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IMPLEMENTATION OF FINANCIAL INFORMATION SYSTEMS IN IMPROVING TRANSPARENCY AND ACCOUNTABILITY IN THE MANPOWER, TRANSMIGRATION, ENERGY AND MINERAL RESOURCES SERVICE OF CENTRAL PAPUA PROVINCE

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Abstract

This study aims to analyze the implementation of the Financial Information System (FIS) in improving transparency and accountability at the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province. Using a qualitative approach, data were collected through observations, interviews with ten employees, and documentation analysis. The research findings indicate that the adoption of FIS involves several key aspects, including integrated financial software, database management systems, employee training, standardized operating procedures, system integration, financial performance dashboards, stakeholder access, and periodic evaluations. Transparency enhancement efforts include regular financial report publication, open forums, online access to budget realization, financial information applications, third-party audits, and workshops on budget transparency. Furthermore, accountability improvement measures encompass performance indicators, accurate reporting systems, employee training, complaint handling teams, clear accountability reports, public evaluations, and financial system integration with annual audits. The study concludes that the implementation of FIS significantly enhances financial transparency and accountability, ensuring effective budget management and strengthening public trust in government financial administration.

Keywords: Financial Information System, Transparency, Accountability, Central Papua

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INTRODUCTION

Background

Transparency and accountability in financial management are fundamental principles in public administration. Effective governance requires a system that ensures financial resources are managed efficiently, reducing the risk of misallocation and corruption (OECD, 2020). The role of Financial Information Systems (FIS) has become increasingly critical in enhancing financial oversight, particularly in government institutions that handle public funds (Miller & Vahrenkamp, 2021). The adoption of digital financial systems allows for real-time tracking, systematic reporting, and improved decision-making processes (Zhou et al., 2019). However, challenges such as data accuracy, system integration, and stakeholder engagement persist, particularly in developing regions (World Bank, 2021).

In Indonesia, efforts to enhance financial transparency and accountability have been a major focus of public sector reform (Kementerian Keuangan RI, 2023). Despite government initiatives to implement e-governance systems, many regional offices still struggle with inefficiencies in financial reporting and control (Setiawan & Kusnandar, 2022). A case in point is the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province, which plays a strategic role in workforce development, energy management, and mineral resource governance. The institution has faced persistent challenges in financial transparency due to manual reporting systems, limited public access to financial data, and insufficient accountability mechanisms (Papua Development Report, 2023).

To address these issues, the implementation of FIS is expected to enhance transparency through automated financial reporting, open data access, and standardized auditing procedures (Ariansyah et al., 2023 ; (J. B. Halik et al., 2024; M. Halik & Halik, 2021). Moreover, accountability can be strengthened by integrating performance indicators, real-time monitoring, and stakeholder participation in financial decision-making (Rahman & Dewi, 2021). Understanding the impact of these efforts is essential to ensure sustainable public financial management and foster trust between government institutions and the public (Transparency International, 2022).

This study aims to explore how FIS implementation enhances transparency and accountability within the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province. The research provides insights into the effectiveness of digital financial systems in regional government settings, identifies challenges in adoption, and offers policy recommendations for optimizing FIS utilization. By contributing to the broader discourse on e-governance and financial accountability, this study holds implications for policymakers, public administrators, and digital finance researchers.

LITERATURE REVIEW

Financial Information Systems (FIS) and Public Financial Management

A Financial Information System (FIS) is a digital platform designed to support financial planning, control, and reporting in organizations (Romney & Steinbart, 2021). In the

public sector, FIS plays a crucial role in enhancing financial transparency, improving decision-making, and minimizing the risks of inefficiencies or corruption (OECD, 2020). Governments worldwide have increasingly adopted e-finance systems (Greny et al., 2023) to ensure real-time tracking of expenditures, automated financial reporting, and systematic budget allocation (World Bank, 2021).

In Indonesia, public financial reforms have emphasized the need for integrated financial management systems (Sistem Informasi Keuangan Daerah – SIKD) to improve accountability in regional governance (Kementerian Keuangan RI, 2023). However, challenges such as limited digital literacy, lack of interoperability between systems, and inadequate oversight mechanisms persist, particularly in remote areas (Setiawan & Kusnandar, 2022). These issues highlight the need for a structured and standardized implementation of FIS to ensure effective budget governance in government institutions (Paranoan et al., 2022).

