



IMPLEMENTATION OF THE REGIONAL GOVERNMENT INFORMATION SYSTEM (SIPD) IN FINANCIAL REPORTING AT THE REGIONAL REVENUE AGENCY OF NORTH SUMATRA PROVINCE

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Article Info

Keywords:

Accountability,
Financial Reporting,
Local Government,
Policy Implementation,
Regional Government Information
System (SIPD)

ABSTRACT

This study aims to analyze the implementation of the Regional Government Information System (SIPD) in financial reporting at the Regional Revenue Agency of North Sumatra Province. SIPD is a national policy designed to integrate planning, budgeting, implementation, and financial reporting processes in order to improve transparency and accountability in regional financial management. This research employs a qualitative descriptive approach through interviews, observations, and document analysis. The analysis is based on the 5C policy implementation model, namely content, context, commitment, capacity, and clients and coalitions. The findings indicate that the implementation of SIPD has improved the efficiency and integration of financial reporting. Supporting factors include clear regulatory frameworks, leadership commitment, and the availability of basic technological infrastructure. Meanwhile, inhibiting factors consist of limited human resource competence, technical system and network constraints, and suboptimal coordination among organizational units.

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1. INTRODUCTION

Public governance reform in Indonesia demands improvements in transparency, accountability, and effectiveness in regional financial management. Since the implementation of regional autonomy through Law Number 22 of 1999, which was later refined by Law Number 23 of 2014 on Regional Government, local governments have been granted broad authority to regulate and manage governmental affairs, including regional financial management [1]. Regional autonomy positions local governments as the main actors in planning, implementing, and accounting for public finances, which must be carried out in a transparent and accountable manner.

Regional financial management is further regulated under Government Regulation Number 12 of 2019 concerning Regional Financial Management, which emphasizes that financial management must be conducted in an orderly, efficient, economical, effective, transparent, and accountable manner [12]. This accountability is realized through the preparation of high-quality regional financial statements in accordance with Government Accounting Standards (SAP) as stipulated in Government Regulation Number 71 of 2010. Regional government financial statements serve as an important instrument for demonstrating financial performance as well as a means of public accountability [3].

Along with the development of information technology, the government has promoted the implementation of e-government as part of bureaucratic reform. The World Bank (2001) defines e-government as the use of information technology by governments to improve public service performance, relationships with citizens, and good governance practice [4]. s. Indrajit (2005) emphasizes that e-government plays a crucial role in enhancing transparency, accountability, and public participation through the use of digital technology [5]. In the context of regional financial management, the digitalization of information systems has become a strategic necessity to minimize errors, increase efficiency, and strengthen supervision.

As a follow-up to this need, the government established the Regional Government Information System (SIPD) through the Regulation of the Minister of Home Affairs Number 70 of 2019[9]. SIPD is designed as an integrated system that encompasses regional development information, regional financial information, and other regional government information. SIPD aims to integrate planning, budgeting, implementation, and financial reporting processes electronically so that regional government data become more consistent, accurate, and accessible. In addition, Regulation of the Minister of Home Affairs Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management emphasizes the use of information systems as a key instrument in supporting regional financial management and reporting [6] [7].

The implementation of SIPD as a public policy is inseparable from various challenges. Policy implementation theory explains that the success of a policy is determined not only by its substance but also by the factors influencing its implementation. Daniel and Paul (1979), as cited by Solihin (2008), state that policy implementation is a process of understanding what happens after a policy is formally adopted [8]. In this study, the analysis of SIPD implementation employs the 5C model proposed by Brynard (2005), which includes content, context, commitment, capacity, and clients and coalitions [9]. This model is considered relevant for analyzing SIPD implementation because it is able to explain both internal and external factors affecting the implementation of information system-based policies.

Several previous studies indicate that SIPD implementation has a positive impact on regional financial management and reporting, although various obstacles remain. Nurwani (2021) found that the implementation of SIPD at the Regional Financial and Asset Management Agency (BPKAD) of Medan City improved efficiency and transparency in financial reporting but was constrained by limited training and technical system issues [10]. Della, Tsania, and Titis (2025) showed that SIPD implementation at the Ponorogo Regency Health Office accelerated financial reporting, yet faced challenges related to data synchronization and limited human resource competence. Tunijja and Erlambang (2023) concluded that SIPD supported planning and budgeting processes in Ogan Komering Ulu Regency, although coordination among regional apparatus organizations was not yet optimal [12]. Sundari (2023) also stated that SIPD implementation in Probolinggo Regency was relatively effective but required improvements in technical aspects and data quality [11]. Furthermore, Jauhari Munawir (2023) found that communication issues and limited human resource capacity remained major obstacles to SIPD implementation at the regional level.

Although numerous studies have examined SIPD implementation, most have focused on planning and budgeting or have been conducted within Regional Financial and Asset Management Agencies (BPKAD). Studies that specifically examine SIPD implementation in financial reporting at the Regional Revenue Agency, particularly at the provincial level, remain limited. In fact, the Regional Revenue Agency plays a strategic role in managing local own-source revenue, which is crucial to overall regional financial performance.

