

DIGITALIZATION OF REGIONAL FINANCIAL MANAGEMENT IN BENGKULU: GOVERNING VALUE FOR FISCAL EFFICIENCY AND INNOVATION

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ABSTRACT

Digital transformation in public financial governance has become a strategic agenda for strengthening transparency, accountability, and fiscal efficiency. This study analyzes the implementation of digitalization of regional financial management in Bengkulu through e-planning, e-budgeting, and e-audit systems, and its relevance to the principles of governing value and fiscal innovation. Using a qualitative case study approach, this research uses secondary data from regional budget (APBD) documents, financial reports, regional regulations, and academic literature related to digital governance. The analysis shows that digitalization in Bengkulu improves the consistency of budget planning, accelerates administrative processes, and strengthens public information, and transparency. Digital-based fiscal innovation also opens up opportunities for community and local business participation, bridging the interests of the government, technology, and society. However, challenges such as limited human resource capacity, technological infrastructure, and regulatory consistency must be addressed to ensure the sustainability of fiscal digitalization. This study emphasizes that fiscal digitalization in Bengkulu is not merely a technical innovation but also a governance instrument that generates value in the form of legitimacy, trust, and sustainability. Thus, Bengkulu can be positioned as a policy laboratory that offers new perspectives in the international discourse on fiscal innovation in developing countries while also supporting the achievement of the Sustainable Development Goals (SDGs).

Keywords: Digital governance, Efficiency, Fiscal innovation, Governing value, Sustainable Development Goals

1. INTRODUCTION

Digital transformation in public financial governance has become a strategic agenda in many countries, including that of Indonesia. Digitalization is seen not only as a technical modernization effort but also as an instrument for strengthening transparency, accountability, and fiscal efficiency. International organizations such as the OECD and the World Bank

emphasize that digital government is a crucial pillar for building public trust, improving service quality, and creating more inclusive policy innovations (OECD, 2025; World Bank, 2025).

In Indonesia, the Ministry of Finance, through the Directorate General of Treasury, has developed an Integrated Financial Management Information System (IFMIS) based on data analytics to support more responsive fiscal policies. This step confirms that digitizing public financial management is a crucial foundation for addressing future fiscal challenges, including regional fiscal constraints and the demands of sustainable development (djpb. kemenkeu. go. id).

At the regional level, the implementation of financial digitalization is increasingly relevant to economic growth. Studies have shown that the implementation of e-budgeting in Indonesian regional governments significantly improves the quality of financial reporting and strengthens internal control systems. Regions that have implemented e-budgeting are more likely to obtain an Unqualified Opinion (WTP) from the Supreme Audit Agency (BPK) than regions that have not (journalajeba.com). This confirms that digitalization is not merely a technological innovation but also a governance instrument that generates governing value.

Bengkulu holds particular significance as a case study. Local research shows that the Bengkulu Provincial Financial Management Agency has adopted digital transformation in public services, despite facing limitations in human resource capacity and technological infrastructure (journals.unihaz.ac.id). Another study confirmed that digitalization in Bengkulu through e-planning and e-budgeting systems has transformed administrative and decision-making processes, although challenges such as bureaucratic resistance and organizational readiness still need to be overcome (Bing. com).

In the context of the International Seminar on Governing Value and Innovation: Bridging Business, Technology, and Society, Bengkulu can be positioned as a laboratory for digital fiscal policy. Digitizing regional finances not only improves technical efficiency but also opens up space for community participation and local businesses through more open access to information. Thus, fiscal digitalization in Bengkulu serves as a bridge between technology, fiscal governance and social transformation.

The research question is: How does the digitalization of regional financial management in Bengkulu reflect the principles of governing values and deliver fiscal innovations relevant to public needs? The research objective is to analyze fiscal digitalization practices in Bengkulu, evaluate their impact on efficiency and transparency, and identify challenges and opportunities that can enrich international discourse on fiscal innovation in developing countries.

With this framework, this study is expected to provide academic and practical contributions to understanding how fiscal digitalization in developing regions such as Bengkulu can become an adaptive model for more inclusive and sustainable public financial governance.

2. LITERATURE REVIEW

1. Digital Governance and Fiscal Governance

The concept of digital governance has developed rapidly over the past two decades in response to the need for transparency and efficiency in the public sector. The OECD (2025) emphasizes that government digitalization is not simply the adoption of technology but rather a systemic transformation that changes the way governments interact with citizens and businesses. In the fiscal context, digitalization enables more accurate, rapid, and transparent public financial management, thereby strengthening the principles of governing values, such as accountability and public trust.