Transparency in Public Sector Financial Management

Transparency in public financial management refers to the openness of government financial processes, ensuring that stakeholders have access to accurate and timely financial information (International Monetary Fund [IMF], 2021). The principle of transparency is essential to prevent misuse of funds and to build public trust in government institutions (Transparency International, 2022). Prior studies indicate that financial disclosure, open data initiatives, and independent audits significantly contribute to transparency in government budgeting (Rahman & Dewi, 2021).

In the context of regional government financial management, transparency is often challenged by bureaucratic inefficiencies, delayed financial reporting, and restricted public access to budget realization (Zhou et al., 2019). A study by Ariansyah et al. (2023) found that the implementation of financial reporting dashboards and online budget monitoring platforms significantly improves public access to financial information, thereby strengthening government transparency (Mangopo et al., 2025; Medea et al., 2024; Paembonan et al., 2024).

Accountability in Government Financial Administration

Accountability in public financial management is the obligation of government institutions to report, justify, and take responsibility for financial decisions and expenditures (Miller & Vahrenkamp, 2021). Effective accountability mechanisms ensure that public funds are allocated efficiently and ethically, reducing the risk of corruption and financial mismanagement (OECD, 2020). Research by Setiawan and Kusnandar (2022) suggests that establishing performance indicators, enforcing timely financial reporting, and implementing third-party audits are critical to strengthening financial accountability.

A case study conducted by Rahman and Dewi (2021) on e-budgeting in Indonesia revealed that institutions using integrated financial information systems experienced a reduction in financial irregularities and enhanced accountability measures. Moreover, financial accountability is reinforced through stakeholder engagement, transparent reporting structures, and independent financial oversight bodies (World Bank, 2021).

Conceptual Framework and Theoretical Assumptions

This study is grounded in the Agency Theory, which explains the relationship between government entities (agents) and the public (principals) in managing financial

resources (Jensen & Meckling, 1976). The theory posits that transparency mechanisms and accountability frameworks are necessary to reduce information asymmetry and ensure responsible financial governance (Miller & Vahrenkamp, 2021). Additionally, the Technology Acceptance Model (TAM) provides insights into the adoption of Financial Information Systems, suggesting that perceived ease of use and perceived usefulness influence digital financial system acceptance among government employees (Davis, 1989; Zhou et al., 2019).

Given the existing literature, this study assumes the following:

1. Implementing a Financial Information System enhances transparency in regional government financial management by improving data accessibility, financial reporting accuracy, and public financial disclosures.
2. Financial Information Systems strengthen accountability by integrating performance indicators, stakeholder participation, and audit trails to track financial activities effectively.
3. The effectiveness of FIS adoption depends on technological readiness, institutional support, and employee digital literacy within government offices.

Summary of Literature and Research Gap

Despite extensive research on financial transparency and accountability in public administration, limited studies specifically address the adoption of Financial Information Systems in regional government settings, particularly in remote areas. This study contributes to the literature by examining how FIS implementation impacts transparency and accountability in the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province. Furthermore, it provides policy recommendations for optimizing digital financial systems in regional government institutions.

RESEARCH METHODOLOGY

This study employs a qualitative descriptive research design to explore the implementation of Financial Information Systems (FIS) in enhancing transparency and accountability in public financial management. A qualitative approach was chosen to allow an in-depth examination of the perceptions, experiences, and challenges faced by government employees in adopting FIS. The study focuses on understanding the effectiveness of digital financial systems through direct observations, interviews, and document analysis, providing a comprehensive insight into financial governance practices in a regional government institution.

The research was conducted at the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province, an institution responsible for managing financial resources related to workforce development, transmigration programs, and mineral resource administration. The study was carried out over a period of four months, from October 2024 to February 2025, allowing for sufficient data collection and analysis of FIS implementation.

The population in this study consists of government employees and financial administrators working within the Office of Manpower, Transmigration, Energy, and Mineral Resources. Using purposive sampling, a total of 10 key informants were selected based on their direct involvement in financial management and information system operations. The informants included financial officers, IT specialists, auditors, and department heads, ensuring

diverse perspectives on the impact of FIS adoption. Participants were chosen to provide firsthand insights into the challenges and benefits of implementing digital financial systems within the institution.

Data collection was carried out through three primary methods: direct observation, semi-structured interviews, and document analysis. Observations were conducted to examine real-time system usage and interactions among employees using the FIS platform. Semi-structured interviews were held with key informants to gather detailed narratives on their experiences, challenges, and recommendations regarding FIS adoption. Additionally, official financial reports, audit documents, and internal guidelines were analyzed to supplement the findings, ensuring data triangulation and enhancing research validity.

