

**IMPLEMENTATION OF NON-CASH PAYMENTS AND ITS IMPLICATIONS
FOR FINANCIAL REPORTING ACCOUNTABILITY AT THE REGIONAL
PERSONNEL AND HUMAN RESOURCE DEVELOPMENT AGENCY OF HULU
SUNGAI TENGAH REGENCY**

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Abstract

The purpose of this study is to determine the Implementation of Non-Cash Payments and its Implications for Financial Reporting Accountability at the Regional Personnel and Human Resource Development Agency (BKPSDMD) of Hulu Sungai Tengah Regency. The transformation of the non-cash payment system in government agencies is part of efforts to improve the transparency and accountability of regional financial management. This study aims to analyze the implementation of non-cash payments and their implications for the accountability of financial reports at the Hulu Sungai Tengah District BKPSDMD. The method used is a descriptive qualitative approach with interview techniques for the BKPSDMD Secretary as the key informant. The research results indicate that the non-cash payment policy has been consistently implemented, supported by the availability of technical guidelines, clear authority, and coordination among implementers. The cashless system has proven to improve the completeness of transaction evidence, simplify financial record-keeping, and minimize the risk of transaction leakage. The challenges that still arise include internet network disruptions and delays in completing accountability documents. Overall, non-cash payments contribute positively to the realization of financial statement accountability.

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Introduction

Reforms in Indonesia in the 2000s brought a new spirit to local governments to manage and regulate their own finances. With the enactment of Law No. 25 of 1999 concerning financial balance between the central and regional governments and Law No. 32 of 2004 as amended, regional governments were given more autonomy. This law allows them to regulate and manage the existing local government system. All these changes demonstrate how regional development can be achieved without sacrificing the well-managed aspects of regional financial management. By implementing good governance, local governments can create good and clean governance. One way to achieve accountability and transparency in good governance is by implementing cashless transactions. Additionally, the most effective method for reducing costs is non-cash transactions [1]. Non-cash payments are a solution to the need for transparency and accountability in local financial management [2], [3]. Non-cash transactions have several advantages over conventional cash payments. One of them is that the process is faster. Additionally, this system is considered more practical, effective, and user-friendly, and can even help the economy by increasing money circulation. One way to implement transparent financial management is by implementing this cashless system.

The development of information and communication technology has brought significant changes to the system of government governance, particularly in the management of public sector finances. The digitalization of the financial system is one of the government's strategies to achieve good governance, which emphasizes the principles of transparency, accountability, effectiveness, and efficiency. One concrete form of this transformation is the implementation of a non-cash payment system in government agencies, both at the central and regional levels.

Non-cash payments in the government sector are not just a change in transaction methods, but a reform of the financial control system [4], [5], [6]. Thru this system, the entire payment process is done electronically thru banking or official financial applications, so that every transaction has a digital footprint that can be traced. This system is considered capable of minimizing the risk of budget misuse, reducing the practice of manipulating transaction evidence, and strengthening the internal control system. Thus, non-cash payments become an important instrument in supporting the realization of accountability in local government financial statements.

The Hulu Sungai Tengah District Regional Personnel and Human Resources Development Agency (Badan Kepegawaian dan Pengembangan Sumber Daya Manusia Daerah, hereafter BKPSDMD) as one of the regional government agencies, also participates in implementing the non-cash payment policy in all of its operational activities. This agency plays a strategic role in managing human resources, so its financial management is required to be orderly, transparent, and accountable. However, in practice, the transition from a cash-based system to a non-cash system doesn't always go smoothly. This system change demands readiness from various aspects, ranging from technological infrastructure and human resource competencies to adjustments in work culture.

Based on the initial phenomena observed in the field, there are several challenges in the implementation of non-cash payments, including internet network disruptions, application instability, and the need for more complex digital documentation. Additionally, there are still civil servants who are not entirely comfortable using digital systems, especially in urgent situations like business trips. This condition indicates that the successful implementation of a policy is not only determined by formal rules, but also by factors such as policy communication, resource availability, the attitudes of implementers, and a supportive bureaucratic structure.

On the other hand, the cashless payment system also has implications for the accountability of financial statements. Electronically documented transactions have the potential to improve the completeness of evidence, speed up the recording process, and simplify the preparation of financial statements. However, the increasing amount of digital evidence can also add to the administrative burden if not balanced by an integrated archiving system. Therefore, it is important to comprehensively examine how the implementation of non-cash payment policies is progressing and the extent to which the system truly supports the accountability of financial statements [7].

This research is relevant because it provides an empirical overview of the implementation practices of non-cash payments at the local government level, specifically in the Hulu Sungai Tengah District BKPSDMD. This study not only assesses the level of policy implementation but also analyzes supporting factors, obstacles, and their impact on the accountability of financial statements. Thus, the research results are expected to provide input for local governments in improving the effectiveness of the non-cash payment system and strengthening transparent and accountable financial governance.