International studies show that the implementation of an Integrated Financial Management Information System (IFMIS) in developing countries can reduce budget leakage and improve the quality of fiscal decision-making (World Bank 2025). This aligns with Heeks' (2022) view, which emphasizes that public sector digitalization is a catalyst for policy innovation, not simply administrative modernization.

2. E-budgeting and E-audit in Local Government

In Indonesia, the implementation of e-budgeting and e-auditing has become a crucial instrument for regional fiscal reform. Setyawan and Gamayuni (2020) found that the quality of local government financial reporting improved significantly after the implementation of e-budgeting, as indicated by an increase in Unqualified Opinions (WTP) from the Supreme Audit Agency (BPK). This confirms that digitalization not only improves technical efficiency but also strengthens accountability-based fiscal governance in the health sector.

Furthermore, Oktari and Indah (2025) highlighted that the digitalization of regional finances in Indonesia faces challenges in the form of bureaucratic resistance and limited human resource capacity. However, the benefits of budget transparency and public participation remain the primary values to be achieved.

3. Fiscal Digitalization in Bengkulu

In the Bengkulu context, Patrisia et al. (2021) show that digital transformation has begun to be implemented through e-planning and e-budgeting systems. This implementation has transformed the financial planning and reporting processes, although it still faces obstacles, such as limited technological infrastructure and organizational readiness. Bengkulu serves as an example of a region striving to integrate fiscal digitalization with good governance principles despite limited resources.

Digitalization in Bengkulu is relevant to sustainable development. With transparency of budget information, local communities and businesses can become more involved in the development planning process. This aligns with the United Nations (2024) view that fiscal digitalization can support the achievement of the Sustainable Development Goals (SDGs), particularly in terms of transparency, participation, and the efficient use of public resources.

4. Governing Value and Fiscal Innovation

The concept of governing value emphasizes that public governance must generate value in terms of trust, legitimacy, and sustainability. Fiscal digitalization is a crucial instrument for realizing these goals. According to Dunleavy et al. (2023), digital-based fiscal innovation enables local governments to be more responsive to community needs while strengthening the relationship between the government, business, and technology.

In the Bengkulu context, fiscal digitalization can be viewed as a policy innovation that bridges local community interests and global demands. This is relevant to the theme of the international seminar, "Governing Value and Innovation: Bridging Business, Technology, and Society," as it demonstrates how local practices can contribute to the global discourse on inclusive and sustainable fiscal governance.

5. Research Gaps

Although international and national literature has extensively discussed fiscal digitalization, studies specifically focusing on Bengkulu remain limited. This research offers novelty by making Bengkulu a laboratory for digital fiscal policy, thereby enriching academic perspectives on how developing regions face challenges and opportunities in the era of digitalization.

3. METHODS

This study uses a qualitative case study approach to analyze the digitalization practices of regional financial management in Bengkulu. This approach was chosen because it allows for an in-depth exploration of the local context, policy dynamics, and interactions between technology, fiscal governance, and society. Yin (2018) emphasized that case studies are an appropriate method for understanding complex phenomena in real-world contexts, especially when the boundaries between phenomenon and context are unclear.

1. Research Design

This study was designed as a descriptive-exploratory analysis. The objectives are:

- Identify the implementation of digital systems in regional financial management in Bengkulu (e.g., e-budgeting, e-auditing, and e-planning).
- Evaluate the impact of digitalization on budget efficiency, transparency, and public participation.
- Assess the challenges and opportunities of digital-based fiscal innovation in Bengkulu.

2. Data Sources

Research data were obtained from the following sources:

- Secondary data: Regional Revenue and Expenditure Budget (APBD) documents, local government financial reports, regulations related to fiscal digitalization, and audit reports from the Supreme Audit Agency (BPK).
- Academic literature: previous studies on digital governance, fiscal innovation, and e-budget implementation in Indonesia.
- Contextual data: Bengkulu regional government publications, local news, and policy reports related to sustainable development and SDGs.

3. Analysis Techniques

The analysis was conducted using a digital fiscal governance evaluation framework encompassing three main dimensions:

1. Technical efficiency: The extent to which digitalization accelerates budget planning, reporting, and oversight processes.
2. Transparency and accountability: How digitalization increases public information disclosure and strengthens internal control systems.
3. Fiscal innovation and community participation: The role of digitalization in encouraging the involvement of local communities and businesses in the development planning process.

Data were analyzed using source triangulation techniques, which compare information from official documents, academic literature, and policy reports to ensure the validity of the findings (Denzin, 2017).

4. Validity and Reliability

To maintain validity, this study used cross-verification between secondary data and the academic literature. Reliability was maintained by systematically documenting the entire analysis process, which allowed for replication by other researchers.

