

## OPTIMIZING FINANCIAL ADMINISTRATION MANAGEMENT SYSTEM AT TAPALANG SUB-DISTRICT OFFICE

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### ABSTRACT

This research investigates financial management practices at Tapalang Subdistrict Office. Through interviews and documentation analysis, the study examines the source of funds, reception processes, financial management systems, reporting methods, and the use of financial applications. Findings reveal that the organization's funding originates from Mamuju District APBD, with a 10% allocation based on the Budget Implementation Document (DPA). The reception process involves precise calculations, while the financial system relies on the DPA and quarterly cash budgets. Financial reporting employs the General Helper Book (BKU) and integrates data into the regional SIPD application. These insights provide a comprehensive understanding of Tapalang Subdistrict Office's financial operations and contribute to enhancing financial management practices.

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### 1. INTRODUCTION

Regional financial capability is an important element in managing household affairs in the region. In other words, the level of regional competence in implementing autonomy is influenced by the financial component. Pamudji (in Darmadi (2021: 138) emphasizes the importance of the regional financial position by stating that "local governments will not be able to carry out their functions effectively and efficiently without sufficient costs to provide services and development". the condition for determining the real ability of regions to take care of their own households is financial stability. Meanwhile, regions must have sufficient financial resources and manage the funds they receive from those resources efficiently to have enough money of their own. With the enactment of Law No. 32/2004 on local government administration and Law No. 33/2004 on financial considerations between the central government and local governments, local financial management is one area that has undergone considerable change. Both laws have expanded the authority of local governments. Freedom in securing sources of funding, choosing the direction, objectives and targets of budget utilization are all included in the powers discussed.

Each region establishes its own specific systems and practices for local financial management. As long as it does not violate the law, the differences are okay. Through this effort, it is believed that regions will be inspired to be more receptive, imaginative, and able to take the initiative to improve and enhance their systems and procedures and review them based on local situations, needs, and conditions and capabilities. Local governments can adapt the approaches suggested by the government to manage local financial management to suit their circumstances and needs while still paying attention to the standards and directives set. The regional financial management administration system is one of the elements that must exist in the context of implementing regional financial management because every regional government administration must have financial resources in addition to its allocation, so an administration system is needed. According to Wempy (2021: 22), "Financial administration is a management process that involves all financial activities, preparing financial reports, and achieving goals for the common good." Furthermore, according to Darmadi (2021: 64), regional financial administration is management that integrates all financial activities related to achieving goals in the administration of regional government. A more conducive and effective work environment will be generated with a solid regional financial management administration system. This will encourage development.

One of the government organizations that is part of the Mamuju Regency government is the Tapalang District Office. The main responsibilities of the Tapalang Sub-district Office include carrying out general government duties which include coordinating the implementation of government activities at

*Optimizing Financial Administration Management System At Tapalang Sub District Office.*

*Hasrianti Hasrianti, et.al*

the sub-district level, coordinating community service and empowerment activities which are within its scope of duties, and coordinating the maintenance of public services. The Regent has delegated some government authority to the Tapalang District Office to handle some regional autonomy affairs. Researchers at the Tapalang District Office made some preliminary observations, and they found that there were sometimes obstacles in the management of financial administration at the Tapalang District Office, such as the recording of transactions that were not neat and orderly because the input of revenue or expenditure transactions was not routine. In fact, entering the wrong transactions can sometimes occur due to human error or lack of accuracy. In addition, there are not many computers, and the internet network is not good, so financial administration management is slow and inefficient, which often hampers the financial management process at the Tapalang Subdistrict Office.

To ensure that financial management errors are not repeated, the management of the Tapalang Subdistrict Office must be able to manage financial administration data effectively. This can be done by first improving the standard of human resources. Without human resources, government organizations such as the Tapalang District Office will be less good or even unable to function. Human resources are the driving force for the work activities of government organizations. This is so that government organizations can plan, act, and decide how to carry out their operations to achieve predetermined goals. The main supporting element in the management of financial administration at the Tapalang District Office is human resources (HR). To manage and prepare financial reports in accordance with generally accepted government accounting standards, the Tapalang District Office requires a good accounting system that can facilitate the development of quality financial management. By paying attention to the description of the problem above, the researcher is motivated to conduct research activities in Majene Regency and raise the title "Financial Administration Management System at Tapalang District Office".

