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IMPROVING COMMUNITY FINANCIAL GOVERNANCE: THE CASE OF POKDARWIS KAMPUNG KERANGGAN, SOUTH TANGERANG CITY

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ABSTRACT

We introduced a financial governance module and a digital accounting system to the Kelompok Sadar Wisata (Pokdarwis) in Kampung Keranggan, Tangerang City, Banten Province, to improve its financial accountability. Pokdarwis Kampung Keranggan is renowned for its community-driven initiative to transform an underutilized area on the outskirts of Tangerang into a vibrant edu-tourism destination. However, it has no ability to present its financial results to the community they serve. This community outreach program has provided significant opportunities for Pokdarwis to improve the community's financial governance. We introduced an accounting software called Zahir Online to overcome key problems faced by many micro and small businesses: limited human and financial capital. Zahir Online can instantly produce financial reports, cash-flow reports, and other financial statements as long as any transaction is inputted into the Zahir system. It only requires a minimal understanding of accounting knowledge, such as types of accounts and transactions related to those accounts. In addition to providing free access to Zahir Online, Pokdarwis also received training and mentoring from us for about 6 months. Despite improvements in its ability to produce financial reports, they still face challenges in utilizing the technology. The success of this initiative, however, relies heavily on community participation and education. While technology can compensate for a lack of accounting skills and experience, it cannot resolve low levels of engagement or reluctance to adopt new systems, as evidenced by Pokdarwis' preference for Excel over Zahir Online. Without active participation from the community, Pokdarwis risks undermining its effectiveness and the outcomes of this community outreach program. The community's role is integral, given that Pokdarwis functions as a representative and steward of communal resources.

Keywords: Community; financial governance; Pokdarwis; edu-tourism; accounting application

ABSTRAK

Kami memperkenalkan modul tata kelola keuangan dan sistem akuntansi digital kepada Kelompok Sadar Wisata (Pokdarwis) di Kampung Keranggan, Kota Tangerang, Provinsi Banten untuk meningkatkan akuntabilitas keuangannya. Pokdarwis Kampung Keranggan dikenal atas inisiatif berbasis

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komunitasnya yang mengubah area terpinggirkan di Tangerang menjadi destinasi Ekowisata yang dinamis. Namun, kelompok ini belum memiliki kemampuan untuk menyajikan hasil keuangannya kepada masyarakat yang mereka layani. Program pengabdian masyarakat ini memberikan peluang signifikan bagi Pokdarwis untuk meningkatkan tata kelola keuangan komunitas. Kami memperkenalkan perangkat lunak akuntansi bernama Zahir Online untuk mengatasi masalah utama yang dihadapi banyak usaha mikro dan kecil, yaitu terbatasnya sumber daya manusia dan modal keuangan. Zahir Online dapat secara instan menghasilkan laporan keuangan, laporan arus kas, dan laporan keuangan lainnya selama semua transaksi dimasukkan ke dalam sistem Zahir. Perangkat ini hanya membutuhkan pemahaman minimal tentang pengetahuan akuntansi seperti jenis akun dan transaksi yang terkait dengan akun tersebut. Selain mendapatkan akses gratis ke Zahir Online, Pokdarwis juga menerima pelatihan dan pendampingan dari kami selama kurang lebih 6 bulan. Meskipun kemampuan mereka dalam menghasilkan laporan keuangan meningkat, mereka masih menghadapi tantangan dalam memanfaatkan teknologi ini. Kesuksesan inisiatif ini sangat bergantung pada partisipasi dan edukasi komunitas. Meskipun teknologi dapat mengkompensasi kurangnya keterampilan dan pengalaman akuntansi, teknologi tidak dapat mengatasi rendahnya keterlibatan atau keengganan untuk mengadopsi sistem baru, sebagaimana terbukti dari preferensi Pokdarwis menggunakan Excel dibandingkan Zahir Online. Tanpa partisipasi aktif dari komunitas, Pokdarwis berisiko mengurangi efektivitasnya serta hasil dari program pengabdian masyarakat ini. Peran komunitas sangatlah integral, mengingat Pokdarwis berfungsi sebagai perwakilan dan pengelola sumber daya bersama.