5. Research Limitations

This study has limitations, such as limited access to primary data (e.g., direct interviews with regional officials). However, this limitation was overcome by using credible secondary data and relevant academic literature.

4. RESULTS AND DISCUSSION

1. Implementation of Regional Financial Digitalization in Bengkulu

Bengkulu has begun adopting digital systems for regional financial management through e-planning, e-budgeting, and e-auditing. These systems are designed to improve budget planning, reporting, and oversight. Based on regional budget (APBD) documents and regional

government financial reports, the implementation of e-budgeting in Bengkulu improved the consistency between budget planning and realization. This aligns with the findings of Setyawan and Gamayuni (2020), who showed that e-budgeting strengthens internal control systems and improves the quality of financial reporting in Indonesian regional governments.

Furthermore, the implementation of the e-audit system supports fiscal transparency by providing more open access to financial data for auditors and the public. Although still limited, this step marks a significant shift towards digital-based fiscal governance.

2. Impact on Budget Efficiency

The digitalization of regional finances in Bengkulu has accelerated the budget administration process. Before the implementation of the digital system, the planning and reporting processes were time-consuming because of the reliance on manual documents. With e-budgeting, the process has become more efficient, reducing redundancy and accelerating decision making.

This efficiency is also reflected in the operational cost savings. The use of a digital system reduces the need for physical documents and minimizes the risk of data-entry errors. This supports the principle of value for money in fiscal governance, where every rupiah of the budget is used effectively.

3. Transparency and Accountability

One of the most significant outcomes of digitalization is increased transparency. The e-budgeting system allows the public to access budget information more openly, thereby strengthening public participation in the development and planning process. Oktari and Indah (2025) confirm that the digitalization of the public sector in Indonesia opens up space for greater public involvement in policy oversight.

In Bengkulu, information transparency contributes to increasing public trust in the local government. Fiscal transparency also strengthens bureaucratic accountability, as every budgetary decision can be digitally traced.

4. Fiscal Innovation and Public Participation

Fiscal digitalization in Bengkulu not only improves technical efficiency but also brings about policy innovation. With digital systems, local governments can be more responsive to the needs of local communities and businesses than before. For example, integrating financial data with development planning systems allows the government to align budget allocations with sustainable development priorities.

Public participation also increases with open access to information. The public can provide input on fiscal policy, thereby strengthening the principle of inclusivity in public governance. This aligns with Dunleavy et al.'s (2023) view that fiscal digitalization bridges government, technology, and society.

5. Implementation Challenges

Although digitalization has many benefits, Bengkulu still faces several challenges. First, there is a limited human resource capacity. Many regional officials are not yet fully skilled in using digital systems and require ongoing training. Second, there is an uneven technological infrastructure. Limited Internet connectivity in several areas of Bengkulu hampers the optimization of digital systems. Third, regulatory consistency is required. Unsynchronized policy changes between the central and regional governments often create obstacles to the implementation of fiscal digitalization.

6. Conceptual Analysis

The results show that fiscal digitalization in Bengkulu reflects the principles of governing values by increasing transparency, accountability, and efficiency. Digital-based fiscal innovation also strengthens the relationship between government, business, and society, making it relevant to the theme of the international seminar "Governing Value and Innovation: Bridging Business, Technology, and Society."

However, the success of fiscal digitalization depends not only on technology but also on the readiness of institutions and society. Therefore, digitalization in Bengkulu can be viewed as an adaptive process that requires capacity building and regulations to achieve optimal results.

Discussion

The digitalization of regional financial management in Bengkulu demonstrates that technological transformation in the public sector is not simply administrative modernization but rather a process that reflects the principles of governing values. The results show that digitalization strengthens fiscal transparency, accountability, and efficiency, while also opening up space for more inclusive policy innovation.

1. Digitalization as a Form of Governing Values

The principle of governing values emphasizes that public governance must generate value in terms of legitimacy, trust, and sustainability. Fiscal digitalization in Bengkulu demonstrates how these values are realized through the transparency of budget information and increased bureaucratic accountability. This aligns with the OECD's (2025) view that digital government is a crucial instrument for building public trust.

In the Bengkulu context, information transparency through e-budgeting and e-auditing strengthens the relationship between the local government and the public. Fiscal transparency increases public trust and strengthens the legitimacy of fiscal policies. Thus, fiscal digitalization can be viewed as a concrete manifestation of governance values.

2. Fiscal Innovation as a Bridge Between Technology, Business, and Society

Fiscal digitalization in Bengkulu also presents policy innovations that bridge the interests of the government, local businesses and the public. The integration of financial data with the

development planning system allows the government to align budget allocations with community needs and sustainable development goals.

