



OPTIMIZATION OF TRANSPARENT AND ACCOUNTABLE REGIONAL FINANCIAL MANAGEMENT AT THE REGIONAL FINANCIAL AND ASSET MANAGEMENT AGENCY (BPKAD) OF EAST LAMPUNG REGENCY

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Abstract:

The research method used is descriptive qualitative research. This method is used to describe the optimization of transparent and accountable regional financial management at the Regional Financial and Asset Management Agency of East Lampung Regency. All data were obtained directly from informants in the field using interviews and document studies. The results of the study indicate that: (1) Transparency Dimension: Regional financial management at the Regional Financial and Asset Management Agency of East Lampung Regency has been guided by the principle of openness; (2) Accountability Dimension: Regional financial management has been implemented in accordance with regulations; (3) Efficiency and Effectiveness Dimension: The use of the regional budget has not fully reflected optimal efficiency and effectiveness. (4) Management Systems and Information Technology Dimension: The use of financial management systems and information technology has assisted the regional financial administration process. (5) Supervision Dimension: Regional financial management has been implemented through internal and external mechanisms.

Keywords: Optimization, Management, Finance, Region

INTRODUCTION

The optimization of regional financial management is crucial, considering that finance is the primary instrument in development. Proper management will result in more targeted planning, efficient budget realization, and increased public trust in the performance of local governments. On the other hand, suboptimal management can lead to inefficiency, misaligned development programs, and potential irregularities that may harm the region.

The central government has provided various regulations, guidelines, and systems such as the Regional Government Information System (SIPD), Government Accounting Standards (SAP), and mechanisms for evaluating regional financial performance. However, their implementation at the regional level still requires improvements in human resource quality, stronger coordination among regional government agencies, and the application of good governance principles.

Based on these conditions, studies on optimizing regional financial management are relevant to assess the extent to which local governments are able to manage finances effectively and efficiently, as well as to identify strategies that



can be implemented to improve the quality of financial governance. This optimization is expected to encourage improvements in public services, accelerate development, and achieve sustainable community welfare.

Regional financial management plays a strategic role in the implementation of effective governance oriented toward improving public welfare. Within the framework of regional autonomy, district governments are granted the authority to manage their finances independently, from planning and budgeting to implementation and accountability. Therefore, the principles of transparency and accountability are key to ensuring that financial management runs effectively, efficiently, and free from potential irregularities.

East Lampung Regency, as one of the regions striving to improve governance quality, faces its own challenges in optimizing financial management. The Regional Financial and Asset Management Agency (BPKAD), as the agency responsible for financial and asset management, plays a central role in achieving transparency, accountability, and efficiency in the use of regional budgets. However, in practice, several issues persist, including suboptimal financial data integration, uneven human resource quality, limited use of information technology, and less effective coordination among regional apparatus organizations (OPDs).

Issues in regional financial management are not only related to administrative technicalities but also involve institutional aspects, organizational culture, and governance quality. At BPKAD of East Lampung Regency, the financial management process still faces several obstacles, such as delays in the submission of budget documents, misalignment between planning and budgeting, and gaps in officials' understanding of continuously evolving regulations. This has impacted the overall performance of financial management, particularly in terms of spending efficiency, program effectiveness, and the quality of regional financial reporting.

The urgency of optimizing financial governance at BPKAD East Lampung is increasing along with rapid developments in information technology. The digitalization of financial systems such as SIPD, e-budgeting, and e-monitoring requires officials to be more skilled and adaptive. The use of these systems is not only intended to improve work efficiency but also to expand public access to regional financial information. However, the success of digitalization largely depends on human resource capacity and organizational commitment to consistently implement transparency principles.

Although the East Lampung Regency Government has utilized various applications such as SIPD, e-budgeting, and e-reporting to support financial management processes, integration among these systems has not been fully achieved. There are still issues such as duplicate data entry, inconsistencies between planning and budget realization data, and reporting processes that still require manual processing. Technical constraints such as unstable internet networks, varying user competencies, and lack of system updates contribute to these challenges. This lack of system integration affects real-time access to

financial information, reduces transparency, prolongs reporting processes, and increases the risk of data inaccuracies.

