



DOI: <https://doi.org/10.38035/dijefa.v5i2>

Received: 05 May 2024, Revised: 19 May 2024, Publish: 04 June 2024

<https://creativecommons.org/licenses/by/4.0/>

Optimization Of Regional Financial Management For Sustainable Development

Rizky Zainul Alim^{1*}, Mohammad Djasuli²

¹ Universitas Trunojoyo Madura, Jawa Timur, Indonesia, rizkyzainulalim@gmail.com.

² Universitas Trunojoyo Madura, Jawa Timur, Indonesia, djasuli@trunojoyo.ac.id.

*Corresponding Author: rizkyzainulalim@gmail.com¹

Abstract: Optimization of regional financial management is an activity that includes planning, budgeting, implementation, administration, reporting, accountability, and supervision of regional finances. This research aims to identify, analyze, and provide recommendations regarding the optimization of regional financial management in order to support sustainable development. This type of research is library research, which is research that uses literature, books, magazines, journals, or other references in collecting in-depth information and data. Overall, optimizing regional financial management through the implementation of transparency, accountability, increasing the capacity of the apparatus, community participation, and effective supervision are crucial steps to support sustainable development.

Keyword: Optimalization Of Daeral Financial Management, Sustainable Development, Transparency And Accountability, Capacity Of Government Apparatus, Monitoring And Law Enforcement.

INTRODUCTION

Regional financial management plays a crucial role in supporting the achievement of sustainable development. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Therefore, optimal regional financial management aims not only to maintain budget balance but also to ensure that available resources are used efficiently, effectively, and accountably.

In the current era of decentralization and regional autonomy, local governments have greater authority in managing their financial resources. This implies that local governments must be capable of designing and implementing financial policies that can support various development programs, from economic, social, and environmental aspects (Darma et al., 2024). However, many regions still face various challenges in financial management, such as low capacity of officials, lack of transparency, and weak oversight and accountability.

For instance, the corruption case of village funds in Tanjung Batu Village, Ile Ape District, Lembata Regency, East Nusa Tenggara Province, shows the existence of deviations in regional financial management. The Special Criminal Investigation Team of the Lembata

District Attorney's Office has named the Village Head (NN) and the Village Treasurer (PPL) as suspects for alleged corruption in the management of village funds for the fiscal years 2018, 2020, and 2021. This case revealed fictitious activities and expenditures for goods and services without complete and valid evidence, resulting in state/regional losses amounting to IDR 186,559,442.00 (Badin & Dalima, 2024). Such phenomena indicate that there are still gaps in the regional financial management system that need to be addressed. The gap between budget planning and realization also remains a common issue, where the budget that has been prepared is not fully realized or used according to the plan.

Optimizing regional financial management involves activities such as planning, budgeting, implementation, administration, reporting, accountability, and oversight of regional finances. Regional financial management must adhere to principles of transparency and accountability, participation, budget discipline, equity, efficiency, and effectiveness (Latif et al., 2019). According to Anwar's research (2024), "data transparency is a key factor in determining the optimization of budget planning." In the context of sustainable development, regional financial management should be directed to support the Sustainable Development Goals (SDGs) set by the United Nations. These include poverty alleviation, improving the quality of education, health, infrastructure, and environmental sustainability.

Therefore, a comprehensive and strategic approach to regional financial management is necessary to ensure that every allocation and use of funds truly supports the achievement of these goals. Hence, the title of this research is "Optimization of Regional Financial Management for Sustainable Development." This research aims to identify, analyze, and provide recommendations regarding the optimization of regional financial management to support sustainable development.

METHOD

This type of research is a library research, which involves using literature, books, magazines, journals, or other references to collect in-depth information and data. According to Evanirosa (2022:58), library research is a systematic activity conducted to collect, process, and conclude data using this method to find answers to the problems faced through library research, with documentation as the data collection technique. After the data is collected, data analysis is a crucial stage in the research process. Data analysis in library research is the process conducted after data collection by analyzing, processing, organizing, and compiling the data, followed by drawing conclusions from the entire research (Evanirosa, 2022:114). To analyze the collected data, researchers utilize content analysis. Content analysis is a technique used to draw conclusions by identifying the characteristics of messages in an objective and systematic manner (Badrudin & Hikmatullah, 2021). According to Miles and Huberman in Hartono (2018), the steps in data analysis include data reduction, data display, and conclusion drawing.

RESULTS AND DISCUSSION

This research reveals various important aspects of regional financial management that contribute to sustainable development. From the analyzed literature, several key factors influencing the effectiveness of regional financial management were identified, including transparency, accountability, the capacity of officials, and community participation.

