

Cash Management System, Is It Increase Transparency?

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Abstract . This research aims to determine the effectiveness of implementing a cash management system . Cash Management system is a transformation of non-cash payments that is implemented. The respondents of this research were 458 schools in Purworejo Regency. The analysis uses a qualitative descriptive analysis method by distributing questionnaires to cash management system holders. The research results show that CMS can increase the transparency of financial management and regular monitoring by leaders for school financial management. with the implementation of CMS on payment methods, it makes it easier for treasurers not to hold money in cash and to pay for activities non-cash. The payment track record is also listed in the bank statement which can be accessed at any time.

Keywords . Cash management system; financial; transparency; financial management.

INTRODUCTION

Companies and many other organizations commonly use a high number of accounts to manage cash. In addition to regular bank accounts, idle cash balances can be allocated in other short-term investments in exchange for a given return. Large corporations with a hierarchical structure require cash management systems designed to deal with complex relations between multiple assets, namely, either bank accounts or other investments. School financial management requires foresight and thoroughness because it uses public budget funds for services and is always monitored by the community.

Most previous works in the cash management literature (Gregory, 1976; Srinivasan and Kim, 1986; da Costa Moraes et al., 2015) limit the analysis to the common two-assets framework with a single bank account and another short-term investment. Baccarin (2009) described a multidimensional model under continuous fluctuations of cash balances given by homogeneous diffusion processes. However, the assumption of a continuous time diffusion cash flow process complicates the extension of the analysis to more complex cash

management systems. Recently, Salas-Molina (2017) also proposed a multiobjective cost-risk cash management model for systems with multiple accounts.

The e-cash management system has the need of strengthening the system security and privacy. It is observed that a significant relationship exists between e-cash management fund transfer system and cash management system. Further, it is revealed that e-cash management system has led to effective and efficient cash management even though it is being faced with challenges. It was observed that policy formulation has been attempted to bridge the gap

between desired level of policy and existing level of policy of the government spending agencies , a study from Kenya that be shown by liyana, 2017.

Odoyo (2014) showed in Kenya Study findings showed that reliability of IFMIS, Flexibility of IFMIS positively affect cash management. The findings also showed that a reliable system is basically one that is accurate, timely, complete and consistent in collection of information and the infrastructure which supports the IFMIS is supposed to be secure from destruction, corruption, unauthorized access and breach of confidentiality so that there is efficient cash management. Flexibility of local IFMIS design can decrease chances of failure in cash management. Findings also revealed that the implementation of IFMIS has not been a success as a result of the top down management exhibited in most of the public services. The Cash Management System is proof of progress developments in information technology utilized by banking companies with the aim of improving service to customers. Cash Management The system provides services to customers to be able to manage their finances By theirshelves.

Implementing a cash management system also requires a good banking system so that it can support the implementation of cash management transformation. In Purworejo district, as one of the districts with fair financial management performance without exception for 10 times in a row, there is a new breakthrough to transform cash management in all agencies into non-cash spending.

Non-cash spending means government spending is not paid through cash, but through transfer methods or payments through the system. This CMS system will be implemented as a whole in early 2023. The research examines whether implementing a cash management system can improve budget transparency and financial management in the Purworejo district government, especially for schools.

METHOD

This research uses quantitative descriptive analysis. The data used is processed questionnaire data. Respondents were 458 schools in Purworejo Regency consisting of 21 junior high schools and 437 elementary schools. The respondent selected in each school is one of the cash management system holders consisting of the operator/treasurer, or the school principal.

RESULTS AND DISCUSSION

Financial management in the public sector has a crucial role in ensuring efficiency and accountability in the use of public funds for community services. However, government accounting is also faced with various unique challenges, as well as opportunities to develop better public sector financial management. Financial management in the public sector is required to be transparent and responsible because it manages public funds so it must be accountable to the public. Transparent and responsible financial management in the public sector is very important to achieve the goal of better public services. By providing clear and accurate financial information, the public can understand how public funds are used and whether public services are running efficiently. Government accounting has a central role in encouraging accountability and integrity in public sector financial management.

In Purworejo Regency, schools use public funds which come from school operational assistance funds. School operational assistance funds are IDR 900,000 per child per year for elementary school level, while the amount of school operational assistance funds is IDR 1,100,000.00 per child per year. The mechanism for distributing operational assistance funds is channeled directly from the Ministry of Education and Culture through the financial department directly to school accounts. In order for BOS funds to be distributed, each school is required to verify student data to ensure the validity of student data that has been input into the online BOS application. This is important to do to avoid fraud in applying for BOS funds.

BOSP Fund Management Principles include: Flexible, that is, fund management is carried out in accordance with the needs of the Education Unit based on the components of fund use. Effective, namely that the management of funds that is sought can provide results, influence and effectiveness to achieve educational goals in the Education Unit; Efficient, namely that fund management is attempted to improve the quality of student learning at the minimum possible cost with optimal results; Accountable, namely that the management of funds can be accounted for as a whole based on logical considerations in accordance with the provisions of laws and regulations; And Transparent, namely the management of funds that are managed openly and accommodate the aspirations of stakeholders in accordance with the needs of the Education Unit.