This aligns with Dunleavy et al. 's (2023) view that fiscal digitalization is a catalyst for policy innovation that strengthens the relationship between government, technology, and society. In Bengkulu, digital-based fiscal innovation opens opportunities for local businesses to become more involved in the development process while strengthening public participation through more open access to information.

3. Comparison with International Literature

International studies show that fiscal digitalization in developing countries often faces challenges, such as limited human resource capacity and technological infrastructure (World Bank, 2025). This finding is consistent with the situation in Bengkulu, where limited Internet connections and the readiness of regional officials are major obstacles to digitalization implementation.

However, the novelty of the Bengkulu case study lies in how a region with limited resources strives to integrate fiscal digitalization with the principles of good governance. This demonstrates that fiscal digitalization is not solely the domain of developed countries but is also relevant to developing regions seeking to strengthen fiscal transparency and efficiency.

4. Challenges and Policy Implications

While digitalization brings many benefits, the challenges faced by Bengkulu demonstrate that the success of fiscal digitalization depends not only on technology but also on the readiness of institutions and communities. Therefore, policies are needed that focus on the following:

- Strengthening human resource capacity through continuous training.
- Improved technological infrastructure to support the digital systems.
- Consistency of regulations between central and regional governments.

These policy implications are crucial for ensuring that fiscal digitalization achieves optimal and sustainable results.

5. Novelty and Academic Contribution

This discussion confirms that the Bengkulu case study offers a novel perspective in the digital governance literature. Bengkulu can be positioned as a laboratory for digital fiscal policy, demonstrating how developing regions face challenges and opportunities in the digital governance era. The academic contribution of this research is to enrich the international perspective on fiscal innovation in developing countries and provide practical recommendations for regional governments to implement fiscal digitalization.

5. CONCLUSION AND LIMITATION

This study demonstrates that the digitalization of regional financial management in Bengkulu is a strategic step toward strengthening transparency, accountability, and fiscal efficiency. The implementation of e-budgeting, e-auditing, and e-planning systems has had a tangible impact on increasing budget planning consistency, administrative efficiency, and public information transparency. Fiscal digitalization in Bengkulu also presents policy innovations that bridge the interests of the government, local businesses, and the community, making it relevant to the theme of the international seminar "Governing Value and Innovation: Bridging Business, Technology, and Society."

Nevertheless, this study also confirms that the success of fiscal digitalization depends not only on technology but also on the readiness of institutions and communities. Challenges such as limited human resource capacity, uneven technological infrastructure, and consistent regulations remain obstacles that need to be overcome. Thus, fiscal digitalization in Bengkulu can be viewed as an adaptive process that requires capacity building and supporting policies to achieve optimal results.

Academically, the Bengkulu case study offers novelty to the digital governance literature by demonstrating how developing regions face challenges and opportunities in the era of fiscal digitalization. The practical contribution is to provide policy recommendations that can strengthen the implementation of fiscal digitalization in other regions of Indonesia and developing countries.

Policy Implications

Based on the research findings, several policy implications can be proposed.

1. Strengthening Human Resources Capacity

Regional governments must provide ongoing training to civil servants to enable them to operate digital systems optimally. Improving human resource capacity will ensure that digitalization is not merely a technical innovation but also results in more effective fiscal governance.

2. Improving Technological Infrastructure

Limited internet networks in several areas of Bengkulu are a major obstacle to the implementation of fiscal digitalization. Therefore, investment in technological infrastructure, including Internet networks and hardware, is needed to support a more equitable digital system.

3. Regulatory Consistency

Policy synchronization between the central and regional governments is crucial to ensuring fiscal digitalization sustainability. Consistent regulations will reduce bureaucratic hurdles and strengthen the legitimacy of digitally based fiscal policies.

4. Public and Local Business Participation

Fiscal digitalization should be directed toward strengthening the participation of local communities and businesses in the development planning process. Transparency of budget information can be an instrument for increasing public engagement, making fiscal policy more inclusive and responsive to community needs.

5. Integration with the Sustainable Development Agenda (SDGs)

Fiscal digitalization in Bengkulu must be integrated with the sustainable development agenda. This will ensure that fiscal innovation not only improves technical efficiency but also supports the achievement of global goals, such as poverty alleviation, improving education quality, and environmental protection.

Thus, the digitalization of regional financial management in Bengkulu can be viewed as a policy laboratory that offers new perspectives on the international discourse on fiscal innovation. Digitalization is not only a technological instrument but also a bridge between fiscal governance, local businesses, and the community. If existing challenges can be addressed through appropriate policies, Bengkulu has the potential to become an adaptive model for other regions to implement digital governance for inclusive and sustainable development.

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