

Implementing of the Local Government Information System Policy In Financial Report Preparation for Local Government Units: A Case Study in Baubau City

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ABSTRACT: This study explores the implementation of the Local Government Information System (SIPD) in preparing financial reports of Local Government Units (SKPD) in the DPRD Secretariat of Baubau City. The study addresses how decentralized governance and transparency can be enhanced through e-government initiatives like SIPD, which integrates local financial data electronically. Despite clear policy guidelines outlined in various regulations, the research identifies challenges in human resource limitations, insufficient Standard Operating Procedures (SOPs), and inadequate infrastructure. Using a qualitative descriptive approach with interviews and document analysis, the study finds that although the implementation of SIPD supports transparency and accountability, its effectiveness is hindered by technical issues such as staff competency and system infrastructure. This research contributes to understanding public policy implementation, specifically within SIPD, while suggesting resource allocation and inter-departmental coordination improvements to enhance e-governance practices in local financial management.

Keywords: Policy Implementation, SIPD, Financial Reporting



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INTRODUCTION

Law No. 23 of 2014 on Regional Government emphasizes the importance of good governance practices by both central and regional governments. Strong institutions and governance frameworks promote economic stability and accountability, which affect a country's capacity (Rahman et al., 2024). Public policy is crucial as a reference framework for implementing good governance (Qadi & Alavian, 2022). Public policy is generally understood as a structured process of problem-solving led by the government (Blomkamp et al., 2018). Eyestone defines public policy as the relationship between a government unit and its environment (Kumble Bulbeer Singh Sardar, 2022). Regional autonomy, implemented since 2001, has shifted the governmental paradigm from centralization to decentralization, strengthening central-regional relations and involving stakeholders in governance. This decentralization process also reflects how public policy serves as a means for governments to translate their political vision into programs and actions that ultimately deliver outcomes (Green et al., 2023). These policies are developed

by government bodies and officials in response to societal needs ([Pala et al., 2024](#)). However, information transparency must be improved when decentralization and regional autonomy policies are implemented in Indonesia. The dominance of local elites that can lead to asymmetric information, which in turn affects institutional efficiency, must be avoided ([Simanjuntak, 2015](#)). Good governance ensures that government operations adhere to the principles of participation ([Lee-Geiller, 2024](#)). Eyestone's definition of public policy, which emphasizes the interaction between government and its environment, is considered too broad as it can lead to various interpretations ([Winarno, 2016](#)). Alternatively, Dye provides a clearer definition by describing public policy as actions chosen by the government, whether to be carried out or not ([Dye, 2016](#)).

Building on these theoretical principles, the application of innovative tools such as the Local Government Information System (SIPD) exemplifies how public policy can operationalize good governance in practice, particularly at the regional level. In line with this, technological innovation is a transformative force that plays a crucial role in achieving the goals of good governance by enhancing the efficiency and effectiveness of public management ([Devi, 2021](#)) and supporting the pursuit of environmental sustainability in low-income countries. ([Khan & Khan, 2024](#)). According to the World Bank, the adoption of technology for e-government aims to improve the delivery of government services to citizens ([Tortolero et al., 2019](#)), foster better interactions with businesses and industries, and empower citizens through better access to information, ultimately leading to more efficient government management ([Afieroho et al., 2023](#)). E-government focuses on utilizing Information and Communication Technology (ICT) to encourage more active public participation by providing easy access to information and government officials, strengthening the relationship between the government and the public and promoting good governance ([Abdulkareem et al., 2022](#)). As a result, government operations become more efficient, facilitating more transparent public resource management ([Troitiño et al., 2024](#)).

