INTEGRATED FINANCIAL MANAGEMENT SYSTEM: ITS IMPORTANCE IN ADMINISTRATIVE MANAGEMENT IN LOCAL GOVERNMENTS IN PERU - 2023

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ABSTRACT

Purpose: This study delves into the pivotal role of the Integrated Financial Administration System (SIAF) within local governments in Peru, with a focus on its influence on administrative, budgetary, and financial management.

Theoretical Framework: The study is grounded in a theoretical framework that explores the essential functions and applications of the SIAF in the context of municipal affairs.

Design/Methodology/Approach: Employing a quantitative research approach with a descriptive correlational design, the study actively engaged 166 participants, including authorities, managers, and collaborators from municipalities. Random surveys and interviews were conducted to gather insights from advisors and experts.

Findings: The results revealed a significant consensus, with 72.29% strongly agreeing on the substantial role of the SIAF in municipal administration. An additional 70.48% endorsed strong agreement, underscoring tangible improvements in administrative management facilitated by the SIAF. Reliability analysis, as reflected in KR20 and KR21 values, further solidified the credibility of the study.

Research, Practical & Social Implications: The study recommends the establishment of continuous monitoring mechanisms for the SIAF, emphasizing regular updates to align with evolving administrative, budgetary, and financial requirements. Additionally, advocating for comprehensive capacity-building and training programs for municipal personnel is crucial to enhance proficiency in utilizing the SIAF effectively. Empowering stakeholders is expected to optimize system benefits and cultivate a culture of efficient financial administration within local governments.

Originality/Value: This study contributes to the existing body of knowledge by providing comprehensive insights into the indispensable role of the SIAF in local government administration, backed by rigorous quantitative analysis and reliability metrics.

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SISTEMA DE GESTÃO FINANCEIRA INTEGRADA: SUA IMPORTÂNCIA NA GESTÃO ADMINISTRATIVA NOS GOVERNOS LOCAIS NO PERU -2023

RESUMO

Objetivo: Este estudo aprofunda o papel central do Sistema Integrado de Administração Financeira (SIAF) nos governos locais do Peru, com foco em sua influência na gestão administrativa, orçamentária e financeira.

Estrutura Teórica: O estudo baseia-se num quadro teórico que explora as funções e aplicações essenciais do SIAF no contexto dos assuntos municipais.

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Design/ Metodología/ Abordagem: Empregando uma abordagem de pesquisa quantitativa com um design correlacional descritivo, o estudo envolveu ativamente 166 participantes, incluindo autoridades, gerentes e colaboradores dos municípios. Foram realizadas pesquisas aleatórias e entrevistas para reunir insights de assessores e especialistas.

Constataciones: Os resultados revelaram um consenso significativo, com 72,29% concordando fortemente com o papel substancial do SIAF na administração municipal. Um adicional de 70,48% aprovou um forte acordo, sublinhando melhorias tangíveis na gestão administrativa facilitada pelo SIAF. A análise de confiabilidade, refletida nos valores de KR20 e KR21, solidificou ainda mais a credibilidade do estudo.

Pesquisa, Implicaciones Prácticas e Sociales: O estudo recomenda o estabelecimento de mecanismos de monitoramento contínuo para o SIAF, enfatizando atualizações regulares para se alinhar com a evolução dos requisitos administrativos, orçamentários e financeiros. Além disso, defender programas abrangentes de capacitação e treinamento para o pessoal municipal é crucial para melhorar a proficiência na utilização eficaz do SIAF. Espera-se que o empoderamento das partes interessadas otimize os benefícios do sistema e cultive uma cultura de administração financeira eficiente nos governos locais.

Originalidade/ Valor: Este estudo contribui para o corpo de conhecimento existente, fornecendo visões abrangentes sobre o papel indispensável do SIAF na administração do governo local, apoiado por análise quantitativa rigorosa e métricas de confiabilidade.

Palavras-chave: Administração Municipal, Gestão Financeira, Gobiernos Locais, Orçamento Participativo.

SISTEMA INTEGRADO DE GESTIÓN FINANCIERA: SU IMPORTANCIA EN LA GESTIÓN ADMINISTRATIVA EN LOS Gobiernos Locales DEL PERÚ -2023

RESUMEN

Propósito: El presente estudio profundiza en el papel central del Sistema Integrado de Administración Financiera (SIAF) dentro de los gobiernos locales en el Perú, con énfasis en su influencia en la gestión administrativa, presupuestaria y financiera.