Data analysis followed the interactive model by Miles and Huberman (2017), consisting of data reduction, data display, and conclusion drawing. Initially, raw data were categorized and synthesized based on emerging themes related to transparency, accountability, and financial system efficiency. The data were then systematically presented in narrative and tabular formats to highlight key patterns. Finally, conclusions were drawn by comparing findings with existing literature and identifying practical implications for improving FIS implementation in regional government settings.

To ensure research credibility and reliability, multiple validation techniques were applied, including member checking, peer debriefing, and triangulation of data sources. Ethical considerations were maintained by obtaining informed consent from participants, ensuring confidentiality, and adhering to ethical guidelines for qualitative research. This methodology provides a rigorous framework for understanding how digital financial systems can enhance financial governance in regional public institutions.

RESULTS AND DISCUSSION

RESULTS

Respondents' Characteristics

The study involved 10 key informants who were directly engaged in financial management and information system operations within the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province. The respondents included financial officers, IT specialists, internal auditors, and department heads responsible for overseeing budget allocation, financial reporting, and system implementation.

Among the respondents, six were finance and accounting officers, two were IT personnel involved in managing the Financial Information System (FIS), and two were senior administrators responsible for decision-making on financial transparency and accountability. The majority of respondents had over five years of experience in financial management, indicating their familiarity with both manual and digital financial reporting systems.

Implementation of the Financial Information System (FIS)

The findings indicate that FIS implementation at the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province was introduced to enhance budget transparency, financial reporting accuracy, and institutional accountability. Before adopting the system, financial reporting relied heavily on manual documentation,

leading to delays, data inconsistencies, and difficulties in tracking expenditures. With FIS integration, financial transactions became automated, reducing errors and improving accessibility for stakeholders.

A financial officer (Informant 1) stated:

"The integrated financial system has significantly improved the speed and accuracy of financial reporting. Previously, financial records were stored manually, which made tracking expenses difficult. Now, we can generate reports instantly and access financial data in real time."

Observations confirmed that FIS enabled the real-time monitoring of budget allocations, expenditure tracking, and financial reporting compliance. The use of automated reporting modules and performance dashboards provided a clearer financial overview for decision-makers and auditors.

Enhancing Transparency Through FIS

Transparency is a fundamental principle in public financial management, and the adoption of FIS has introduced several key initiatives to improve financial openness. The study identified three primary mechanisms through which FIS enhanced transparency:

1. Publication of Regular Financial Reports – The office publishes financial reports on its official website and internal platforms, allowing stakeholders and the public to access budget realization data.

2. Open Budget Forums – The institution holds dialogue sessions where employees and external stakeholders can discuss financial allocations, expenditure priorities, and policy decisions.

3. Online Budget Monitoring – Through FIS dashboards, authorized personnel can monitor real-time budget utilization, ensuring that expenditures align with allocated funds.

An IT specialist (Informant 3) explained:

"One of the biggest improvements is the accessibility of financial information. The system provides real-time visibility into how funds are allocated and spent, reducing the chances of mismanagement."

Strengthening Accountability Through FIS

Accountability measures ensure that public funds are managed responsibly and that financial decisions can be traced back to their sources. The study found that FIS implementation contributed to greater financial accountability through the following mechanisms:

- Performance-Based Budgeting – The system integrates key performance indicators (KPIs) to track whether budget allocations align with institutional objectives.

- Automated Financial Reporting and Auditing – FIS allows for instant generation of financial reports, reducing the possibility of data manipulation or errors.

- Stakeholder Engagement in Financial Oversight – Employees and external auditors are granted controlled access to financial data, promoting collaborative oversight.

A senior administrator (Informant 7) highlighted:

"*FIS has improved financial accountability by enforcing structured reporting processes. Every transaction is logged, and there is no room for undocumented expenses. Additionally, periodic financial audits have become more efficient.*"

Challenges and Barriers to FIS Implementation

Despite the positive impact of FIS, the study identified several challenges that affected its full-scale adoption:

- Limited Digital Literacy – Some employees struggled to adapt to the system due to a lack of technical expertise in financial software.

- System Integration Issues – FIS was not fully integrated with other administrative systems, requiring manual data reconciliation in some cases.

- Budget Constraints – The office faced budgetary limitations in upgrading system infrastructure and providing extensive employee training.