To achieve good governance, decentralization must be supported by a system that ensures transparent and accountable access to and management of information ([Hurlbert & Gupta, 2024](#)). Management information systems are designed to provide timely information for management related to the external organizational environment and internal operations, aiming to facilitate management processes, improve planning and supervision, and support decision-making ([Gede et al., 2022](#)). It also provides space for the public to access information more easily ([Yan & Lyu, 2023](#)). Management information systems, such as the SIPD, facilitate management processes, enhance planning and supervision, support decision-making, and enable the electronic integration of regional development and financial information ([Haq, 2022](#)). Regional governments must provide information on regional development and finances managed through the SIPD, per Article 391 of Law No. 23 of 2014. This requirement is reinforced through Minister of Home Affairs Regulation No. 70 of 2019, replacing Minister of Home Affairs Regulation No. 98 of 2018. SIPD manages information on regional development, finance, and government, electronically connected to support regional development administration. Regional financial information is further regulated in Minister of Home Affairs Regulation No. 70 of 2019, which states that this information includes budget planning, financial management, accounting, reporting, and accountability. The system aims to improve transparency and accountability in regional financial management, aligning with good governance principles.

The implementation of SIPD is intended to ensure that information on regional development and finances is managed transparently and accountably, following Law No. 23 of 2014 and Minister of

Home Affairs Regulation No. 70 of 2019. SIPD electronically integrates data to enhance the effectiveness of regional financial management. Research findings indicate that the efficacy of SIPD applications is seen as innovative and capable of improving efficiency, as it is electronically based and integrated between the central and regional governments in terms of development [planning \(Wurara et al., 2024\)](#). SKPD are essential in preparing financial reports as part of the regional government structure. SKPDs manage the relevant aspects of planning, implementation, and financial accountability. Financial reports from SKPDs are consolidated to form the Regional Government Financial Report, providing a comprehensive overview of financial conditions and ensuring all aspects of regional financial management are covered. While SIPD is designed to standardize and enhance regional governance across Indonesia, its implementation at the local level presents unique challenges and opportunities. The case of the DPRD Secretariat in Baubau City illustrates these dynamics in a specific regional context

The Secretariat of the Regional People's Representative Council (DPRD) of Baubau City has a unique structure of responsibilities. Operationally, the DPRD Secretariat reports directly to the Chair of the DPRD, but administratively it is under the control of the Mayor. As part of the SKPD, the DPRD Secretariat manages and prepares regional financial reports per Minister of Home Affairs Regulation No. 77 of 2020 and Regional Regulation No. 2 of 2023. This process includes planning, budgeting, implementation, financial management, reporting, accountability, and financial oversight. SKPD financial reports, now prepared through SIPD, are consolidated with reports from other SKPDs to form the Regional Government Financial Report. The implementation of SIPD replaced the SIMDA Finance application previously used, which in some studies encountered challenges related to hardware, software, networks, and the attitudes of implementers and human resources [\(Widowati et al., 2021\)](#). The DPRD Secretariat of Baubau City effectively began implementing SIPD to prepare SKPD financial reports in the 2023 fiscal year.

Implementing SIPD in Baubau City's DPRD Secretariat has revealed significant challenges, particularly in preparing financial reports according to standards. At the time, the procedures for preparing SKPD financial reports lacked clear guidelines, compounded by delays in updating features and providing sufficient training. These issues left implementing staff with limited understanding of SIPD's full potential, often perceiving it as merely digital software rather than a tool for data integration, automatic verification, and real-time tracking, essential for improving accuracy and efficiency in financial reporting. Similar findings were noted in Semarang City, where challenges such as inadequate training and unavailable menu features hindered SIPD implementation [\(Tumija et al., 2023\)](#). These obstacles reinforce the argument that the national implementation of SIPD still faces systemic issues, both technically and regarding human resources, directly affecting the quality of financial reporting.

These challenges align with the factors highlighted in Mazmanian and Sabatier's Policy Implementation Model [\(Sabatier, 1986\)](#). Three critical factors emerge as particularly relevant for early-stage policies like SIPD, which was newly adopted for SKPD financial reporting in 2023:

1. Clear Policy Objectives: Supporting legislation must provide clear and consistent objectives or substantial criteria for resolving conflicts [\(Van Meter & Van Horn, 1975\)](#) [\(Wijnstra, 2016\)](#). In the case of SIPD, laws such as Minister of Home Affairs Regulation No. 70 of 2019 define objectives and set evaluation standards.
2. Strong Causal Theory: A robust causal theory is needed to identify the key factors and relationships affecting policy outcomes. The theory should also empower implementers with sufficient authority to influence target groups effectively [\(Pressman & Wildavsky, 1973\)](#). SIPD's reliance on digital

integration theory aims to enhance governance, though practical challenges indicate theoretical gaps in implementation.