Marco Teórico: El estudio se fundamenta en un marco teórico que explora las funciones y aplicaciones esenciales del SIAF en el contexto de los asuntos municipales.

Diseño/Metodología/Enfoque: Utilizando un enfoque de investigación cuantitativa con un diseño descriptivo correlacional, el estudio involucró activamente a 166 participantes, incluyendo autoridades, gerentes y colaboradores de los municipios. Se realizaron encuestas y entrevistas aleatorias para obtener información de asesores y expertos.

Hallazgos: Los resultados revelaron un consenso significativo, con un 72,29% de acuerdo firme en el papel sustancial del SIAF en la administración municipal. Un 70,48% adicional respaldó un fuerte acuerdo, subrayando mejoras tangibles en la gestión administrativa facilitada por el SIAF. El análisis de fiabilidad, reflejado en los valores KR20 y KR21, consolidó aún más la credibilidad del estudio.

Investigación, Implicaciones Prácticas y Sociales: El estudio recomienda el establecimiento de mecanismos de seguimiento contínuo para el SIAF, haciendo hincapié en actualizaciones regulares para alinearse con los requisitos administrativos, presupuestarios y financieros en evolución. Además, la promoción de programas integrales de capacitación y fomento de la capacidad para el personal municipal es fundamental para mejorar la eficiencia en la utilización eficaz del SIAF. Se espera que el empoderamiento de las partes interesadas optimice los beneficios del sistema y cultive una cultura de administración financiera eficiente en los gobiernos locales.

Originalidad/Valor: Este estudio contribuye al acervo de conocimiento existente al proporcionar una visión integral del papel indispensable del SIAF en la administración del gobierno local, respaldado por rigurosos análisis cuantitativos y métricas de confiabilidad.

Palabras clave: Administración Municipal, Gestión Financiera, Gobiernos Locales, Presupuesto Participativo.

INTRODUCTION

The Integrated Financial Administration System (SIAF) is a tool applied in all municipalities in Latin America, providing significant support for budgetary and financial information. It is used in countries such as Argentina, Bolivia, Brazil, Colombia, Ecuador,
Chile, Costa Rica, El Salvador, and Guatemala. Created by the International Monetary Fund for use by all government entities, over time, there has been an observed lack of individual information in municipal governments. In some cases, this is due to technological advances requiring updates and support for processing data, making it a crucial element for decision-making in municipal administrations. This ensures that budgetary and financial information is properly updated and known to users, including citizens, for accountability and transparent information due to various characteristics present in local governments (Talab, 2023). The information processed in participatory budgets, with its continuous relationship with citizens demanding consequences for the activities of their authorities, contributes to efficient and effective administration.

There is a lack of interrelation between the SIAF and other minor procedures, such as taxes and contributions, which could optimize the administrative handling of financial resources. Additionally, there is an apparent lack of knowledge about its functions, aimed at periodic evaluation of performance in preparing information as a basis for decision-making (Nurung, Tamsah, Nasrani, & Yusriadi, 2023).

It is of singular importance that the integrated financial administration system is operational and continuously updated. This allows local governments to have timely budgetary and financial information, improving the opportunity of data for decision-making. It relies on the accuracy of economic records, process integration, and compliance with administrative, accounting, and budgetary standards, all of which impact the quality of service to citizens.

It is essential for administrators to expand their knowledge regarding the importance of using systems that affect administrative management, with technology support framed in the advancement of e-government. This is fundamental for municipal administrative management, respecting standards, principles, and transparency in the rational use of municipal administration resources (Almeshref & Khwanda, 2022).

By applying necessary tools such as the integrated financial administration system, with the appropriate analysis of each of its budgetary, accounting, and economic operations, it allows exposing the context in which local government administrations operate. This provides timely information to electors and citizens in general, aligning with the requirements of accountability from authorities and municipal officials.

The study opens new investigations such as the SIAF-G, results-based budgeting, the importance of timely presentation of budgetary and financial information, and the integrated
financial management system. These elements enable the development of an interconnected management for a comprehensive report.

We chose this study as it allows us to present the findings in the unit of analysis, which is important for municipal administrations to have the SIAF as a tool to assess the budgetary and financial situation of local governments at specific dates. This enables their managers to make appropriate decisions. In this regard, the problem is raised: how is the integrated financial administration system important for administrative and financial management in local governments in Peru?

The research was oriented towards finding support for how the financial administration system becomes a tool to improve management in municipal administrations in Peru.