Theoretical Basis

Implementation

Implementation is the process of applying or executing a plan, idea, concept, policy, or innovation into real action with the aim of achieving specific results or goals. Etymologically, the term "implementation" comes from the English word "implement," which means to provide the means to do something so that it can produce an effect or impact on that thing.

Public Policy Implementation

Public policy implementation is an important stage after a policy is formulated. Implementation is defined as the process of policy decisions being carried out by implementing actors so that policy goals can be achieved. Successful implementation is not only determined by the quality of the policy, but also by supporting factors in the implementation environment [8].

One of the most widely used policy implementation models is George C. Edward III's model, which identifies four key variables that influence the success of policy implementation:

1. Communication

Policies must be communicated clearly, consistently, and in an easily understandable manner to the implementers. Good communication includes the process of transmitting information, message clarity, and consistency of instructions. Without effective communication, policies are prone to misinterpretation or improper implementation [9], [10].

2. Resources

Policy implementation requires resource support, including human resources, budget, information, and supporting facilities [11]. Competent human resources and the availability of technical guidelines will facilitate policy execution.

3. Disposition (Implementer's Attitude)

The implementer's attitude, commitment, and acceptance of the policy are crucial to successful implementation. Although the policy is clear and resources are adequate, implementation will be hindered if the implementers lack the will or seriousness to carry out the policy.

4. Bureaucratic Structure

Organizational structure and standard operating procedures (SOPs) influence the flow of policy implementation. A clear bureaucratic structure, good coordination, and standardized procedures will minimize overlapping authority.

These four variables serve as the framework for analyzing how non-cash payment policies are implemented in government agencies.

The Concept of Non-Cash Payments Non-cash payment is a financial transaction system conducted without using physical money, but rather thru electronic media such as bank transfers, debit cards, internet banking, mobile banking, or digital financial applications. In the context of government, the implementation of non-cash payments is part of the reform of state financial management aimed at increasing transparency, efficiency, and accountability in budget management. This system not only changes the payment mechanism but also strengthens financial governance thru more orderly and structured transaction records [12].

The implementation of non-cash payments in government agencies has several important characteristics. Every transaction has a traceable digital footprint, transaction records are stored electronically, and payments are made thru the banking system or official designated applications. This condition has implications for reducing the risk of losing money, misuse of funds, and manipulation of cash transactions. Additionally, the cashless system supports the strengthening of internal control because it facilitates the audit process and the tracking of financial transaction flows.

Accountability in Public Financial Management Accountability in public financial management is the obligation of budget managers to be responsible for the use of resources to the authorized parties. In government, financial accountability means that every use of the budget must be transparently explained, legitimate, and in accordance with applicable regulations. The accountability of financial statements is reflected in the completeness of transaction evidence, the accuracy of financial recording, compliance with government accounting standards, and the traceability of fund usage flow. In this regard, non-cash payments play a strategic role because they can minimize transactions without proof, clarify the flow of funds, and simplify the verification process.

The Relationship Between Non-Cash Payments and Accountability Theoretically, there is a close relationship between the implementation of non-cash payments and increased accountability in financial reporting. Transaction transparency increased because all payments are recorded in the banking system, making them difficult to manipulate [13], [14], [15]. Transaction documentation becomes more complete because payment proof is available in digital form, which can be stored and archived systematically. Additionally, the cashless system improves recording efficiency because transaction data can be used directly in the accounting process. From a supervisory perspective, ease of auditing is also an advantage because auditors can trace the flow of transactions thru the electronic system. However, the success of this relationship still depends on the readiness of human resources, the availability of technological infrastructure, and an adequate archiving system.

Bureaucracy and SOPs in the Financial System In the government's financial system, the bureaucratic structure and Standard Operating Procedures (SOPs) play a crucial role in ensuring the orderly execution of non-cash payments. SOP serves as a technical guideline from the application process, approval, payment, to accountability. Clarity in SOPs can prevent procedural errors, ensure uniformity in implementation, clarify the division of tasks and authority, and support the effectiveness of internal control.

Based on that theoretical foundation, the implementation of non-cash payments is influenced by policy communication factors, resource availability, implementer disposition or attitude, and a supportive bureaucratic structure. Successful implementation will lead to increased accountability in financial reporting thru transaction transparency, completeness of evidence, and ease of recording and reporting. Thus, non-cash payments are not only seen as a technological innovation, but also as an important instrument in realizing accountable public financial governance [16].