3. **Effective Implementation Structure:** Implementation success depends on organizing processes to ensure compliance and effective behavior from implementers and target groups. This includes assigning responsibilities to well-integrated agencies, clear decision-making rules, sufficient resources, and robust support mechanisms ([Sabatier, 1986](#)). For SIPD, addressing issues like outdated SOPs, limited training, and hierarchical misalignment is essential.

This research aims to fill the knowledge gap by implementing the SIPD policy to prepare SKPD financial reports for the Baubau City Government. Although previous studies have addressed SIPD implementation in various regions, few have specifically examined the financial reporting stages. This study will apply Mazmanian and Sabatier's Policy Implementation Model, emphasizing the importance of clear goals, strong cause-and-effect theories, and effective implementation structures. This approach is expected to provide an in-depth understanding and solutions to address the identified gaps in SIPD implementation.

METHOD

This study employs a descriptive qualitative research design to provide an in-depth understanding of implementing the SIPD policy in preparing financial reports for SKPD in Baubau City. According to ([Moleong, 2017](#)), a qualitative approach allows the phenomenon to be described narratively within a natural, context-based framework, enabling the capture of the complexities of SIPD policy implementation dynamics within the public administration framework. This approach provides researchers with a rich depiction of the factors influencing policy implementation. It aligns with the research focus on directly uncovering the experiences of policy implementation actors, such as SKPD officials and technical staff involved in using SIPD. This is critical for exploring the gaps between theory and practice in depth.

Data was collected through three primary methods: interviews, observation, and document analysis. Interviews were conducted directly with various informants involved in implementing the SIPD policy. Informant selection uses purposive sampling, which intentionally selects participants based on specific characteristics deemed relevant to the research. This technique is widely used in qualitative research to identify individuals or groups with deep knowledge and experience related to the phenomenon under study. Participants were chosen based on their willingness to participate and ability to provide reflective and precise insights and opinions. This method does not require a specific theory or a fixed number of participants but focuses on rich, information-intensive cases to maximize research resources (Etikan et al., 2015).

The selected informants included relevant stakeholders, such as implementing staff at the Secretariat of DPRD of Baubau City, officials from the Regional Financial and Asset Management Agency (BPKAD), and DPRD members serving as policy supervisors. Informant selection criteria included: (1) direct involvement in SIPD policy implementation, (2) accessibility to provide relevant and in-depth data, and (3) ability to convey information openly and accurately, including accounting officials at BPKAD, Secretariat staff at DPRD, and DPRD members as policy overseers.

Direct field observations allowed the researcher to obtain a clearer picture of activities related to SIPD policy implementation. Additionally, document analysis was conducted by reviewing relevant SKPD financial reports to complement the data obtained from interviews and observations. Data analysis utilized the interactive analysis model of Miles and Huberman ([Sugiyono, 2013](#)), comprising three main stages: data reduction, presentation, and conclusion drawing. Data reduction involved filtering relevant and significant information for the research objectives. The reduced data were then systematically presented to provide a comprehensive overview. Conclusions were drawn based on the processed data analysis, enabling the researcher to answer the research questions thoroughly.

To ensure data validity, this study employed triangulation methods by comparing primary data (interviews and observations) and secondary (literature and related documents). This triangulation ensured that the research findings accurately and comprehensively depicted the studied phenomenon. The research was conducted at the Secretariat of DPRD Baubau City and BPKAD Baubau City. These locations were selected due to their strategic roles in implementing the SIPD policy, which is the focus of this research. Furthermore, the researcher's familiarity with the DPRD Secretariat environment provided access to a deeper understanding of the phenomenon being studied.

