

## Bridging Institutional Theory and Public Sector Digitalization: The Case of SIPD

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DOI: <https://doi.org/10.33005/jasf.v8i2.616>

### Article Info

Editor: Armizha Rahmatika

Received: 12 August 2025

Revised: 5 December 2025

Accepted: 28 December 2025

### Citation APA 7<sup>th</sup>

Annisa, R. & Nor, W. (2025),  
Bridging Institutional Theory and  
Public Sector Digitalization: The  
Case of SIPD. *JASF: Journal of  
Accounting and Strategic Finance*,  
8 (2), pp. 256-278.

### ABSTRACT

**Purpose:** With this research, we want to better understand the opportunities and threats that local governments face as they work to integrate the Regional Government Information System (*Sistem Informasi Pemerintahan Daerah*/SIPD) for Accounting and Reporting.

**Method:** Participants included members of the provincial administration to the regencies of Banjar, Barito Kuala, Hulu Sungai Tengah, Hulu Sungai Selatan, Hulu Sungai Utara, Tabalong, Tapin, and Banjarmasin city, also the Financial and Development Supervisory Agency (BPKP) and the Audit Board of the Republic of Indonesia (BPK RI) participated in a qualitative case study that covered all of South Kalimantan Province. Data were collected through interviews and documentation.

**Findings:** The research revealed a number of factors that challenge SIPD implementation, including concerns with the quality provided by systems and services, government format compliance with financial reports being less than 100%, data inaccuracies in its Administrative Module using system at both state and local levels, as well as technical problems also in the Administrative Module in delivering data to the Accounting and Reporting Module. Institutional theory describes that local governments persist in using SIPD despite existing constraints.

**Novelty/Value:** This study offers new insights into accounting and reporting challenges under SIPD from the perspective of local governments and oversight institutions, emphasizing the need for system reliability, user adaptation, and regulatory alignment to support effective public financial management, based on findings reflected in BPK audit results.

**Keywords:** SIPD (*Sistem Informasi Pemerintahan Daerah*), system quality, service quality, financial statements.



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## INTRODUCTION

Digital transformation in public organizations increasingly relies on variables such as technological integration, data-driven tools, and community-oriented approaches; these variables offer empirical evidence of the relationships among organizational commitment, digital transformation, and individual performance (Ly, 2024; Wijaya et al., 2024). The research on information systems shows that the accounting information systems quality, non-financial information systems, collaborative governance, and a culture of compliance are taking as important factors in assisting decision-making and organizational performance (Aidi et al., 2024; Sofyani et al., 2020; Tran Thanh Thuy, 2025).

Strengthening Indonesia's financial resilience requires an integration of community-based frameworks, data-driven tools, and technology, supported by regulatory initiatives for digital transformation, improved data security, and adjustments in workforce skills (Syamsiyah et al., 2024). Success also depends on the creation of creative business models, digital competencies, organizational functions, culture, and effective human resource management (Krismajayanti et al., 2024). To achieve this goal, organizations can utilize digital technologies that improve the accessibility and transparency of financial information (Budiwitjaksono et al., 2024).

The implementation of digital transformation in local government environments is reinforced by national policies through Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems, which mandates the use of Local Government Information Systems. This policy is reinforced by Permendagri No. 70 of 2019 and a letter from the Minister of Home Affairs dated January 6, 2023 (SIPD V 1.1, 2023). The decision of the Financial and Development Supervisory Agency on October 27, 2023, stating that the Regional Financial Management Information System (FMIS) will stop being used starting in the 2024 fiscal year has initiated all local governments, involving those in South Kalimantan Province, to fully switch to SIPD (*Sistem Informasi Pemerintahan Daerah*).

The South Kalimantan Representative Office of the Indonesian Audit Board reported in its preliminary audit exit meeting on March 13, 2025, that the implementation of SIPD has not been optimal in supporting the preparation of the 2024 financial statements (ANTARA, 2025). The Banjarmasin City Government experienced a slowdown in SIPD access in the fourth quarter when the burden of data input and consolidation increased towards the end of the fiscal year. A number of financial reports generated through SIPD were also not entirely compliant with Government Accounting Standards, requiring regional agencies to make manual adjustments and verifications to ensure the accuracy of the reports. This situation indicates a gap between regulatory obligations and operational readiness at the regional level. The Tapin Regency Government also faced technical obstacles in operating the SIPD Administration Module, which prevented the recording and management of financial transactions from running optimally. Disruptions to this module cause irregularities and delays in the flow of data to SIPD Accounting and Reporting, so that the reconciliation and preparation of financial reports do not obtain complete and valid data. These data flow delays have a direct impact on the accuracy, reliability, and precision of the information needed to produce accurate and compliant local government financial reports. The Tapin Regency Government will face challenges in fulfilling the requirements of the standards of transparent, accountable, and timely reporting as stipulated in local financial management regulations.

This real picture shows a situation where the system has been mandated nationally but has not yet achieved full effectiveness at the regional level. This is in line with the institutional theory approach that the public sector is often under coercive pressure from regulations, normative pressure from demands for professionalism, and mimetic pressure through adjustments to the practices of other regions. In the process of implementing SIPD, various factors such as the Ministry of Home Affairs, local governments, SIPD operators, the Inspectorate, and the Supreme Audit Agency interact within the scope of these pressures. Due to the dominance of coercive pressure, institutions often "adopt SIPD more as an obligation to comply than to actually" use it to improve performance and accountability.

This study is based on empirical evidence and confirms the role of organizational commitment, digital transformation, and accounting information system quality in improving individual and organizational performance, especially in the public sector (Eriza et al., 2025; Ferreira & Santos, 2025; Maulana & Dečman, 2023; Namatovu & Kyambade, 2025). Previous studies have shown that the successful implementation of digital technology depends on governance cooperation, higher quality

information, better data security protection, and flexible policies toward technological developments. In Indonesia, SIPD, as a system regulated by the government, has encouraged the advancement of e-government at the local government level.

Previous studies have discussed information quality, data security, digital transformation, and collaborative governance, there is still a research gap, particularly regarding how institutional pressure affects the user experience of SIPD. There have not been many studies that deeply examine the relationship between the SIPD user experience, institutional pressure, and the effectiveness of SIPD in improving the accuracy and fairness of local government financial reports. Research on the user experience in the context of SIPD implementation is still needed to understand how institutional and technical factors influence the success or obstacles in its implementation.

This study explores users' experiences and perceptions regarding the implementation of SIPD as an accounting information system using a qualitative approach. Based on institutional theory, this study aims to explore how institutional pressure influences the adoption and use of SIPD, as well as how users' experiences and perceptions can explain the success or obstacles of its implementation in supporting regional accounting and financial reporting. In the public sector, coercive influence through various government regulations often dominates, and in these conditions, agencies "adopt the SIPD system more out of a sense of compliance than a serious desire to contribute to performance or accountability". The research questions that guide this study is:

**RQ:** How do institutional pressures facilitate or hinder the adoption of SIPD in supporting accounting and financial reporting in local government?

## LITERATURE REVIEW

### Institutional Theory

An institutional theory framework allows examining the influence factors of business performance to be explored in detail (Iskandar et al., 2022). The powerful effects of influential insiders who craft organizational reactions to institutional pressure (Sofyani et al., 2020). These pressures are differentiated into three types or forms; the coercive, normative and mimetic (DiMaggio & Powell, 1983).