Kata Kunci: Komunitas; tata kelola keuangan; Pokdarwis; edu-wisata; aplikasi akuntansi

INTRODUCTION

Kelompok Sadar Wisata (Pokdarwis) or tourism awareness group is an example of a community-led development (CLD) in Indonesia. In CLD, members of the local community work together to identify goals that are important to them, plan to achieve them, implement the plan, and create collaborative relationships internally and with external actors (Mansuri & Rao, 2004; Mathie & Cunningham, 2003). Pokdarwis is a type of community that is self-funded and organized to support government policy on tourism awareness (Sadar Wisata) (Kementerian Pariwisata Dan Ekonomi Kreatif, 2008). Sadar Wisata can be defined as a concept that describes the participation and support of all components of society in fostering a conducive environment for the growth and development of tourism in a particular area. Pokdarwis is the motivator, driver, and communicator of Sadar Wisata (Gubernur Jawa Barat, 2020).

Pokdarwis must be formed at the village/sub-district level or within specific tourism areas through community consultation, with a minimum structure of 7 members (including a Chairperson, Secretary, and Treasurer). Their core duties include identifying tourism potential, managing local attractions/accommodation, preserving cultural/environmental assets, and building marketing networks. To gain legal status, groups require endorsement letters from the Village Head and the local Regency/City Tourism Office. Pokdarwis is entitled to government mentoring and resources but must submit regular reports and apply sustainability principles.

Pokdarwis can increase tourism activities by introducing community-based tourism (Adamov et al., 2020). Increasing tourism activities contribute to the well-being of Kampung Keranggan community (Paramita & Ritonga, 2023). Pokdarwis may introduce business processes of small businesses in Kampung Keranggan as tourist attractions

(Ayu Sita Laksmi et al., 2023). Small business processes then become tourist sites that would contribute to community cohesion and peace as well as improving community well-being (Vallabh et al., 2017). Therefore, it is important for Pokdarwis to develop a tourist map that would help tourists to find these tourist sites. (Moss et al., 2022). In addition, visitors can enjoy a relaxing ambiance by the Cisadane River, take photos at Instagram-worthy spots, explore the forest, and experience the thrill of archery and rafting. Additionally, tourists can deepen their knowledge of local culture by learning about Sundanese Degung music and trying their hand at traditional craft-making workshops. Keranggan Ecotourism Village also offers homestay accommodation for overnight or extended stays.

A main challenge of a successful Pokdarwis, however, is the management of its financial activities. We can consider Pokdarwis as a micro and small business (MSB) since it has to be run with an entrepreneurial mindset (Kraus et al., 2023). After it can address a sales problem, the most challenging of MSBs, it is facing financial problems and other general management challenges (Huang & Brown, 1999). Weak governance contributed to weak financial performances of micro and small businesses (Wamba et al., 2018). The governance structure of MSBs is different from those of large companies (Handley & Molloy, 2022). There is no board of directors in MSBs and its role may be served by informal institutions (Estrin & Prevezer, 2011), venture capitalists (Madill et al., 2005), supervisory boards (Faghfoury et al., 2015; Van Gils, 2005), business groups or affiliations (Tajeddin & Carney, 2019), informal partnership (Moss et al., 2022) or peer advisory boards (Matser & Gerritsen, 2010).

Accounting applications and in general online accounting software or digital accounting systems (DAS) have high potential to reduce the gap in governance of SMEs. A simple digital accounting system would help MSBs to record their transactions and directly

produce financial reports for management decision making (Lutfi et al., 2022). The adoption and the use of technology influence MSBs in developing its accounting systems (Sharma et al., 2024). It speeds and lowers the cost of handling business operations (Cong et al., 2019) and eliminates some of the mundane and time-consuming tasks associated with manual accounting (Pargmann et al., 2023).

Through offline and online dialogues, we communicate with Pokdarwis to prepare data and information to be included in the Zahir system. Pokdarwis Kampung Keranggan uses the Microsoft Excel program to record its financial transactions. It records cash receipts and disbursements by date for each month. Since there is only one person in charge of finance, who also has a full-time job as an elementary school teacher, transactions are recorded in the evening. This means the cash account always reflects the actual cash position of Pokdarwis Kampung Keranggan by the end of the day. The cash balance recorded in the Excel program is then used by the leadership of Pokdarwis to evaluate the "profit" of each event by comparing it with the manually set target profit for the event. Profit is defined as the cash received from the event minus the production costs of the event (cash disbursements related to the event). While they can review the accuracy of past transactions, they cannot analyse the profit or loss of each project after accounting for depreciation and other overhead costs associated with the project. They are also unable to determine the overall profit or loss of Pokdarwis, any improvement in its net assets, or the sources and uses of cash within Pokdarwis. Records of assets are maintained separately by other staff members of Pokdarwis using an Excel program. However, this system only generates a list of asset inventory without providing any information about the value of the assets.