RESULT AND DISCUSSION

The government's decision to introduce the SIPD policy reflects its active efforts to address public issues. Established through the Ministry of Home Affairs Regulation Number 70 of 2019, this policy aligns with the definition of public policy, which describes the policy as being developed by government bodies and officials and representing the relationship between governmental units and their environments. The SIPD policy is a central government initiative implemented at the regional government level through the SIPD. As a public policy, SIPD adheres to the characteristics of public policy. It is goal-oriented and involves patterns of activities carried out by government officials rather than isolated decisions related to its implementation and execution ([Agustino, 2016](#)). Since the public policy process involves several lengthy stages, it is divided into phases, including policy problem identification, agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation. This study focuses on the policy implementation phase ([Dye, 2016](#)).

With the issuance of the Ministry of Home Affairs Regulation No. 70 on SIPD, the obligation to implement it also arises. If administrative bodies or government agencies do not enforce a policy at the lower levels, the policy will merely remain an elite record without producing any real impact. The policies enacted are implemented by administrative units that mobilize financial and human resources. Policy implementation is understanding what happens after a program has been enacted or formulated. Policy implementation focuses on the events or activities that arise after the state's policy guidelines are passed, including efforts to administer them and generate tangible impacts on society. To illustrate the process of SIPD policy implementation in preparing SKPD financial reports, specific methods or commonly used approaches are required. This study applies the Mazmanian and Sabatier Policy Implementation Model, which focuses on three conditions considered sufficient and necessary for effective policy implementation, particularly for newly enacted regulations: clear and consistent policy objectives, a strong causal theory, and an effective implementation structure.

Clear and Consistent Objectives

Clear Policy Objectives

The obligation to implement the SIPD policy in preparing SKPD financial reports is clearly outlined in the Ministry of Home Affairs Regulation Number 70 of 2019, which governs the preparation of SKPD financial reports electronically through an integrated SIPD process. This regulation also fulfills the requirements of Law Number 23 of 2014, which mandates regional governments to provide government information, including financial information, to support budgeting and financial management processes. This regulation is designed to facilitate the dissemination of regional government information to the public by integrating various aspects of regional financial information into a single electronic system. This aligns with the statement made by the Financial Administration Officer of the Baubau City Secretariat, who emphasized that the primary goal of this policy is to ensure that the preparation of financial reports is fully integrated with the prior administrative and financial management processes, as stipulated by the Ministry of Home Affairs regarding SIPD.

SIPD explicitly governs regional financial information management, covering all processes from budget planning to financial reporting and accountability and the regular presentation of financial reports. According to interviews with SIPD operators in SKPD, it was revealed that they received the SIPD user procedure document (SIPD manual book) late, only becoming aware of the document several months after SIPD started being used, resulting in suboptimal implementation at the initial stages. The financial reporting process in the manual is presented as follows. The SIPD Manual for the Accounting and Reporting module consists of 11 PDF files and 2 Excel files.

Table 1 List of SIPD Aklap Manualbooks

No	Explanation	Filetype	User
1	FAQ (Frequently Asked Questions) SIPD AKLAP,	.pdf	SKPD dan SKPKD
2	Pengaturan Awal, Akun Pengguna, Alur Umum, Kebijakan Akuntansi,	.pdf	SKPD dan SKPKD
3	Input Transaksi Non Anggaran, Jurnal Reklasifikasi dan Jurnal Koreksi,	.pdf	SKPD dan SKPKD
4	Approve Jurnal,	.pdf	SKPD dan SKPKD
5	Buku Besar,	.pdf	SKPD dan SKPKD
6	Buku Jurnal,	.pdf	SKPD dan SKPKD
7	Buku Besar Pembantu,	.pdf	SKPD dan SKPKD
8	Buku Besar Pembantu Bank,	.pdf	SKPD dan SKPKD
9	Laporan Keuangan (Neraca, LRA, LO, LPE, LAK, LPSAL),	.pdf	SKPD dan SKPKD
10	Integrasi SIPD ke SIKD (LRA),	.pdf	SKPKD
11	Integrasi SIPD ke SIKD (DTH_RTH),	.pdf	SKPKD
12	Elemen Data Sinergi 5,	data excel	SKPKD
13	Matriks Hak Akses Pengguna AKLAP,	data excel	SKPD dan SKPKD