#### **Literature Review**

According to Terry in Hasibuan (2014: 2), Management is a process that includes the actions of planning, organizing, directing in order to determine and achieve predetermined targets using resources, both human and other resources. Meanwhile, according to Hasibuan (2014: 1), Management is the science and art of managing the process of utilizing human and other resources effectively and efficiently in order to achieve a goal that has been previously planned and determined. Another opinion is expressed by Sikula in Hasibuan (2014: 2) which says that, in general, management has a relationship with the actions carried out by an organizational institution in planning, organizing, controlling, placing, directing, motivating and making decisions that aim to manage various resources owned both human and other resources so as to produce a product of goods or services in an effective and efficient manner. Then Sumarsono (2015: 13) believes that, Management is a series of efforts made to achieve a goal that has been planned previously by mobilizing other people. By paying attention to the understandings that have been described above, it can be drawn an understanding that in general the definition of management is the actions carried out by an organizational institution in planning, organizing, controlling, placing, directing, motivating and making decisions aimed at managing various resources owned both human and other resources so as to produce a product of goods or services in an effective and efficient manner.

The most crucial element in the implementation of daily life for a corporation or organization is administration. In a broad sense, administration is defined as "systematic preparation and information, both internal and external, in an effort to provide information and make it easier to get it back, either partially or completely", according to Yeremias (2020: 43). Meanwhile, "administration" is a term in a limited sense. "Administration is an activity or form of business that is closely related to many policy arrangements, one of which is to realize the goals of an organization," said Sondang (2018: 40). Darmadi (2021: 32) expressed another view, stating that "administration is the entire process of cooperation between two or more humans based on reason to achieve predetermined goals". Based on the insights of these professionals, it is clear that administration is a process activity, especially when it comes to ways and means to achieve common goals that have been decided effectively and efficiently. Organizing, directing, and using human, manpower, and material resources to achieve goals is another definition of administration. Every business or organization needs administration in order to achieve common goals. Administration helps keep tabs on the organization's related actions and data, allowing for consistent tracking. The second purpose is assessment, where administration is required to evaluate policies, actions, goals, and other issues. Administration also plays a role in planning program activities to match organizational goals. Thus, the purpose of administration is essential in supporting business plans and assessing the actions that have been taken.

The financial management management application system according to Mcleod (2010: 11), is a financial management management management application system run by a computer system that will provide information to its users so that their needs in carrying out financial management become easier and more effective and efficient. The financial management management application system enables data and information management operations, especially those related to information providers, information sources, and information flow, and expansion in the information collection process, according to Kroeber in Dermawan (2013: 32). Another opinion was expressed by Chausing in Hartanto (2017: 22), who said that the financial management management application system is a collection of people with various financial powers who help each other work together in business to collect and handle data to produce useful output information at all levels of management.

Information systems can be defined as an organized collection that includes employees who serve as operators, soft computer devices or hard computer devices, internet networks, and data that is needed, collected, changed, and distributed within an organization or institution. In addition, according to O'Brien and Marakas (in Gundodiyoto, 2017: 40), there are three main functions of the financial management application system in business: First Support business and operational activities, Second Encourage competitive advantage methods. The financial management management application system is one of the many information systems that are often used in modern society. When compared to other information systems, this information system has the advantage that the scope of this scientific field is quite large and diverse. Management information systems are also very adaptable because they can be used anytime, anywhere, and are not limited by physical areas. Since management information systems are directly related to many resources used in a profession, every professional sector also needs them. Building management information systems is done to provide businesses with data that they can utilize to make strategic choices. Researchers can conclude from several perspectives of the experts above that management information systems.

Users of information technology are very important especially like the situation in this day and age, even in the process of government financial governance, both district and municipal governments. Information technology is data that has been processed to be more valuable and has meaning for people who use and receive. The use of management information systems in government is referred to as "electronic government", which generally refers to the transformation of government operations through the use of information technology with the aim of improving effectiveness, efficiency and service delivery. Currently, using technology and data directly connected to the database, the district government and the municipal government have implemented a regional financial management regulatory application system that has been prepared by the BPKP work unit or the Development and Guidance Agency, specifically the product (Deputy IV), namely Supervision of the Regional Financial Administration Agency. It is a computer program called the regional financial management regulatory application system.

A system is considered to function successfully if it can meet the demands and preferences of different organizational stakeholders, both at the individual and group levels. First Budgeting: Budget Work Plan (RKA), Budget Implementation Document (DPA), Annual Budgeting Plan and any amendments, and Fund Provision Letter (SPD). Second Administration: Certificate of Deposit (STS), Payment Request Letter (SPP), Payment Order (SPM), Disbursement Order (SP2D), and Register. Third Journals, ledgers, subsidiaries, budget realization reports, cash flow statements, and balance sheets are examples of accounting and reporting. Accrual-based regional financial management systems require the assistance of programs that can handle thousands of transactions quickly, precisely, and precisely. It also requires access to human resources who can run the system and ensure that targets are met as much as possible. Due to limited access to some SKPD locations, SIMDA application infrastructure support is still not optimal. The quality of accounting information in financial statements within local governments is expected to improve with the application of SIMDA to local governments as public sector entities. Along with improving the quality of these financial statements, they can be used as a factor in decision making and as a means of management responsibility for the utilization of current local government resources and assets (Alfian, 2014: 45).