MSBs are the main partners of Pokdarwis in delivering tourist attractions in Kampung Keranggan. However, their financial and reporting literacy is weak. They rely on handwritten notes to record their financial

transactions and often depend on their own memory. There are no records of assets, liabilities, or equity. The growth and development of these MSBs are hindered by their lack of accounting and financial literacy as well as general financial governance (Lusardi & Streeter, 2023; Onyango Thadeus et al., 2023).

Based on challenges discussed above, we introduced and trained Pokdarwis and MSBs in Kampung Keranggan on financial governance for communities. It aims to improve the knowledge of Pokdarwis and MSBs they support about sound financial management. This capacity-building initiative is expected to boost the productivity of tourism activities in the Kampung Keranggan Ecotourism area and allow Pokdarwis and the MSBs under its guidance to gain knowledge and skills in better financial governance, including understanding asset management, recording financial transactions, conducting simple financial statement analyses, and developing financial plans to support business sustainability. This will equip them to better address financial management challenges that often hinder the development of ecotourism and micro businesses in the area.

METHOD

We implemented the five-stage model for community empowerment—comprising Socialization, Training, Technology Implementation, Coaching (Assistance) and Evaluation, and Program Sustainability—in this community outreach program (PKM). This method can be summarized into three main stages: preparation, implementation, and evaluation, as an approach to managing a PKM project or activity. However, we used the five-stage model to describe this PKM activity to align with the community empowerment framework required by the funding agency.

Tim leader and all members of the community service team involved in the five-stage model. The target audience is Pokdarwis dan MSBs in Kampung Keranggan.

All members of Pokdarwis management, 4 males and 2 females, were involved in the process. There are 10 MSBs involved and all of them owned by women. The socialization stage was a dialogue between the community service team (4 lectures) and Pokdarwis management (4 members). In the training stage, the community service team was helped by ten accounting students and each one of them was assisting one MSB.

Engaging community members through awareness and participatory processes through socialization is crucial for successful empowerment initiatives since its building trust and engaging communities (Lansing et al., 2023; Hermawan et al., 2023; Wittmayer et al., 2021). Lack of community engagement can be identified by the number of participants in the PKM events (Eder et al., 2018). Mickey Milton Eder and his colleagues argue that quantifying community engagement in PKM events can be effectively assessed by analysing participation metrics. The number of participants serves as a tangible indicator of engagement levels, reflecting the community's interest and involvement in such initiatives. Low attendance figures may suggest a lack of engagement, while higher numbers typically indicate greater community interest and participation.

Providing education and skill-building opportunities enhances community members' capabilities to address local challenges. Training is an important method to develop community skills (Stephens et al., 2013). It enhances the trainee's knowledge and skills to enable them to adapt to the working environment and create a career opportunity in their organization (Zhou, 2022). It can help trainees become self-sufficient and live with dignity (Mayombe, 2018). A successful community training is designed and delivered, within the confines of the existing policy and economic environment, in a way that is well aligned with the learning needs of its target population (Palameta et al., 2011). It is very challenging since what they need is just to get cash money to pay for their daily meals and

repay their mounting debts. Almost all community households have considerable consumer debt and are paying high interest rates on that debt (Scott & Pressman, 2013). Self-employed households have more debts and greater income inequalities than households of the paid employees (Wałęga & Wałęga, 2021).

Technology implementation is the heart of the PKM program. Community outreach programs should deliver the necessary applied technology to the targeted communities. This technology transfer is a key to sustainable community development (Hope, 1996). We introduce Zahir online accounting that can be easily accessed using smart phones to enhance community governance of Pokdarwis Kampung Keranggan. It is a web-based accounting application paid based on a subscription fee. It charges about Rp.900,000 per month for three users and one company data. If Pokdarwis wants to manage accounting data of MSBs in Kampung Keranggan, it must pay more fees to Zahir.