Research Methodology

The author uses a qualitative approach with a descriptive method in this study to explain the implementation of non-cash payments and their effect on the accountability of financial reports at the BKPSDMD of Hulu Sungai Tengah Regency. This method was chosen because the research focuses on understanding how to implement policies in real-life situations. This research was conducted at the BKPSDMD office of Hulu Sungai Tengah Regency. The data used consists of primary data obtained thru interviews and secondary data obtained from financial administration documents, technical guidelines, and SOPs. The Secretary of BKPSDMD, the treasurer or financial management officer, the non-cash payment implementers for ASN, and the financial application operators are all informants who were randomly selected [17]. Data collection was done thru interviews, observation, and documentation. Data analysis is performed interactively by reducing, presenting, and drawing conclusions from the data. The research focus is on how non-cash payments are implemented, which is influenced by factors such as communication, resources, implementer disposition, and bureaucratic structure. This also includes the impact of non-cash payments on financial statement accountability, which is measured by the accuracy of recording, the traceability of funds, the ease of report preparation, and the completeness of transaction evidence. Source triangulation ensures data validity.

Analysis and Results

Policy implementation is the stage of carrying out or applying a policy that has been made by the government or relevant authorities, with the aim of making the policy a reality on the ground. This

process involves a series of efforts to convert general decisions into concrete actions implemented by various parties, such as government agencies, related organizations, and individuals directly involved (Muhammad Hidayatullah and Public of the Amuntai State Institute of Public Administration 2024).

The implementation of non-cash payments in the Hulu Sungai Tengah District BKPSDMD shows that this policy has been formally and structurally implemented, but in practice, it still faces several technical and adaptive dynamics from policy implementers. This discussion is analyzed based on communication variables, resources, implementer disposition, bureaucratic structure, and their implications for the accountability of financial statements.

A. Communication Variables

1. Information Transmission Indicators

Delivery thru official meetings indicates that the transmission process is structured and follows formal bureaucratic channels. All civil servants receive information simultaneously, thus minimizing differences in perception. This type of communication pattern supports uniformity in understanding policies. Based on the interview results, the process of communicating the non-cash payment policy to civil servants is carried out thru socialization during monthly coordination meetings attended by all civil servants. This forum serves as the primary medium for disseminating policy information, ensuring that all employees receive direct instructions simultaneously within the same organizational space and time. This pattern indicates that policy communication occurs formally, structurally, and thru official bureaucratic channels, rather than thru informal communication.

2. Information Clarity Indicator

Information clarity indicates that the policy substance has been translated into operational procedures that are understandable to the implementers. Non-cash payment systems involve technical stages such as the transfer process, verification, and documentation of transaction proof. When information is unclear, the risk of administrative errors increases. However, from the interview results, there was no indication of confusion among the implementers regarding the procedure. This indicates that policy communication has been effective in bridging the normative policy aspects with everyday administrative practices. The informant confirmed that the non-cash payment policies and procedures were clearly and easily understood.

3. Consistency of Implementation Indicator

According to the informant, all activities at BKPSDMD now consistently use a non-cash payment system. Consistent implementation indicates that the policy has moved beyond the initial adaptation phase and become part of the organization's routine. The absence of exceptions for certain activities indicates that non-cash payments have been implemented as an operational standard. In the context of policy implementation, consistency is an important indicator of success because it demonstrates the sustainability and stability of policy application in practice.

4. Technical Information Indicator

This indicates that the implementer not only understands the policy in general but also understands the technical details that accompany it. Digital transaction evidence is an important part of the cashless system because it serves as the basis for accountability. Understanding these technical aspects supports administrative order and strengthens accountability. The report explains that the payment procedure includes the completeness of digital transaction evidence, which is understood as part of the non-cash payment mechanism.

B. Resource Variables

1. Staff Indicators

Adequate human resource availability indicates that the organization has the internal capacity to operate a digital system. Employee competency in understanding payment procedures and using the system is a crucial factor for the smooth implementation. Without sufficient human resources, digital policies are likely to face operational obstacles. The number and competence of employees are considered sufficient to process non-cash payments.

2. Technical Guidelines Indicators

The existence of written guidelines provides procedural certainty and serves as an official reference in carrying out tasks. This reduces dependence on individual work habits and strengthens

operational standards. Written technical guidelines or instructions are available as a reference for implementation.

3. Authority Indicator

Clarity of authority supports administrative order and prevents overlapping responsibilities. Each implementer understands their role in the payment and accountability flow. The division of tasks and authority in non-cash payments is stated to be clear.

4. Facilities Indicator

This condition indicates that technological infrastructure factors still pose a challenge in the implementation of digital policies. Dependence on electronic systems makes network stability an essential requirement for smooth transactions. The informant acknowledged that technical glitches still occasionally occur due to the internet or the application.

