

The Role of Public Sector Financial Management in Supporting the Implementation of the 2020-2024 RPJMN Program

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Abstract

Public sector financial management has an important role in ensuring the effectiveness of budget utilization to support the achievement of targets given by the Government. The 2020-2024 National Medium-Term Development Plan is a strategic document that serves as the main guideline for implementing national development. Good financial management can increase effectiveness and efficiency in the utilization of available resources so that development goals can be achieved optimally. This study aims to analyze the role of public sector financial management in supporting the implementation of the 2020-2024 RPJMN program. The method used is descriptive qualitative research with data collection techniques through literature study. Data analysis is carried out through the stages of filtering, presenting, and drawing conclusions. The results show that the implementation of public sector financial management functions, such as planning, budgeting, implementation, supervision, and evaluation, contributes to improving the effectiveness of budget use and preventing waste and irregularities. In addition, transparency and accountability in public financial management are key factors in supporting the successful implementation of RPJMN programs. Therefore, capacity building and the development of a more transparent and accountable financial management system need to continue to ensure the achievement of development goals in the next period.

Keywords: Financial management, public sector, local government, RPJMN 2020-2045 program.

INTRODUCTION

The 2020-2024 National Medium-Term Development Plan is a strategic planning document that serves as the main guideline for the implementation of national development. This document is compiled in Presidential Regulation of the Republic of Indonesia Number 18 of 2020, which outlines the direction of development policies and strategies over a five-year period. One of the national priorities listed in the 2020-2024 RPJMN is to strengthen political stability, law, defense, and security (Polhukhankam) and encourage the transformation of public services as part of efforts to create an effective and efficient government (Pambudi & Hidayat, 2022).

The successful implementation of the highly dependent on the effectiveness of public sector financial management. Good financial management is a key factor in ensuring that available resources can be used optimally to achieve various development goals (Ilat, 2016). Efficient financial management will support the improvement of people's welfare, encourage sustainable

economic growth, and ensure equitable development in various sectors and regions (Kurniawan, 2024).

Development funding and the allocation of the State Budget in Indonesia are always directed at realizing people's welfare, as mandated in Article 23 paragraph 1 of the 1945 Constitution. However, in practice, the implementation of regional finance still faces various challenges, especially related to the low quality of regional spending. Some of the obstacles that often occur in the implementation of the Regional Budget include delays in the stipulation of the APBD, a less-than-ideal budget structure, and the absorption of expenditures that tend to be slow. In addition, many regions still have idle funds, which are funds that are not used optimally in public spending. Administrative constraints in regional financial management are also a significant problem, which is reflected in the number of regions that receive unfavorable opinions from the Supreme Audit Agency in their financial management audits (Abidin, 2015).

In this challenge, public sector financial management has a very important role to play in ensuring the effective use of the budget. Based on the Minister of Home Affairs Regulation No. 113/2014, village finances are the rights and obligations of the village that can be valued in the form of money or goods and are related to the implementation of village obligations in supporting development. The management of village fund management includes several main aspects, namely planning, implementation, supervision, and accountability or reporting. In order for development programs to run optimally, a good and structured management system is needed. Management in the public sector includes five main functions, namely planning, organizing, actuating, controlling, and evaluating. Through the application of these functions, public sector financial management can increase effectiveness and efficiency in the utilization of available resources in order to achieve predetermined development goals (Vunanti, 2023).

In the implementation of the 2020-2024 National Medium-Term Development Plan, the role of public sector financial management is becoming increasingly crucial. Transparent, accountable, and efficient financial management will contribute to supporting various national development programs, including improving people's welfare, economic growth, and equitable development in various sectors and regions. Therefore, this study aims to analyze how public sector financial management can play a role in supporting the implementation of RPJMN 2020-2024 in an effective and sustainable manner.

Previous research conducted by Kamaroellah (2017) analyzed the level of financial capability in Pamekasan Regency in supporting the implementation of regional autonomy. The results showed that based on the ratio of regional financial independence, the average obtained was 36.53%. In addition, the decentralization degree ratio, which only reaches 6.4%, indicates that the level of regional financial autonomy is still weak. Dependence on transfer funds is also evident from the ratio of regional financial dependence which reached 19%, indicating that Regional Original Revenue is not sufficient to finance direct expenditure independently.

Meanwhile, research conducted by Fajar et al. (2023) focused on analyzing public sector financial management policies in realizing the principles of good governance in the Gresik City Government. The results showed that although the Gresik City local government has tried to apply

the principles of good governance, the implementation is still not optimal. Indications of the application of good governance can be seen from the rule of law, easy access to information for the public, improving the quality of public services, and accountability in local government performance accountability. However, there are still some challenges that need to be improved to ensure that the principles of good governance can be applied more optimally.