Mobile technology is more accessible and acceptable for community outreach than computer and internet promotion programs ((Chaudhuri, 2012). However, a successful technology transfer needs to be supported by an effective community institution that would manage the transferred technology (Alrusheidat, 2006). Community participation in the use of techomoolgy is the key to the successful technology transfer initiative. The challenges to community technology transfer efforts are on developing community capacity to generate and adapt the transferred technology to its local conditions (Molnar & Jolly, 1988). Community technology transfer depends on collaborative partnerships, social network strategies and the building of social capital at the local level (Marshall & Taylor, 2021).

After delivery of training of the transferred technology, we need to provide coaching (assistance) and evaluation to management of Pokdarwis. Coaches need to understand the world of the local community, which is

volatile, uncertain, complex and ambiguous, where lives are constantly disrupted and changing (Einzig, 2017). In Indonesia, local communities receive many community outreach programs initiated by the government, communities, NGOs, academics, companies, and donors. They are based on specific socio-economic and ecological interests with weak synergies between programmatic implementation and stakeholder interests, triggering various conflicts (Maring, 2022). Coaching Pokdarwis also needs to consider uncertainty of local community incomes and high indebtedness.

The final step of this PKM is to develop sustainability of the program. We hope Pokdarwis will be more active in using Zahir online to record its financial transactions as well as for UMK under its supervision. Sustainability of the program would be achieved through empowering the community and opening access to continuous dialogue. The program will sustain when the transferred technology fits the local context and the ability to tailor PKM to meet specific community needs (Dushkova and Ivlieva, 2024). It can also be sustained by creating a partnership between Pokdarwis and our network (Sun et al., 2020).

RESULTS AND DISCUSSION

1. Socialization

We formally started the socialization activity on July 3, 2024, at Pokdarwis office. This activity involved a dialogue with the management of Pokdarwis, field observations, and interviews with micro and small enterprises (MSBs) in Kampung Ekowisata Keranggan. This engagement provided valuable insights into the management and operational needs of Pokdarwis and its associated MSBs.

The following agreements were reached during the discussion with the Pokdarwis management:

- The Pokdarwis management agreed to implement *Direktorat Riset Teknologi dan*

Pengabdian Masyarakat (DRTPM) grant program for 2024 that supports this PKM program.

- A curation process will be conducted for the products of MSBs in Kampung Ekowisata Keranggan. MSB products will be introduced to entrepreneurial stakeholders within our network.
- Preparing the necessary data to build a technology-based accounting system.
- Preparing Pokdarwis human resources to manage the digital accounting system.

These agreements reflect Pokdarwis' commitment to implementing the DRTPM grant in 2024. The grant aims to fund various activities supporting tourism development and community empowerment in Kampung Ekowisata Keranggan. Given the focus on this article on financial governance activity, we will not discuss activity on the curation process of MSB products.

Details of the Agreements:

• **Technology-Based Accounting System**

This system utilizes software or applications to manage and record financial transactions. It is expected to support the creation of simple financial governance for MSB and Pokdarwis management. Preparing the necessary data is the initial step toward developing an efficient and effective accounting system, enabling Pokdarwis to manage finances more transparently and accurately.

• **Human Resource Preparation**

Pokdarwis HR refers to individuals who will be trained and empowered to manage the digital accounting system within the Pokdarwis ecosystem. Preparing HR involves providing training and skill development to Pokdarwis members, enabling them to effectively use and manage the digital accounting system, thus modernizing operations and supporting simple financial governance for MSBs.

Preparatory Steps:

While awaiting the disbursement of the DRTPM grant funds to the Community Service

Team (PKM), the following preparatory steps were taken by the team. The socialization process identified how many MSB under Pokdarwis supervision will be included in the program. Pokdarwis suggested 20 MSB would join the program. This information is crucial for allocating a budget for the digital accounting system. Together with Pokdarwis, we need an online accounting system that would allow us to record 21 separate entities. Each entity will have its own accounting and financial report. The selected accounting system should also be able to produce combined or consolidated financial reports of Pokdarwis and 21 MSBs.

We evaluated several accounting software to be selected for improving financial governance of Pokdarwis. We invited vendors of the accounting software to our campus and told them the purpose of the program and our expectation on the accounting software. We emphasise that the software will be used by our partner (Pokdarwis) not by us. The selected vendor must train our team including students on how to use the software before we train management of Pokdarwis and owners of MSBs. Only one vendor, Zahir International, agreed to our team. With the allocated budget for accounting software, we would allow 10 users to access Zahir online at the same time and create accounting for 22 departments or entities.