Regional financial management that utilizes the SIMDA program has a legal basis. According to Tjahjanulin and Amin F (2016: 44), there are variables that are thought to hinder the success of system implementation in the SIMDA implementation phenomenon. This system has not been fully integrated with all SKPD online, resulting in manual transfer of financial data. Furthermore, the financial SIMDA application is less flexible, which forces all application system upgrades to wait for a response from

program development. Finally, the problem of human resources as operators who have not been maximally utilized in the operation of SIMDA finance. The objectives and advantages of developing a regional management information system (SIMDA) according to Tjahjanulin and Amin F (2016: 44), are as follows: First, as a forum for information exchange for each cooperative unit that obtains SIMDA network connectivity. Second Enable direct contact between work units connected to the SIMDA network through the camera. Third As a tool to exercise control over task completion, including material success and financial consumption. Fourth As a starting point for the development of e-government and as a way to implement good governance.

One of the key components of local government implementation that helps determine whether public welfare goals are successfully achieved is financial management. Effective, efficient, and targeted local government will be influenced by good local financial management. Planning, implementation, supervision, and accountability activities are part of regional financial management which is defined as the overall implementation of regional financial management in accordance with its role and authority (Karianga, 2011: 65). One of the many regional government work unit institutions that use regional financial management management application system tools is the Mamuju Regency Regional Financial and Asset Management Agency. The use of the application system for regulating regional financial management began in 2017 when the district head regulation Number 58 A of 2015 regarding regional money management based on information technology was issued. Law Number 17 of 2003 concerning the management of state money and Law Number 1 of 2004 concerning the State Treasurer which regulates financial management has been included in the SIMDA application program. As a result, the manual process of recording, documenting, and reporting is now transferred to a computerized system that has been integrated in each SKPD. Government Regulation No. 58/2005 on Regional Financial Management which includes all activities such as planning, implementation, administration, reporting and accountability, regional supervision, is the legal basis for this regulation. In this case, regional financial management consists of several managements, including general management, also called administrative management, and special management, also called treasury management. The fundamentals of public sector budgeting must be upheld in the administration of regional budgets and finances. In addition, the Minister of Home Affairs Regulation on Regional Financial Management Guidelines Number 13 of 2006. Regional financial planning, implementation, administration, reporting accountability, and supervision are all included in what is called "regional financial management".

The Regional Financial Management Information System (SIMDA Finance) application has experienced a long history of development. The transformation of SIMDA Finance occurred in three different stages: SIMDA Ver. 1.0: The initial version of SIMDA Finance was created by BPKP in 2003. It was based on local financial management guidelines and was successfully implemented in nine local governments by 2004. SIMDA Ver. 2.0: This version emerged in 2004 with updates to the underlying regulations. A total of 28 local governments have adopted and are effectively using this version to date. SIMDA Ver. 2.1: Launched in 2006 with changes in local financial management regulations. This version remains in use until now with some adjustments. The main purpose of implementing SIMDA Finance is to assist local governments in financial management, prepare financial reports more effectively, maintain financial information for management, communicate clearly to report users, and simplify the audit process with electronic technology. However, in practice, there are still obstacles in the implementation of SIMDA Finance, such as the lack of operators with accounting backgrounds and lack of training. This can hinder the preparation of financial reports and understanding of the various stages of SIMDA Finance operations. The advantages of using SIMDA Finance include conformity with regulations, continuity of maintenance through BPKP, knowledge transfer on local financial management, and integration of various stages of financial management in one platform. However, some issues, such as difficulty in correcting input errors in reports and difficulty in use, remain a challenge.