Another study conducted by Setiyani and Nurfadila (2021) examined the implementation of public sector accounting in the village government financial system. This study found that the policies implemented by the Gendingan village government were in accordance with applicable regulations and were considered accountable in the presentation of accountability reports. In addition, the existence of a village-based accounting information system (SISKEUDES) has provided significant benefits to the village government, especially in increasing the seriousness of village officials in preparing village fund financial reports in a more systematic and transparent manner.

This research brings novelty by analyzing the current state of public financial management in local governments in relation to the implementation of the 2020-2024 RPJMN. The main focus of this research includes the effectiveness of budget management, the level of transparency and accountability of public finance, and innovations in fiscal policy aimed at supporting national development priorities. Through this research, the main challenges faced by local governments in public financial management will be identified, so that optimal strategies can be formulated in improving the effectiveness of local budget management.

The results of this study are expected to make a significant contribution in the form of policy recommendations for local governments, especially in improving the effectiveness of public financial management. In addition, this research also has the potential to become an important reference for academics and practitioners who want to understand more about the dynamics of public finance at the regional level. Through optimization that can be applied sustainably, this research is expected to provide relevant solutions in supporting the achievement of national development for the following year's plan more effectively and efficiently.

RESEARCH METHODS

This research uses the descriptive qualitative method as the main approach in analyzing the role of public sector financial management in supporting the implementation of the 2020-2024 RPJMN program. The descriptive qualitative method is a combination of descriptive and qualitative approaches that aim to describe certain phenomena, events, or circumstances in depth. This approach produces descriptions in the form of meaningful sentences, providing a more comprehensive understanding of a problem (Rukin, 2019). This method was chosen because it is able to reveal the characteristics, quality, and interrelationships between activities related to public sector financial management. In addition, this research presents the data as it is without any manipulation or treatment process so that the validity of the information can be maintained. The main focus of this approach is on the meaning contained in the research results, not just on numbers or statistics, making it more suitable for analyzing policies and strategies in public financial

management. Data collection was conducted through a literature study, where researchers accessed various literature sources, including books, academic journals, and references from various sources on the internet. After the data was collected, it was analyzed through several stages, namely filtering data to select relevant information, presenting data in the form of a systematic narrative, and drawing conclusions based on research findings.

RESULT AND DISCUSSION

Public sector financial management plays an important role in supporting the implementation of the 2020-2024 National Medium-Term Development Plan. One of the main aspects to focus on is transparency and accountability in public budget management. Based on research conducted by Dewi & Purwanto (2022), transparency in local financial management is still relatively low, with only 15% of local government official websites providing open financial information. This lack of transparency may hinder the effectiveness of RPJMN implementation, as without proper oversight, development policies may be subject to irregularities or corruption.

Apart from transparency, the effectiveness of regional budget management is also influenced by the level of compliance with applicable regulations. Lestari & Purnamawati (2022) explain that the majority of local governments have not been optimal in managing public finances, which results in regional losses. Factors such as negligence of officials in complying with regulations, weak supervision, and low understanding of the accountability system are the main obstacles in supporting development programs that have been designed in the RPJMN. Therefore, it is necessary to improve the internal control system and increase the capacity of human resources in the field of public sector financial management.

Digitalization and implementation of e-government are also strategic steps in improving the effectiveness of public financial management. Based on research by Setiawan et al. (2024), the measurement of regional financial transparency can be improved through the use of digital technology in budget management. Presidential Instruction Number 7 of 2015 emphasizes the importance of transparency in regional budget management as part of corruption prevention and eradication actions (Syamsul & Zuhroh, 2021). By implementing better financial information systems, local governments can ensure that budget allocations in the RPJMN are actually used for the benefit of the community in accordance with established plans.

However, despite the existence of regulations governing transparency and accountability, the implementation of these policies still faces various challenges. A study conducted by Indonesia Corruption Watch (ICW) in Maria & HAalim (2021) found that in 2015, local government officials constituted the largest group of corruption perpetrators in cases decided by corruption courts. This shows that in addition to strengthening regulations, stricter supervision mechanisms are needed as well as increased public participation in overseeing budget use. Thus, the role of public sector financial management in supporting RPJMN 2020-2024 can be optimized and have a positive impact on national development.

To improve the effectiveness of public financial management in supporting the implementation of RPJMN 2020-2024, local governments need to implement several strategic policy recommendations.