Initial Data Collection

The socialization process ended with a crucial step: collecting initial data that included the organizational profiles, opening balance sheets, and initial financial transactions of Pokdarwis and selected MSBs in Kampung Ekowisata Keranggan for July 2024. This data is essential for preparing the implementation of the online-based Zahir accounting system. The collected profiles consisted of general information about Pokdarwis and one MSB as a sample. We collected the opening balance sheets detailed of their assets, liabilities, and equity. Additionally, initial transactions related

to cash flow, expenses, and revenues were documented.

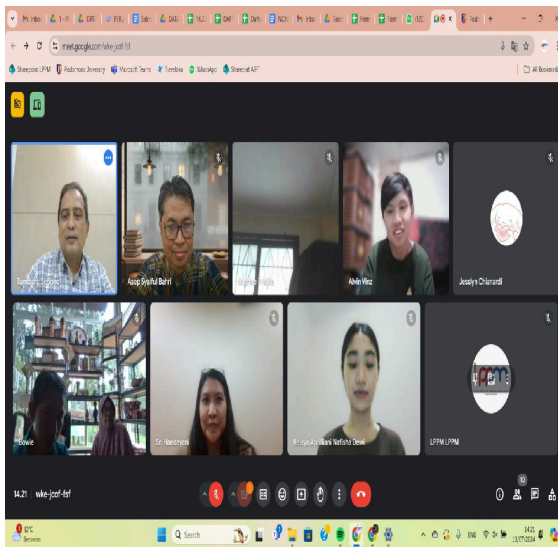


Figure 1. Initial Data Collection
(Source: Author, 2024)

The data collection was conducted on July 10 and August 16, 2024, via Zoom meetings. During these sessions, our team interacted directly with Pokdarwis managers and MSB representatives. Through these online meetings, our team ensured that the required data was accurately and filled out for input into the Zahir system. This activity not only facilitated the collection of critical information needed to commence training but also provided an opportunity for the partners to understand the importance of accurate record-keeping from the very beginning of the process.

The data collected was subsequently used during an internal training session for our team on July 11, 2024. This session ensured that the Zahir system could be populated with complete information, making it ready for financial transaction simulations to be conducted during the training sessions with Pokdarwis and MSBs.

2. Trainings

Team Training

The initial data collection was a crucial step to ensure that the training and implementation of the online Zahir accounting system could proceed efficiently and meet the

needs of the targeted partners. On July 11 and August 19, 2024, our team, comprising lecturers and students, participated in specialized training conducted by the Zahir team. The primary focus of the training was entering the initial data, collected the previous day, into the Zahir online system. With the profile information and opening balances already input, the Zahir system was prepared to record and monitor financial transactions during the subsequent training sessions with partners. These sessions included daily transactions from July 1 to July 30, 2024.



Figure 2. Internal Team Training
(Source: Author, 2024)

This training not only familiarized our team with Zahir's features but also engaged them in configuring and customizing the system to address the specific requirements of Kampung Ekowisata Keranggan. With the initial data already entered, the subsequent training for the partners could focus directly on using the system to manage daily transactions, generate financial reports, and monitor financial conditions in real-time.

3. Training for Targeted Partners

Simple Financial Governance

On August 20, 2024, a training session on financial governance and the use of the Zahir online accounting application was conducted for targeted partners. These included Pokdarwis Kampung Ekowisata Keranggan, six MSBs, and a business unit under

POKDARWIS management, Rumah Belajar Keranggan Indonesia (RBKI). RBKI is a unit that provides education for children with special needs, enabling them to produce various items such as bracelets, necklaces, and other crafts that are sold to the community.

The training was attended by Pokdarwis board members, representatives from six MSBs, and RBKI management. The first session allowed them to understand the principle of good financial governance in managing organizations and small businesses. Topics included organizational governance, business ethics, basics of cash flow management, the importance of accurate financial record-keeping, and how to prepare simple financial reports. These tools are designed to assist MSBs and Pokdarwis in making better, more informed financial decisions.



