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Training on management control system governance for Halong Subdistrict village apparatus to improve performance

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Abstract

This community service program was conducted to enhance the understanding and capabilities of village officials in Halong Subdistrict regarding the implementation of effective management control systems. As the primary authority in managing village human resources and assets, village heads must ensure the establishment of governance systems that are transparent, efficient, and accountable. The training emphasized the theoretical foundations and practical applications of management control systems, including their components, limitations, and the role of human factors. It also covered the objectives of control system design, responsible parties, necessary requirements, and the use of information systems to support decision-making and service delivery. Through this activity, village officials gained knowledge and skills to improve service performance and governance transparency. They were encouraged to adopt current standards in control systems and apply self-assessment tools for evaluating internal control reliability. The training also underlined the importance of public involvement in oversight and emphasized the village government's accountability to the community. The results of the program indicate that village officials in Halong Subdistrict have increased their competence and motivation to implement sound management control systems. This improvement is expected to accelerate public services and strengthen internal governance at the village level.

Keywords: management control system, village governance, public service, transparency, Halong Subdistrict

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1. Introduction

In public sector governance, especially at the village level, the effectiveness of management and supervision systems plays a crucial role in achieving administrative goals and ensuring efficient public service delivery. Management theory recognizes several fundamental functions within organizations. As noted by Schermerhorn in his book Management, management is defined as: "Management is the process of planning, organizing, leading and controlling the use of resources to accomplish performance goals." This definition underlines management as a continuous process involving resource optimization toward achieving organizational objectives — a process inseparable from proper supervision.

Continuous supervision by direct superiors over subordinates, whether preventive or corrective, ensures the implementation of planned activities is carried out effectively and efficiently. In the context of Halong Subdistrict, Balangan Regency, such supervision is essential for village officials to align their tasks with performance expectations. This underscores the need for a structured system that guides and monitors all apparatus in achieving organizational goals while preventing irregularities, leakages, and mismanagement of village funds.

In addition to internal control mechanisms, community supervision also plays an important role. Community-based organizations, NGOs, and media platforms such as press and public feedback channels (e.g., PO Boxes) are instrumental in fostering transparency. Effective community oversight must align with sound principles of Management Control System (SPM) governance, ensuring accountability and continuous improvement.

In line with this, a critical aspect of governance involves understanding the concept of management control systems. These systems are integrated into organizational processes, influenced by human behavior, and provide reasonable (not absolute) assurance toward achieving objectives. A well-functioning SPM is not a standalone structure but a built-in component of operations that must evolve with organizational needs and technological advancement. As stated in COSO's Internal Control–Integrated Framework (1992), SPM consists of five core components: Control Environment, Risk Assessment, Information and Communication, Control Activities, and Monitoring. Control Environment forms the foundation through competence, management philosophy, organizational structure, and audit committee roles. Risk Assessment highlights the necessity for identifying, analyzing, and responding to potential threats that may hinder goal achievement. Information and Communication support accountability by ensuring the accurate and timely dissemination of both financial and non-financial data. Control Activities encompass procedures and policies such as approvals, reconciliations, and performance reviews aimed at managing risks and ensuring compliance. Monitoring provides oversight and continuous evaluation to ensure the system operates as intended.

This community service initiative aims to address the limited understanding of management control systems among village officials in Halong Subdistrict. The objectives of this program are: 1) to assess how governance of management control systems can improve village officials' performance, and 2) to help them understand the actions required to enhance operational effectiveness.

The benefits include: improving awareness of SPM in line with COSO standards, enhancing capabilities aligned with professional norms, and strengthening skills related to internal control components among the village apparatus. Therefore, the community engagement program takes the form of training, targeting both village officials and Village Consultative Bodies (BPD), to equip them with the theoretical knowledge and practical application of SPM and SPI (Internal Control System) tailored to their local governance context — while maintaining compliance with existing laws and standards. It is expected that through this initiative, village officials will be better prepared to manage development efforts effectively, prevent misuse of resources, and lead their communities toward sustainable growth and accountability.

2. Research Design and Method

The community service activity was carried out in the form of counseling and training for all village officials in the Halong Subdistrict, Balangan Regency, covering a total of 24 villages. The technical implementation was supported by the village heads and subdistrict officials of Halong.

Subject and material delivery

The main topic of the training was focused on the Management Control System (SPM), including its components and elements based on the COSO framework, particularly adapted to the characteristics and administrative structures of rural governance. The subject matter included four key areas: planning, implementation, supervision, and reporting processes carried out by village officials.

Table 1. Village Names in Halong Subdistrict

No	Village	No	Village
1	Hauwai	13	Aniungan
2	Bangkal	14	Binju
3	Mantuyan	15	Karya
4	Tabuan	16	Uren
5	Halong	17	Binuang Santang
6	Puyun	18	Marajai
7	Buntu Pilanduk	19	Suryatama
8	Gubung Riyut	20	Baruh Penyambaran
9	Kapul	21	Mauya
10	Mamantang	22	Padang Raya
11	Binjai Punggal	23	Sember Agung
12	Liyu	24	Mamigang

Source: Halong Subdistrict

Training format

Due to the geographical spread and accessibility constraints, the training was conducted online using various digital platforms such as Zoom, WhatsApp Group, and Video Calls. The delivery of materials included: 1) presentation slides (powerpoint), 2) training modules, and 3) explanatory videos.

Learning methods

The community service and training sessions utilized a participatory learning approach, combining several methods to ensure maximum engagement and comprehension: 1) oral presentations and lectures, 2) educational videos, 3) small group discussions, 4) interactive Q&A sessions, and 5) quizzes and educational games to reinforce key concepts.