Source : Manualbook SIPD Aklap 2023

Consistent Objectives

The Ministry of Home Affairs Regulation No. 70 of 2020 states that Regional Financial Information is used to manage financial data and documents electronically. This is also confirmed in the Ministry of Home Affairs Regulation No. 77 of 2020, which explains that the Regional Government Accounting Process involves the electronic handling of information, data flow, usage, and document presentation. As noted by the Secretary of the Regional House of Representatives (DPRD), the policy in the Ministry of Home Affairs Regulation No. 70 is aligned with Regional Financial Management Regulations, which adopt the principles from the Ministry of Home Affairs Regulation No. 77 concerning regional financial management, integrating the tenets within SIPD.

As part of maintaining consistency in objectives, the obligation to implement the Ministry of Home Affairs Regulation No. 77 of 2020 at the regional government level is stipulated in Article 3, which requires regional governments to establish Regional Regulations on Financial Management and Regional Head Regulations concerning Systems and Procedures for Regional Financial Management, Regional Government Accounting Policies, and Regional Government Accounting Systems by 2022 at the latest. The Head of Accounting at the Regional Financial and Asset Management Agency (BPKAD), in their capacity as Regional Government Accountant, also mentioned in an interview that with the issuance of the Ministry of Home Affairs Regulation No. 77 of 2020, the Baubau City Government had worked to issue a Regional Regulation on Regional Financial Management, namely Regional Regulation No. 2 of 2023, which refers to Ministry of Home Affairs Regulation No. 77. Both regulations align with the SIPD policy. The Baubau City Government has enacted Regional Regulation No. 2 of 2023 on Regional Financial Management, which governs financial management in an orderly, efficient, economical, effective, transparent, and accountable manner, with attention to fairness, reasonableness, and public benefit.

Despite adequate regulations and technical guidelines for implementing SIPD, the Baubau City DPRD Secretariat still lacks sufficient Standard Operating Procedures (SOPs), especially concerning preparing financial reports and technical use of SIPD. As expressed in an interview with the Head of General Affairs and Finance at the DPRD Secretariat, they acknowledged that the Baubau City DPRD Secretariat lacks adequate SOPs related to financial report preparation using SIPD. SOPs, according to the Ministry of Administrative and Bureaucratic Reform Regulation No. 35 of 2012, are a series of written standard instructions for various organizational processes. In the Baubau City DPRD Secretariat, these are based on the Secretary of the DPRD's Decree No. 2 of 2015, covering 19 SOPs. However, the SOP related to financial report preparation using SIPD, covered under SOP No. 19/Setwan-BB/2015, has not yet explicitly addressed standards and procedures despite being last revised on February 9, 2020.

The concept of clear and consistent policy objectives, as proposed by Mazmanian and Sabatier, emphasizes the importance of legal directives that provide clear evaluation standards and the necessary legal resources for policy implementers. In the context of this study, the SIPD policy for preparing SKPD financial reports in Baubau City reflects clear standards and objectives as stipulated in Ministry of Home Affairs Regulation No. 70 of 2019, supported by Ministry of Home Affairs Regulation No. 77 of 2020 and Baubau City Regional Regulation No. 2 of 2023, ensuring consistency in policy implementation. However, technical challenges, such as the delayed distribution of the manual and inadequate Standard Operating Procedures (SOPs), have hindered the optimal implementation of the

policy. Linking these findings to the Mazmanian and Sabatier policy implementation model, the success of implementation relies on the clarity of objectives, resource support, and effective communication. Consistent communication emerges as a key element to avoid confusion in the field, as experienced by operational staff due to the delayed manual. The practical implication of this study highlights the need for improved SOPs and more comprehensive technical training. At the same time, theoretically, the findings reinforce the critical role of measurable policy objectives in ensuring the successful implementation of public policies.