Figure 3. Training Simple Financial Governance with the Targeted Partner
(Source: Author, 2024)

The second session focused on introducing and training participants in the use of the Zahir online accounting application. Participants were taught how to enter financial transactions, such as revenues and expenses, and how to use Zahir's features to monitor cash flow, record daily transactions, and perform basic financial reporting. This training aimed to equip participants with practical skills in financial management and the use of technology to enhance the financial governance of their

organizations and businesses and automatically generate financial reports. With this application, it is expected that MSBs, Pokdarwis, and RBKI will be able to manage their finances more efficiently and transparently.

The training session was conducted interactively, where participants not only received theoretical material but also engaged in hands-on simulations by inputting data into the Zahir online system. This approach aimed to ensure that each participant gained a clear understanding of proper financial management processes and how to utilize technology to assist with daily financial activities. The training served as a crucial step in helping MSBs and Pokdarwis improve financial transparency and accountability, as well as ensuring the sustainability of their businesses.

4. Technology Implementation

Pokdarwis

Pokdarwis builds its assets mainly through activities supported by local government, NGOs, academics, and CSR of corporations. Assets were bought by donors and delivered to Pokdarwis and recorded as Pokdarwis assets or given to MSBs. The accounting for this asset grant is limited to recording the name of asset in excel format or in the handwriting notes and later it will be printed as Pokdarwis asset list. There was no record of assets given to MSBs. There is no rupiah value of the asset in the list. Neither there are depreciation charges for those assets nor writing off the assets from the book.

Evaluation of assets by management is only based on information produced by hand-writing notes or excel programs. It focuses on the existence of assets. The current accounting system for recording assets does not protect the physical assets as well as the value of assets. Management Pokdarwis did not know the value of assets used to produce its earnings as well as the book value of the assets. They do not estimate the fair value of the assets.

Pokdarwis keeps a cash book using the Excel program for recording all its financial transactions such as revenues and expenses. This simple accounting is the key financial governance of Pokdarwis. The information produced by the cash book, i.e. actual revenues and expenses, will be compared with budgeted revenues and expenses for each tourism event performed by Pokdarwis. The main tourism events are camping activities and visitors for comparative studies. Since Pokdarwis Kampung Keranggan is well known for its innovation and entrepreneurial activities, many local governments and academics from Indonesia and abroad visit the site to study its success. Pokdarwis financial management focuses on short-financial targets such as cash profit from each event and cost items. The introduction of Zahir online will allow Pokdarwis to start managing overall financial performance while keeping each project under control with better understanding of the cost items of each project. The cost of a project should also include overhead expenses such as depreciation, use of information technology and utilities.

Zahir online helps Pokdarwis to produce many key reports for good financial management. It can produce instantly Profit and Loss Statement, Balance Sheet, and cash flow statements for each month of the year. Since this PKM activity started in July 2024, Pokdarwis can only present statements from July to December 2024 as presented in Picture 4 below.

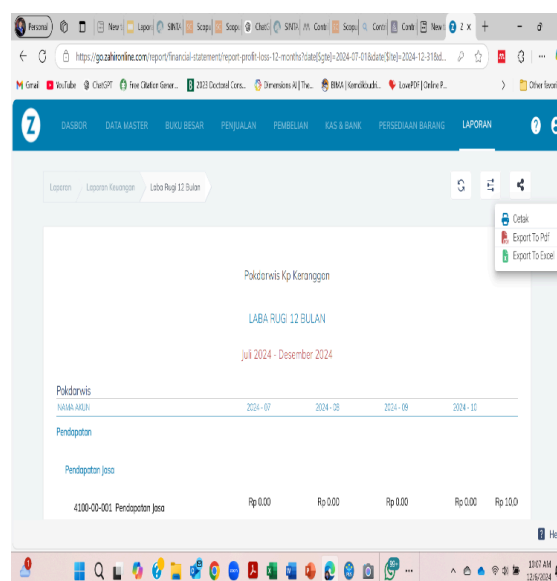


Figure 4. Zahir Online for Pokdarwis
(Source: Author, 2024)

Statements produced by Zahir online can be easily printed out or included in a management report on financial performance of Pokdarwis. The data collected on Zahir online can be downloaded to excel program to allow further analysis of Pokdarwis financial matters.

