

# Implementation Of E-Government In Transparency Regional Financial Management

(Study at the Regional Finance and Asset Management Board of Riau Province)

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**Abstract—** Implementation of e-government through communication and information technology becomes a big hope towards the increasing quality of public services and improvement of performance in the management of local finance. Implementation of e-government in the effort of transparency of financial management in each region is part of synchronization and synergy between Directorate General of Regional Finance Ministry of Internal Affairs with each Local Government in order to support transparency and accountability of regional finance. through decentralized e-government management, e-government in the local government has not been able to provide a space for communication for the community to channel aspirations and to oversee the financial management of riau province.

**Keywords :** E-Government, Transparency, Regional Finance

## I. INTRODUCTION

Implementation of e-government in Indonesia is faced with challenges and obstacles Regulation, website implementation guidelines, and budget for e-government in local government, limited human resources, facilities and infrastructure and lack of socialization [1]

Furthermore, the implementation of e-government in some areas through the management of websites such as Pekanbaru municipal government in conveying information limited to the stages of publication alone, low political will to the website also be obstacles in the stages of e-government implementation itself. [2]

Cases of corruption that continue to hit local government led to the lack of public confidence in local government in the management of local finances. Disclosure of regional financial management information in the current digital era should be obtained by the community through the development of information technology to be accessible anywhere, anytime and for anyone. As a financial transparency effort at the regional level, local governments must commit not only to publish information and documents related to regional finances. The meaning of transparency of regional finance conducted through e-government certainly not only provides convenience for the public in obtaining information but also provides space for the

community to participate in the process of supervision to the local government in the management of regional finances.

In fact, the implementation of e-government is still regarded as a mere formality and becomes a trend that is followed without any readiness from local government in following the development of administrative ecology in the digital era. Local governments as an e-government regulator still feel safe and comfortable with the ownership of the website without paying attention to the optimization of e-government utilization.

The management of regional finances so big in its role in the implementation of local government policies and programs, will be very risky if in the management of corruption, collusion and nepotism. Implementation of e-government is basically expected not only as a publication facility but it is expected to become one of the public service media effective for the community to show its role in local financial management. In addition, regional financial management is also considered less open both the process of program planning to budgeting in the Riau provincial government. Lack of community control is due to the lack of accessibility and information disclosure in the budgeting process. In the realization of good governance needs the involvement of the community, both actively and passively.

## II. RESULT OF RESEARCH AND DISCUSSION

Since 2010 Riau Provincial Government has made e-government related development on financial services through the e-financial portal at [www.e-keuangan.riau.go.id](http://www.e-keuangan.riau.go.id) website on the e-financial portal presented various information such as Riau Province Budget, report budget realization, balance sheet, cash flow, realization of grant expenditure, realization of social assistance expenditure, BPK opinion, resume of inspection result, national law product, and KUA-PPAS. Then at this financial portal there is service through Local Financial Application that is SIPKD, where SIPKD is a set of integrated application which is used as a tool to increase the effectiveness of implementation of various regulation of area finance management area based on efficiency, economical, effective, transparent, accountable and auditabel which has been implemented since 2009 on APBD budgeting in 2010.

SIPKD application is a free cost application (free) in synergy with the Ministry of Home Affairs in conducting customization in accordance with applicable regulations in Riau Province Government environment. For the acceleration and ease of carrying out the regional management process, the Riau Provincial Government through the Regional Finance and Asset Management Board (BPKAD) of Riau Province establish a full online and centralized online connection network, so that SIPKD application can be accessed by all Regional Devices in Riau Province . The full online is done by building application access through intranet and internet network, while online centralization is done by providing SIPKD Laboratory Room containing PC All In One, WLAN and LAN, serving SKPD who can not access full online [3]

Fig 1 : Services Available in SIPKD



Source : The Provincial Government website [www.e-kuangan.riau.go.id](http://www.e-kuangan.riau.go.id) is accessed on 6 October 2017, 21.00 WIB

Through qualitative method using literature study approach by tracing previously written sources of writing with criticize, compare, summarize and synthesize a literature analysis of e-government implementation in the management of local finance by the Regional Finance and Asset Management Board of Riau Province.

The concept of E-Government is an application of information and communication technology by government agencies (the application of information and communication technology by government agencies) [4]. According to Booz Allen and Hamilton there are five dimensions in Balanced E-Government Scorecard, namely benefits, efficiency, participation, transparency, and change management. [5]

Purpose of portal E-Finance of Riau Province is reviewed based on the concept of scored balanced e-government review of the dimension of benefits refers to the quality, the community is given ease in accessing various financial information Riau province with various types of information that is constantly updated and modern website look, simple and easy to operate. Then the quantity of services provided is unlimited accessible for 24 hours later through the SIPKD feature that has been provided in e-finance province riau deemed able to provide various services online related to planning, budgeting, implementation, responsibility, data

master and utility. However, on the one hand, the online service process through SIPKD is not intended for the general public, the service is a limited access that can only be accepted by bureaucrats in the SKPD environment of the Riau Provincial Government so as not to provide benefits for the community.

Implementation of e-government through e-financial portal is seen from the dimension of efficiency shows how information technology speed up service process and improve service quality without cost, time and power.

The dimension of participation in the e-financial portal refers to how the services provided provide widespread opportunities for the community to provide participation in the management of local finances, which is the problem in the e-finance website that is implemented not yet at the interactive stage, the data and information presented are merely as knowledge for the Riau community, so that no feedback can be provided by the people of Riau. The interactive process that occurs on the e-finance portal is happening only at the bureaucratic level only so there is no active participation that can be done by the people of Riau

The dimension of transparency implies the disclosure of information on regional financial management, information needed by the community, with the website community can obtain financial management information such as Riau Province budget, budget realization report, balance sheet, cash flow, realization of grant expenditure, realization of social assistance expenditure, CPC, resume of examination results, national law products, and KUA-PPAS.

