

Analysis of application and implementation of SIPKD on local government financial statements in the kelapa gading sub-district

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Nabillah Khoirunnisa * & Rahmat Yuliansyah 

Master of Accounting, Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Jakarta, Indonesia

ABSTRACT

Purpose: This study aimed to investigate the application and implementation of the Regional Financial Management Information System (SIPKD) on local government financial statements in the Kelapa Gading sub-district. The SIPKD consists of Regional Revenue and Expenditure Budgets, Balance Funds, Regional Balances, Cash Flow Statements, Notes on Financial Statements, Regional Company Statements, and data related to fiscal need and regional fiscal capacity.

Methods: This study aimed to investigate the application and implementation of SIPKD on local government financial statements in the Kelapa Gading sub-district. The SIPKD consists of Regional Revenue and Expenditure Budgets, Balance Funds, Regional Balances, Cash Flow Statements, Notes on Financial Statements, Regional Company Statements, and data related to fiscal need and regional fiscal capacity.

Findings: This study proves that the Kelapa Gading sub-district has implemented SIPKD applications in its finance department since 2013. Implementing SIPKD on local government financial statements in the Kelapa Gading sub-district helps to improve the effectiveness and efficiency of government performance in preparing financial statements.

Practical Implications: Implementing SIPKD in Kelapa Gading District enhances local government operations by improving financial reporting accuracy and efficiency. This facilitates better decision-making and transparency, benefits internal stakeholders, and fosters public trust through accessible and accurate financial reports.

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Corresponding Author:

Nabillah Khoirunnisa, Email: nabillahkhoirunnisa2809@gmail.com

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Abstrak

Tujuan: Penelitian ini bertujuan untuk mengetahui penerapan dan implementasi SIPKD terhadap laporan keuangan pemerintah daerah di Kecamatan Kelapa Gading. SIPKD ini terdiri dari Anggaran Pendapatan dan Belanja Daerah, Dana Perimbangan, Neraca Daerah, Laporan Arus Kas, Catatan atas Laporan Keuangan, Laporan Perusahaan Daerah, dan data yang berkaitan dengan kebutuhan fiskal dan kapasitas fiskal daerah.

Metode: Peneliti menggunakan metode penelitian kualitatif deskriptif yang menggunakan teknik pengumpulan data melalui wawancara lisan, observasi, dan dokumentasi. Data diperoleh dari Kecamatan Kelapa Gading yang terkait dengan operasional SIPKD mengenai penerapan dan implementasi SIPKD terhadap laporan keuangan pemerintah daerah.

Hasil: Hasil penelitian ini membuktikan bahwa Kecamatan Kelapa Gading telah menerapkan aplikasi SIPKD di bagian keuangannya sejak tahun 2013. Implementasi SIPKD pada laporan keuangan pemerintah daerah di Kecamatan Kelapa Gading membantu meningkatkan efektivitas dan efisiensi kinerja pemerintah dalam penyusunan laporan keuangan.

Implikasi Praktis: Implementasi SIPKD di Kecamatan Kelapa Gading meningkatkan operasi pemerintah daerah dengan memperbaiki akurasi dan efisiensi pelaporan keuangan. Hal ini mendukung pengambilan keputusan dan transparansi, menguntungkan pemangku kepentingan internal dan meningkatkan kepercayaan publik melalui laporan keuangan yang akurat dan mudah diakses.

Kata Kunci: Penerapan SIPKD, Implementasi SIPKD, Laporan Keuangan Pemerintah Daerah

1. Introduction

Regional financial management efforts play a crucial role in producing government financial accountability reports that adhere to key principles such as timeliness and accuracy while following Government Accounting Standards (SAP). Adherence to these accounting standards, coupled with a trustworthy system, significantly determines the effectiveness of the information system within governmental financial statements. As a significant government entity, the Kelapa Gading District manages funds sourced from the state, necessitating compliance with evolving government regulations.

Additionally, the rapid advancements in financial management represent an initiative to enhance the quality of financial reports, thereby ensuring improved accountability and transparency. To this end, numerous initiatives have been launched to elevate the financial reporting standard, including establishing government accounting policies through the Government Accounting Standards (SAP). These standards provide essential guidelines for preparing and presenting financial reports applicable to central and local governments.

Moreover, local governments have embraced E-Government by deploying information technologies within the finance and regional financial management sectors. This technological integration aims to deliver comprehensive financial data supported by valid evidence of budget utilization by pertinent regulations. According to Governor Regulation Number 161 of 2014, which amends Governor Regulation Number 142 of 2013 regarding Regional Financial Management Systems and Procedures, along with Government Regulation Number 56 of 2005 and its subsequent amendment in Government Regulation Number 65 of 2010 about Regional Financial Information Systems, the continuous evolution of modern technology is making information access increasingly more straightforward and more cost-effective for the broader community.