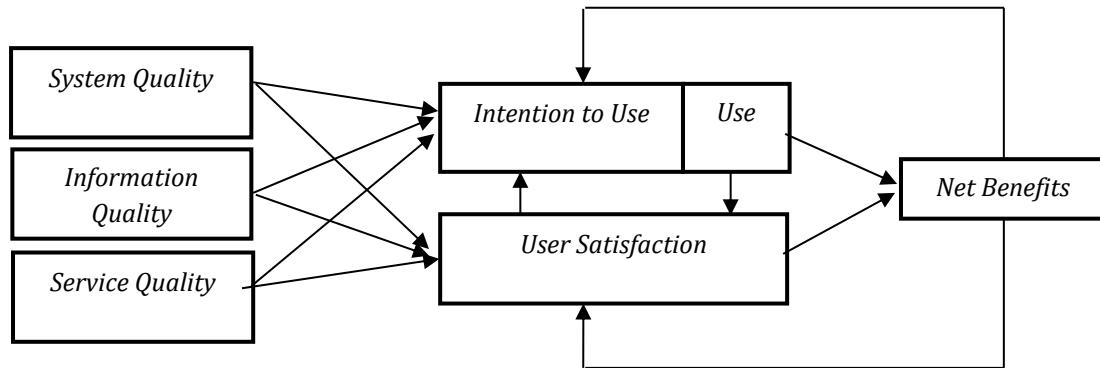
Isomorphism is the pressure towards the adoption of particular norms exerted on organizations by other organisations or society (DiMaggio & Powell, 1983). Comparative normative pressure is the one that emerges because of professionalism. Normative pressure applies because professionals participate in the norms and values hidden behind professional standards. The professionalism in question can be based on education and referral networks (DiMaggio & Powell, 1983). Mimetic processes occur as a result of pressures arising from uncertainty in the organizational environment, ambiguous goals, and limited knowledge of systems and information technology, which lead organizations to imitate other organizations around them (DiMaggio & Powell, 1983).

Institutionalism as an innovative approach to effective internal management (Gulden et al., 2020). Isomorphic pressures, particularly mimetic pressure, influence the adoption of reporting systems (Mokodompit et al., 2025). The isomorphic pressure in the decision-making process for implementation clearly indicates the presence of coercive isomorphism (Mendes Junior & Alves, 2023). Coercive isomorphic pressure and mimetic isomorphic pressure have a substantial and favorable impact on the acceptance of the new standard (Muda et al., 2024). Institutional pressures and the traits of senior executives both affect how the business responds strategically (Abdul Majid et al., 2023). Political ties have been shown to serve as an effective tool for forced isomorphism. (Putri Pertiwi et al., 2022).

### Information System Success Model (2003)

A comprehensive model for assessing the effectiveness of an information system is provided by the Information System Success Model (Delone & McLean, 2003). The six main factors in the model are net benefits, system use, information quality, service quality, system quality and user satisfaction (Delone & McLean, 2003).

An organizational culture of compliance in information technology influences service quality, accountability, and transparency indirectly, mediated by the effectiveness of IT governance (Sofyani et al., 2020). Effective information technology governance is a key strategy in achieving good service quality, particularly services that are fast and in accordance with established service standards, as well as in improving accountability and transparency (Sofyani et al., 2020).



**Figure 1.** DeLone and McLean Information System Success Model, 2003

Source: DeLone and McLean, 2003

## Regional Government Information System/Sistem Informasi Pemerintahan Daerah (SIPD)

Institutional theory provides a helpful framework with which to explore the factors influencing adoption and implementation of IS in public organizations, including those that determine diffusing success or failure. Such an approach is critical in evaluating the effectiveness of public policies, and it will distinguish formal compliance from actual improvement in financial management. *Sistem Informasi Pemerintahan Daerah* (SIPD)/Regional Government Information System was created as a form of an effort to integrate the management of regional finances, and also improve financial transparency and accountability in regional governments. SIPD serves as a unified regional finance platform that encompasses budgeting, accounting and reporting also with government rules (Menteri Dalam Negeri Republik Indonesia, 2019). Responsible for good governance and financial responsibility will also be achieved with the application of this element (SIPD V 1.1, 2023).

Systems and users experience of the quality of information The quality of information impacts on system use and user satisfaction (Hidayat Ur Rehman et al., 2023). Quality systems and information influence both organizational performance and user satisfaction (Indriani et al., 2020). User satisfaction and general benefits are influenced by system and service quality (Surya et al., 2024). Other researches present that the quality of service has a direct influence on the satisfaction of users (De Leon et al., 2020). System quality also affects system usage and user satisfaction (Ariyanto et al., 2024). Data integrity and timeliness determine system data connectivity and user satisfaction (Chen et al., 2022). Information system performance is indicated by the achievement of organizational goals using the system, facilitation of users in carrying out tasks, and user satisfaction with the system (Latifah & Abitama, 2021).

## RESEARCH METHOD

The purpose of this qualitative study is to learn more about how important people involved in the local government's financial management have felt and what they think about the Regional Government Information System (*Sistem Informasi Pemerintahan Daerah/SIPD*) since it was implemented. Researcher chooses qualitative methodology, as it allows him/her more flexibility while exploring the contextual and interpretative nature of social and institutional processes influencing implementation of SIPD. The main purpose of this study is to understand the effects of institutional pressure on organizational actors' SIPD and in particular how regulatory force influences their behavior. Table 1 shows the key informants to gain understanding on the digitalization implemented in the SIPD.

**Table 1.** The key informants mentioned are listed

No	Agency	Regional Work Unit	Initial	Position
1	Barito Kuala Regency	Regional Financial and Asset Management Agency	KB01	Head of Agency
2	Hulu Sungai Selatan Regency	Regional Financial and Revenue Management Agency	KBA01	Head of Accounting Division
3	Tabalong Regency	Regional Financial and Asset Management Agency	KBA02	Head of Accounting Division
4	Banjarmasin City	Regional Financial, Revenue, and Asset Management Agency	KBA03	Head of Accounting Division
5	Banjarmasin City	South Banjarmasin District	PL01	Financial Report Preparer
6	Banjarmasin City	Agency for Population Control, Family Planning, and Community Empowerment	KK01	Head of Finance Subdivision
7	Tapin Regency	Regional Finance and Asset Agency	KSP01	Head of Financial Reporting Subdivision
8	Banjarmasin City	Regional Financial, Revenue, and Asset Management Agency	KSP02	Head of Financial Reporting Subdivision
9	Hulu Sungai Utara Regency	Regional Financial and Asset Management Agency	KSP03	Head of Financial Reporting Subdivision
10	Hulu Sungai Tengah Regency	Regional Financial and Asset Management Agency	KSP04	Head of Financial Reporting Subdivision
11	Supreme Audit Agency (BPK)	Supreme Audit Agency (BPK) South Kalimantan Representative	A01	Auditor
12	Financial and Development Supervisory Agency	Financial and Development Supervisory Agency South Kalimantan Representative	A02	Auditor
13	Banjar Regency	Regional Financial, Revenue, and Asset Management Agency	PLK01	Consolidated Financial Statement Preparer of the Regional Government
14	South Kalimantan Province	Regional Financial and Asset Management Agency	PLK02	Consolidated Financial Statement Preparer of the Regional Government

Source: Processed Data (2025)

We spoke with 14 individuals, including ASN in some local governments, members of BPK RI at the Audit Board of the Republic of Indonesia and members of BPKPs in South Kalimantan's Financial and Development Supervisory Agency. The terminology here clearly was crafted with an eye to recruiting informants; particularly desired in the recruitment efforts were individuals whose occupational responsibilities included the making, reviewing or auditing of financial accounts of local governments (see Table 1). In-depth interviews will be conducted with the Head of Division responsible for accounting and reporting at the Regional Financial Management Work Unit (SKPKD), the Head of Subdivision in charge of reporting at the SKPKD, the Head of the Finance Subdivision at the Local Government Work Unit (SKPD), and financial statement preparers at the SKPD level. In addition, interviews will involve auditors from BPK RI and BPKP South Kalimantan who serve as users of local government financial statements in the context of oversight and auditing.

This study selected specific local governments in South Kalimantan based on the availability of key informants who demonstrated a high level of responsiveness, transparency, and willingness to

provide complete and credible data relevant to the research objectives. The chosen areas also show different ways of looking at financial information systems. There are two categories of SIPD usage, including several regions using SIPD as the main platform and several other regions using additional information systems as a tool in compiling regional financial reports. These differences underscore the systemic challenges of local government information system adoption and integration and illuminate financial monitoring dynamics.

To permit some flexibility in examining the informant's perspective and focus on the study issue, semi-structured interviews will be conducted. And channel analysis record and transcribe all interviews. The study objectives will direct the process of data analysis such as coding, categorizing and identifying thematic patterns. We will triangulate sources and conduct member verification to ensure data accuracy by confirming initial interpretations with the informants. The objective of this research is to understand in a more comprehensive manner the institutional factors that affect SIPD as practice in local government and its processes of adoption.