Based on this background, this study is important to analyze in depth the implementation of the Regional Government Information System (SIPD) in financial reporting at the Regional Revenue Agency of North Sumatra Province, as well as to identify the factors that hinder and support its implementation. The findings are expected to contribute academically to the development of studies on digital-based policy implementation and to provide practical recommendations for local governments in improving transparent and accountable financial reporting [13].

2. RESEARCH METHODS

This study employs a qualitative descriptive approach to analyze the implementation of the Regional Government Information System (SIPD) in financial reporting at the Regional Revenue Agency of North Sumatra Province. The research was conducted at this institution due to its strategic role in regional revenue management and financial reporting. Informants were selected using purposive sampling, involving officials and staff directly engaged in the use of SIPD. Data were collected through interviews, observations, and document analysis. Data analysis was carried out qualitatively through data reduction, data presentation, and conclusion drawing.

The analysis of policy implementation refers to the 5C model, which includes content, context, commitment, capacity, and clients and coalitions, to identify supporting and inhibiting factors in SIPD implementation. Data validity was ensured through source and technique triangulation.

3. RESULT AND ANALYSIS

The implementation of the Regional Government Information System (SIPD) in financial reporting at the Regional Revenue Agency of North Sumatra Province represents a strategic effort by the regional government to achieve transparent, accountable, and integrated financial management. Based on the results of interviews, observations, and document analysis, SIPD has been used as the primary system in the financial reporting process, starting from data entry to the preparation of financial statements. The implementation of SIPD is considered to have contributed to improved data integration and faster financial reporting processes. However, SIPD implementation has not yet been fully optimal, as several technical and non-technical constraints remain. The implementation of SIPD is a process influenced by five main dimensions, namely content, context, commitment, capacity, and clients and coalitions, as explained below.

Content

Content refers to the clarity of objectives, substance, and regulatory provisions of the SIPD policy. Interview results indicate that the objectives of SIPD implementation are generally understood as the integration of regional financial reporting processes. The regulations governing SIPD provide a clear legal basis for its implementation. However, in practice, frequent technical system changes and operational guidelines create difficulties for some users in adapting their work processes.

Context

Context relates to the organizational environment and administrative conditions in which SIPD is implemented. Interview findings show that the organizational environment at the Regional Revenue Agency of North Sumatra Province generally supports SIPD implementation due to increasing demands for accountability in financial reporting. Nevertheless, differences in readiness among work units and dependence on the central system influence the smoothness of SIPD implementation, particularly when system disruptions occur.

Commitment

Commitment refers to the level of dedication and support of leaders and implementers in carrying out SIPD. Based on interview results, institutional leadership demonstrates a relatively strong commitment by encouraging the mandatory use of SIPD in financial reporting. However, at the technical implementation level, commitment varies and is influenced by workload and the level of system understanding, resulting in less-than-optimal utilization of SIPD.

Capacity

Capacity concerns the availability and competence of human resources, infrastructure, and technological support. Interview results reveal that limited human resource competence constitutes one of the main obstacles to SIPD implementation. Not all personnel possess adequate technical skills, and continuous training remains limited. In addition, network constraints and system instability affect the effectiveness of financial reporting, although supporting facilities are generally available.

Clients and Coalitions

Clients and coalitions refer to the parties involved in and benefiting from SIPD implementation. Interview results indicate that SIPD provides benefits in the form of easier data access and standardized financial reporting formats. However, coordination among internal work units and with related institutions still needs improvement to ensure data synchronization and more effective financial reporting processes.

The research results indicate that the implementation of the Regional Government Information System (SIPD) at the Regional Revenue Agency of North Sumatra Province has brought significant changes to the financial reporting process. Regarding strengths, the SIPD system, which is integrated and nationally standardized, facilitates real-time recording of transactions from the planning and administration stages to reporting. This reduces the risk of manual errors and improves data accuracy. The tiered approval mechanism from PA, KPA, PPTK, to the Treasurer enhances transparency and accountability, while the audit trail and standardized reporting formats make supervision easier for both internal and external parties. Data integration across work units, including UPTDs, ensures report synchronization, thereby strengthening internal control, which aligns with the content and clients and coalitions dimensions of Brynard's 5C model.

In terms of weaknesses, the study identifies several internal challenges affecting SIPD's effectiveness. The system's feature limitations do not fully support all technical reporting needs, requiring staff to perform additional tasks, such as manually summing realizations using Excel. High dependency on internet connectivity and the central server slows error correction processes, as support must come from the Ministry of Home Affairs' Pusdatin. Limited human resource capacity also poses a constraint, as the quality of input data directly affects the quality of financial reporting outputs. Existing training has not covered all system features, and staff understanding varies, resulting in uneven technical commitment to SIPD usage. This demonstrates that, despite a well-designed

system, successful implementation heavily depends on implementers' capacity, consistent with the capacity dimension of the 5C framework.