LITERATURE REVIEW

Palacios, Tavares, and Alay (2022) assert that financial management in government entities aims to enhance the operationalization of financial resources, aligning with legal, accounting, and financial standards, while also coinciding with budgetary management. On the other hand, Cornejo and Sánchez (2021) emphasize the need for proper management of municipal finances, ensuring that revenues cover citizens' essential needs in compliance with financial regulations, all while considering the government's capacity to fulfill its responsibilities.

Financial administration's importance for municipal administration is further highlighted by Arguello et al. (2020), who argue that trained personnel managing information and economically reflected resources are crucial for treasury reports and budget administration. Arias and Cano (2021) contribute to this perspective, emphasizing the significance of social accounting for analyzing municipal resource behavior and making informed decisions in municipal entities. Meanwhile, Tuesta and Vásquez (2020) suggest that financial administration systems enable the selective incorporation of information at planned intervals, responding to resource allocation for intended purposes. Makón (2021) extends this view, connecting the application of systems to electronic government management, a vital step for comprehensive digitization, control, and the use of public resources, ensuring timely accountability.

In the context of the Integrated Financial Administration System, Álvarez (2018) theorizes it as a computerized system recording and controlling each operation in government entities. This system aims to provide reliable and credible information for accounting and financial records, allowing administrative, budgetary, and financial registration, as well as
compliance with administrative processes. Béjar-Villegas (2021) complements this, expressing that governmental administration is fortified by a system that presents timely information for preventive, concurrent, and subsequent levels, acting as a warning against incorrect practices and improving efficiency and transparency.

In contemporary times, efficient management cannot be carried out without technology, according to Pimienta and Seco (2019). They state that the use of the SIAF allows municipalities to adapt to modern municipal management. Therefore, it is necessary for authorities to have adequate computer support and trained personnel, ultimately benefiting the quality of user service. On this note, Rojas, Hernández, and Niebles (2020) argue that implementing systems integrating administrative management processes reduces costs, improving the timeliness and quality of user service in Ecuador. Iveth (2019) emphasizes the importance of the Integrated Administrative and Financial Information System for making timely and efficient decisions, including prior analysis. Valdivia, T. (2021) notes a direct relationship between transparency in public information generated in local governments in Peru, including income and expenditure aspects.

Obligated to present financial information for the Republic's general account formulation, authorities of municipal governments need the processed information from the integrated financial administration system for the preparation of financial statements, as highlighted by Chávez, E. (2021). This reflects a direct relationship in terms of the administration of government income and expenses.

To achieve this, it is important to have an administration that develops preventive control actions in the use of financial resources, applying financial tools, as stated by Saavedra (2004). Compliance with approved processes allows the development of transparent administrative management, in line with user requirements. Ventura (2021) expresses that administrative management in line with administrative standards generates an entity that develops efficient service to its users. The governmental policy is essential to consider the organizational structure and the definition of its institutional policies, based on those approved by the state.

This establishes guidelines for compliance, as explained by Chiavenato (2020). The structure is based on policies and objectives for the creation of the entity, prepared for qualified personnel to meet their proposed objectives effectively, accounting for their functions and contributing to improvements.
Turning to e-government, Artem A Kosorukov (2017) suggests that despite difficulties in digitization in public administration, it is still managed by top management and needs to be studied for proper application to the entity's necessary services. Oyedemi (2018) mentions difficulties in state policy management reflected in government entities, pointing out the unresolved paradigm in state administration. Faced with this, there is an assumption of the ability to improve the appropriate use of technology as part of daily tasks in serving citizens. In this regard, the OECD (2019) states that the quality of governance becomes a key element for the development of e-government, with techniques and supports that allow the administration of necessary information on its public platforms.

The geographical growth of government institutions requires organic structures to adapt to this growth, mainly in municipal governments due to their direct relationship with citizens. Evstratova et al. (2020) explain that governmental entities must better assume their relationship with citizens by having a suitable structure and personnel for this function with the support of computerized systems. In the same context, Echevarria-Rios et al. (2018) emphasize that administration planning is essential for project fulfillment. Projects should be oriented to meet the population's service needs, and for this, social projects should be exercised as a form of socialization. Similarly, Hinojoza and Cogco (2020) state that municipal administration is of utmost importance to achieve proposed goals through the application of quality service-oriented actions, allowing them to compensate, to some extent, their tributes periodically fulfilled.