### Technical and Data Analysis

Data testing was conducted to ensure validity and reliability so that high-quality research could be obtained. Validity testing was conducted by researchers to ensure the accuracy of the findings or research results, while reliability testing was conducted to show that this research would be consistent if conducted by other researchers and in other research contexts. The validity of this research was ensured by applying triangulation and member checking (Creswell & Creswell, 2023).

The interview data analysis was conducted using the steps outlined by (Creswell & Creswell, 2023) as follows:

- a. Processing and preparing data.
- b. Reading all the data.
- c. Authors code all data.
- d. The authors describe the setting, participants, categories, and themes to be analyzed.
- e. Authors show how descriptions and themes are presented in narratives or reports.

Authors create interpretations or meanings of themes/descriptions.

## RESULTS AND DISCUSSION

Drawing upon the Institutional Theory, the adoption of SIPD is considered to be affected by formal rules, norms and cognitive cultural institutional factors in organizations. The users take on and modify the system as a result of institutional pressures (legislation, professional norms and stakeholder expectations). The modes of SIPD use differ according to how far organizational practices adhere to these institutional pressures and the degree of legitimacy accorded this system. These results demonstrate that the success of a SIPD implementation depends largely on whether the organization is able to integrate the system into institutional norms and create support from key actors so that it can be successfully adopted and used in the long term.

### Results

#### *Challenges in the Implementation of SIPD*

Some of the barriers in SIPD implementation that were found in this study are limited technical service training, lack of access to digital infrastructure, differences in technology literacy of officers and staff members involved, as well as resistance to a new system. System and network quality of SIPD implementation vary greatly from one region to another. Regional fiscal and policy support, human resources capacity, and technological infrastructure are the key aspects affecting these disparities.

SIPD works well and the browsing is smooth when there is a good internet availability. As reported by KBA01 on Monday, July 14, 2025, between 09:00 and 09:15, a representative from the Hulu Sungai Selatan Regency Regional Financial and Revenue Management Agency.

*"In terms of network infrastructure, Hulu Sungai Selatan Regency has good coverage and rarely experiences issues. The regency already utilizes printed financial reports generated from the SIPD system for audit."*

Interview results in Bahasa Indonesia:

*"Dari segi jaringan di Kabupaten Hulu Sungai Selatan sudah baik dan jarang terjadi masalah. Kabupaten Hulu Sungai Selatan sudah menggunakan hasil cetak laporan keuangan dari SIPD untuk audit."*

A different perspective on the system quality was provided by a Financial Report Preparer at an SKPD office in Banjarmasin City, as PL01 said on Thursday, July 17, 2025 at 10.00-10.25,

*"There were difficulties accessing SIPD Accounting and Reporting when entering the fourth quarter period of 2024. When issues arise, I ask the SKPD Expenditure Treasurer, who also uses the SIPD Administration module, whether they experience the same access problems. I wait for feedback from the Expenditure Treasurer and occasionally continue trying to log into SIPD Accounting and Reporting. To facilitate access to SIPD Accounting and Reporting, I prefer using my own smartphone's internet hotspot rather than shared internet access."*

Interview results in Bahasa Indonesia:

*"Terjadi kendala saat akses masuk SIPD Akuntansi dan Pelaporan saat memasuki periode triwulan 4 Tahun 2024, jika terjadi kendala maka saya akan menanyakan Bendahara Pengeluaran SKPD sebagai Pengguna SIPD Penatausahaan apakah mengalami kendala akses masuk yang sama. Saya akan menunggu informasi dari Bendahara Pengeluaran dan sesekali mencoba terus login SIPD Akuntansi dan Pelaporan. Untuk mempermudah akses masuk SIPD Akuntansi dana Pelaporan, saya lebih memilih menggunakan hotspot internet dengan smartphone milik sendiri daripada menggunakan akses internet bersama."*

The underlying system and network of the SIPD quality is not balanced in different areas, and the influence factors are: the level of technology infrastructure, human resources carrying capacity related to local policies support. Users are more satisfied in locations with good internet connection quality and have been well trained in the system, while in areas with technical issues or lack of support, SIPD is considered inadequate to meet operational needs. According to KK01 said on Thursday, July 17, 2025 at 09.00-09.20, a Finance Officer at an SKPD in Banjarmasin City,

*"There were difficulties accessing SIPD Accounting and Reporting during the fourth quarter period of 2024, requiring multiple attempts to log in to SIPD, especially when using shared internet access provided by the Banjarmasin City Government. The SIPD login was switched to using a personal smartphone's internet hotspot, which was considered better than using the shared internet access."*

Interview results in Bahasa Indonesia:

*"Terjadi kendala saat akses masuk SIPD Akuntansi dan Pelaporan memasuki periode triwulan 4 Tahun 2024 sehingga harus mencoba berulang kali mengulang login SIPD untuk bisa masuk ke SIPD Akuntansi dan Pelaporan terutama jika menggunakan akses internet bersama yang disediakan oleh Pemerintah Kota Banjarmasin. Login SIPD dialihkan menggunakan hotspot internet dengan smartphone milik sendiri karena dinilai lebih baik daripada dengan akses internet bersama."*

Additional information was provided by an official from the Regional Finance and Asset Agency of Tapin Regency, as KSP01 said on Tuesday, July 22, 2025 at 10.15-11.00,

*"Tapin Regency uses two financial information system applications. Although this requires double data entry, the use of both applications was driven by the SKPD Expenditure Treasurer in Tapin Regency, who feels very comfortable using Sipanda without internet*

*access issues during working hours, compared to SIPD which is difficult to access during working hours.”.*

Interview results in Bahasa Indonesia:

*“Kabupaten Tapin menggunakan 2 aplikasi sistem informasi keuangan walaupun mesti 2 kali bekerja melakukan penginputan data namun desakan penggunaan 2 aplikasi sendiri dilakukan oleh Bendahara Pengeluaran SKPD Kabupaten Tapin yang merasa sangat nyaman tanpa kendala akses internet pada jam kerja dengan menggunakan Sipanda dibandingkan SIPD yang sulit diakses pada jam kerja”.*

Tapin Regency experiences issues with data input in SIPD Administration, resulting in discrepancies between the General Cash Book value and the Regional Cash Account Statement. Consequently, Tapin uses two accounting information systems in parallel, SIPD and Sipanda, to ensure accurate data despite the need for double data entry. Meanwhile, Banjarmasin City has been using SIPD Accounting and Reporting since 2022, providing more extensive experience with the system compared to other regions that only began using it in 2024. This early adoption has enabled civil servants in Banjarmasin to better understand SIPD features, quickly resolve technical issues, and conduct continuous system evaluation and improvement. According to KSP01 said on Tuesday, July 22, 2025 at 11.15-11.25, an official from the Regional Finance and Asset Agency of Tapin Regency,

*“We have encountered many problems with data input in the SIPD Administration module, which affects the data flow to SIPD Accounting and Reporting. The benchmark used to verify the accuracy of financial transaction data output is when the General Cash Book value generated by the information system matches the Regional Cash Account Statement of Tapin Regency. However, the General Cash Book value produced by SIPD Administration does not yet match the Regional Cash Account Statement, so we have chosen to run a parallel information system, namely Sipanda, which can provide output values that align with the Regional Cash Account Statement of Tapin Regency. Tapin Regency has decided to perform double data entry using two accounting and reporting information system applications because they consider that SIPD Administration has not yet been able to produce accurate information” (KSP01, 2024).*

Interview results in Bahasa Indonesia:

*“Kami banyak mengalami permasalahan dengan input data pada SIPD Penatausahaan sehingga memengaruhi aliran data ke SIPD Akuntansi dan Pelaporan. Patokan yang digunakan untuk meyakini output data transaksi keuangan telah benar adalah jika nilai Buku Kas Umum Kas Daerah yang dihasilkan oleh sistem informasi telah sesuai dengan Rekening Koran Kas Daerah Kabupaten Tapin. Namun nilai Buku Kas Umum Kas Daerah yang dihasilkan oleh SIPD Penatausahaan belum sesuai dengan Rekening Koran Kas Daerah Kabupaten Tapin sehingga kami memilih paralel menggunakan sistem informasi lainnya yaitu Sipanda yang mampu memberikan output nilai Buku Kas Umum Kas Daerah sesuai dengan nilai Rekening Koran Kas Daerah Kabupaten Tapin. Kabupaten Tapin memilih dua kali bekerja melakukan penginputan data dengan penggunaan 2 aplikasi sistem informasi akuntansi dan pelaporan karena nilai SIPD Penatausahaan belum mampu menghasilkan informasi yang benar.”*