Strong Causal Theory

Clarity of the Fundamental Theory

In the dissemination document on the Implementation of the SIPD prepared by the Director of Regional Budget Planning and accessed through the official website of Ditjen Keuda Kemendagri, it is explained that the SIPD policy, based on Permendagri No. 70 of 2019, is derived from Perpres No. 95 of 2018 concerning SPBE. This regulation aims to realize good governance that is clean, effective, transparent, and accountable through an electronic-based governance system (E-Government), utilizing ICT to improve efficiency, effectiveness, transparency, and government accountability to the public. SIPD, as an information system, plays a significant role in providing integrated information for various levels of management, encompassing elements such as people, procedures, hardware, software, databases, and communication networks.

This aligns with the interview results with the DPRD Secretary, who explained that the SIPD policy's fundamental principle relates to the government's implementation of e-government within government. It is concerned with generating integrated and connected data to produce accurate information. In Permendagri No. 70 of 2019, Article 6, it is stated that SIPD is designed to deliver connected and electronically integrated regional government information services. One critical aspect of this policy is the preparation of reports electronically, heavily influenced by the financial administration process, which is a key stage in providing real-time budget realization data at the DPRD Secretariat. During its initial implementation, there were often discrepancies between expenditure realization in the administration and reporting phases, but these were eventually resolved. According to interviews with SOPD operators, it was revealed that they did not fully understand that this process was integrated, leading to discrepancies in several reporting periods between the functional expenditure reports, created manually, and the budget realization reports in SIPD. The integration results between the Functional Expenditure Reports and the Budget Realization Reports at the DPRD Secretariat of Baubau City for the period from January 1, 2023, to December 31, 2023, show consistent alignment between the budget data and expenditure realization recorded in the SIPD Administration Module and the SIPD Accounting and Reporting Module as follows:

Table 2. Comparison of Budget Realization of the Secretariat of the Regional People's Representative Council for Fiscal Year 2023

	Total Expenses	Operational Expenses	Asset Expenses
Budget (Rp)	28.214.601.812,00	27.904.601.812,00	310.000.000,00
Functional Report	27.610.924.665,00	27.301.924.665,00	309.000.000,00
LRA	27.610.924.665,00	27.301.924.665,00	309.000.000,00
Conclusion	No difference	No difference	No difference

Source : Financial Report of the Regional People's Representative Council Secretariat of Baubau City for the Fiscal Year 2023

Based on the table above, it can be concluded that there is no difference between the budget, the functional report, and the Budget Realization Report (LRA) for total expenditures, operational expenditures, and asset expenditures. This indicates that the planned budget has been consistently realized according to the functional report and the LRA, reflecting accuracy and consistency in the financial reporting and preparation.

Authority of Implementing Officers

This indicator measures how much authority and adequate resources the SIPD policy provides to officials responsible for implementing the policy, particularly in preparing financial reports at the Baubau City DPRD Secretariat. Interviews with the DPRD Secretary revealed that since this process is integrated with administration, once the administrative report (SPJ) is validated, the report will be approved as the basis for the Budget Realization Report (LRA). The integration process of administrative data into the financial report preparation within SIPD is carried out through a journal data approval process. The procedure for using SIPD, as outlined on the Ministry of Home Affairs SIPD website, is detailed in the SIPD Manual and is available on the SIPD Aklap site. This manual provides comprehensive guidelines, including user access rights and approval processes. Within the Baubau City DPRD Secretariat, approval authority is assigned among key officials responsible for financial management. The Financial Administration Officer (PPK SKPD) oversees the accounting functions of the Regional Work Unit (SKPD). At the same time, the Budget User, represented by the DPRD Secretary, is responsible for preparing and submitting financial reports for the SKPD. In addition, the Regional General Treasurer from the Accounting and Reporting Division of the BPKAD manages the regional accounting and financial reporting system. These roles are regulated by Government Regulation No. 12 of 2019 on Regional Financial Management, ensuring that SIPD implementation complies with established legal standards and responsibilities. The implementing officer's authority indicator also measures how these officials utilize other influence points to support achieving policy goals. Mayor Regulation No. 55 of 2023 on the Guidelines for Regional Budget (APBD) Implementation 2023 plays a key role. This regulation encourages the DPRD Secretariat to optimize SIPD usage in financial report preparation, as stated in an interview with the Head of the BPKAD Accounting Division, who noted that the monthly financial report submission policy is also reinforced in the Mayor Regulation on APBD Implementation Guidelines for 2023, which is expected to drive the implementation process.