## 2. METHOD

The research was conducted at the Tapalang District Office, which is located in Galung Village, Tapalang District. The selection of the location was based on the positive acceptance of the leaders and employees in the office as well as the efficient and effective affordability of the location. In this study, qualitative and quantitative data collection methods were used. Quantitative data are numerical figures, such as population data, samples, and questionnaire results. Qualitative data is a description or explanation, such as a description of the research location. Data sources consist of primary data and

secondary data. Primary data is obtained directly from the research location, such as an overview of the office. Secondary data is obtained from publications or media, both print and electronic. The informants in this study were the Treasurer of the Tapalang District Office and administrative staff in the finance section. The subject of the research was the Tapalang Subdistrict Office, while the object of research was the management of financial administration in the office. Research instruments included an interview guide used to collect data from informants. Data collection techniques involved literature study, observation, interviews, and documentation. Data analysis was conducted through qualitative descriptive analysis techniques involving data collection, reduction, presentation, conclusion, and verification. Operational definitions were used to explain the meaning of variables in this study. For example, "financial management" refers to all aspects of financial management, including planning, implementation and self-accountability. "Financial administration" refers to the systematic collection and recording of financial data for information and management purposes.

### 3. RESULT AND DISCUSSION

The results of this study focus on several findings related to the Tapalang Sub-district Office. First, the office's financial resources come from the Mamuju Regency APBD, adjusted to the Budget Implementation Document (DPA) prepared annually. Second, the process of receiving finances involves calculating a percentage of the budget of 10 percent of the total budget, after deducting capital expenditure. Third, the office's financial management system refers to the DPA and the cash budget prepared, which is applied quarterly. Fourth, the financial reporting method is based on the General Ledger (BKU), with information from the BKU being imported into the regional financial application system. Fifth, in managing financial administration, the Tapalang Subdistrict Office uses the SIPD (Regional Development Information System) application for inputting SPJ from the Ministry of Home Affairs. Sixth, the procedures for using this application are adjusted to the cash budget and activity items in the DPA. These findings were obtained through interviews and documentation, then interpreted based on relevant theories and concepts. Each region establishes its own specific systems and practices for local financial management. As long as it does not violate the law, the differences are fine. Through this effort it is believed that the regions will be inspired to be more receptive, imaginative, and able to take the initiative to improve and enhance their systems and procedures and review the system based on local situations, needs, and conditions and capabilities. Local governments can adapt the approaches suggested by the government to manage local financial management to suit their circumstances and needs while still paying attention to the standards and directives set.

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After conducting research at the Tapalang District Office, it was found that the Tapalang District Office's finances were sourced from the Mamuju Regency APBD, the budget was adjusted to the DPA (budget implementation document) which had been prepared annually. The process of receiving finances at the Tapalang District Office first goes through calculations in the budget field. The calculation includes a percentage of the total budget, namely 10 percent of the total budget and then deducting capital expenditure. The financial management system at the Tapalang District Office refers to the budget implementation document (DPA) adjusted to the cash budget that has been prepared. Budget preparation is carried out once every three months or quarterly. The method of reporting the use of finance at the Tapalang District Office is carried out by the treasurer who is guided by the general assistant book (BKU), which was previously made manually then the financial information contained in the general assistant book (BKU) is imported into the regional financial application system. The application used for inputting SPJ from the Ministry of Home Affairs is SIPD (regional development information system).

The use of applications in financial management plays an important role for the Tapalang Sub-district Government, especially in agency operations in carrying out integrated financial management.

*Optimizing Financial Administration Management System At Tapalang Sub District Office.*

*Hasrianti Hasrianti, et.al*

The use of applications in financial management also plays a role in facilitating decision making and helping to achieve the agency's strategic goals. The procedure for using applications in Financial Administration Management at the Tapalang Sub-district Office is adjusted to the existing cash budget, adjusted to the items of activity in the DPA (budget implementation document).

#### 4. CONCLUSION

In conclusion, the research conducted at Tapalang Subdistrict Office sheds light on various aspects of financial management within the organization. The findings provide insights into key areas: Source of Finances: The primary source of funding for Tapalang Subdistrict Office comes from the Mamuju District APBD. This funding is allocated based on the Budget Implementation Document (DPA) prepared annually. Financial Reception Process: The reception of funds involves a meticulous calculation process, with a 10% portion of the total budget allocated after deducting capital expenditures. Financial Management System: The financial management system of the office adheres to the DPA and the prepared cash budget, reviewed and adjusted every quarter. Financial Reporting Method: Financial reporting relies on the General Helper Book (BKU), and data from this book is subsequently inputted into the regional financial application system. Use of Financial Administration Application: Tapalang Subdistrict Office employs the SIPD (Regional Development Information System) application for inputting SPJ data from the Ministry of Home Affairs. Application Usage Procedure: The use of the financial administration application is guided by the cash budget and the specific activities outlined in the DPA. The research findings were derived from interviews and documentation and were then analyzed in line with relevant theories and concepts. These findings offer valuable insights into the financial management practices of Tapalang Subdistrict Office, providing a clearer understanding of how financial resources are sourced, managed, and reported within the organization.

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