According to KSP01 said on Tuesday, July 22, 2025 at 11.30-11.45, an official from the Regional Finance and Asset Agency of Tapin Regency,

*“We have encountered many problems with data input in the SIPD Administration module; however, the response from the SIPD developers and the Ministry of Home Affairs has been very slow, even though we have reported the issues directly to the Ministry of Home Affairs in Jakarta. As a result, we have chosen to run Sipanda in parallel for financial reporting by performing double data entry starting from budgeting and administration.”*

Interview results in Bahasa Indonesia:

*"Kami banyak mengalami permasalahan dengan input data pada SIPD Penatausahaan namun repon dari layanan Pengembang SIPD dan Kementerian Dalam Negeri sangat lambat bahkan walaupun kami sudah menyampaikan permasalahan langsung ke Kementerian Dalam Negeri RI di Jakarta sehingga kami memilih paralel menggunakan Sipanda dalam penyusunan laporan keuangan dengan melakukan 2 kali penginputan data mulai dari penganggaran dan penatausahaan."*

Efforts to enhance regional financial management via SIPD have been aggressively pursued by Banjarmasin City in collaboration with the Ministries of Home Affairs and Finance since 2022. The ability to continuously assess and enhance is made possible by this experience. With the aid of service providers who are quick to respond, users may embrace SIPD with more self-assurance and initiative on all fronts: technically, socially, and functionally. Compared to other areas that did not begin utilizing SIPD until 2024, Banjarmasin City has been running it since 2022, giving them greater experience. Consequently, Banjarmasin has enhanced the precision and efficacy of financial reporting by adjusting its internal business procedures to conform to SIPD workflows. Also, the city has learned a lot about system assessment via its several SIPD audit cycles. Despite problems with SIPD Accounting and Reporting developer services, Banjarmasin has expertise in detecting and controlling hazards associated with SIPD use. During the 10:15–11:00 hour on July 29, 2025, an official from Banjarmasin City's Regional Financial, Revenue, and Asset Management Agency, as reported by KSP02,

*"Banjarmasin City has been using SIPD Accounting and Reporting since 2022, so it is quite skilled in handling reporting issues. If problems occur, they can still be temporarily resolved by making journal entries. Banjarmasin City is ready to assist other regions with any questions regarding data input and the operation of SIPD Accounting and Reporting.."*

Interview results in Bahasa Indonesia:

*"Kota Banjarmasin telah menggunakan SIPD Akuntansi dan Pelaporan sejak Tahun 2022 sehingga sudah cukup mahir dalam menangani permasalahan dalam pelaporan dan seandainya terjadi permasalahan tetap bisa diatasi sementara dengan melakukan penjurnalahan. Kota Banjarmasin siap membantu daerah-daerah lain jika ada pertanyaan seputar penginputan data dan pengoperasian SIPD Akuntansi dan Pelaporan."*

The situation where local governments show trust in the financial reports generated by SIPD, while the Supreme Audit Agency (BPK) doubts their validity, reflects a difference in perception between system users at the operational level and external auditors. Administratively, local users rely on the SIPD accounting and reporting modules because the system is the official tool provided by the central government and used throughout the entire financial recording and reporting process. They believe that as long as data is input according to procedures and the system generates automatic reports, the results are considered accurate and accountable.

However, from the auditors' perspective, such as BPK, trust in financial reports depends not only on the final output produced by the system but also on the processes and integrity of the system itself. In many cases, BPK has found bugs or systematic errors in SIPD that affect data reliability, such as incorrect calculations, delays in transaction processing, and mismatches in account codes. The presence of these bugs raises doubts about data integrity and the accuracy of financial reports, even when local governments believe they have correctly followed the system procedures. According to A01 said on Tuesday, July 29, 2025 at 15.00-15.20, a different statement regarding the research findings from an auditor at the Supreme Audit Agency (BPK RI),

*"According to information from local governments, there are still difficulties logging into SIPD and bugs occurring in SIPD Administration and Accounting Reporting."*

Interview results in Bahasa Indonesia:

*"Menurut informasi dari pemerintah daerah bahwa masih terdapat kendala login SIPD yang susah dan terjadi bugs pada SIPD Penatausahaan dan Akuntansi Pelaporan."*

According to KBA02 said on Thursday, July 31, 2025 at 10.00-10.40, an official from the Regional Financial and Asset Management Agency of Tabalong Regency,

*“Due to many challenges in the implementation of SIPD-RI, the Tabalong Regency Government uses another application to support regional financial management. However, SIPD-RI is still used for budgeting and administration processes in 2024. There are still duplicate journals for both revenue and expenditure, which affect the value of the Budget Realization Report (LRA). Additionally, there are expenditure journals where the value of the Fund Disbursement Order (SP2D) does not match the amount recorded as LRA realization, causing the realization to not reflect the actual value. Tabalong Regency plans to use SIPD Accounting and Reporting and print financial reports using SIPD Accounting and Reporting for the 2025 fiscal year.”*

Interview results in Bahasa Indonesia:

*“Sehubungan masih banyak kendala pada Pelaksanaan SIPD -RI maka Pemerintah Kabupaten Tabalong menggunakan aplikasi lain sebagai pendukung dalam pengelolaan keuangan daerah. Namun SIPD -RI tetap digunakan dalam proses penganggaran dan penatausahaan di Tahun 2024. Masih ada duplikasi jurnal baik itu pendapatan maupun belanja sehingga berpengaruh terhadap nilai Laporan Realisasi Anggaran (LRA), dan terdapat juga jurnal belanja yang nilai Surat Perintah Pencairan Dana (SP2D) tidak sama dengan nilai yang masuk sebagai realisasi LRA sehingga realisasinya tidak mencerminkan nilai sebenarnya. Adapun Kabupaten Tabalong akan menggunakan SIPD Akuntansi dan Pelaporan serta mencetak Laporan Keuangan menggunakan SIPD Akuntansi dan Pelaporan pada Tahun Anggaran 2025.”*

According to KSP03 said on Saturday, August 2, 2025 at 09.30-10.15, an official from the Regional Financial and Asset Management Agency of Hulu Sungai Utara Regency,

*“The detailed ledger balance report does not reflect the expected report and does not display the ending balance value. In the general cash book data flow, there can be duplicated values when flowing into the budget realization report, or there may be journal entries that are not created even though transactions exist in the general cash book.”*

Interview results in Bahasa Indonesia:

*“Pada laporan rincian saldo buku besar tidak mencerminkan laporan yang seharusnya dan tidak menampilkan nilai saldo akhir. Pada aliran data buku kas umum bisa terjadi duplikasi nilai saat mengalir ke laporan realisasi anggaran atau bisa juga terjadi jurnal yang tidak terbentuk padahal di buku kas umum ada transaksi.”*

According to PLK01 said on Sunday, August 3, 2025 at 11.00-11.30, the Consolidated Financial Report Preparer from the Regional Financial, Revenue, and Asset Management Agency of Banjar Regency,

*“The challenges in preparing financial reports using SIPD Accounting and Reporting stem from input errors in SIPD Administration, which is processed by the Expenditure Treasurer. Input errors occur even though the transactions have been disbursed, requiring the Activity Technical Implementation Officer (PPTK) in the Regional Work Unit (SKPD) to return the expenditure amount to correct the budget availability due to the wrong input selection. Meanwhile, the supporting application can directly facilitate expenditure corrections and restore budget availability after correction. There are also challenges in processing SKPDs that have units and sub-units in SIPD Administration, which results in an inability to proceed with further data input; for example, duplication occurs in the SKPD general cash book when inputting cash advance transfers. Despite the Regional Financial and Asset Management Agency (BPKAD) of Banjar Regency conducting training on SIPD Administration input, input errors still occur. Banjar Regency hopes to receive prompt support in resolving issues within SIPD Administration.”*