Components of regular use of BOS funds include: Acceptance of new students, Developing a library, Implementation of learning and extracurricular activities, Carrying out learning assessment and evaluation activities, Implementation of administration of school activities Developing the teaching profession and education staff, Financing of power and service subscriptions, Maintenance of school facilities and infrastructure.

Because the funds are managed from the state revenue and expenditure budget, as school financial managers need to be held accountable for accountability and transparency. In line with this obligation, Purworejo Regency is carrying out a transformation of financial management by transforming non-cash spending using the Cash Management System application which is supported by Bank Jateng.

Users of the cash management system itself are divided into 3 layers, where the highest management can authorize and check transactions and monitor finances properly. The division of tasks and functions per layer showed in table 1 :

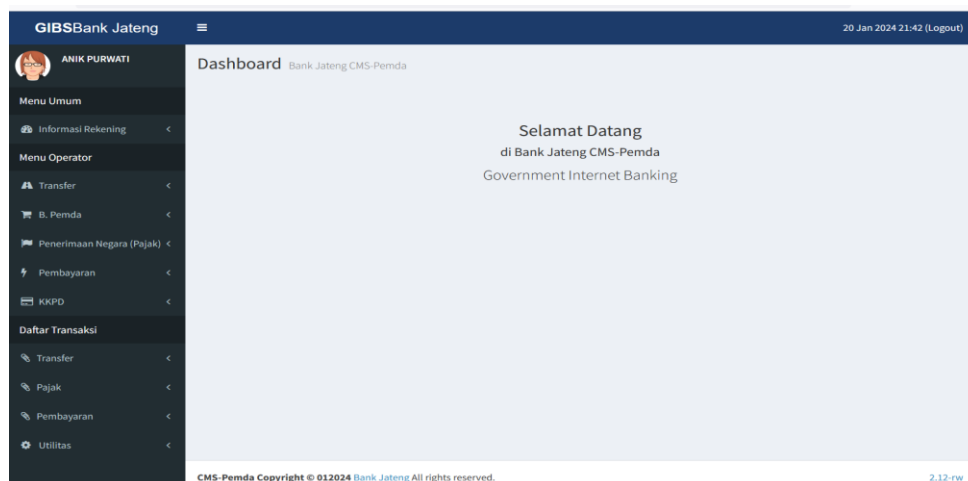
Table 1: Function of each layer in CMS

No.	Role	Function
1	Operator	input transactions from 0 - 1,000,000,-
2	Checker	transaction authorization from IDR1,000,000,- - 3,000,000,-
3	Executor	transaction authorization of more than IDR 3.000,000,-

The operator is in charge of entering all transactions and has authorization rights up to IDR 1,000,000.00. The operator has access rights to download all proof of transactions and proof of transfer of tax payments. To activate users in each role per layer, several are proposed to banks, including name, employee identification number, active email, and telephone number. The banking company will activate and authorize activity for each user. Each user must always open their own account at least 5 times a month to avoid being blocked. If the account is blocked, the user can reactivate his account at the bank.

The role of operator as transaction entry is carried out by the teacher who is given additional duties as financial treasurer, while the role of checker and executor is held by the principal as the authorized budget user. If there is a change in personnel, the work unit leader can deactivate the account and create a new user as needed. The bank will carry out a 2-step verification from email and telephone for the activation code and token.

Picture 1. Cash management system display



Some of the menus that appear include: Account Information functions to display account balances, Transfer is used to enter non-cash transactions for transfers, State revenue is used to enter tax payments by entering tax bills that have previously been created. The payment menu is used to make payments for power and service subscriptions, including payments for water, electricity, internet, telephone and other regional payments. Proof of transaction will appear in the transaction list and can be saved in file form.

The ease of using the cash management system in school financial management includes being able to see the balance at any time, being able to check the number of transactions, being able to store proof of transactions clearly and completely. Leaders can also check unnecessary spending by rejecting it if the authorized transaction is deemed not to be in accordance with the designed work program. Based on the distribution of respondents, there were 458 schools with data distribution of 128 treasurers and 330 school principals who said that the transformation of non-cash spending made it easier for them because they did not carry cash, and increased transparency in school financial management because they could be monitored in each financial management role.

Some recapitulations of responses to the use of cash management systems in financial management are attached in table 2.

Table 2: Why respondents choose use CMS?

No.	Statement	number of voters
1	You can check your financial balance anytime and anywhere.	302
2	can archive proof of financial transactions in the system and can be downloaded at any time	281
3	Minimize the risk of losing cash	311
4	Facilitate financial supervision by the leaders	346
5	Facilitate cash management according to plans made	274

From table 2 we know that using a cash management system can increase the transparency of financial management because leaders can supervise and control financial management well and minimize gaps in financial fraud.

CONCLUSION

The use of a cash management system that has been in effect for one year in Purworejo Regency, which is a transformation of non-cash transactions, has been proven to increase transparency in financial management. Leaders can control the use of school budgets and financial expenditures, refuse authorization of financial expenditures for unplanned budgets, find out balances anytime and anywhere and minimize opportunities for fraud in finances. Cash

management systems are recommended for use by public institutions that manage public funds for better cash management.

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