C. Dispositional Variables

1. Acceptance Attitude Indicators

The readiness of civil servants reflects acceptance of the policy at the implementation level. This attitude is an important factor in successful implementation, as administrative policies are highly dependent on procedural compliance. This support shows that changes to the payment system have been adaptable in the work environment. Reports indicate that policy-wise, all civil servants are ready to implement cashless payments. This shows that there is no resistance to the system being implemented and that civil servants have accepted cashless payments as part of the agency's work mechanism.

2. Situational Readiness Indicator

This finding indicates that the implementers' readiness for the digital system is not yet absolute, but is still influenced by operational conditions in the field. Certain situations that demand speed or flexibility can lead to a preference for methods considered more practical. This reflects that adaptation to a cashless system is still in the process of becoming commonplace, especially when faced with non-routine conditions. Thus, although the policy has been generally accepted, its implementation remains influenced by the situational dynamics faced by the implementers. Based on interviews, informants stated that although civil servants are generally ready to implement non-cash payments, in certain situations such as official travel or urgent circumstances, there is sometimes an expectation of exceptions from the non-cash system. This statement indicates that in field practice, implementers still consider situational factors that are deemed to potentially affect the smooth payment process.

3. Incentive Indicator

This indicates that ASN compliance is driven more by rule obligations and administrative responsibilities than by incentive motivation. Policy implementation is driven by the demands of the prevailing work system. Reports indicate that incentives do not significantly impact the implementation of non-cash payment policies. The system continues to be implemented even without additional incentive bonuses.

D. Bureaucratic Structure Variables

1. Coordination Indicators

This mechanism indicates the presence of coordination among implementers, which operates thru a hierarchical work system. The involvement of more than one party in the payment process demonstrates layered oversight, ensuring that no transaction is carried out unilaterally. This coordination pattern supports administrative order while strengthening the internal control function in financial management. Based on interviews, the non-cash payment mechanism is carried out thru the PPK approval flow before the treasurer processes the payment, as well as the obligation of receiving ASN to submit accountability for the use of funds.

2. SOP Indicator

The use of SOPs by the local financial management agency indicates that the implementation procedures are standardized and not merely internal improvisations. This standardization provides uniformity in payment procedures, clarifies workflows, and reduces the potential for administrative deviations. Thus, SOPs become an important foundation for maintaining consistency and procedural compliance. The implementation of non-cash payments at BKPSDMD follows the SOP issued by

BPKAD for all SKPDs.

There are several factors driving the implementation of non-cash payment policies. One of the main factors is clear policy communication, where socialization is carried out thru coordination meetings so that procedures can be understood by civil servants. In addition, the availability and competence of human resources are considered adequate to support the implementation of the non-cash system. Civil servants have been able to follow administrative procedures and use digital payment systems. The existence of technical guidelines and SOPs from BPKAD is also a supporting factor because it provides clear and uniform standard procedures for all implementers. From a disposition perspective, civil servants have generally accepted and are ready to implement the non-cash system as part of their work obligations, so no significant resistance to the policy was found. In addition, the non-cash payment system is considered to support financial accountability because transaction evidence is clearer, record-keeping is easier, and financial accountability is more orderly. However, policy implementation also faces several obstacles. The most frequent obstacles are technical issues such as unstable internet networks or limitations with payment applications. Dependence on electronic systems makes the smoothness of payments highly influenced by the condition of the technological infrastructure. Additionally, in certain situations such as urgent activities, the implementer hopes for flexibility from the cashless system. This indicates that adaptation to the digital system is still influenced by field conditions, although overall the policy has been implemented well.

Implications of Accountability

Based on the interview results, the implementation of a non-cash payment system has a positive impact on the accountability aspect of financial management. This system makes transaction records clearer because the entire payment process is digitally recorded and can be traced back if needed. Additionally, financial record-keeping is considered easier because transaction data is systematically documented, thus minimizing manual recording errors. Regarding archiving, the informant also stated that there were no significant obstacles because transaction documents were well-preserved in digital format, making storage and retrieval easy when needed. This condition shows that the non-cash system not only functions as a payment tool but also as an instrument for strengthening financial governance. Clarity of transaction evidence increases transparency because the administrative flow of every expense can be viewed. Data searchability supports the principle of traceability, which is an important part of financial oversight systems. Thus, the implementation of non-cash payments contributes to improving the quality of financial reporting, strengthening accountability, and supporting the creation of more orderly and responsible governance.

Conclusion and Recommendations

Based on the interview results, the implementation of a non-cash payment system has a positive impact on the accountability aspect of financial management. This system makes transaction records clearer because the entire payment process is digitally recorded and can be traced back if needed. Additionally, financial record-keeping is considered easier because transaction data is systematically documented, thus minimizing manual recording errors. Regarding archiving, the informant also stated that there were no significant obstacles because transaction documents were well-preserved in digital format, making storage and retrieval easy when needed.

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