Consequently, there is a pressing need for a more transparent financial information system to facilitate the consolidation process between central and local governments, with the Regional Financial Management Information System (SIPKD) serving this purpose. Research conducted by Sari (2018) highlighted that the SIPKD, alongside the Internal Control System and the application of Information Technology, significantly influences the quality of financial reports in Pekanbaru city. In contrast, adherence to Government Accounting Standards had no notable effect on report quality.

These varied findings indicate significant impacts on the delivery of accounting accountability, prompting researchers to revisit this study. This research is essential for advancing existing knowledge and clarifying consistent and inconsistent outcomes from prior studies, ultimately validating earlier research findings.

2. Theoretical Background

Accounting information system

According to Maracas and O'Brien (2017: 6), Information systems are a combination of people, hardware, software, communication networks, resources, and policies and procedures for storing, retrieving, transforming, and disseminating information within an organization. Information systems depend on human resources. Hardware (machines and media), software (programs and procedures), data (databases and knowledge bases), and networks (communication media and network support) to perform input, output, processing, storage, and control activities that change resources and power into information products.

Regional Financial Management Information System (SIPKD)

The SIPKD application was developed by the Directorate General of Regional Finance of the Ministry of Home Affairs (Kemendagri) to accelerate data transfer and efficiency in collecting regional financial data. The Regional Financial Management Information Sub-Directorate processes the SIPKD application at the Directorate of Implementation and Accountability. This application also manifests the actual facilitation action from the Ministry of Home Affairs to regional governments in regional financial management in the context of implementing and interpreting various laws and regulations.

Procedure Flow in the SIPKD System for Preparation of Financial Statements

In the SIPKD system, the procedure for preparing financial statements involves several steps:

1. The budget of the Budget Implementation Document (DPA) is included in the Letter of Provision of Funds (SPD) upon issuance.
2. Users create a Payment Order (SPP) and Payment Order (SPM); the Head of the PPTK section creates the SPP, while leaders such as sub-district heads create the SPM.
3. After the SPP and SPM are created, funds are allocated through a Fund Disbursement Order (SP2D), issued after completing activities and submitting payments.
4. The sub-district pays the provider for shopping activities and records the transaction in the Letter of Accountability (SPJ).
5. Evidence such as receipts and documentation of activities must be collected when entering the SPJ, which will be monitored quarterly for implementation and biannually for financial reports.

Local Government Financial Report

The Regional Government Financial Report is a form of accountability in the form of a report on regional financial management within a certain period. According to Mahmudi (2016: 9), The primary function of local government financial reports is to provide financial information to parties interested in the report, which will be used as the basis for making economic, social, and political decisions.

Implementation of SIPKD on Local Government Financial Reports

Local Government Financial Reports often lack consistent and integrated data, resulting in inaccuracies and the loss of important information due to insufficient data management systems (Xaverina, 2014: 21). The Directorate General of Regional Finance plays a vital role in enhancing transparency and accountability in financial reporting, which is essential for good governance.

As technology advances, government agencies are adopting websites to share information on planning, organizational structures, and public services, improving transparency in financial reports. The Directorate General of Finance introduced the SIPKD application to enhance financial accountability and facilitate access to regional financial information. Local governments are encouraged to develop guidelines for utilizing SIPKD effectively in financial report preparation.

Conceptual framework

The government requires an accounting information system to generate comprehensive financial reports and insights into regional financial statements. SIPKD developed by the Directorate General of Regional Finance, aims to enhance regional financial management by improving data transfer efficiency and streamlining data collection. Adhering to Governor Regulation Number 161 of 2014, SIPKD helps local governments create a robust financial information system that ensures orderly documentation and integrity with related systems.



Figure 1. Research Conceptual Framework

Source: 2021

3. Methods

This research employs a descriptive method with a qualitative approach, as described by Sugiyono (2018). Data is collected through triangulation and analyzed inductively. Qualitative research focuses on understanding meanings and constructing phenomena rather than generalizations, making it valuable for in-depth analysis.

The research will occur in Kelapa Gading District, North Jakarta, from June to August 2021. It includes scheduled interviews with finance department personnel directly involved with operating the SIPKD application, focusing on its application and implementation in local government financial reports.

Data sources consist of both primary and secondary data. Primary data is collected through direct interviews with knowledgeable informants regarding the SIPKD. In contrast,

secondary data includes documentation, notes, and articles that provide additional insights. The study utilizes a descriptive analysis method, which allows researchers to describe existing phenomena without manipulation, ensuring an objective understanding of the issues analyzed.

