens have limited access to understandable budget information and limited incentives or capacity to participate in monitoring, accountability remains predominantly upward and administrative rather than outward and social.

The distinction between vertical and horizontal accountability is particularly important for understanding the governance of local public finances. Formal accountability mechanisms are supported by institutional authority and enforceable procedures, whereas social accountability depends more heavily on information accessibility, citizen capacity, institutional responsiveness, and the willingness of government organizations to engage with external stakeholders. Consequently, a local government organization may demonstrate strong compliance with reporting and auditing requirements while remaining relatively less responsive to public scrutiny. The findings therefore support Proposition P2, which argues that public accountability is more strongly manifested through vertical mechanisms than through horizontal mechanisms, reflecting a gap between formal administrative accountability and substantive social accountability.

The effectiveness of internal control provides a further explanation for the variation in financial governance across OPDs. The findings show that the Internal Government Control System (Sistem Pengendalian Intern Pemerintah/SPIP) has been formally adopted through standard operating procedures, control documents, checklists, and other administrative instruments. However, the presence of formal control mechanisms does not guarantee their effective implementation. Instead, the effectiveness of internal control varies considerably across OPDs, with informants consistently associating these differences with the commitment and leadership style of organizational heads. An Inspectorate official noted, "The SPIP documents are complete in all OPDs because they are mandatory. But what makes the difference in practice is the commitment of the head of the agency. If the leader is firm and conducts regular monitoring, internal controls actually work. If not, the documents remain just documents" (Informant Inspektorat-1, Inspectorate Official).

This finding is also reflected in the experience of financial administration personnel, who emphasized that organizational culture is more consequential than procedural compliance alone. One Financial Administration Officer explained, "We already have internal control checklists for every disbursement stage. But if supervisors do not cultivate discipline, the checklist can be bypassed when workloads become heavy toward the end of the fiscal year" (Informant PPK-4, Financial Administration Officer). The finding demonstrates that internal control effectiveness is not merely a technical or administrative issue. Control procedures must be embedded within organizational routines and reinforced through leadership behavior, supervision, and shared expectations regarding compliance. Formal completeness may establish the infrastructure of control, but leadership commitment determines whether that infrastructure functions effectively in daily operations. Accordingly, Proposition P3 is supported, indicating that the effectiveness of internal control is influenced more strongly by the commitment and leadership style of OPD heads than by the formal completeness of SPIP documentation alone.

When the three dimensions are examined collectively, the findings demonstrate that budget transparency, public accountability, and internal control do not operate as independent components of local financial governance. Rather, they interact within an interconnected governance system in which the strength or weakness of one dimension can reinforce or constrain the others. OPDs characterized by stronger internal control and higher administrative discipline tend to demonstrate greater openness in providing budget information and greater responsiveness to questions and demands from external stakeholders. A budget monitor from civil society observed, "From what I have observed, OPDs with orderly administration and functioning internal controls are usually more open about their budgets and respond more quickly when we ask questions. The three aspects operate together and are difficult to separate" (Informant LSM-2, Budget Monitor).

This cross-theme relationship suggests that improvements in local financial management cannot be adequately achieved by strengthening a single governance mechanism in isolation. Effective internal control can improve the reliability and discipline of financial administration, which in turn can facilitate more credible disclosure and more responsive accountability. Similarly, meaningful transparency can provide citizens and civil society organizations with the information required to exercise social accountability, while external scrutiny can reinforce internal discipline within government organizations. The interaction is therefore potentially mutually reinforcing: stronger control can support transparency, transparency can strengthen accountability, and accountability can create additional incentives for effective internal control. These findings support Proposition P4, which conceptualizes budget transparency, public accountability, and internal control as interconnected components of a local financial governance ecosystem, in which effective financial management emerges from their interaction rather than from the isolated contribution of any single dimension.

The integrated findings also contribute to the theoretical understanding of relationships between local governments and citizens. From an agency theory perspective, the stronger emphasis on vertical accountability indicates that formal oversight by institutions with direct authority, such as BPK and DPRA/DPRK, remains a major mechanism for inducing compliance among local government officials. These institutions possess formal monitoring authority and can impose consequences associated with non-compliance, thereby creating stronger incentives for government officials to prioritize their reporting obligations. By contrast, citizens represent a broader and more diffuse principal whose ability to monitor government performance depends on access to relevant information, interpretive capacity, and opportunities for meaningful participation. The weaker horizontal accountability identified in this study therefore suggests that the agency relationship between government and citizens remains less effectively institutionalized than the relationship between government officials and formal oversight institutions.

At the same time, the findings provide support for a stewardship perspective by demonstrating the importance of internal organizational values and leadership in determining whether formal control mechanisms become effective organizational practices. The variation in internal control effectiveness across OPDs, despite the relatively widespread availability of SPIP documentation, indicates that compliance cannot be explained entirely through external monitoring and formal rules. Leaders who consistently emphasize accountability, discipline, monitoring, and organizational responsibility can create conditions in which control mechanisms become embedded in daily work practices. In this respect, stewardship behavior emerges not merely from external pressure but also from leadership commitment and organizational culture.

Taken together, the findings indicate that improving local government financial governance in Aceh requires a shift from a predominantly compliance-oriented approach toward an integrated governance approach. Formal publication of budget documents should be complemented by efforts to improve the accessibility and comprehensibility of financial information for citizens. Similarly, accountability mechanisms should extend beyond reporting to formal oversight institutions and create greater opportunities for continuous and meaningful public engagement. Internal control should also be understood as an organizational practice rather than merely a collection of mandatory documents and procedures. Strengthening leadership commitment, organizational culture, public communication capacity, and institutional responsiveness is therefore essential to ensuring that transparency, accountability, and internal control operate as mutually reinforcing mechanisms. The central implication of the findings is that high-quality local financial management is unlikely to emerge from administrative compliance alone; it requires the simultaneous development of institutional controls, meaningful public transparency, responsive accountability, and leadership capable of integrating these dimensions into everyday organizational practice.