The findings in this study indicate that the SIPD policy aligns with e-government theory, which emphasizes information integration to produce accurate, transparent, and timely financial reports. However, gaps in understanding and implementation persist, particularly concerning data integration, leading to input errors and approval delays. Referring to the causal framework guidelines of Mazmanian and Sabatier, the effectiveness of SIPD implementation depends on identifying key factors and causal relationships that influence policy goals, along with providing sufficient authority to implement officers over target groups and other points of influence. The authority granted to implementing officers, such as the control mechanisms applied by the BPKAD Accounting Division, demonstrates the application of this theory. In the context of e-government, SIPD operates in the government-to-government type, consolidating SKPD financial reports at the regional government level. Effective implementation requires a clear delegation of roles and responsibilities to avoid overlap and ensure that the underlying causal theory behind policy reforms is sufficiently robust. Practically, this highlights the need for capacity-building programs to address gaps in data management. Theoretically, it reinforces the importance of incorporating a strong causal framework into policy design to achieve the desired outcomes.

Effective Implementation Structure

Task Execution by the Appropriate Work Unit

This indicator identifies the extent to which the roles and responsibilities of each agency or work unit in SIPD implementation have been clearly defined, as well as the effectiveness of coordination between these agencies in carrying out their duties. Based on interviews, it was concluded that SIPD implementation has been assigned to the appropriate work units and supported by a relevant organizational structure. However, there are still deficiencies in having adequate Standard Operating Procedures (SOPs) as technical guidelines. According to an interview with a Baubau City DPRD member, the implementation of the SIPD policy is carried out by the General Affairs Division, with staff performing their respective tasks. Based on Baubau City Mayor Regulation No. 44 of 2023, the organizational structure of the DPRD Secretariat consists of three main divisions: the General and Finance Division, the Meeting and Legislation Division, and the Budget and Oversight Facilitation Division, each overseeing their respective sub-divisions.

The General and Finance Division of the DPRD Secretariat, led by a section head at the III/a echelon level, is responsible for managing the daily administration and finances of the DPRD, including managing the finances of DPRD leaders and members. Their duties include personnel management, budgeting, and providing the necessary facilities and infrastructure to support the overall operation of the DPRD. This division is also responsible for preparing performance and budget reports. The preparation of SKPD financial reports in the DPRD Secretariat is handled by the General and Finance Division, consisting of a section head, two operational staff, and a policy analyst who serves as the Financial Management Officer, as outlined in the DPRD Secretary's Decree No. 3 of 2023. Another issue that hampers the effectiveness of implementation structure in this indicator is the absence of adequate SOPs as technical execution guidelines, as discussed in the previous section. According to the Financial Management Officer of the DPRD Secretariat, SIPD policy implementation is carried out by the General and Finance Division according to their respective duties and functions. Still, sufficient SOPs do not yet support it. This has sometimes resulted in confusion among staff, especially when the

implementing officers were unavailable to perform their duties.