Interview results in Bahasa Indonesia:

*“Kendala penyusunan laporan keuangan pada SIPD Akuntansi dan Pelaporan terjadi karena kendala penginputan pada SIPD Penatausahaan yang diproses oleh Bendahara Pengeluaran. Terjadi kendala salah penginputan namun transaksi sudah dicairkan yang mengharuskan dilakukan pengembalian nilai belanja oleh Pejabat Pelaksana Teknis Kegiatan (PPTK) pada SKPD agar dapat mengoreksi ketersediaan anggaran belanja akibat salah pemilihan pada penginputan. Sedangkan pada aplikasi pendamping dapat memfasilitasi langsung koreksi belanja dan mengembalikan ketersediaan anggaran belanja setelah koreksi. Adapun kendala juga terjadi pada saat pemrosesan SKPD yang memiliki unit dan sub unit pada SIPD Penatausahaan sehingga mengakibatkan tidak dapat memproses penginputan selanjutnya seperti contoh input pelimpahan uang persediaan terjadi duplikasi pada buku kas umum SKPD. Badan Pengelolaan Keuangan dan Aset Daerah (BPKAD) Kabupaten Banjar padahal telah melakukan pelatihan penginputan SIPD Penatausahaan tapi tetap saja terjadi kesalahan penginputan. Harapan dari Kabupaten Banjar adalah mendapatkan pelayanan kendala SIPD yang segera pada SIPD Penatausahaan.”*

***Perceptions of SIPD's Potential***

Interview findings indicate that the majority of civil servants recognize the significant potential of SIPD to improve the quality of financial reporting and the management of regional government data, particularly when the system is implemented in an adaptive and inclusive manner.

According to KBA03 said on Monday, August 4, 2025 at 09.00-09.40, an official from the Regional Financial, Revenue, and Asset Management Agency of Banjarmasin City,

*“We want the realization data of non-cash regional expenditures, such as spending from the School Operational Assistance (Bantuan Operasional Sekolah/BOS), Early Childhood and Equality Education Operational Assistance (Bantuan Operasional Penyelenggaran Pendidikan Anak Usia Dini/BOP), and Regional Public Service Agency (Badan Layanan Umum Daerah/BLUD), to be processed through SIPD Administrative because the approval of revenues and expenditures must go through the Regional General Treasurer (Bendahara Umum Daerah/BUD). By inputting non-cash expenditure data through SIPD Administration, the SP2B document can be printed via SIPD Administrative. We also hope for improvements in the Cash Flow Report (Laporan Arus Kas/LAK) to present figures in accordance with Government Accounting Standards (Standar Akuntansi Pemerintahan/SAP), such as including information on tax transit data. Additionally, we expect SIPD to provide printable reports for attachments to regional regulations and regional head regulations concerning the accountability of APBD implementation down to the sub-object details, as well as printable expenditure realization reports by function.”.*

Interview results in Bahasa Indonesia:

*“Kami menginginkan agar data realisasi belanja non kas daerah yaitu belanja dari Bantuan Operasional Sekolah (BOS), Bantuan Operasional Penyelenggaraan Pendidikan Anak Usia Dini dan Kesetaraan (BOP), dan Badan Layanan Umum Daerah (BLUD) diproses melalui SIPD Penatausahaan karena pengesahan pendapatan dan belanja harus melalui Bendahara Umum Daerah (BUD). Dengan proses input data belanja non kas daerah melalui SIPD Penatausahaan maka dapat dilakukan cetak SP2B melalui SIPD Penatausahaan. Kami juga berharap ada penyempurnaan pada Laporan Arus Kas (LAK) dalam penyajian angka sesuai Standar Akuntansi Pemerintahan seperti memuat informasi data transitoris pajak. Dan agar SIPD memberikan cetak laporan untuk lampiran peraturan daerah dan peraturan kepala daerah tentang pertanggungjawaban pelaksanaan APBD sampai dengan sub rincian obyek, cetak laporan realisasi belanja per fungsi.”*

With more experience, Banjarmasin is better prepared to face technological challenges arising from the use of SIPD, including issues with the accuracy of information produced by SIPD Accounting and Reporting. This experience enables Banjarmasin to apply best practices in using SIPD.

A statement from one of the Consolidated Financial Report Preparers at the Regional Financial and Asset Management Agency of South Kalimantan Province, as PLK02 said on Monday, August 4, 2025 at 11.00-11.20,

*"The implementation of SIPD requires both technical and non-technical support. Currently, SIPD has not helped the Government of South Kalimantan Province achieve the organizational goal of producing reliable, accurate financial reports that comply with Government Accounting Standards in accrual-based financial statements, aside from the budget realization report."*

Interview results in Bahasa Indonesia:

*"Implementasi SIPD membutuhkan dukungan teknis dan nonteknis. Saat ini SIPD belum membantu Pemerintah Provinsi Kalimantan Selatan dalam mencapai tujuan organisasi menghasilkan laporan keuangan yang handal, akurat dan sesuai Standar Akuntansi Pemerintahan pada laporan keuangan berbasis akrual selain laporan realisasi anggaran."*

In the context of SIPD, ease of use enables users to focus on more complex administrative tasks and processes rather than spending time learning and overcoming difficulties in using the system.

Statement from an auditor at the Supreme Audit Agency of Indonesia, as A01 said on Wednesday, August 4, 2025 at 13.00-13.20,

*"Compared to the old application, Financial Management System Information (FMIS), FMIS is easier to use and provides more complete and detailed report printing for audit purposes."*

Interview results in Bahasa Indonesia:

*"SIPD dibandingkan dengan aplikasi lama yaitu Financial Management System Information (FMIS), FMIS lebih mudah dan terdapat cetak laporan yang lebih lengkap dan detail untuk keperluan audit."*

A statement from an official at the Regional Financial and Revenue Management Agency of Hulu Sungai Selatan Regency, as KBA01 said on Tuesday, August 5, 2025 at 09.00-10.20,

*"Hulu Sungai Selatan Regency submits all financial reports for audit by the Supreme Audit Agency (BPK RI) using data taken entirely from SIPD Accounting and Reporting."*

Interview results in Bahasa Indonesia:

*"Kabupaten Hulu Sungai Selatan menyampaikan laporan keuangan untuk diaudit oleh BPK RI semuanya diambil dari SIPD Akuntansi dan Pelaporan."*

According to A01 said on Wednesday, August 6, 2025 at 09.00-09.40, one auditor from the Supreme Audit Agency (BPK RI),

*"The SIPD application is still relatively new for regional governments, so reliable comparative data is needed to verify the accuracy of financial reports generated by SIPD Accounting and Reporting."*

Interview results in Bahasa Indonesia:

*"Aplikasi SIPD masih bersifat baru digunakan oleh daerah sehingga diperlukan data pembanding yang handal untuk dapat meyakini nilai laporan keuangan dari SIPD Akuntansi dan Pelaporan".*

### ***Institutional Theory in SIPD Use***

Drawing on Institutional Theory, the use of SIPD is understood as the outcome of dynamic interactions between technological structures and the social structures within organizations. Users engage in an

active process of appropriation or adaptation of the system, leading to different use patterns influenced by factors such as social milieu, company culture, and degree of institutional backing.

An official from the Regional Financial and Asset Management Agency of Hulu Sungai Tengah Regency reportedly said on Thursday, August 7, 2025, between 09.00 and 09.40, according to KSP04.