An auditor (Informant 9) remarked:

"*While the system improves accountability, some employees still rely on manual processes due to familiarity. Additional training programs are necessary to ensure full adoption.*"

Discussion and Theoretical Implications

The findings align with Agency Theory (Jensen & Meckling, 1976), which emphasizes the importance of reducing information asymmetry between government institutions (agents) and the public (principals). By implementing FIS, financial data became more accessible and transparent, minimizing opportunities for financial mismanagement.

Additionally, the study supports the Technology Acceptance Model (TAM) (Davis, 1989), which highlights that perceived ease of use and usefulness influence technology adoption. The challenges identified in this research—such as limited digital literacy and system integration constraints—underscore the need for user-friendly financial platforms and comprehensive training programs to improve acceptance.

The study also extends prior research on public financial transparency (Rahman & Dewi, 2021; Setiawan & Kusnandar, 2022) by demonstrating that real-time financial reporting, stakeholder access to budget data, and automated auditing mechanisms significantly contribute to improving transparency and accountability in regional government institutions.

Addressing Research Questions

This study sought to answer the following research questions:

1. How is the Financial Information System implemented at the Office of Manpower, Transmigration, Energy, and Mineral Resources?

   o FIS was introduced as an integrated platform for financial reporting, budget monitoring, and expenditure tracking. The system replaced manual financial documentation and enabled real-time financial data management.

2. How does FIS enhance transparency in financial management?

   o FIS promotes financial transparency through automated reporting, open budget forums, and online budget monitoring. These mechanisms ensure that financial data is accessible to internal and external stakeholders.

3. How does FIS improve financial accountability?

   o FIS strengthens accountability by enforcing structured financial reporting, performance-based budgeting, and stakeholder oversight. The system logs all transactions, minimizing risks associated with financial mismanagement.

Policy Recommendations and Future Implications

Based on the findings, the study recommends:

- Enhancing Employee Training Programs – To increase digital literacy and system adoption rates, comprehensive training workshops should be provided to all employees.

- Strengthening System Integration – Ensuring that FIS is fully integrated with other government systems will reduce manual data entry errors and improve operational efficiency.

- Expanding Public Access to Financial Data – Making budget realization data more accessible to citizens will further promote financial transparency and public trust.

Future research should explore the long-term impact of FIS adoption, particularly in improving financial governance and reducing corruption risks in local government institutions.

CONCLUSION

This study investigated the implementation of Financial Information Systems (FIS) and its impact on transparency and accountability in public financial management at the Office of Manpower, Transmigration, Energy, and Mineral Resources of Central Papua Province. The findings reveal that FIS adoption significantly enhances financial reporting accuracy, real-time budget monitoring, and institutional accountability. The transition from manual documentation to an integrated digital financial system has improved data accessibility, minimized errors, and strengthened financial oversight. These results align with Agency Theory, which emphasizes reducing information asymmetry between government institutions

and the public, and the Technology Acceptance Model (TAM), which highlights the role of system usability in digital adoption.

In terms of transparency, FIS has facilitated the publication of financial reports, enabled open budget forums, and provided real-time access to budget utilization data. These mechanisms ensure that financial information is accessible to both internal stakeholders and the general public, reducing the risk of financial mismanagement. Regarding accountability, the system enforces structured financial reporting, performance-based budgeting, and enhanced auditing mechanisms, ensuring that financial transactions are documented and traceable.

Despite its benefits, the study identifies several challenges in FIS implementation, including limited digital literacy among employees, system integration issues, and budget constraints for upgrading infrastructure and training programs. These barriers indicate that while FIS contributes to improving transparency and accountability, its effectiveness depends on user competency, technical system integration, and sustained institutional support.

The study acknowledges several limitations, including the limited sample size (10 key informants), which may not fully represent the broader perspectives of financial administrators in other government agencies. Additionally, the study focuses on a single government institution, making it necessary to conduct further research across multiple regional government offices to enhance the generalizability of the findings. Future research should explore the long-term impact of FIS adoption on financial governance and corruption reduction, as well as comparative studies on different digital financial systems used in regional governments.

Based on these findings, it is recommended that policymakers and institutional leaders prioritize digital literacy training, ensure full system integration with other administrative platforms, and increase stakeholder engagement in financial oversight. Expanding public access to financial data and strengthening monitoring mechanisms will further reinforce transparency and accountability in government financial management. As digital transformation continues in the public sector, investing in technology-driven financial management strategies will be essential in promoting good governance and fiscal responsibility in regional government institutions.

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