Availability of Resources

Implementation refers to applying planned policy instruments, including appointing the organization responsible for executing the policy. This process also requires the provision of adequate resources. (Haddad et al., 2022). Public administration plays a crucial role in mobilizing available resources to ensure compliance with the established policy (Lourenço, 2023). The availability of resources is one indicator that provides an overview of the effectiveness of the policy implementation structure. The success of SIPD implementation depends on adequate resources, including sufficient budget, competent human resources, and proper infrastructure. Based on an interview with the Head of the General and Finance Division of the DPRD Secretariat, it was revealed that financial support for activities is sufficient. Still, the number of personnel is very limited. However, all operational staff and officials involved in SIPD have been equipped with office equipment to support their tasks. The Baubau City DPRD Secretary has allocated funds in the DPRD Secretariat's Budget Implementation Document (DPA) to ensure smooth activities, including overtime payments and consultations outside the region. This budget covers activities such as financial administration and verification for SKPD, preparing responses for audits, and consultations and coordination related to SKPD implementation through six out-of-town business trips in 2023. Implementing the SIPD policy in the DPRD Secretariat faces challenges due to limited human resources, with only three personnel handling various tasks, which may affect their focus on primary responsibilities. Nevertheless, the DPRD Secretariat supports the development of personnel competencies through training related to financial management and SIPD usage. Adequate office infrastructure and equipment have been provided, but reliable internet connectivity remains a crucial factor in the effectiveness of SIPD policy implementation.

The effective implementation structure of the SIPD policy in Baubau City is shaped by the clear assignment of roles and responsibilities to appropriate work units, supported by a relevant organizational structure, as stipulated in Baubau City Mayor Regulation No. 44 of 2023. However, the absence of adequate Standard Operating Procedures (SOPs) as technical guidelines impedes the implementation process, causing confusion among staff and affecting overall efficiency. Referring to the framework outlined by Pressman and Wildavsky (1973), the policy's success is influenced by assigning tasks to agencies with a strong commitment and prioritization of the program, supported by adequate financial resources and a well-integrated hierarchical structure. The General and Finance Division of the DPRD Secretariat, although tasked with managing SKPD financial reports, faces challenges due to limited staff and resources. Despite sufficient financial backing and infrastructure, the three personnel handling multiple responsibilities struggle to maintain focus on their primary duties.

To overcome these issues, the DPRD Secretariat has allocated funds for personnel development, such as financial management training. However, the success of SIPD implementation also relies heavily on reliable internet connectivity and the alignment of all elements of the implementation structure, including decision-making rules, resources, and the legal framework that ensures effective program delivery. This highlights the importance of integrating theoretical insights, such as the causal model of policy implementation by Mazmanian and Sabatier, to assess the adequacy of the policy's implementation structure and its impact on achieving the desired outcomes. Furthermore, it emphasizes the need for further improvement in SOPs and personnel competencies to ensure the sustainability of the program's success.

CONCLUSION

The research on implementing SIPD in Baubau City's financial reporting process reveals several key findings. The SIPD system can improve transparency and accountability in financial reporting, supporting good governance in local governments. The study highlights the challenges related to resource availability, staff competence, and technical infrastructure, particularly regarding internet access and delays in obtaining the SIPD manual book. These limitations hinder the full potential of SIPD implementation and affect its overall effectiveness in ensuring accurate and timely financial reporting.

Empirically, this study contributes to the growing body of literature on e-government and its practical application in public financial management, especially in under-researched regions like Baubau City. Theoretically, the research aligns with established frameworks, such as those proposed by Mazmanian and Sabatier, emphasizing the importance of clear policy objectives, causal theory, and a strong implementation structure. Economically, the study suggests that optimizing SIPD usage can lead to more efficient financial management, reducing errors and enhancing decision-making processes.

However, significant limitations were identified. The lack of an adequate Standard Operating Procedure (SOP) and limited staff resources in the DPRD Secretariat posed challenges in implementing SIPD effectively. These limitations raise important questions about the practical challenges of implementing e-government systems in regions with varying infrastructure and human resource capacity levels. The study also highlights the need for better coordination and training to address these gaps, suggesting that improving staff competence and refining technical guidelines could lead to better outcomes.

In conclusion, while SIPD holds promise for improving financial reporting in Baubau City, the study identifies areas for further improvement, particularly in resource management and technical support. For future research, it is recommended to explore how similar challenges are addressed in other regions and investigate the long-term impact of SIPD on public financial management across Indonesia. Addressing these limitations will be crucial in ensuring that e-government systems like SIPD can fulfill their potential to enhance governance and public accountability.

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