Based on the background, empirical conditions, and challenges faced in regional financial management in East Lampung Regency, several key problems can be identified as follows:

1. Suboptimal Implementation of Regional Financial Management Information Systems

The use of applications such as SIPD, e-budgeting, and financial reporting systems has not been fully integrated. There are data inconsistencies, repeated manual input processes, and limited technological infrastructure that hinder transparency and effectiveness in presenting financial information.

2. Uneven Competence of Human Resources in Financial Management Officials at BPKAD and OPDs responsible for budget management have varying levels of understanding regarding financial management regulations, government accounting standards, and the use of financial applications. This leads to technical errors, delays in reporting, and reduced accountability at each stage of financial management.

3. Weak Internal Supervision and Control in Budget Implementation Monitoring and evaluation mechanisms are not consistently implemented. Document verification procedures remain manual and lack standardized processes, potentially leading to inefficiencies, improper budget utilization, and increased risk of audit findings by the Audit Board of Indonesia (BPK).

4. Poorly Organized and Documented Regional Asset Management Asset inventories are not conducted regularly, records are not fully system-based, and coordination among OPDs in asset reporting is weak. This results in inaccurate asset valuation and reduced quality of regional financial reports.

5. Limited Public Transparency in Budget and Financial Realization Information

Public access to budget data, expenditure realization, and financial reports is not yet optimal. Information is not always presented comprehensively or in an accessible manner, meaning transparency principles have not been fully realized.

6. Suboptimal Implementation of Good Governance Principles in Financial Management

Principles such as transparency, accountability, effectiveness, efficiency, and participation have not been fully internalized within the organizational culture of BPKAD and related OPDs. This results in financial management not yet reaching the expected level of professionalism.

Based on the above background, the research problems can be formulated as follows:

1. How can transparent and accountable regional financial management be optimized at the Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency?
2. What factors support and hinder the optimization of transparent and accountable regional financial management at the Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency?

RESEARCH METHOD

This study employs a descriptive qualitative approach. This approach is chosen to obtain an in-depth understanding of how the process of regional financial management is carried out, the implementation of transparency and accountability principles, as well as the supporting and inhibiting factors in optimizing financial management at the Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency. The objective is to understand the phenomenon in a naturalistic manner, not to test hypotheses, but to describe facts and realities in the field.

Concept of Optimization

Regional financial management is a crucial element in realizing governance that is effective, efficient, and oriented toward public service. In line with the implementation of regional autonomy and fiscal decentralization, local governments are granted broader authority to manage budgets, determine development priorities, and set regional fiscal policy directions. This authority requires financial management that is not only administratively sound but also adheres to the principles of transparency, accountability, efficiency, and effectiveness.

Regional financial management in many areas still faces a number of challenges. Issues such as the suboptimal utilization of financial information systems, weak performance-based planning and budgeting, limited human resource capacity, and lack of coordination among Regional Apparatus Organizations (OPDs) remain major obstacles. In addition, the continuously evolving regulatory environment requires local governments to be adaptive and capable of continuously improving the quality of financial management.

This concept reinforces the paradigm shift toward a more responsive and accountable regional financial system. Therefore, the optimization of regional financial management is not merely an administrative requirement but a strategic effort to enhance the quality of regional development. This optimization includes improving governance practices, strengthening human resource competencies, integrating information systems, and comprehensively implementing the principles of good governance. Thus, studying the optimization of regional financial management is highly relevant to understanding current conditions, identifying obstacles, and formulating strategies to improve the effectiveness and accountability of regional finances.

FINDINGS AND DISCUSSION

1. Transparency Dimension

Regional financial management is one of the main pillars in realizing good governance. Transparency in regional financial management is an inseparable demand in efforts to create a clean, effective, and accountable government. Along with the increasing public awareness of the right to access information, local governments are required to provide the widest possible access to financial information that is accurate, easy to understand, and accountable. Based on the interview with the Secretary of BPKAD, it was stated:

BPKAD has attempted to implement financial information transparency through the preparation of regional financial reports and the dissemination of information through official local government media. However, transparency still needs to be improved, particularly in presenting information that is easily understood by the public and expanding public access to regional financial data. (Interview results, December 2025).