Location of activities

The primary locations for this community service program were the 24 villages in Halong Subdistrict. The main coordination center and data collection activities were based at the Halong Subdistrict Office, located at Jl. Baruh Penyambaran, Halong Subdistrict, Balangan Regency, Postal Code 71665. Additionally, an auditorium on the second floor of the Halong Subdistrict Office was prepared as a venue in the event that the activities needed to be conducted offline.

Target participants

The main target of this training were village officials, particularly village heads and their administrative staff, across the 25 villages in Halong Subdistrict. The aim was to enhance their understanding and application of management control principles in accordance with the COSO internal control framework, enabling them to manage village governance more effectively and responsibly.

3. Results and Discussion

The implementation of good Management Control Systems (MCS) in village governance plays a crucial role in improving the performance of village officials. In the community service activities conducted in Halong Subdistrict, Balangan Regency, village officials were introduced to the fundamental principles of MCS based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. This framework introduces five integrated components: Control Environment, Risk Assessment, Information and Communication, Control Activities, and Monitoring.

Figure 1. Halong District Residents Welcome the Arrival of the Community Service Team

Figure 2. Implementation of Community Service Activities at the Halong District Office

Control Environment

The control environment reflects the integrity, ethical values, competence, and organizational structure that influence the overall control consciousness of the village apparatus. Key elements that were emphasized include: 1) establishing ethical standards and behavior codes communicated across all organizational units, 2) demonstrating leadership commitment to ethical conduct, transparency, and responsibility, and 3) clarifying roles and responsibilities through a well-defined organizational structure to facilitate effective communication and task execution.

Risk Assessment

Village officials were guided on identifying, analyzing, and responding to risks that could hinder the achievement of organizational objectives. Risk management involved setting clear goals at both organizational and activity levels, identifying potential threats, and formulating appropriate response strategies to mitigate those risks.

Information and Communication

An effective internal control system requires accurate, timely, and accessible information. The training highlighted the importance of developing adequate information systems that support both internal and external data management. Additionally, effective communication channels between supervisors and subordinates, as well as across departments, are essential for conveying control philosophies and responsibilities.

Control Activities

Control activities involve policies and procedures that ensure management directives are executed. These include: 1) adequate segregation of duties, 2) authorization of transactions, 3) proper documentation, 4) physical safeguards over assets, and 5) independent performance checks.

Monitoring

Monitoring helps ensure that internal control systems are functioning effectively. Continuous and separate evaluations, including audit findings follow-up and periodic supervisory reviews, were emphasized as tools to assess the effectiveness of implemented controls.

Practical Application of Management Control

Participants were introduced to Management Control Questionnaires as diagnostic tools for evaluating internal control effectiveness. These tools help identify potential weaknesses by using standardized questions aimed at revealing whether control practices are functioning as expected.

To ensure that village officials truly understand and implement MCS effectively, the following actions were emphasized: 1) understanding the procedures and methods used in MCS such as narratives, flowcharts, and control questionnaires, 2) enhancing ongoing monitoring and follow-up on audit findings, 3) improving staff quality through continuous training to align skills with responsibilities, 4) ensuring proper segregation of duties to prevent conflict of interest and control weaknesses, and 5) implementing appropriate delegation of authority and structured oversight on financial transactions and asset management.

4. Conclusions

The village head serves as the authority in managing human resources within their respective villages and acts as a representative of the village government in overseeing village-owned assets. Therefore, it is imperative that village leaders possess a sound management control system supported by appropriate security measures. The application of this system in villages within Halong Subdistrict can be linked to a basic framework for the design and implementation of management control systems, which includes continuously embedded operational components and human-driven control mechanisms. The system aims to provide reasonable assurance, though not absolute certainty.

Based on this framework, the community service program has equipped village officials in Halong Subdistrict with the capacity to: 1) explain the background and development of management control systems, including their definitions, concepts, types of control, and limitations. this knowledge helps facilitate transparency, accountability, and effectiveness in public services and village security, 2) understand the objectives of designing management control systems, identify who is responsible for them, and determine the characteristics of a well-functioning control system, which in turn supports faster and more accountable services aligned with village authority and enables community oversight of local governance, 3) identify the tools and components of management control systems, which serve to provide and disseminate information related to village services and data management across villages in halong subdistrict, and 4) apply procedures and methods of management control systems and comprehend the concept of self-assessment control evaluation as a means to assess the internal control reliability.

The following recommendations are suggested to enhance the sustainability and impact of the program: 1) Village officials in Halong Subdistrict should continuously develop their competencies, particularly in the area of management control systems, including the application of key components and elements of such systems, 2) village officials are encouraged to stay updated on the latest developments and best practices in management control governance, following current standards and legal regulations, 3) leaders such as subdistrict heads and village heads should take an active role in motivating and supporting their teams regarding the implementation of good governance practices in management control systems, ensuring that the performance of village officials aligns with community expectations, 4) village officials are expected to apply the management control practices learned during the training sessions in their daily tasks and service delivery, 5) officials should understand the procedures and methods of control systems as a means to evaluate the reliability of internal controls and adopt self-assessment concepts effectively, 6) the active involvement of the community is essential in overseeing village governance. This includes participation from civil society organizations and public observers, whose voices can be amplified through available media channels such as local news and community platforms, and 7) village officials must also understand the entire cycle of oversight, from planning to reporting and monitoring follow-up actions, in order to strengthen governance and accountability within the village administration.

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