Improving Transparency and Accountability of Public Finance

Transparency in local financial management is still relatively low, as shown by various studies that reveal the lack of public access to financial information and weak supervision of budget use. A study by Viona & Khairiyah (2022) found that low transparency was caused by the suboptimal implementation of e-government systems in many regions, which led to the difficulty of the public obtaining financial data openly. In addition, research by Utomo (2024) shows that low public financial literacy and minimal community involvement in oversight also worsen regional budget transparency. Therefore, concrete steps are needed to strengthen transparency mechanisms to improve local government accountability.

Local governments can improve financial transparency by improving e-government systems as mandated in Presidential Instruction Number 7 of 2015 so that the public can easily access budget information. The implementation of digital-based financial systems is also important to provide real-time data that can be monitored by the public, as supported by Rahmadany's research (2024) which found that digitalization of local finances can improve accountability and efficiency. In addition, strengthening the role of the public in budget oversight through transparent and participatory reporting mechanisms will increase public trust in government. A study by Kholik (2024) shows that community involvement in budget supervision contributes to reducing the potential for misuse of public funds. Thus, the combination of e-government, financial digitization, and public participation is an effective strategy to improve the transparency of local financial management.

Stricter Internal Control System Implementation

A study by Susanti and Yulianto (2018) revealed that weaknesses in internal control increase the risk of budget abuse and inefficiency in regional financial management (Firmansyah, 2024). Therefore, local governments need to develop a risk-based internal control system to detect potential irregularities early on. Research by Wahyuningsih et al. (2024) also confirms that the application of a risk-based control system in regional financial governance can reduce opportunities for corruption and increase budget effectiveness.

In addition, increasing the capacity of the Government Internal Audit Agency (APIP) is an important step to ensure more proactive oversight of local budgets. A study by Suryani & Gaol (2025) shows that highly competent APIPs are able to detect discrepancies in financial reports and prevent budget leakages. Local governments also need to implement a strict reward and punishment system for officials responsible for managing local finances, as evidenced by research (Anggita et al., 2024), which states that the implementation of a strict incentive and sanction system can improve accountability and discipline in public financial management.

Optimizing Digitalization in Public Financial Management

Digitalization of public financial management is a must along with technological developments, in order to increase transparency, accountability, and efficiency in the use of

regional budgets. Mulyana et al.'s study (2025) shows that the application of technology in public financial management can increase the effectiveness of fund distribution and reduce the risk of budget misuse. Therefore, local governments need to develop a Regional Financial Information System (SIKD) that is integrated with the national platform to ensure data synchronization and tighter supervision. In addition, the implementation of a cashless transaction system has proven effective in minimizing budget leakage, as revealed in a study by Rakhman (2024), who found that digitizing transactions reduces the potential for corruption in government spending. The utilization of big data technology and artificial intelligence (AI) is also important for more accurate and efficient financial analysis, as supported by research by Kusumawati (2024), which shows that AI can detect anomalies in budget management and improve the quality of regional financial planning.

Improving HR Capacity in Public Financial Management

Local officials' lack of understanding of financial regulations often leads to inefficiencies in budget management, which leads to suboptimal use of funds and potential misuse. A study by Mukarromah et al. (2024) found that low financial literacy among local officials hinders the effective implementation of budget policies. To address this, local governments need to provide continuous training for finance staff, especially on the latest regulations and digital-based budget management systems, as suggested by Kardina et al.'s (2024) study, which showed that increased staff capacity has a positive impact on the efficiency of local financial management. In addition, ensuring the recruitment of highly competent financial management experts is a strategic step in improving budget effectiveness, as supported by Mendrofa et al.'s (2024) study, which found that certification improves the accountability and quality of public budget management. With these steps, it is expected that local financial management will become more transparent, efficient and accountable.

By implementing these recommendations, local governments can more effectively manage their budgets, improve accountability, and ensure that the programs in the 2020-2024 RPJMN can run in accordance with the set targets.

CONCLUSION

The analysis results confirm that public sector financial management significantly supports the implementation of the 2020–2024 National Medium-Term Development Plan by promoting effective, transparent, and accountable budget allocation, distribution, and utilization. This support is realized through initiatives such as digitizing financial systems to enhance transparency, strengthening internal control systems to mitigate fund leakage, and improving human resource capacity in financial governance. In alignment with the research objectives, this study underscores the need for local governments to adopt policy measures emphasizing transparency, efficiency, and accountability. These include the integration of big data and artificial intelligence in financial systems to enhance the precision of budget planning, as well as reinforcing the role of the Government Internal Audit Agency in conducting risk-based audits. Continuous human resource development and training in public financial management are also crucial to meeting the demands

of modern financial governance. Future research can build on these findings by exploring the impact of emerging technologies in public finance and evaluating the effectiveness of incentive and sanction systems in promoting sound financial management practices. Such studies could contribute to the development of more adaptive and innovative models for public sector financial governance, especially in the context of national development planning.

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