One of the main factors supporting budget optimization is transparency in regional financial management. Research indicates that regions implementing transparency in budget planning and management tend to have higher effectiveness in executing development programs. Additionally, accountability is essential to ensure that allocated funds are used according to the established objectives and that there are robust oversight mechanisms to prevent deviations. According to Haryono (2020), the implementation of cashless

transactions in the Landak Regency Government runs smoothly and can enhance transparency and accountability in regional financial management. The findings of Ngakil & Kaukab (2020) show that village financial management has been optimally managed by prioritizing transparency and accountability in accordance with regulations. Financial transparency is supported by easy access to financial information both offline and online, control mechanisms from community members and village institutions, and a publication model that is easy for the community to understand. The research of Jannah & Ardiansyah (2020) indicates that based on Regent Regulation Number 14 of 2017 concerning Village Financial Management in Poto Village, financial management has been transparent and accountable, although some indicators have not fully met the regulation.

Furthermore, the capacity of regional government officials is a determining factor in the success of financial management. Many regions still face challenges in terms of human resource capabilities, both in technical knowledge and management. Continuous training and capacity-building programs are necessary to ensure officials can perform their duties effectively. According to Arfiansyah (2021), the capacity of village officials is an integral part of the success of village government programs and activities in fulfilling legal mandates to achieve a prosperous society and independent villages. The capacity of officials is crucial as the driving force for village development towards independence and as the main motor for the central government's extension in building village communities. Village officials play a strategic role in village life, ensuring that the community's potential and abilities are empowered. They must have the capacity to support their roles and encourage their strategic roles in achieving village independence. Additionally, village officials need to align their main duties and functions with serving community needs in managing village funds. Understanding their role as village financial managers can serve as a performance indicator for village officials in providing community services. Thus, it can be concluded that the capacity of village officials can influence the accountability of village fund management. The research by Thoyib et al. (2020) shows that the capacity of village officials, Unqualified Opinion (WTP), quality of BPD oversight, and village assistance positively and significantly affect the performance of village financial management in Betung District, Banyuasin Regency, both partially and simultaneously.

Moreover, community participation in the budgeting and oversight process has been shown to increase accountability and transparency. Communities actively involved in these processes tend to have greater trust and support for local government programs. This participation also ensures that development programs align with local needs and priorities. Rakhmawati et al. (2020) argue that the participation stage in North Aikmel Village is at the third level, "Symbolic Participation," which involves information provision. However, to reach the consultation stage (fourth level), the information provided through the website is often inaccessible due to minimal budget for web hosting development and maintenance, combined with the education level and age of community leaders and BPD members involved in discussions. Therefore, physical evidence is generally used to propose future development and programs. In terms of transparency, planning transparency can be considered adequate. The planning and implementation processes involve community input, which is considered and included in the Village Development Work Plan (RKPDes). According to the research by Krisnawati et al. (2019), information on village fund management is disseminated to the community of Bresela Village through socialization by government agencies related to village fund management. The budget is a detailed statement of expected revenues and expenditures for a specific year, known as the State Budget (APBN) at the national level and the Regional Budget (APBD) at the regional level. The APBD preparation process must follow the budget cycle and be integrated and comprehensive.

Finally, an effective oversight system and strict enforcement of laws against violations in regional financial management are essential. Many corruption cases occur due to weak oversight systems and lack of strict action against violations. Implementing information technology in the oversight system can help increase the effectiveness and efficiency of supervision. Fundamentally, oversight ensures that implementation does not deviate from the established plan. Oversight is crucial in state financial management to prevent individuals from abusing their authority for personal gain, especially when it involves money, which many find tempting. The purpose of oversight is not to find faults but to guide activities in line with the established plan. In this way, the established state financial budget becomes a management guide to ensure funds are used appropriately for the country's advancement and development (Indah, 2021). According to Fitria, P. H. (2023), regional financial oversight based on the principle of transparency must adhere to the established legal principles and provisions. In the regional financial oversight process in Jember Regency, specific conditions must be met, such as informing the community and ensuring transparency in the implementation of the regional budget in public administration. Compliance with legal procedures is fundamental, but its implementation has not yet provided the public with access to budget information, applying the principle of transparency in governance.

CONCLUSION

Effective and efficient regional financial management is crucial for achieving sustainable development goals. Several key factors support the optimization of regional financial management, including transparency, accountability, the capacity of officials, community participation, and effective oversight.

Transparency in financial management ensures that information regarding budget planning and usage is available and accessible to the public, thereby increasing public trust and support. Accountability ensures that public funds are used according to the established objectives and that strong oversight mechanisms are in place to prevent misuse of funds. The capacity of regional government officials is also an important factor influencing the success of financial management. Officials with adequate knowledge and skills can perform their duties well and support the achievement of development goals. Therefore, continuous training and capacity-building programs are essential.

Community participation in the budgeting and oversight process has been proven to enhance accountability and transparency. When the community is actively involved, development programs implemented are more aligned with their needs and priorities, ultimately increasing the effectiveness of these programs. Finally, an effective oversight system and strict enforcement of laws against violations in regional financial management are vital to preventing corruption and ensuring that budgets are used efficiently and according to plan. Implementing information technology in oversight can improve the efficiency and effectiveness of supervision.