From an opportunity's perspective, SIPD offers strategic potential to enhance the quality of regional financial management. Systematically documented data enables evidence-based decision-making, supports policy planning, and facilitates revenue trend analysis. The system can also be used for risk-based auditing, as structured data make it easier to map risks, identify discrepancies, and reduce information asymmetry. Continuous development of features and system stabilization by the central government further strengthen SIPD's potential as a strategic instrument in supervision, planning, and effective regional financial management.

However, SIPD implementation also faces threats from external factors. High dependence on the central system represents a primary risk, as system errors or disruptions can delay financial reporting at the regional level. Network infrastructure that is not fully stable may also slow data input and reconciliation. Furthermore, periodic changes in regulations or system features can cause confusion among users, particularly if proper socialization and training are not provided. These threats require organizational readiness to manage system and policy dynamics to ensure that financial reporting remains accurate, timely, and accountable.

Integrating the SWOT analysis with the 5C framework shows that SIPD implementation has improved efficiency, accuracy, and integration of financial reporting at the Regional Revenue Agency of North Sumatra Province. The system's strengths and leadership commitment support successful implementation, while limited human resources, technical disruptions, and suboptimal coordination remain obstacles. Opportunities for system development and data utilization in decision-making can be maximized through improved human resource capacity, network stability, and more responsive technical support. With proactive risk management and continuous improvement, SIPD can function not only as an administrative tool but also as a strategic instrument for transparent, accountable, and data-driven regional financial governance.

Overall, the interview findings indicate that SIPD implementation in financial reporting at the Regional Revenue Agency of North Sumatra Province has been carried out and has provided benefits in improving efficiency and integration of financial reporting. Key supporting factors include clear regulatory frameworks, leadership commitment, and the availability of basic infrastructure. Meanwhile, inhibiting factors include limited human resource capacity, technical system and network constraints, and suboptimal coordination among work units. Therefore, SIPD implementation still requires capacity strengthening, improved coordination, and technical system refinement to ensure the policy objectives are achieved optimally

4. CONCLUSION

The results of this study indicate that the implementation of the Regional Government Information System (SIPD) at the Regional Revenue Agency of North Sumatra Province has significantly contributed to the efficiency, accuracy, and integration of regional financial reporting. In terms of strengths, the nationally standardized and integrated SIPD system facilitates real-time transaction recording from the planning and administration stages to reporting. This reduces the risk of manual errors and enhances data accuracy, while also improving accountability and transparency through hierarchical approval mechanisms, audit trails, and standardized reporting formats. Data integration across work units, including UPTDs, ensures report synchronization, strengthening internal control in line with the content and clients and coalitions dimensions of the 5C model.

Regarding weaknesses, the study found that several internal factors still hinder optimal SIPD utilization. The system's feature limitations do not fully support technical reporting needs, requiring staff to perform additional manual tasks, such as summing realizations using Excel. High dependency on internet networks and central servers slows error correction, as support from the Ministry of Home Affairs' Data Center (Pusdatin Kemendagri) is required. Furthermore, limited human resource capacity affects data quality, as input accuracy directly influences the quality of financial reports. Existing training does not cover all system features comprehensively, resulting in varying levels of understanding and technical commitment among staff. This highlights that, despite a well-designed system, successful implementation largely depends on implementers' capacity, consistent with the capacity dimension of the 5C theory.

In terms of opportunities, SIPD provides strategic potential to enhance the quality of regional financial management. The system offers systematically documented and integrated financial data that can support data-driven decision-making, trend analysis, policy planning, and risk-based audits. Structured information facilitates audit processes, improves risk mapping, and reduces information asymmetry. Ongoing feature development and system stabilization by the central government further strengthen SIPD's potential as a strategic tool for supervision, planning, and effective financial management.

However, SIPD implementation also faces threats from external factors. Heavy reliance on the central system poses a major risk, as system errors or disruptions can delay reporting processes. Unstable network infrastructure may slow data input and reconciliation. Moreover, periodic regulatory or system feature changes can confuse users, particularly if socialization and training are insufficient. These threats require organizational

preparedness to manage system and policy dynamics, ensuring that financial reporting remains accurate, timely, and accountable.

Overall, integrating the SWOT analysis with Brynard's 5C model shows that SIPD implementation has improved efficiency, integration, and quality of financial reporting. Implementation success is supported by system strengths, committed leadership, and basic infrastructure availability, while human resource limitations, technical disruptions, and suboptimal coordination remain obstacles. Opportunities to develop the system and leverage data for decision-making can be maximized through enhanced human resource capacity, network stability, and responsive technical support.

With proper risk management and continuous improvement, SIPD can function not only as a financial administration tool but also as a strategic instrument supporting transparent, accountable, and data-driven regional financial governance, in line with good governance principles. This study contributes academically to understanding the implementation of regional government information systems and provides practical recommendations for local governments to enhance the effectiveness of technology-based financial reporting.

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