The transparency dimension in regional financial management includes the openness of budget information, clarity of financial management procedures, and ease of public access to regional financial reports. Transparency not only functions as a tool for public oversight but also as an instrument to prevent irregularities, inefficiencies, and misuse of budgets. With good transparency, public trust in the performance of local governments can significantly increase. Based on the interview with the Head of Accounting and Reporting Division of BPKAD, it was stated:

The process of regional financial reporting has been carried out openly and in accordance with applicable regulations. However, information disclosure is still more internal in nature, while the publication of financial information to the public has not been fully optimized. (Interview results, December 2025).

Therefore, optimizing transparent regional financial management at BPKAD of East Lampung Regency is an urgent necessity. This effort is expected to encourage improvements in the quality of regional financial governance through the provision of open, clear, and widely accessible financial information. Thus, the transparency dimension can make a real contribution to achieving regional financial management that is not only administratively accountable but also responsive to public demands and democratic principles.

2. Accountability Dimension

Accountability is a fundamental principle in regional financial management that requires every financial management activity to be clearly measurable, accountable, and in accordance with prevailing laws and regulations. In the context of local governance, accountability does not only mean administrative responsibility to superiors or supervisory institutions but also moral and public responsibility to society as the holder of sovereignty. Based on the interview with the Secretary of BPKAD, it was stated:

Accountability in regional financial management has been implemented through the application of clear work procedures and the preparation of periodic financial accountability reports. However, strengthening performance-based accountability still needs to be improved so that accountability is not merely administrative. (Interview results, December 2025).

The Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency plays a strategic role in ensuring accountability in regional financial management, starting from the budgeting process, implementation, administration, to the preparation and submission of financial reports. Each of these stages must be carried out consistently, on time, and in accordance with government accounting standards to produce reliable and accountable financial reports. Based on the interview with the Head of Accounting and Reporting Division of BPKAD, it was stated:

Accountability in regional financial management has been implemented through the application of clear work procedures and the preparation of periodic financial accountability reports. However, strengthening performance-based accountability still needs to be improved so that accountability is not merely administrative. (Interview results, December 2025).

However, in practice, the implementation of accountability in regional financial management still faces various challenges. These include the suboptimal understanding of performance-based accountability principles among personnel, weak coordination among regional apparatus organizations, and limitations in internal control and supervision. These conditions have the potential to create discrepancies between planning and budget realization, delays in reporting, and the low quality of financial accountability.

3. Efficiency and Effectiveness Dimension

Efficiency and effectiveness are two important dimensions in regional financial management that determine the extent to which limited financial resources can be optimally utilized to achieve regional development goals. Efficiency relates to the ability of local governments to use budgets economically and appropriately, while effectiveness emphasizes the level of achievement of planned goals and outcomes. These two dimensions serve as key indicators in assessing the quality and results-oriented performance of regional financial management. Based on the interview with the Secretary of BPKAD, it was stated:

BPKAD has made efforts to direct budget management in accordance with planning and regional development priorities. However, the efficiency and effectiveness of budget utilization still need to be improved through more performance-based planning and continuous evaluation. (Interview results, December 2025).

The Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency plays a strategic role in ensuring that regional financial management is carried out efficiently and effectively, starting from the planning and budgeting process, budget implementation, to the evaluation of regional financial performance. In this context, BPKAD is not only required to ensure optimal budget absorption but also to guarantee that every budget allocation provides maximum benefits for achieving regional development targets. Based on the interview with the Head of Accounting and Reporting Division of BPKAD, it was stated:

Financial reporting has become a tool to evaluate budget realization. However, the use of financial reports as a basis for decision-making to improve

efficiency and effectiveness is still not optimal. (Interview results, December 2025).

Therefore, optimizing regional financial management through the dimensions of efficiency and effectiveness at BPKAD of East Lampung Regency is very important. This effort is expected to improve the quality of planning and budgeting, strengthen control over budget implementation, and enhance the ability to evaluate regional financial performance. By achieving efficient and effective financial management, BPKAD of East Lampung Regency can make a real contribution to ensuring that budget use is targeted, results-oriented, and provides optimal benefits to the community.