Overall, optimizing regional financial management through the implementation of transparency, accountability, capacity building for officials, community participation, and effective oversight are crucial steps to support sustainable development.

REFERENSI

- Anwar, S (2024). Optimalisasi Perencanaan Anggaran Dalam Mewujudkan E-Government. <https://jambi.kemendagri.go.id/file/adm7783493583881.pdf>, diakses pada 15/05/2024
- Arfiansyah, M. A. (2021). Pengaruh Kapasitas Aparatur Desa terhadap Akuntabilitas Pengelolaan Dana Desa Di Kabupaten Wonogiri dengan Sistem Keuangan Desa sebagai Variabel Intervening. *Lisyabab: Jurnal Studi Islam dan Sosial*, 2.

- Badin, L., & Dalima, R. (2024). *Korupsi Dana Desa: Kepala Desa dan Bendahara Ditetapkan Sebagai Tersangka*. <https://www.rri.co.id/daerah/571832/korupsi-dana-desa-kepala-desa-dan-bendahara-ditetapkan-sebagai-tersangka>, diakses pada 15/05/2024
- Badrudin & Hikmatullah (2021). *Pendidikan Akhlak dalam Al-Qur'an: Studi Tarbawi Perspektif Syaikh Nawawi Al-Bantani*. Serang: A-Empat
- Darma Sabri, M. A., Utami, S., & Harmen, H. (2024). *Manajemen Sumber Daya Manusia Dalam Konteks Perencanaan Pembangunan*. Syiah Kuala University Press.
- Evanirosa. (2022). *Metode Penelitian Kepustakaan (Library Research)*. Bandung: Media Sains Indonesia.
- Fitria, P. H. (2023). *Pengawasan Keuangan Daerah Dalam Pelaksanaan Otonomi Daerah Kabupaten Jember Ditinjau Dari Undang-Undang Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah*. Universitas Islam Negeri
- Hartono, Jogiyanto. (2018) *Metoda Pengumpulan dan Teknik Analisis Data*. Yogyakarta: ANDI
- Haryono, H. (2020). Analisis Penerapan Sistem Transaksi Non Tunai Dalam Meningkatkan Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah Pada Pemerintah Daerah Kabupaten Landak. *JAAKFE UNTAN (Jurnal Audit dan Akuntansi Fakultas Ekonomi Universitas Tanjungpura)*, 9(2).
- Indah, R. N. (2021). Pengawasan Keuangan Negara Agar Terhindar dari Penyimpangan. <https://www.djkn.kemenkeu.go.id/kpknl-singawang/baca-artikel/13960/Pengawasan-Kuangan-Negara-Agar-Terhindar-dari-Penyimpangan.html>, diakses pada 17/05/2024
- Jannah, F., & Ardiansyah, E. (2020). Transparansi dan Akuntabilitas Pengelolaan Keuangan Desa (Studi Kasus Desa Poto Kec. Moyo Hilir Kab. Sumbawa). *Journal of Accounting, Finance, and Auditing*, 2(02), 119-124.
- Krisnawati N. M. G.Astrawan G.Putri P. R.Marleni N. M. S.Kristian N. P.Krisantina N. M. A. P. (2019) Optimalisasi Partisipasi Masyarakat Dalam Pengelolaan Keuangan Desa Bresela Kecamatan Payangan Kabupaten Gianyar. *Jurnal Ilmiah Akuntansi dan Humanika*, Vol. 9 No. 1, 37-46. 10.23887/jinah.v9i1.19934
- Latif, A., Rikie., Andriyana, Y., Kuswanto., Rosada, H., Maulana, A. C., & Hasbi. (2019). *Buku Pintar Pengelolaan Keuangan Daerah*. Asian Development Bank. Jakarta
- Mulyani, F. S. P., Fahmi, M. P., Wulandari, S., Rasyid, Y., & Ahyaruddin, M. (2022). Determinan Optimalisasi Pengelolaan Keuangan Daerah Dengan Peran Komitmen Pimpinan Sebagai Pemoderasi. *Reviu Akuntansi dan Bisnis Indonesia*, 6(1), 32-52.
- Ngakil, I., & Kaukab, M. E. (2020). Transparansi dan akuntabilitas pengelolaan keuangan desa di kabupaten wonosobo. *Journal of Economic, Management, Accounting and Technology*, 3(2), 92-107.
- Rakhmawati, I., Sriningsih, Y., & Suhaedi, W. (2020). Partisipasi Masyarakat Dalam Pengelolaan Keuangan Desa. *Media Bina Ilmiah*, 14(9), 3243-3248.
- Thoyib, M., Satria, C., Septiana, S., & Amri, D. (2020). Analisis Kinerja Pengelolaan Keuangan Desa (Studi Pada Kecamatan Betung Kabupaten Banyuasin). *Ekonomica Sharia: Jurnal Pemikiran Dan Pengembangan Ekonomi Syariah*, 5(2), 13-30.