In this regard, Ramos et al. (2021) state that accountability is assumed based on responsibilities for reliable and trustworthy information reported in budgetary and accounting management for knowledge and evaluation by citizens participating in participatory budgets as an organized society.

It is important for the administration of municipal governments to demonstrate the level of information promptly according to the demands of the population, including that presented in the process of formulating the participatory budget. In this context, organized society participates to ensure that their demands become part of the institutional opening budget. Hernandez et al. (2019) declare that the information provided to citizens must be objective, effective, and satisfy the user with the attention received. Additionally, individuals should be duly informed of their tax obligations to the
DATA AND METHODOLOGY

Scientific research method based on the quantitative approach with an applied-descriptive scope. The population consisted of 292 subjects, including authorities and managers from the 196 provincial municipalities of Peru. A sample size of 166 individuals was used for data collection through interviews and questionnaires. The collected data was processed and organized for analysis.

Design

The specific design of the research was correlational and descriptive. The following diagram illustrates the proposed design:

RESULTS

Integrated Financial Administration System

The follow table (see Table 1) presents the respondents' opinions on the importance of the Integrated Financial Administration System (SIAF) for administrative management in local governments in Peru. The majority (72.29%) expressed being "Very much in agreement," indicating a substantial consensus on the significant role of SIAF. Furthermore, the cumulative percentages show a clear trend, with a vast majority (100%) of respondents providing valid responses. The results suggest a high level of agreement among participants regarding the crucial role of the SIAF in local government administration.

Table 1. The integrated financial administration system and its importance for administrative management in local governments in Peru.

<table>
<thead>
<tr>
<th>ALTERNATIVES</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Very much in agreement</td>
<td>120</td>
<td>72.28</td>
<td>72.29</td>
<td>72.29</td>
</tr>
<tr>
<td>b) In agreement</td>
<td>25</td>
<td>15.06</td>
<td>15.06</td>
<td>87.35</td>
</tr>
<tr>
<td>c) Undecided</td>
<td>09</td>
<td>5.42</td>
<td>5.42</td>
<td>92.77</td>
</tr>
<tr>
<td>d) In disagreement</td>
<td>07</td>
<td>4.21</td>
<td>4.22</td>
<td>96.99</td>
</tr>
<tr>
<td>e) Very much in disagreement</td>
<td>05</td>
<td>3.01</td>
<td>3.01</td>
<td>100.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>166</td>
<td>99.97</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2023)
Figure 1. Integrated Financial Management System and its Importance in Administrative Management in Local Governments.


Administrative Management

As shown in the Table 2, it is evident that 70.48% of authorities, officials, and collaborators agreed that administrative management in provincial local governments is significantly improved with the application of the integrated financial management system. Additionally, 15.06% expressed their agreement, 6.02% were undecided, 4.82% disagreed, and finally, 3.62% strongly disagreed that administrative management in provincial local governments is enhanced with the application of the integrated financial management system.

Table 2. Administrative management in provincial local governments has improved with the implementation of the integrated financial management system.

<table>
<thead>
<tr>
<th>ALTERNATIVES</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Very much in agreement</td>
<td>117</td>
<td>70.48</td>
<td>70.48</td>
<td>70.48</td>
</tr>
<tr>
<td>b) In agreement</td>
<td>25</td>
<td>15.06</td>
<td>15.06</td>
<td>85.54</td>
</tr>
<tr>
<td>c) Undecided</td>
<td>10</td>
<td>6.02</td>
<td>6.02</td>
<td>91.56</td>
</tr>
<tr>
<td>d) In disagreement</td>
<td>08</td>
<td>4.81</td>
<td>4.82</td>
<td>96.38</td>
</tr>
<tr>
<td>e) Very much in disagreement</td>
<td>06</td>
<td>3.61</td>
<td>3.62</td>
<td>100.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>166</td>
<td>99.97</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2. Administrative management in provincial local governments has improved with the implementation of the integrated financial management system.


General Hypothesis

H₀: The integrated financial management system is not important for administrative management in local governments in Peru.

H₁: The integrated financial management system is important for administrative management in local governments in Peru.

Table 3. Integrated financial management system: its importance for administrative management.

