

ANALYSIS OF THE USE OF THE M-PISE APPLICATION IN PREVENTING CORRUPTION IN FINANCIAL MANAGEMENT AT THE BEDHA TRADITIONAL VILLAGE LPD

Gusti Ayu Cahya Adelia

Faculty of Economy, Ganesha University of Education, Indonesia
(ayu.cahya@undiksha.ac.id)

I Gede Putu Banu Astawa

Faculty of Economy, Ganesha University of Education, Indonesia
(banu.astawa@undiksha.ac.id)

I Made Dwita Atmaja

Faculty of Economy, Ganesha University of Education, Indonesia
(dwita.atmaja@undiksha.ac.id)

ABSTRACT

The development of digital technology has encouraged Village Credit Institutions (LPD) to adapt in order to improve the transparency and accountability of financial management. The LPD of Bedha Traditional Village still faces challenges related to the misuse of funds, which has the potential to undermine public trust. This study aims to analyze the use of the M-Pise application as an effort to prevent corruption. The method used is qualitative with a descriptive approach through interviews and document studies. The results show that M-Pise is able to strengthen transparency and accountability through automatic transaction recording and digital features, including interbank transfers, QRIS payments, digital archives, and real-time access to savings balances. This application has been proven to reduce opportunities for data manipulation and financial abuse, while increasing public trust in LPDs. This study contributes to the literature on the digitization of local financial institutions and provides practical recommendations for strengthening technology-based fund management systems in the LPD environment.

Keywords: m-pise, village credit institutions (LPD), transparency, accountability, technology acceptance model, corruption prevention

INTRODUCTION

The Village Credit Institution (LPD) plays an important role in promoting economic growth in rural areas. Economic development can begin in villages, and if the economic conditions in villages are equitable, this will have a positive impact on economic stability in urban areas. LPDs have great potential to support rural economic progress, as reflected in the market opportunities available to improve community welfare.

As a community-based financial institution, LPD helps strengthen the economic independence of rural communities by providing easier access to capital based on local wisdom (Damayanti & Julianto, 2024). The purpose of establishing LPDs in every traditional village, as stipulated in Bali Provincial Regulations No. 2 of 1998 and No. 8 of 2002 concerning LPDs, is to encourage economic growth and development in rural communities. The presence of LPDs is one of the government's strategic steps in reaching rural communities. LPDs play an important role in helping rural communities develop business capital to drive economic growth. To realize this objective, LPDs collect funds from people who have surplus funds and distribute them to those in need.

However, in practice, many Village Credit Institutions still use manual systems for financial recording and reporting, which are prone to errors, data manipulation, and even potential corruption. Several cases of fund misuse have occurred in several LPDs, one of which was in the LPD of Bedha Traditional Village, Tabanan District, which came to light in 2016 and caused considerable losses to the institution. The modus operandi in this case was to withdraw customer savings funds that were not recorded in the cash book. At that time, the financial recording system was still done manually, which provided an opportunity for irregularities to occur. Although the exact amount of the losses was not made public, this case is a clear example of the weakness of manual financial management systems, which are prone to abuse.

The above incident shows the weakness of the supervisory system in LPD's financial management at that time, where most of the bookkeeping was still manual. Therefore, digital transformation is necessary to make financial management more documented. LPD has now utilized digital technology by developing a smartphone-based application called M-Pise as a means of modern financial transactions.

This application provides various features, such as checking savings account balances, account transaction information, credit or loan history, and payment services such as postpaid telecommunications and electricity bills. In addition, this application also supports the purchase of phone credit, electricity tokens, and digital wallet (e-wallet) top-ups such as Dana and OVO. E-wallets are server- or application-based electronic money storage media. Equally important, M-Pise LPD Digital also has an interbank transfer feature and can be downloaded from the Play Store. Through this application, customers can save money or pay off credit. This makes LPD more time-efficient and transparent, as customers can also view their transaction history through the application, thereby minimizing errors in recording.

Financial institutions continue to innovate in providing services tailored to the needs of the community, which continue to evolve alongside technological advancements. One such innovation is the development of digital financial transaction services through smartphone applications. This service was introduced because more people prefer digital transactions to having to visit a physical location. With the smartphone app, customers can make transactions practically and efficiently, and LPD employees can more easily record incoming transactions according to the nominal value on M-Pise.