4. Results and Discussion

Description of Research Object

The North Jakarta Administrative City is part of the DKI Jakarta Provincial Government and comprises six sub-districts: Cilincing, Kelapa Gading, Koja, Pademangan, Penjaringan, and Tanjung Priok. It is bordered by the Java Sea to the north, Bekasi to the east, West Jakarta, East Jakarta, and Central Jakarta to the south, and Tangerang to the west.

Kelapa Gading features public facilities known as Child-Friendly Integrated Public Spaces (RPTRA), designed as green areas with various play equipment, CCTV surveillance, and community-centered rooms like libraries and lactation rooms. These RPTRAs are strategically placed within residential neighborhoods, particularly in densely populated areas, to ensure residents receive the benefits. Currently, there are 12 RPTRA locations planned, with one designated for each RW area.

Application of the Regional Financial Management Information System to Regional Government Financial Reports

Through observations and interviews in the Kelapa Gading District, researchers identified key findings regarding using the SIPKD in local government financial reporting. As confirmed by the Head of Finance, the SIPKD has been operational in the district's finance department since 2013. This system enhances the implementation of regional financial management regulations, focusing on efficiency, accountability, and transparency. Before implementation, the local government conducts intensive training for financial administration staff to ensure proficiency in the system. As confirmed by officials, the training provided is essential for staff to avoid data entry errors, which can be amended by contacting the DKI Jakarta Regional Financial Management Agency if necessary. Developed by the Ministry of Home Affairs, the SIPKD aims to streamline data transfer and improve the efficiency of regional financial data management, representing a significant tool for local governance compliance. The following is the main view of the SIPKD application:



Figure 2. SIPKD main view

The SIPKD application includes features such as the Letter of Provision of Funds (SPD), Request for Payment (SPP), Payment Order (SPM), and Letter of Accountability (SPJ). These functionalities are part of the Regional Financial Management Information System.

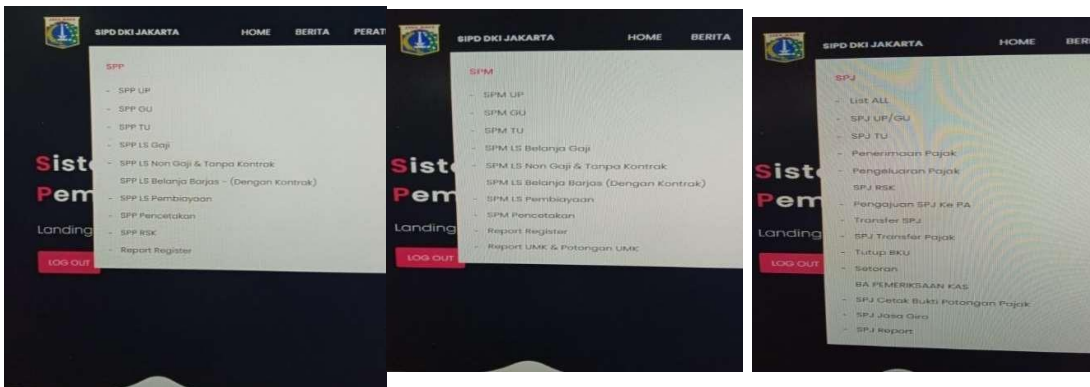


Figure 3. SIPKD app features

The SIPKD application generates financial reports in accordance with Permendagri 64 of 2013 regarding accrual-based government accounting standards. However, it does not include all elements from the regulation, such as Changes in Budget Balance Reports and Changes in Equity Reports. As noted by the Expenditure Treasurer of Kelapa Gading District, the SIPKD generates Budget Realization Reports, Balance Sheets, Cash Flow Statements, Notes to Financial Statements, and Operational Reports. The application is used in three stages: budgeting, administration, and accountability.

In the budgeting stage, the treasurer inputs five years of strategic planning data and prepares the Budget Work Plan (RKA) and DPA into the system. The administration stage, focusing solely on expenditure, involves biannually submitting SPM and SPP along with financial statements. Finally, in the accountability stage, the expenditure treasurer reports on budget management results through various financial statements.

Preparing financial statements in the SIPKD application involves three key stages emphasizing stakeholder transparency. In Kelapa Gading District, this transparency is evident in the detailed financial reports generated by the SIPKD system. Mr. OA and Mrs. NP explain that these reports are aggregated at the mayoral level and include inputs from all North Jakarta sub-districts to form the Performance Accountability Report (LAKIP), submitted for the governor's annual accountability report. These reports are presented to the DPRD and are overseen by the Financial Audit Agency (BPK) and the Inspectorate, ensuring accountability and good governance in financial reporting.