Dimensional change management. As an implementation process regarding the review process is clear and well managed. through this management information system provides opportunities and opportunities from various elements to participate in the local financial management process that is perceived to be able to mitigate and minimize any interests and irregularities.

Public transparency is a genuine, thorough and open disclosure of the whole society in the process of managing public resources (Andrianto, 2007: 21). Public resources that often have irregularities are about government or financial budgets. Budget transparency is the disclosure of information about the public finance sector. Budget transparency refers to the extent to which the public can obtain information on government financial activities and their implications in a comprehensive, accurate, and timely manner (Andrianto, 2007: 21).

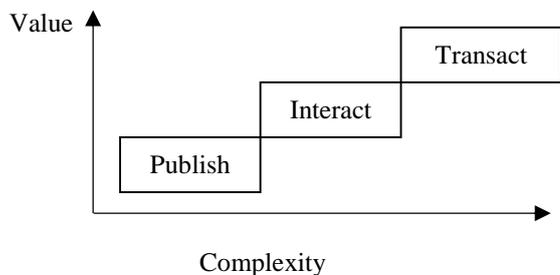
Transparency is a concept of government that is considered a fresh concept in good governance or often we are familiar with good governance, political regimes, systems and procedures to exercise government authority and capacity are key dimensions of government. This means that with the political regime that accompanies the government in Indonesia, including in it is a decentralized system in which the authority returns to the local government but still has a synergy with the central government in realizing the real concept of good governance.

Through the above definition of transparency of local financial management through the implementation of e-government can be seen through some aspects of ease of access to information, mechanisms and access community in the delivery of opinions. Openness refers to the opening of opportunities for the community to participate, providing criticism and advice to the provincial government so that accountability and transparency in the management of local finance through e-government is expected to proceed smoothly, budget accountability and regional activities can also be recognized by communities and parties who are interested.

In the digital era such as the current implementation of E-government into life for the transparency of public finance which is one of the spirit of the realization of good governance. Local financial management has indeed undergone various regulatory changes from time to time. The change is certainly a series of desires for local governments to create good governance. The success of a development in the region can not be separated from the aspects of regional financial management that must be managed with management information systems and open.

The implementation of e-government implemented by the riau provincial government is still at the basic stage. Guided by the target of achieving the implementation of regional financial transparency based on the action plan of the local budget management, Riau Provincial Government has implemented in accordance with the set targets, but the implementation of transparency of public finance management through the implementation of e-government through the website and the application has not reached the maximum stage yet the existence of community participation that can be given to make e-government only as a media publication that does not give the role to the community.

Indrajit (2005: 30) describes the stages of government website services as follows:



Picture 2.2. Stages of Service in E-Government (Indrajit, 2005).

Implementation of e-government through the website is basically not just a media entertainment that publishes various news, information and data, essentially the implementation of e-government through the website is a series of renewal process of digital-based public services that provide various facilities for the community. E-government in Riau Province itself is still in the publish stage, which is a one-way communication, in which BPKAD Povinsi Riau publishes various data and information to be accessed by society and parties concerned through internet.

Then in the Interact stage, the absence of two-way communication between Riau Provincial Government and anyone with an interest to express their aspirations either in the form of criticism or suggestions regarding the management of regional finance due to the unavailability of service facilities for the community to participate. Furthermore,

The absence of Transact which is a two-way interaction of a transaction related to the transfer of regional finances from one party to another through the e-financial portal website. At this stage is more complicated because it must have a security system and protection of the parties who transact

The regional financial management proposed by Mardiasmo (2002) states that The regional financial management proposed by Mardiasmo in the Sultan states that the budget as a planning tool, the budget as a means of control (control toll), the budget as a tool of fiscal policy of local government, the budget as a political tool of government fiscal tool, budget as a communication and coordination tool (coordination and communication tool), budget as a performance measurement tool of local government (budget measurement tool), budget as a motivation tool (motivation tool).

Riau Provincial Government has not yet fully able to organize information of government administration openly, quickly and appropriately to the public through website owned by provincial government of Riau and SKPD-SKPD. This will certainly affect the satisfaction and trust in service to the people of Riau. Publication of planning documents up to local government budget documents will have an impact on the explanation and accountability of selected budget policies and priorities. In addition, e-government with regard to the implementation of transparency and accountability of regional finance has not provided space for the community to be involved in the process of local financial management.

**III. CONCLUSION**

Local financial management systems that are intended and facilitated by local governments, have not been able to achieve the essence of transparency and accountability of local finance. The tactical system created for SKPD environment is limited and information disclosure through the website has not reached the point of implementation of e-government at an interactive and transac stage for the community in the participation of local financial management. Regulatory and information systems and technology reforms are expected to be reviewed soon for the sustainability of e-government implementation in the future which is able to be an effective and efficient media in realizing a participative society.

Maximum synergy is needed for bureaucrats as well as society. Implementation of E-Government should cover various areas of service, not only as a trend or a media of intimacy. Situations that occur in the community today is an ordinary problem where people demand the provincial government to always provide innovation in every form of service. The digital era becomes an introduction to the affairs of innovation, with access that can be utilized by people anywhere and anytime. Communication and information technologies such as the Internet and social media are forms of

innovation that can be exploited to make work more efficient, strategic, and wider impact

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