*“The tasks of accounting and reporting can be fulfilled by applying SIPD. Although initially there were doubts about using SIPD without a supporting application, considering that other regions in South Kalimantan have successfully used SIPD Accounting and Reporting and are very willing to assist in its application, and due to limited time and human resources at the Regional Financial and Asset Management Agency of Hulu Sungai Tengah, it was decided to use only one application, namely SIPD.”*

Interview results in Bahasa Indonesia:

*“Tugas akuntansi dan pelaporan dapat terpenuhi dengan mengaplikasikan SIPD. Walaupun di awal ragu menggunakan SIPD tanpa penggunaan aplikasi pendamping, akan tetapi dengan pertimbangan, adanya daerah lain di kalsel yang berhasil menggunakan SIPD Akuntansi dan Pelaporan dan sangat bersedia membantu dalam pengaplikasian SIPD, keterbatasan waktu dan jumlah SDM di BPKAD Kabupaten Hulu Sungai Tengah apabila menggunakan 2 aplikasi sehingga diputuskan hanya menggunakan 1 Aplikasi yaitu SIPD”.*

A statement from an official at the Regional Financial and Asset Management Agency of Tapin Regency, as KSP01 said on Friday, August 8, 2025 at 09.00-10.20,

*“The numerous issues with SIPD Administrative have influenced Tapin Regency’s decision to use another application in parallel with SIPD. Moreover, this other application, Sipanda, is also integrated with the Ministry of Finance’s Regional Financial Information System (SIKD), offers Cash Management System (CMS) services, online tax application services from the Directorate General of Taxes (DJP), and operates smoothly during working hours. Therefore, the performance of this other system can adequately support financial management in Tapin Regency.”*

Interview results in Bahasa Indonesia:

*“Banyaknya kendala pada SIPD Penatausahaan memengaruhi motivasi Kabupaten Tapin memilih menggunakan aplikasi lain secara paralel dengan SIPD. Apalagi aplikasi lain tersebut yaitu Sipanda telah terhubung juga dengan Sistem Informasi Keuangan Daerah (SIKD) Kementerian Keuangan, menyediakan layanan Cash Management System (CMS), layanan aplikasi perpajakan dari Direktorat Jenderal Perpajakan (DJP) secara online dan kelancaran penggunaan Sipanda pada jam kerja, sehingga kinerja sistem lain dapat memenuhi pengelolaan keuangan pada Kabupaten Tapin.”*

Through interviews and observations, it was found that several regional governments that feel the quality of the SIPD system does not meet their operational and technical needs tend to abandon or reduce their reliance on SIPD. In some cases, these regions revert to using other financial information systems they consider more stable, integrated, or better suited to their local technical and administrative requirements. This is often out of frustration for claims related to system access speed, reliability of data, ease of use and a perception that technical support was not responsive.

This case proved that the actual perceived quality of system has significant effects on users' recomposting behavior with respect to SIPD at regional level. Although the statistical relationship between system quality and net benefits is insignificant, local governments do actually consider that system quality is still one of the most significant factors for decisions to be made regarding the use of an information system. This indicates that the impact of system quality may be contextual and not always evident in aggregated quantitative data, especially when user perceptions are heavily influenced by local conditions such as infrastructure limitations, human resource capacity, and specific service needs. According to A02 said on Saturday, August 9, 2025 at 09.30-11.40, one auditor from the Financial and Development Supervisory Agency (BPKP),

*"The previous application used by local governments, the Financial Management Information System (FMIS), was developed from the Regional Management Information System (SIMDA), which began development in 2003. It has undergone multiple iterations of improvements, resulting in FMIS's performance becoming better and meeting the expectations of system users. "*

Interview results in Bahasa Indonesia:

*"Aplikasi sebelumnya yang telah digunakan oleh pemerintah daerah yaitu Financial Management Information System (FMIS) merupakan pengembangan dari Sistem Informasi Manajemen Daerah (SIMDA) yang mulai dikembangkan dari Tahun 2003, iterasi perbaikannya sudah berkali-kali sehingga kinerja dari FMIS menjadi lebih baik dan sesuai dengan harapan pengguna system. "*

According to KBA01 said on Monday, August 10, 2025 at 09.30-11.40, an official from the Regional Financial and Revenue Management Agency of Hulu Sungai Selatan Regency,

*"We hope that the financial reports printed from the SIPD Accounting and Reporting module can display values with two decimal places directly in the preview. We also hope that SIPD can provide a display similar to the previous application, the Financial Management Information System (FMIS). "*

Interview results in Bahasa Indonesia:

*"Kami mengharapkan bahwa cetak laporan keuangan dari SIPD Akuntansi dan Pelaporan dapat menampilkan nilai dengan dua angka di belakang koma saat tampilan preview. Kami berharap apabila SIPD bisa memberikan tampilan yang bisa mendekati dengan aplikasi sebelumnya yaitu Financial Management Information System (FMIS). "*

Another statement from an auditor at the Supreme Audit Agency (BPK) of Indonesia, as A01 said on Monday, August 10, 2025 at 15.00-16.20,

*"Financial reports should display values with two decimal places directly in the preview without the need to export data to Excel or PDF files. "*

Interview results in Bahasa Indonesia:

*"Cetak laporan keuangan dapat menampilkan nilai dengan dua angka di belakang koma langsung tampil pada saat preview tanpa melakukan export data ke file excel atau pdf. "*

### ***Organizational Support and Implementation Success***

These results demonstrate that the success of SIPD can be largely attributed to organizational support for and facilitation of users when participating in technological adoption. Top management support involves the commitment to technology adoption, resource provision, policy development, fostering training and inculcating a data-based work culture. Within the Institutional Theory perspective, top management commitment is perceived as institutional pressures that influence organizational norms, rules and routines around system use. When management is seen to strongly favor the system, it enhances the legitimacy of employing the system and invites users to display conformity with what must be accepted as an integral part of organizational response rather than voluntary or compulsory activity. It promotes the institutionalization of technology where the system is used regularly in a systematic way consistent with organizational goals.

According to KB01 said on Monday, August 11, 2025 at 09.00-09.40 that the head of agency from Regional Financial and Asset Management Agency Barito Kuala Regency revealed that strategies to apply SIPD were:

*"Getting commitment from regional head so that he plans different approach as a single database which envelops each phase in planning, budgeting and announcement at accountability and reporting. They also carry out technical guidance works with SIPD users to guarantee an appropriate use. It replaces the document-oriented regime of finances in*

*regions for the computer data and information-based one, while the accounting-reporting module does not work at full capacity. It is also supported by coordinating with the Ministry of Home Affairs to handle any problems so there will be accountability from data resulted by SIPD. Coaching of the Head Agency in implementing SIPD by improving the knowledge and users' skills (coaching activity) during all process covering constraints that arise from the perspective of accounting and reporting. Involvement in coordination meetings and technical consultations with Ministry of Home Affairs on SIPD is also covered. In addition, the reasonable funding and budget is allocated to ensure SIPD can be performed. ”*

Interview results in Bahasa Indonesia:

*“Strategi penerapan SIPD meliputi mendapatkan komitmen dari kepala daerah agar merencanakan pendekatan terpadu sebagai satu basis data yang mencakup seluruh tahap perencanaan, penganggaran, serta pertanggungjawaban dan pelaporan; serta pelaksanaan bimbingan teknis bagi pengguna SIPD untuk memastikan penggunaan yang tepat. Penerapan SIPD menggantikan sistem keuangan berbasis dokumen di daerah menjadi sistem berbasis data dan informasi komputer, meskipun modul akuntansi dan pelaporan belum beroperasi secara optimal. Upaya ini juga didukung melalui koordinasi dengan Kementerian Dalam Negeri untuk menangani permasalahan sehingga data yang dihasilkan oleh SIPD dapat dipertanggungjawabkan. Pembinaan kepala badan dalam penerapan SIPD dilakukan dengan meningkatkan pengetahuan dan keterampilan pengguna sepanjang proses, termasuk mengatasi kendala dari perspektif akuntansi dan pelaporan. Keterlibatan dalam rapat koordinasi dan konsultasi teknis dengan Kementerian Dalam Negeri terkait SIPD juga dilakukan. Selain itu, pendanaan dan anggaran yang memadai dialokasikan untuk memastikan pelaksanaan SIPD berjalan efektif. ”*

Receiving strong top management support is important because it provides legitimacy and commitment needed to implement SIPD successfully. Top management proactively provides strategic direction and allocating necessary resources provides an enabling environment for effective system use. Transparent policies and leadership backing encourage all levels of the organization to invest in implementation and perfection of SIPD. Standpoint of SIPD The performance at the level of efficiency in administration, speed of data processing and accuracy is determined by how much the application of this SIPD is accepted and managed as well supported at management. Likewise with Banjarmasin City which has implemented SIPD since 2022, the successful implementation of SAPD Accounting and Reporting is due to strong support from regional leadership in Banjarmasin as well which further strengthens a commitment to utilizing SIPD.

