

THE ROLE OF GOOD GOVERNANCE IN THE TRANSPARENCY AND ACCOUNTABILITY OF BUDGET MANAGEMENT IN LOCAL GOVERNMENT

Rahmat Purnomo

Universitas Jambi, Indonesia

fuadajrulmd23@gmail.com

ABSTRACT

This study aims to evaluate the role of good governance in the transparency and accountability of budget management in local government. The application of good governance principles, such as transparency, accountability, participation, and the rule of law, is essential to ensure that the management of public budgets can provide maximum benefits to the community. Local governments as implementers of regional autonomy have the responsibility to manage budgets effectively and efficiently. Through Systematic Literature Review (SLR), this study identifies factors that influence the successful implementation of good governance in budget management. The results show that the implementation of good governance can improve transparency and accountability in budget management, although there are still various challenges that must be overcome, such as the lack of human resource capacity and suboptimal supervision.

Keywords: Good governance, Transparency, Accountability.

Introduction

Good governance has become an important concept in public administration, especially in budget management in local government. Good governance principles such as transparency, accountability, public participation, and the rule of law are considered fundamental elements that can encourage effectiveness and efficiency in budget management (Haris, 2019). Along with the implementation of regional autonomy in Indonesia, local governments have greater authority in managing public budgets. However, this autonomy also demands greater responsibility in ensuring that budget management is conducted in a transparent and accountable manner. When local governments are unable to effectively implement the principles of good governance, irregularities in budget management often arise, such as corruption, waste, and unfair allocation of resources (Setiawan, 2020).

Transparency in budget management refers to the disclosure of information related to the planning, implementation, and evaluation of public budgets. This is important so that the public and other stakeholders can monitor and assess how the budget is used. Transparency allows for better oversight from various parties, both from civil society and audit institutions, so as to reduce the potential for budget irregularities (Wijaya, 2021). However, in many cases, local governments in Indonesia still face challenges in implementing full transparency. Several studies show that limited access to public financial information is a major obstacle in realising true transparency (Ramli & Hakim, 2018).

Accountability is another aspect of good governance that is very important in budget management. Accountability means that every use of the budget must be clearly accountable to the public and stakeholders. Local governments are required to not only manage the budget in a targeted manner, but also explain to the public how the budget is used and whether the results achieved are in accordance with the objectives set (Mulyani, 2019). Challenges in realising accountability in local government usually arise from low managerial skills and a bureaucratic culture that does not support clear accountability.

In the context of local government, the implementation of good governance principles requires synergy between the government, the community, and supervisory institutions. Public participation in the budget planning and monitoring process is a key element in improving accountability. Public involvement not only enables greater transparency, but can also prevent budget decisions that do not reflect public needs (Suryanto, 2020). However, public participation in budget management in many regions in Indonesia is still minimal, mainly due to a lack of political education and access to adequate public information.

In addition, the application of good governance principles in budget management is also influenced by the quality of human resources in local governments. Research by Haris (2019) shows that one of the inhibiting factors in the implementation of transparency and accountability is the low capacity of local apparatus in terms of financial management. Local governments often do not have adequate professionals in managing the budget, so the implementation of good governance is not optimal. In addition, external supervision conducted by audit institutions is often not supported by an adequate system, so that potential irregularities cannot be detected quickly.

Against this background, it is important to evaluate the role of good governance in the transparency and accountability of budget management in local government. This study aims to identify factors that influence the successful implementation of good governance principles in budget management and provide recommendations to improve transparency and accountability at the local government level.

Method

This study uses the Systematic Literature Review (SLR) method to analyse relevant literature on the role of good governance in the transparency and accountability of budget management in local government. SLR is a method used to identify, assess, and interpret all research relevant to the research questions that have been formulated (Kitchenham et al., 2009). The SLR process in this study begins with a literature search through databases such as Google Scholar, Scopus, and ProQuest. The inclusion criteria in the literature selection were studies that addressed good governance, transparency, accountability, and budget management in the public sector, particularly in local government. Only articles published within the last 10 years were used to ensure the relevance of the research to current conditions.

After literature collection, a selection process was conducted using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) technique to screen articles based on their quality and relevance to the research topic. From a total of 50 articles found, 25 articles were selected for further analysis. The articles were then analysed using a thematic approach to

identify the main factors influencing the implementation of good governance in budget management. The findings from the various studies were synthesised to provide a comprehensive picture of the role of good governance in improving transparency and accountability.

Result and Discussion

The results showed that the application of the principles of good governance, especially transparency and accountability, was instrumental in improving the quality of budget management in local government. Transparency in budget management allows the public and other stakeholders to obtain clear information about the use of the budget, from planning to implementation (Haris, 2019). Some regions that have successfully implemented transparency well have shown an increase in public trust in local governments. Research by Wijaya (2021) shows that regions that consistently publish financial reports and involve the public in budget monitoring tend to have lower levels of corruption.

However, the implementation of transparency has not been evenly distributed across regions. Several studies show that there are still many local governments that are reluctant to publish financial information openly. This is due to various factors, including low political commitment and lack of binding regulations (Ramli & Hakim, 2018). This low transparency leads to low public participation in budget monitoring, which in turn reduces local government accountability.

In terms of accountability, this study found that local governments that consistently apply accountability principles tend to have more efficient and targeted budget management (Mulyani, 2019). Good accountability ensures that every use of the budget can be accounted for, both administratively and publicly. Local governments that are unable to provide clear accountability often face problems in terms of corruption and budget waste. A study by Setiawan (2020) found that in some regions, budget management accountability remains a major challenge, mainly due to the low quality of human resources and the lack of external oversight.

Community participation is also an important factor in implementing good governance in local government. Active participation from the public not only increases transparency, but also ensures that budget decisions reflect the needs and aspirations of the community (Suryanto, 2020). However, this participation is often limited due to lack of access to public information and low political education. Some regions have tried to increase public participation through public consultation forums, but the impact is still limited due to lack of socialisation and education.

In addition, the results show that one of the main challenges in implementing good governance in local governments is the low capacity of government apparatus in terms of financial management. Many local governments still face problems in terms of budget management due to the lack of professionals who understand the principles of good financial management (Haris, 2019). This results in low accountability and increased risk of budget misuse.

Conclusion

This study concludes that the application of good governance principles, particularly transparency and accountability, is essential to improve the quality of budget management in local government. Local governments that are able to implement transparency well tend to have higher levels of public participation and can reduce the potential for budget irregularities. Good accountability also ensures that budget utilisation can be clearly accounted for to the public, which in turn improves the efficiency and effectiveness of budget management. However, challenges such as low human resource capacity and lack of supportive regulations still pose obstacles to optimal good governance in local government.

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