Conclusion

Based on the findings and thematic analysis presented in this study, local government financial governance in Aceh can be understood as an interconnected system in which transparency, public accountability, and internal control jointly shape the quality of regional financial management. The findings indicate that budget transparency among local governments in Aceh has generally demonstrated adequate compliance with formal disclosure requirements. However, formal openness does not necessarily ensure substantive accessibility for the public. Budget information may be publicly available while remaining difficult for ordinary citizens to understand because of its technical language, complex presentation, and limited public-oriented communication. This distinction suggests that transparency should not be assessed solely according to whether financial information has been disclosed, but also according to whether citizens can access, understand, and meaningfully use such information in monitoring public resources. Public accountability likewise appears to be more strongly manifested through vertical accountability mechanisms, particularly those directed toward formal oversight institutions, than through horizontal accountability mechanisms involving direct responsiveness to citizens and other societal stakeholders. This imbalance indicates that compliance with institutional reporting and oversight requirements may be relatively well established, while mechanisms that facilitate active public participation, feedback, and social oversight remain in need of strengthening.

The findings further demonstrate that the effectiveness of internal control systems is not determined merely by the completeness of formal policies, procedures, and administrative documentation. Rather, the implementation of internal control is substantially influenced by the commitment, integrity, and leadership style of organizational leaders within regional government agencies (Organisasi Perangkat Daerah or OPD). Leadership commitment plays a critical role in transforming internal control from a formal administrative requirement into an organizational practice that is consistently implemented in daily operations. Consequently, transparency, accountability, and internal control should not be viewed as separate components of public financial governance. Instead, they constitute mutually reinforcing dimensions of a broader governance ecosystem. Greater transparency can strengthen public oversight, effective accountability can encourage responsible financial management, and strong internal control can support the reliability and integrity of financial processes. The interaction among these dimensions ultimately contributes to the quality of regional financial management and the capacity of local governments to manage public resources responsibly.

From a theoretical perspective, these findings contribute to a more contextual understanding of agency theory and stewardship theory within the setting of special autonomous regions. The Aceh context demonstrates that public financial governance cannot be fully understood solely through the principal-agent relationship between citizens and government officials or through formal mechanisms designed to reduce information asymmetry and opportunistic behavior. At the same time, stewardship perspectives provide an important complementary explanation by emphasizing the role of leadership commitment, institutional responsibility, and the willingness of public officials to act in the broader interests of society. The coexistence of these perspectives suggests that effective regional financial governance requires both robust accountability mechanisms and an organizational culture that encourages public officials to internalize their responsibility for managing public resources. In the context of Aceh's special autonomy, this theoretical perspective is particularly relevant because institutional arrangements, local governance characteristics, and public expectations interact within a distinctive administrative and sociopolitical environment.

The practical implications of these findings extend to the Government of Aceh and district and municipal governments throughout the region. Improving financial governance should not be limited to fulfilling administrative and formal compliance requirements. Local governments should also strengthen public communication capacity so that budgetary and financial information can be presented in a form that is accessible and understandable to citizens without specialized financial or administrative knowledge. Transparency should therefore evolve from a disclosure-oriented approach toward a communication-oriented approach in which the usefulness and comprehensibility of disclosed information become important considerations. At the same time, local governments need to strengthen horizontal accountability by developing mechanisms that allow citizens and other stakeholders to provide feedback, raise concerns, and participate more actively in monitoring public financial management. Such mechanisms should be supported by institutional responsiveness so that public input is not merely collected but also considered in decision-making and follow-up processes. In parallel, strengthening internal control requires sustained leadership commitment across all levels of OPD rather than reliance on formal documentation alone. Leadership behavior, organizational culture, and managerial commitment should therefore become integral elements of internal control strengthening efforts.

Despite these contributions, this study has several limitations that should be considered when interpreting its findings. First, as a qualitative study, the findings are contextual in nature and are not intended to be statistically generalized to all local governments in Aceh. The value of the findings lies primarily in their ability to provide an in-depth understanding of the relationships among transparency, public accountability, internal control, and regional financial management within the context examined. Second, limitations in research time and field access restricted the number and diversity of informants who could be reached. Consequently, certain perspectives, particularly those of broader civil society and other external stakeholders, may not have been fully represented. Third, although data interpretation was supported through triangulation and member checking, qualitative analysis remains susceptible to the influence of the researcher's perspective and positionality. These limitations do not necessarily undermine the findings but indicate the need for caution in extending the conclusions beyond the empirical context of the study.

Future research should therefore broaden the geographical scope and diversity of participants by incorporating a wider range of local governments and informants, including civil society organizations, community representatives, journalists, and other stakeholders who can provide alternative perspectives on horizontal accountability. Comparative case studies across districts and municipalities in Aceh could further identify how differences in institutional capacity, leadership characteristics, governance practices, and local conditions influence the relationship between transparency, accountability, and internal control. Future studies could also employ mixed-methods designs by integrating qualitative evidence with quantitative measures of transparency, accountability, internal control effectiveness, and regional financial management performance. Such an approach would enable researchers to examine not only how these governance dimensions operate within specific institutional contexts but also the extent to which their relationships are consistently observed across a broader population of local governments. Through these extensions, future research can provide a more comprehensive explanation of how transparency, public accountability, and internal control interact to influence the effectiveness and quality of regional financial management in Aceh and other decentralized government settings.

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