## **Discussion**

### ***The Concept of SIPD Accounting and Reporting in Institutional Theory and Its Implementation***

First, the incorporation of institutional theory to propose that organizational structure and rules as well as ordered practices shape the adoption and use of information system i.e SIPD for accounting and financial reporting in government. This theory underlines that the decision of adopting SIPD is a technical move as well as a non-technical move, determined by institutional pressure based on which including policy and regulations pressures, government policies, expectation from stakeholder etc.

Second, institutional theory highlights the importance of cognitive and normative structures in influencing how employees and managers perceive and utilise SIPD systems. Ensuring the system worked well for us—giving the accounting team confidence in how it operated and significantly improved coordination and collaboration across financial reporting requirements

Third, institutional theory recognizes that the adoption of systems such as SIPD can be problematic given opposing institutional logics or resistance to change. Knowledge about these institutional dynamics is essential for policy makers and managers to overcome barriers and facilitate a successful SIPD implementation that complies with both formal rules and informal expectations.

This study reveals that the adoption of SIPD Accounting and Reporting in local government is affected by institutional pressures, i.e., there are regulations from central government (coercive

pressure), professional expectations (normative pressure) as well as tendency to mimic other successful region (mimetic pressure). It is argued by institutional theory that various forces such as regulatory coercion, professional normatives, and mimetic pressures from attempts to copy the best practices of other areas influence decisions over SIPD adoption. To enhance SIPD's capacity for advancing sound regional financial governance and to sustain it, organizational learning should be encouraged, continuous training facilitated, and information technology readiness ensured.

SIPD requires a strong leadership commitment and stakeholder engagement if it is to be properly implemented. Leaders at all levels must drive the system, cultivating a culture that prizes transparency, accountability and innovation. Involvement of relevant stakeholders, including public agency officials, technical staff and end-users, ensures that their concerns are effectively addressed and feedback is integrated into the design which results in greater acceptance as well as better system tailoring. Mechanism of supervision and evaluation should be setup, constantly evaluate the performance of SIPD, discover problems timely and improve it promptly. An integrated, technological-organizational-institutional approach will optimize the opportunity of SIPD in regional financial administration and governance. Table 2 summarizes the meaning of SPID based on institutional theory.

**Table 2.** Meaning and Application of SIPD Accounting and Reporting Based on Institutional Theory

No	Relationship Based on Institutional Theory	Empirical Meaning of SIPD Usage	Application of SIPD Accounting and Reporting Based on Institutional Theory Perspective
1	Coercive Pressure from Higher Authorities and Government Regulations	SIPD is interpreted as a formal compliance mechanism that must be adhered to by local governments. The need to adopt SIPD is a regulation mandate which mandates each regional government must use this system in the context of bureaucracy reform and financial accounting. This indicates that SIPD implementation is not merely because the organization is ready or has a need but mostly because it is forced to follow the procedures stipulated in regulations. Thus, there would be a discrepancy in being optimized, depending on how much it was utilized in the region - even though it is mandated.	The implementation of SIPD is driven by regulatory obligations requiring local governments to use this system as part of bureaucratic reform and financial reporting. This shows that SIPD adoption is not solely due to internal readiness or needs but mainly as a response to external pressure to comply with applicable regulations. Consequently, although the system is mandatory, the level of optimization and utilization may vary depending on each region's readiness.
2	Normative Pressure from Norms, Standards, and Professional Expectations	SIPD is interpreted as a tool to strengthen professionalism, transparency, and accountability in managing local government finances.	Adoption of SIPD is further viewed as a way to conform with public sector accounting standards and best practices proposed by accountancy professional organizations and government auditors. This incentivizes local governments to invest in human resource capacity and reporting for professional standards of professions public accounting and financial management. Hence, SIPD is a tool for enhancing the quality of public accountability-based financial management.
3	Mimetic Pressure from Best Practices or Model Regions	SIPD is interpreted as a symbol of modernization and best	SIPD also copied by many cities and regions from successful and model region in handling accounting and reporting with

No	Relationship Based on Institutional Theory	Empirical Meaning of SIPD Usage	Application of SIPD Accounting and Reporting Based on Institutional Theory Perspective
		practices followed by local governments.	information technology. This pressure has been fueled by the fear that they could be left out and makes them look like more modern and efficient governments. If local governments can use advanced IT as regional models, they may seek social legitimacy and gain public consent for their plans.
4	Internal Adaptation and Organizational Capacity (Internalization)	SIPD is interpreted as a process of learning and institutionalizing technology within the organization.	Where there is greater experience and human resource capacity, SIPD has tended to be mainstreamed into routine work. This implies that SIPD use is motivated not simply by instrumental needs, but it changes over time: people learn as a consequence of using information and communication technologies; they become more skilful and new practices consolidate in the sphere of their financial management. The technology and management maturity of the organization enhances the sustainability practicability of SIPD application.
5	Resistance and Technical Limitations as Institutional Barriers	SIPD is interpreted as an institutional burden that causes resistance and operational challenges.	Where there is greater experience and human resource capacity, SIPD has tended to be mainstreamed into routine work. This implies that SIPD use is motivated not simply by instrumental needs, but it changes over time: people learn as a consequence of using information and communication technologies; they become more skilful and new practices consolidate in the sphere of their financial management. The technology and management maturity of the organization enhances the sustainability practicability of SIPD application.

Source: Processed Data (2025)

There have been several barriers that hinder the implementation of SIPD in various regions. Issues relating to the digital infrastructure, like slowed connection speeds and data limits are also important as they effect whether or not the system is accessible and functioning. The quality of integrated SIPD differs by region. SIPD runs more easily and gives a pleasant user experience in places with good infrastructure and well policy support. Users further struggle to get access to the system and submit reports, caused by scarce IT support on field. In fact some local governments have gone so far as to develop alternative financial systems like Sipanda already in use alongside SIPD because SIPD could not generate reliable data. This points to a natural divide between regulation and real user experience.

As well, there is perception gap between users of local government financial statements and external auditor (BPK). Local users trust the financial reports produced by SIPD because they are generated according to the practices of a system, but errors and bugs in reported data cast doubts regarding their reliability. This demonstrates that the trust in a system is not only based on procedural compliance, but also depends on the technical correctness of an output. The effectiveness of the implementation of SIPD is much determined by the support from regional heads, agency leaders, and structural authorities to implement it through financing execution facilities, advocacy training.

The findings of the research contribute to knowledge concerning the relationship between organizational commitment, digital transformation and individual performance in a specific context, offering significant implications for policy-makers and managers aiming to improve the employee's performance and thereby sustain their organization's success in implementing digital transformation (Ly, 2024). The study demonstrates that an inclusive approach positively influences the digitalization of public service quality, with this effect being mediated by collaborative governance (Aidi et al., 2024). Studies on the implementation of AIS show that technology-based systems can improve financial information management and enhance accountability, but adequate investment in training and infrastructure is needed to support this development (Maria & Halim, 2025).

The research implications confirm that the results of the application of SIPD Accounting and Reporting are generally consistent with institutional theory in previous works. The application of institutionalism in SIPD accounting and reporting shows significant results supporting previous research that views institutionalism as a new technique to improve the effectiveness of internal management (Gulden et al., 2020). This study provides results supporting earlier findings on the significant and positive influence of coercive as well as mimetic isomorphic pressures for the adoption of new standards (Muda et al., 2024). Studies in the area of SIPD accounting and reporting are also consistent with this empirical evidence – that an organizational culture to compliance on IT directly affects the service quality, accountability and transparency indirectly through IT governance effectiveness (Sofyani et al., 2020). Evidence from the interviews also proves that system quality and information quality have high influence toward organizational effectiveness and user satisfaction (Indriani et al., 2020). The decision to use SIPD Accounting and Reporting is a regional decision.