Micro and Small Business (MSB)

Owners of MSB are usually women and they run a business to survive and support their husband (Hendratmi et al., 2022). They sell mostly Banana Chips (**Keripik Pisang**), Cassava Chips (**Keripik Singkong**), and Flower Shaped Fried Snack (**Kembang Goyang**). Flower Shaped Fried Snack (literally translates to "Shaking Flower"; a traditional Indonesian snack made from flour, eggs, and sugar, shaped like a flower and deep-fried. Before Covid-19, there were 20 MSBs under supervision and development of Pokdarwis. There are only 10 MSBs surviving until now and these businesses have regular customers.

Financial management of the surviving MSBs is for short-term objectives. They only make production when they have orders from customers. As such, they do not prepare to make long-term investment decisions such as buying cooking equipment or building a proper

kitchen for production. They focus on addressing short-term liquidity problems of producing daily products (Kappal & Rastogi, 2020). For surviving MSB, the one with loyal customers, owners often receive trade credits from its suppliers. They buy raw materials now and pay later to the vendor when they make sales. This financial access is one key success factor of MSBs (Mkini Lugalla et al., 2024; Alene, 2020). This vendor's financial support does not require strong financial literacy of the MSB owners. They do not require MSBs to have bank loans as suggested by Tsuruta (2015). Vendors just need to believe that sales of MSB are regular and growing. Financial literacy of owners of MSB is weak and it is consistent with previous studies (Mashizha et al., 2019; Watson et al., 1998; Wichmann, 1983). This weak financial literacy hinders MSB growth potential (Erhomosele & Obi, 2022).

Formal accounting and reporting are not the main tools to support financial management of MSB owners. They usually do not have formal training in financial management, so they often use handwritten memos to record their revenues and expenses. They do not have records on assets or liabilities. Some owners even do not have any record and they use wallets to keep their money for different purposes, especially to differentiate business money and personal money. Profit or loss nor the net-wealth is not the key matrix of MSB performances. Their key performance measure is daily cash balance to support daily meals for the family. The balance of daily cash revenues over cash expenditure will be used to pay for daily meals. Another matrix of performance is the ability to make savings for going Umrah to Mekkah. MSB performances significantly increase during Lebaran, a Muslim National Holiday. At this time, MSB owners can make significant savings and start making savings to an Umrah Travel Agency. MSB owners might pay the cost of Umrah in full in two years or two Lebaran.

Our approach in developing financial literacy of MSB is to build the capacity of Pokdarwis to manage MSB accounts. We expect Pokdarwis to produce financial reports on MSBs and later can show the owners their financial performance. By comparing financial reports of MSBs, Pokdarwis can provide advice for each MSB and is in the position to announce the best MSB in Kampung Keranggan. MSB owners can later understand profit or loss they are making and how much their assets, liabilities, and equity. We do not expect MSB owners to use Zahir online and develop their own accounting systems. They do not have manpower to manage Zahir online. With this approach, MSB owners can obtain its profit and loss statements, balance sheets, and cash flow statements from Pokdarwis. We argue Pokdarwis can educate a new matrix of performance to MSB owners that utilize information produced by Zahir online.

Coaching

We created an online coaching method to help Pokdarwis to use Zahir online to create its financial reports. We use WhatsApp to communicate and meet regularly to discuss progress. Coaching activities include updating inputs of daily financial transactions, correcting mistakes in data input, creating general journals for non-cash transactions such as accrued expenses. We introduced several facilities offered by Zahir online such as custom sales invoices and importing data with excel program.

The main goal of this coaching is to enable Pokdarwis to independently manage their finances and those of the MSMEs under their guidance using the Zahir application. We provide support until the target of inputting financial data from MSBs involved in the program is achieved. With consistent and systematic record-keeping, Pokdarwis and the MSBs will be able to produce accurate financial reports, use these reports for decision-making, monitor cash flow effectively, and enhance financial transparency for both internal and external stakeholders.

Sustainability of the PKM

With the use of technology to support training, mentoring, and evaluation, this PKM program not only delivers short-term impacts but also prepares the Kampung Ekowisata Keranggan community for sustained independent growth. The program has strengthened the capacity of Pokdarwis and MSBs in implementing the Community Financial Governance Concept or Guidelines for Kampung Ekowisata Keranggan, which were agreed upon during the PKM activities.

Technologies such as the online Zahir accounting application and online learning methods will continue to be utilized to monitor and support good financial management practices, as well as to promote the sustainability of local businesses. We keep our communication open for Pokdarwis and are ready to assist them in improving their financial governance.