Implementation of the Regional Financial Management Information System on Regional Government Financial Reports

The SIPKD application facilitates local government relations by assisting in the compilation, reporting, and accounting of financial reports across agencies. Its implementation aims to enhance the effectiveness and efficiency of government financial management. According to the Kelapa Gading Finance Head, the SIPKD simplifies payment submissions and accountability report preparation, making financial statements more streamlined and accrual-based. While it improves organization, there are still some challenges, particularly network issues, arising from system updates each year. Mr. OA mentioned that these network problems affect all DKI Jakarta local government agencies using SIPKD. Despite facing obstacles, the financial management in

Kelapa Gading adheres to established procedures, ensuring no significant issues arise from using the application. Data entry into SIPKD is performed by the expenditure treasurer, who, along with the Head of the Finance Division, SPP, SPM, and SPJ according to proper protocols.

Procedure flow of regional financial management information system in preparation of financial statements in Kelapa Gading district

To support the implementation of accrual-based accounting, the DKI Jakarta Provincial Government utilizes the SIPKD application. This system facilitates financial reporting, allowing the Kelapa Gading District to apply the application effectively within its finance department. The documents required for using the SIPKD include the DPA, which details the activity plan and budget requirements, and Budget Realization Documents, which consist of the SPP, SPM, and SP2D.

The procedure for utilizing SIPKD to prepare financial reports in the Kelapa Gading District involves several steps. Initially, the Activity Technical Implementation Officer (PPTK) drafts a budget request letter for the Head of UKPD/Camat. Once this letter is submitted, it is forwarded to the financial administration officer or Camat secretary. The request letter is sent to the Head of the Finance Sub-Division for verification. After verification, the Treasurer is responsible for processing the payment. Before making any payment, the Treasurer submits the SPP and the SPM to the North Jakarta Administration City's Cash Office. Upon approval, the Regional Treasury Office issues the SP2D, which is credited to the sub-district's account for payment of the proposed activities. Payment to the service provider or supplier is executed using the Cash Management System (CMS) provided by Bank DKI. Lastly, the financial documentation culminates in the SPJ, which collects evidential documents such as receipts, attendance lists, and activity documents. Reporting on activities occurs quarterly, while financial reports are assessed biannually.

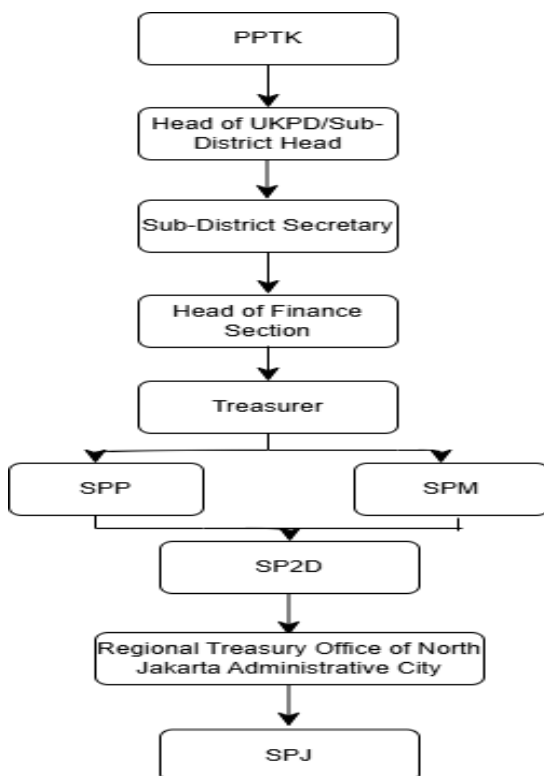


Figure 4. SIPKD Procedure Flow in Kelapa Gading District

5. Conclusion

Based on interviews with the Head of Finance and Expenditure Treasurer in Kelapa Gading District, it can be concluded that the district utilizes the Regional Financial Management Information System (SIPKD) for preparing financial reports, adhering to existing regulations during administrative and accountability stages. This implementation emphasizes transparency, manifested in financial reports, and enhances the accounting mechanism. Furthermore, SIPKD improves the effectiveness and efficiency of financial reporting by simplifying payment submissions and accountability reports. However, challenges such as network issues and regular system updates pose difficulties for financial administration staff in adapting to the SIPKD application.

Based on the findings and analyses, the finance department in Kelapa Gading District should enhance its performance by utilizing the SIPKD to minimize data entry errors. Researchers should also thoroughly prepare requirements and develop detailed questions to leverage knowledge gained during their studies. Future researchers are encouraged to explore the SIPKD application further, focusing on its procedures and data processing.

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