Theoretically, the results of this research has contributed to expand the set of controversial issues in accounting that have been previously investigated by other authors (Mendes Junior & Alves, 2023). Because Coercive Isomorphic Pressures can be observed during the process since it was a requirement. Isomorphic pressures, specifically mirror pressure affect the use of reporting systems (Mokodompit et al., 2025). Information quality has been shown to be influential on system usage and user satisfaction in studies (Hidayat Ur Rehman et al., 2023). It is important for system connectivity and user satisfaction to maintain the data integrity and timeliness (Chen et al., 2022). Good IT governance is very important to ensure the quality of services are offered on time, and in accordance with the already set standards: It serves as a source of accountability and transparency (Sofyani et al., 2020). In the same way, quality of system and service affect user satisfaction and benefits received (Surya et al., 2024). Other research also indicates the significance of service quality on improving user satisfaction (De Leon et al., 2020), so does system quality that has an impact on the frequency of use and user satisfaction (Ariyanto et al., 2024). Such institutional pressures and top manager traits contribute to strategic response at the organization level (Abdul Majid et al., 2023). In general, IS performance is defined as how effectively the system supports the attainment of organisational objectives, aids users in task accomplishment and meets user needs (Latifah & Abitama, 2021).

### ***SIPD Implementation through the Lens of the Information System Success Model***

This study aims to understand opportunities and threats faced by local governments in integrating the Regional Government Information System (SIPD) for accounting and reporting. Findings discussed using the Information System Success Model DeLone and McLean 2003 as presented in Figure 1 to explain how system-related and institutional factors influence SIPD implementation outcomes. Institutional theory explains SIPD persists despite limitations. Local governments continue using SIPD due to regulatory mandates and legitimacy considerations rather than performance benefits. Findings indicate gap between formal compliance and substantive improvement. Adoption of SIPD fulfills regulatory expectations but does not automatically translate into effective financial management. Figure 1 illustrates causal relationships among system quality, information quality, service quality, user satisfaction and net benefits. Study findings confirm these relationships and reveal contextual nuances. Poor system service and information quality negatively affect satisfaction and benefits. System use remains high due to institutional coercion. Information System Success Model interpreted alongside institutional theory in mandatory public-sector systems such as SIPD.

**System Quality and Service Quality.** Findings indicate system quality and service quality remain major challenges in SIPD implementation. Technical problems in the Administrative Module particularly in transmitting data to the Accounting and Reporting Module reflect limitations in system reliability and integration. Technical constraints hinder seamless data processing and reduce effectiveness of SIPD as unified financial management platform. Concerns regarding service quality evident related to system support and responsiveness. Limited technical assistance and delayed problem resolution negatively affected user experience. According to Information System Success Model deficiencies in system quality and service quality directly influence system use and user satisfaction consistent with empirical conditions observed in this study

**Information Quality.** Information quality issues emerged as critical concern. Data inaccuracies in Administrative Module at central and local government levels. Compliance with government-mandated financial report formats less than 100 percent. SIPD not fully ensured accuracy completeness and conformity of financial information. Within DeLone and McLean framework information quality is key determinant of user trust and decision-making effectiveness. Inaccurate or non-compliant data weaken credibility of SIPD outputs and contribute to audit findings reported by BPK RI. Findings highlight importance of improving data validation and standardization mechanisms within system

**System Use and User Adaptation.** Local governments continue using SIPD. Sustained use not explained solely by system success factors better understood through institutional theory. Coercive pressures from government regulations and mandatory policies compel local governments to adopt and continue using SIPD regardless of technical shortcomings. System use in public sector context does not always reflect voluntary acceptance or satisfaction as assumed in Information System Success Model. Usage shaped by institutional pressures. Mandatory systems remain in operation even when system quality and information quality suboptimal

**User Satisfaction.** User satisfaction with SIPD mixed. Users acknowledge SIPD as essential platform for financial reporting. Dissatisfaction arises from technical disruptions data inaccuracies and additional workload from manual adjustments. According to system success model low system quality and information quality reduce user satisfaction. Findings align with perceptions expressed by local government users and oversight institutions

**Net Benefits and Institutional Persistence.** Expected net benefits of SIPD including improved transparency accountability and integration of regional financial management not fully realized. Audit findings from BPK RI suggest weaknesses in SIPD implementation affect quality of financial reporting outcomes

## CONCLUSION

Adopting a qualitative approach, the study reveals obstacles such as problems of system and service quality; non-adherence to accounting standards, inaccuracies in data and technical issues with SIPD modules. Under institutional theory, this coercive isomorphism steers local governments to implementing SIPD more in response to regulatory requirement than in response for performance or accountability enhancement. It is demonstrated in this study that the application of SIPD as an accounting information system is not only technological determinant, but it's also established by institutional pressures and social norms toward local governments organization. With the help of Institutional Theory, adoption and implementation of SIPD are perceived as affected by regulative, normative and cultural-cognitive institutions that structure organization's appropriation and integration of the system.

Users follow institutional expectations and pressures when using SIPD by enacting SIPD differently based on their organisational context, experience and local conditions. System use therefore becomes not only a technical issue, but a matter of institutional credibility and obedience. The users' perspective also points at SIPD as a formal control and accountability instrument, reflecting

centre/regional specific pressures. Solid backing from senior executives is key to reinforcing these institutional pressures, and creating a climate that is conducive to the optimal use of the system.

System quality, information quality and service quality have the potential to facilitate how much users become able to maximize their satisfaction regarding themselves as well between themselves towards system by fulfilling institutional expectations through efficient utilization of SIPD. The extent of these isomorphic pressures determines the success of SIPD, that through its technical expertise enhances institutional legitimacy. “SIPD will only be successful to the degree that it increases its efficiency in reporting accountability, data-driven decision making (DDDM), and use of technical tools”. This study makes an important contribution to the methodological enhancements of SIPD and emphasizes on enhancing data quality, providing more technical support and strengthening human resources capacity-building after the introduction of SIPD. Results enhance set the policy basis for the Ministry of Home Affairs to promote flexible and responsive development of SIPD to meet institutional needs and local conditions.

The adoption of SIPD as support for accounting and financial reporting at local level government in terms of the institutional theory, can be described as a complex process involving interplay between external institutional pressures and internal organization responses. There is coercive pressure from the laws of government requiring use of SIPD, forcing local governments to move onto the system. Normative pressures from the regulators, such as BPK RI and BPKP also put more emphasis on transparency toward accountability in financial reporting. Mimetic pressures also shape implementation, as local authorities seek to mimic best practices elsewhere, yet variation in infrastructure and capabilities limits the effectiveness of these efforts. These challenges surface the issue of “internalization,” a key concept in institutional theory where organizations not only comply externally, but “adapt and internalize new systems through learning.” The study highlights the fact that effective management of SIPD is not simply about regulatory enforcement, but also demands the building of institutional capacity and provision for ongoing training requirements, technical support, and ensuring system outputs are in conformity with acceptable accounting practices.

### **Acknowledgement**

The author expresses sincere gratitude to the Direktorat Penelitian dan Pengabdian kepada Masyarakat, Direktorat Jenderal Riset dan Pengembangan, Kementerian Pendidikan Tinggi, Sains, dan Teknologi Republik Indonesia, Tahun Anggaran 2025 for the support and funding provided through the Basis Informasi Penelitian dan Pengabdian kepada Masyarakat (BIMA) Grant for Penelitian Tesis Magister (PTM) in 2025, under Contract No. 1385/UN8.2/PG/2025 dated June 2, 2025, and to Universitas Lambung Mangkurat. This assistance has been invaluable in facilitating the completion of this research. It is hoped that such support will continue to advance science and technology development in Indonesia, particularly in enhancing the field of accounting.

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### Authors' Contribution

All authors equally contribute to the research and writing the article.

### Conflict of Interest

The authors declare no competing interests.

### Funding

Thanks to *Direktorat Penelitian dan Pengabdian kepada Masyarakat, Direktorat Jenderal Riset dan Pengembangan, Kementerian Pendidikan Tinggi, Sains, dan Teknologi Republik Indonesia Tahun Anggaran 2025* for the support and funding provided through the *Basis Informasi Penelitian dan Pengabdian kepada Masyarakat (BIMA)* Grant for *Penelitian Tesis Magister (PTM)* in 2025, under Contract No. 1385/UN8.2/PG/2025 dated June 2, 2025, and to Universitas Lambung Mangkurat. The completion of this study would not have been possible without this financial support.

### Availability of Data and Materials

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

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