Discussion

Digital accounting or online accounting systems offer opportunities for a community to improve their financial governance. The technology solution can address the community's lack of human and or financial capital to develop a sound financial governance. The objective of this PKM program will be achieved if there is strong participation from the community of Kampung Keranggan, especially Pokdarwis. Technology can overcome lack of accounting education and experiences; however, it cannot address lack of participation of the community. Education, participation, and skill of the community influence the use of accounting technology (Dewi & Muliati, 2022). Zahir online is provided free to Pokdarwis and MSBs for one year. It gives the community plenty of time to learn and practice to improve their financial governance.

Despite having a free online accounting system, Pokdarwis was reluctant in using Zahir online to manage their financial transactions. It keeps using Excel as the main tool to record its financial transactions. This finding is

consistent with Thottoli & Ahmed (2022) that found that except information technology (IT) cost, all other possible determinants (IT risk, employee IT skills and employee theoretical knowledge) has a significant influence on E-accounting practice among MSBs. The digital accounting system is getting cheaper everyday as new technologies continue being developed.

Management understanding of the financial governance theory is a key factor for a successful PKM program to improve community financial governance. Pokdarwis needs to understand the agency cost theory that suggests there is a conflict of interest between management and stakeholders in any organization (Jensen & Meckling, 1976). The community expects Pokdarwis to function for the best of the community so as to reduce inefficiency and frauds that might not be aligned with interests of Pokdarwis management. The community needs reports to evaluate how Pokdarwis manages the community resources given by local governments, corporations, academics, and other donors. These reports must be understood and evaluated by the community to create accountability of Pokdarwis and trust of the community. Lack of transparency and accountability of Pokdarwis will result in no participation of the community in the business process of Pokdarwis (Mansuri & Rao, 2004).

Lack of participation of the community in community development programs offered by Pokdarwis and its partners (i.e. local government, corporations, academics, and other donors) would result in less than expected outcomes. Encouraging the community to participate in any local development program is difficult (Botes & Van Rensburg, 2000), but Pokdarwis owes it to the community. Without the community, there will be no Pokdarwis. The community is used by Pokdarwis to argue with the local government to be allowed to manage the unused government land. It must find solutions to bring the community as the subject, not the object, of the development program.

CONCLUSIONS

Introducing a financial governance module and digital accounting system to Pokdarwis in Kampung Keranggan has opened good opportunities to improve how the community manages its finances. Zahir Online helps solve problems like a lack of skilled people and limited funds by offering an easy-to-use financial platform. However, the success of this effort depends a lot on how much the community gets involved and is willing to learn. Technology can help with the lack of accounting skills, but it can't fix low participation or resistance to new systems—shown by Pokdarwis still preferring Excel over Zahir Online.

The idea of agency costs (Jensen & Meckling, 1976) explains why clear accountability is important in financial governance. Pokdarwis needs to use resources in a transparent way and act in the community's best interest to build trust and avoid waste. Financial reports should not only help with internal decision-making but also show the community how resources are used. If the community doesn't take part, Pokdarwis may fail to achieve its goals. Since Pokdarwis manages resources on behalf of the community, the community's active role is essential.

To address these challenges and enhance the success of financial governance initiatives, the following recommendations are proposed:

1. **Foster community participation.** It needs to be active in creating platforms for dialogue, ensuring transparency in decision-making, and demonstrating the tangible benefits of community involvement.
2. **Strengthen education and training.** Continuous training on financial governance and the use of accounting technology, emphasize on the practical benefits of digital accounting systems and build confidence in their usage.
3. **Promote Accountability and Transparency.** Sharing regular financial

reports will reinforce trust and ensure alignment with community expectations. It will also improve donor confidence and increase support from external stakeholders.

4. **Incentivize technology adoption.** Use the technology into everyday financial tasks, showcasing its efficiency, and addressing user concerns about IT risks should be implemented.
5. **Strengthen organizational understanding of financial Governance.** Understanding the potential conflicts between management and stakeholders, so that Pokdarwis can align its actions with the community's best interests.
6. **Position the community as active participants.** Integrating community members into decision-making processes and showcasing how their input directly impacts the success of local initiatives.

By addressing these areas, Pokdarwis can build a robust financial governance framework that aligns with community interests, ensures transparency and accountability, and leverages technology for sustainable development. These efforts will ultimately strengthen the trust and participation of the Kampung Keranggan community, ensuring long-term success.

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