LITERATURE REVIEW

The Technology Acceptance Model (TAM) was introduced by Fred D. Davis in 1986, published in MIS Quarterly in 1989, and adapted from the Theory of Reasoned Action (Dewi & Diatmika, 2021). TAM is a widely used model for examining research on technology acceptance. There are two main factors that influence user acceptance of technology: Perceived Usefulness and Perceived Ease of Use. Perceived ease of use and usability of the LPD mobile application can increase customer interest, while trust reinforces the effect of usability on interest in use (Astawa et al., 2024). In order to increase public trust in LPD, performance and quality of service to the community must be improved by utilizing information systems. Meanwhile, trust serves to reinforce this influence. This shows that trust is an additional factor that is not explicitly explained in classical TAM, but is crucial in the context of community-based financial institutions such as LPD.

Meanwhile, Accounting Information Systems (AIS) play an important role in producing more reliable financial information through computerized recording and reporting processes. Dayanthi & Sujana (2024) show that AIS digitization can minimize manual errors, especially in interest and cash flow calculations. This finding is in line with Dewi & Widhiyani (2020), who emphasize that the digitization of AIS in village financial institutions increases transparency and accountability. However, unlike (Astawa et al., 2024) who highlight user acceptance, AIS research focuses more on data reliability and internal control effectiveness to minimize errors in recording.

In this era of globalization and rapid technological advancement, digitization has become the main catalyst for transformation in various industrial sectors, including economics and accounting information systems (Candrasari. K. L & Adiputra. I. M. P, 2021). Digitization in accounting is the process of using information technology to support the entire accounting cycle, from recording transactions to preparing financial reports. Now, many LPDs have switched to digitization. The LPD of Bedha Traditional Village has implemented this for field officers who are tasked with collecting savings deposits or withdrawals. They record daily transactions on a system connected to their smartphones.

Yunita & Herawati (2023), the benefits of using digitalization can be measured by an assessment that can show the success of the system itself. The success of an organization's utilization of digitalization depends on how the system is managed, how user-friendly the system is, and how the digitalization is utilized. Digitalization enables time efficiency, reduction of human error, and increased transparency in financial reporting.

Based on the study *Adapting to Digital Transformation: Challenges and Strategies for Traditional Businesses* by (Syamsuddin et al., 2024) there is still internal resistance, a lack of digital skills, and cultural and legacy system constraints. It is necessary to introduce technology to all employees, especially those over the age of 40, because LPD employees are generally above that age and require prior training. In their research, Dewi & Widhiyani (2020) found that the implementation of a digital-based accounting information system in village financial institutions can increase accountability and transparency, thereby reducing the risk of financial irregularities. Meanwhile, Purnamawati & Sujana (2022) emphasized that the digitization of village financial services not only serves as a service innovation but also becomes an important strategy in strengthening internal supervision and expanding financial access for rural communities.

According to research by (Pradnyasari & Ekawati, 2025) based on the Technology Acceptance Model (TAM) framework, digital applications such as M Pise offer ease of use and real benefits for LPD customers, thereby triggering a higher interest in usage, especially when combined with the level

of user trust in the digital system. Therefore, LPD employees must be able to encourage customers to use the M-Pise application according to their needs.

METHOD, DATA, AND ANALYSIS

In accordance with the nature and objectives of the research, qualitative descriptive research techniques were used. Sugiyono (2019:9), qualitative research is research used to study the natural conditions of an object, where the researcher is the key instrument, sampling techniques are carried out using purposive sampling, data collection techniques using triangulation (combination), and only triangulation of sources. There are two data sources used, namely primary data from interviews and secondary data from the M-Pise application SOP and applicable regulations related to the use of this application. Data analysis is qualitative, and the research results emphasize meaning rather than generalization. Sugiyono (2019:147) states that descriptive research is research conducted to determine the value of independent variables, either one or more (independent) variables, without making comparisons or linking them to other variables. In other words, it explains everything you know about a very new topic.

