

## IMPLEMENTATION OF PUBLIC FINANCIAL ACCOUNTING IN ENHANCING TRANSPARENCY AND ACCOUNTABILITY IN FUND MANAGEMENT AT HAMPALIT SUB-DISTRICT

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### Abstract

*Public financial accounting plays a crucial role in supporting transparency and accountability in financial management at various levels of government, including sub-districts, which serve as the frontline of public service. This study aims to analyze the implementation of public financial accounting in sub-districts and identify the challenges encountered in preparing accountability-based financial reports. This research uses a qualitative descriptive method through literature studies and case observations in several sub-districts. The findings indicate that although the sub-districts have implemented public accounting principles in accordance with the Ministry of Home Affairs guidelines, there are still obstacles such as limited human resource capacity, lack of training, and inadequate information technology infrastructure. Improving the financial reporting system and strengthening the financial governance of villages/sub-districts are key to enhancing public accountability.*

**Keywords:** *public accounting, sub-district, village funds, transparency, accountability*

### INTRODUCTION

#### Background

The sub-district is the lowest government unit within Indonesia's administrative structure and is directly connected to the community. In recent years, the allocation of sub-district funds from the central government has significantly increased, requiring orderly, transparent, and accountable financial management. Therefore, implementing a public financial accounting system is essential so that all financial transactions are recorded systematically and can be accounted for.

#### Problem Formulation

- How is public financial accounting implemented in the sub-district?
- What are the challenges in applying public financial accounting at the sub-district level?
- What are the solutions to improve the accountability and transparency of financial management in sub-districts?

#### Research Objectives

- To analyze the implementation of the public financial accounting system in sub-districts
- To identify obstacles in sub-district financial management
- To provide recommendations for improving the accountability of sub-district financial reports

#### Benefits of the Research

This study is expected to contribute to regional and sub-district governments in improving accounting and financial reporting systems and enhancing public service quality.

### RESEARCH METHODS

This study uses a descriptive qualitative approach. Data were obtained from literature review, observation, and interviews with sub-district officials in City X as a case study. The data analysis technique employed data reduction, data display, and conclusion drawing (Miles & Huberman, 1992).

## RESULTS AND DISCUSSION

### General Overview of Hampalit Sub-District

Hampalit is one of the sub-districts in Katingan Hilir District, Katingan Regency, with a population of around 3.500 people and an area of approximately 13.000 hectares. The sub-district fund in 2025 is IDR 1.543.254.000, an increase from IDR 439.000.000 in 2024. The fund is allocated for administrative operations, infrastructure development, community empowerment, disaster and emergency response, as well as food security and stunting reduction programs.

### Survey Data

The research was conducted by distributing questionnaires to 15 sub-district staff and community figures and conducting interviews with the Sub-District Head and Treasurer.

Implementation of Public Financial Accounting – Findings from observations and interviews show:

- Recording System : Most financial records are still manually done using general cash books and Excel sheets, despite the introduction of the Siskeudes application.
- Human Resources (HR) : The village treasurer has only a high school background with no specific accounting training, resulting in low understanding of reporting standards such as Minister of Home Affairs Regulation No. 20 of 2018.
- Challenges : Unstable internet connectivity hinders data synchronization with online applications, often causing delays in accountability reporting.
- Transparency : Budget use information is posted on public notice boards, but lacks detailed explanations that are easy for the public to understand.

**Table 1. Implementation Status of Public Financial Accounting**

Indicator	Result
Recording System	60% Excel, 30% Manual, 10% Siskeudes
Staff Understanding Public Accounting	2 out of 15 (13%)
Main Challenges	Limited HR (40%), Internet Access (30%), Lack of Training (30%)
Public Awareness of Village Funds	45% know the total amount, only 20% know detailed allocation
Transparency Mechanism	Notice board; limited digital or open forum mechanisms

**Table 2. Sub-District Staff Understanding of Public Financial Accounting**

Level of Understanding	Number of Respondents	Percentage
Very Good	2	13%
Fair	5	33%
Poor	6	40%
No Understanding	2	13%
Total	15	100%

Analysis: Most staff have limited understanding of public financial accounting principles.

**Table 3. Financial Recording Systems Used**

System Used	Respondents	Percentage
Manual	5	33%
Excel	7	47%
Local Simple Apps	2	13%
Integrated SIPKD	1	7%
Total	15	100%

Analysis: The use of manual and Excel-based systems still dominates, indicating low digitalization levels in sub-district financial management.

**Table 4. Most Frequent Challenges Faced**

Type of Challenge	Frequency
Lack of Accounting HR	10
Lack of Training	9
Difficulty Using Apps	6
Limited Time for Reporting	5
Unstable Internet Connection	4

Analysis: HR and training deficiencies are the primary challenges in implementing public financial accounting at the sub-district level.

**Table 5. Public Perception of Sub-District Financial Transparency**

Statement	Agree (%)	Neutral (%)	Disagree (%)
Fund usage information is easily accessible	40	30	30
Financial reports are publicly disclosed	35	40	25
Public is involved in planning and evaluation	50	20	30

Analysis: Public involvement and financial openness are still considered limited, potentially impacting public trust.

## Discussion

Based on the data, the implementation of public financial accounting in Hampalit Sub-District is still in its early stages and not fully optimized. Only 13% of staff reported strong understanding of the public accounting system. Financial reporting is still dominated by manual and basic spreadsheet methods. Uncertainty in the reporting system leads to delays and recording errors that can affect audit outcomes. Meanwhile, the public perceives that transparency is lacking due to the limited proactive publication of financial information

## Improvement Strategies

Recommended strategies based on findings:

- Regular Training: Improve staff capacity in SAP-based accounting through collaboration with the Community Empowerment and Village Agency (DPMD).
- Simple App Development: Create a user-friendly Android/web-based reporting app.
- Public Involvement: Regularly post budget realization and activity reports on public boards.
- Gradual Digitalization: Integrate sub-district financial data into the city/regency SIPKD system.

## CONCLUSION AND SUGGESTIONS

The implementation of public financial accounting in the sub-district has started but remains suboptimal. There is a gap between policy and field execution. HR and technology limitations are the main obstacles in achieving transparent and accountable fund management.

- Local governments should develop structured public accounting training programs for sub-district staff.
- Develop simple financial reporting applications suited to the sub-district's capabilities.
- Strengthen synergy between sub-districts, districts, and finance departments to ensure alignment with SAP.

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