4. Management System and Information Technology Dimension

The development of information technology has brought significant changes to governance, including regional financial management. The utilization of information technology-based financial management systems has become a strategic necessity for local governments in achieving transparent, accountable, efficient, and effective financial management. Management systems and information technology act as key instruments in supporting the accuracy, speed, and reliability of regional financial management processes. Based on the interview with the Secretary of BPKAD, it was stated:

Leadership has encouraged the use of regional financial information systems as the main tool in financial management. However, its implementation still requires strengthening system integration and improving staff capacity so that the system can be utilized optimally. (Interview results, December 2025).

The Regional Financial and Asset Management Agency (BPKAD) of East Lampung Regency has a central role in managing and coordinating regional financial management systems. In this context, the implementation of an integrated regional financial information system is crucial to ensure that all financial management processes—from planning, budgeting, implementation, administration, to reporting—run systematically and under control. An integrated system also enables the availability of accurate and real-time financial data, thereby supporting better decision-making. Based on the interview with the Head of Accounting and Reporting Division of BPKAD, it was stated:

The regional financial information system greatly assists in recording and reporting processes. However, there are still technical constraints and limited user understanding that affect the smoothness of the reporting process. (Interview results, December 2025).

However, in practice, optimizing management systems and information technology still faces various challenges. These include limited technological infrastructure, suboptimal integration between systems, and differences in the level of staff capability in operating financial information systems. These conditions may hinder the smooth implementation of regional financial management and reduce the quality of financial information produced.

5. Supervision Dimension

Supervision is one of the important dimensions in regional financial management that functions to ensure that all financial management processes are

carried out in accordance with laws and regulations, established plans, and principles of good governance. Through effective supervision, local governments can prevent irregularities, improve compliance among personnel, and ensure that the use of regional budgets is transparent and accountable. Based on the interview with the Secretary of BPKAD, it was stated:

BPKAD leadership plays a role in ensuring that all regional financial management processes run in accordance with regulations through tiered supervision and routine evaluations. However, the effectiveness of supervision still needs to be improved, particularly in strengthening follow-up actions on audit findings. (Interview results, December 2025).

The supervision dimension in regional financial management includes planning, implementation, and follow-up of supervisory activities. Effective supervision is not only oriented toward identifying errors but also toward fostering improvement and continuous enhancement of financial management systems. Thus, supervision becomes an important instrument in improving the quality of regional financial management and encouraging the creation of a culture of integrity. Based on the interview with the Head of Accounting and Reporting Division of BPKAD, it was stated:

Supervision is carried out through data verification, reconciliation, and internal audits before financial reports are submitted. However, supervision still focuses on administrative aspects and has not yet fully adopted a performance-based evaluation approach. (Interview results, December 2025).

Nevertheless, in practice, the implementation of supervision in regional financial management still faces various challenges. These include limited supervisory resources, weak coordination among supervisory institutions, and suboptimal follow-up on audit findings. These conditions may reduce the effectiveness of supervision and potentially hinder efforts to optimize regional financial management.

CONCLUSION

Conclusion on the Optimization of Transparent and Accountable Regional Financial Management at BPKAD of East Lampung Regency

Based on the findings, it can be concluded that:

1. **Transparency Dimension**
Regional financial management at BPKAD of East Lampung Regency has been directed toward the principle of openness.
2. **Accountability Dimension**
Regional financial management has been implemented in accordance with applicable regulations.
3. **Efficiency and Effectiveness Dimension**
The use of the regional budget has not yet fully reflected optimal efficiency and effectiveness.
4. **Management System and Information Technology Dimension**
The utilization of financial management systems and information technology has supported regional financial administrative processes.

5. Supervision Dimension

Regional financial management has been carried out through both internal and external supervision mechanisms.

Inhibiting Factors

The optimization of regional financial management at BPKAD of East Lampung Regency still faces several obstacles, including limited human resource capacity, suboptimal utilization of systems and information technology, weak coordination among regional apparatus organizations, and the not yet maximized function of supervision and evaluation.

These constraints have resulted in the incomplete realization of regional financial management that is fully transparent, accountable, efficient, and effective.

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