RESULT AND DISCUSSION

This Study Found That the Implementation of the M-Pise Application at The Bedha

Traditional Village LPD brought significant changes in financial management. First, the transaction recording system, which was previously manual, is now digitized, thereby reducing the risk of data manipulation and recording errors. Second, features such as interbank transfers, payments via QRIS, real-time access to savings balances, and digital archives make it easier for customers to conduct transactions without having to visit the LPD office. Third, LPD managers feel that this application helps improve work efficiency, speeds up services, and strengthens public trust in the institution.

Before the M-Pise app was implemented, transactions and financial records at the Bedha Traditional Village LPD were done manually. Customers who wanted to save money, withdraw cash, or make payments had to come directly to the LPD office. Records were also kept in physical passbooks, which took longer to ensure that balances were recorded correctly. For the administrators of the Bedha Traditional Village LPD, this manual system was quite difficult, as they had to re-enter transaction data into the books. The transaction process was time-consuming because officers had to record manually in the passbook, then re-enter the data into the internal books. The M-Pise application was developed out of the non-banking needs of Village Credit Institutions (LPD) in Bali to adapt to technological developments and changes in community behavior. This includes the Bedha Traditional Village LPD, which began using the M-Pise application in 2021. With the increasing use of digital services in the financial sector, LPDs, which have been known as traditional institutions, are now required to provide faster, more efficient, and more transparent services.

These findings support the Technology Acceptance Model (TAM) framework. First, in terms of Perceived Ease of Use (PEOU), most customers found the M-Pise application easy to use due to its simple interface and familiar features, such as balance checking and transfers. This is in line with the findings of Astawa et al. (2024) that ease of use is a major factor in increasing interest in adopting village financial applications. Second, in terms of Perceived Usefulness (PU), both managers and customers feel the real benefits of M-Pise. For managers, this application speeds up recording and facilitates report preparation, while for customers, the benefits are seen in the speed of transactions and easy access to real-time balances. In line with Davis (1989), the perceived benefits encourage users to

accept and continue using the technology. Third, the trust factor has also proven to be crucial. The case of fund misuse at LPD Bedha in 2016 reduced public trust. However, the implementation of M-Pise with an automatic and transparent recording system succeeded in improving the institution's image and restoring customer trust. This reinforces the view that in the context of community-based financial institutions, trust can be an additional variable that complements TAM (Astawa et al., 2024).

However, several obstacles were also encountered, particularly the limited digital literacy of older customers and internet connectivity issues in some areas. Nevertheless, these obstacles can be relatively easily overcome through ongoing assistance and training. The results of this study show that the implementation of M-Pise not only increases technology acceptance among users, but also serves as a governance tool that can close loopholes for fund misuse. This means that the ease of use and usefulness perceived by users not only encourages their intention to use the system, but also has an impact on increasing transparency, accountability, and preventing corruption in LPD financial management.

CONCLUSION

The results of the study show that the M-Pise application provides tangible benefits for both customers and LPD managers. For customers, this application facilitates transactions such as checking balances, voluntary savings, and fund transfers without having to visit the LPD office. Meanwhile, for managers, M-Pise speeds up the process of recording and compiling financial reports, as well as minimizing recording errors that often occur in manual systems. Thus, this application is an important instrument in strengthening the internal control system and preventing corruption. However, there are still several obstacles to its implementation. The main obstacles are unstable internet connection and limited digital literacy among the older generation. Nevertheless, some older customers can adapt well after receiving training and assistance, so that the application can still be used optimally.

For the Bedha Traditional Village LPD, it is recommended to improve the quality of digital services by strengthening network infrastructure and providing regular training and assistance to customers, especially the older generation, so that they can use the M-Pise application optimally. Furthermore, for LPD managers, it is necessary to increase human resource capacity in the field of information technology through continuous training. This is important so that managers can overcome technical obstacles and maintain public trust in digital services.

And, for future researchers, it is hoped that future studies can expand the scope by comparing the application of M-Pise in several other LPDs or developing research models by adding variables such as trust, technology readiness, and the influence of cultural factors on the acceptance of digital technology, which were not covered in this study.

LIMITATION AND SUGGESTIONS

For future researchers, it is hoped that subsequent studies can expand the scope by comparing the application of M-Pise in several other LPDs or developing research models by adding several additional factors such as trust, technological readiness, and the influence of cultural factors on the acceptance of digital technology, which were not included in this study.

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