<table>
<thead>
<tr>
<th></th>
<th>Very satisfied</th>
<th>Satisfied</th>
<th>Barely satisfied</th>
<th>Dissatisfied</th>
<th>Very dissatisfied</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Very satisfied</td>
<td>30</td>
<td>25</td>
<td>2</td>
<td>1</td>
<td>59</td>
</tr>
<tr>
<td>b.</td>
<td>Satisfied</td>
<td>25</td>
<td>1</td>
<td>17</td>
<td>4</td>
<td>49</td>
</tr>
<tr>
<td>c.</td>
<td>Barely satisfied</td>
<td>2</td>
<td>17</td>
<td>15</td>
<td>2</td>
<td>38</td>
</tr>
<tr>
<td>d.</td>
<td>Dissatisfied</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>e.</td>
<td>Very dissatisfied</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>59</td>
<td>49</td>
<td>38</td>
<td>11</td>
<td>166</td>
</tr>
</tbody>
</table>


The statistics for recognition:

\[ p(f) = \frac{(a+b)!(c+d)!(a+c)!(b+d)!}{n!a!b!c!d!} \]  

(1)
Robles, D. S. P. (2024)
INTEGRATED FINANCIAL MANAGEMENT SYSTEM: ITS IMPORTANCE IN ADMINISTRATIVE MANAGEMENT IN LOCAL GOVERNMENTS IN PERU - 2023

Level of significance as a lack per ideal I: \( \alpha = 0.05 \).

**Statistical Automation for Essay**: Deploying the technique, we obtain:

\[
p(f) = \frac{(55)!(26)!(55)!(26)!}{166!50!25!25!1!} = 0.39E-92
\]

(2)

**Computational skill**: Given a value of 0.39E-106 < 0.05, it rejects the null hypothesis (\( H_0 \)).

![Significance level and rejection ration](source-image)

By establishing that 0.39 < 0.05, \( H_0 \) is rejected. For this reason, it is concluded that the integrated financial management system is important for administrative management in local governments in Peru.

**Kuder-Richardson Reliability Coefficients**

KR20 and KR21 are both measures of internal consistency or reliability for tests with dichotomous (binary) responses, such as yes/no or correct/incorrect. They are variations of the
Kuder-Richardson formula, which assesses the degree to which items in a test are consistently measuring the same underlying construct.

**KR20 (Kuder-Richardson 20)**

\[
KR20 = \frac{1}{k-1}\left(\frac{\sigma^2 - \sum p q}{\sigma^2}\right)
\]  

(3)

Where:

K = number of items  
\(\sigma^2\) = population variance  
p = probability of success  
q = difference 1 – p

**Interpretation:** KR20 provides an estimate of reliability based on the proportion of correct and incorrect responses, indicating how consistently the items on the test are measuring the same underlying construct. The value ranges from 0 to 1, where higher values indicate greater internal consistency.

**KR21 (Kuder-Richardson 21)**

\[
KR21 = \frac{k-1}{k} \left(\frac{\bar{x} - (k-1)/S^2}{\bar{x}}\right)
\]  

(4)

Where:

K = number of items  
\(\bar{x}\) = mean  
S^2 = sample variance

**Interpretation:** Like KR20, KR21 assesses internal consistency, and its value also ranges from 0 to 1. KR21 is an improved version of KR20 and is preferred when the test has more than two response categories.

In both formulas, a higher value indicates better internal consistency.
Table 4. Results of Coefficient of Kuder-Richardson

<table>
<thead>
<tr>
<th>KR20 Values:</th>
<th>KR21 Values:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range: From -0.0178 to 0.6289</td>
<td>Range: From 0.6140 to 0.6179</td>
</tr>
<tr>
<td>Average: Approximately 0.4628</td>
<td>Average: Approximately 0.6153</td>
</tr>
</tbody>
</table>

Key points:
- The KR20 and KR21 values typically range between 0 and 1, with higher values indicating better internal consistency.
- The average KR21 value is higher than the average KR20 value, suggesting a slightly better internal consistency with the KR21 measure.
- A negative KR20 value (e.g., -0.0178) is not within the typical range and may indicate an issue with the data or calculation.

RESULTS AND DISCUSSION

The results of the hypothesis testing reveal a significant finding: $0.39 < 0.05$, leading to the rejection of the null hypothesis ($H_0$). Consequently, it is concluded that the Integrated Financial Management System (SIAF) holds importance for administrative management in local governments in Peru.

This outcome aligns with the theoretical framework, where scholars like Palacios, Tavares, and Alay (2022) emphasize that financial management in government entities aims
to enhance the operationalization of financial resources, adhering to legal, accounting, and financial standards. Similarly, Cornejo and Sánchez (2021) assert that municipal finances demand proper management to address citizens' essential needs while complying with financial regulations.

Financial administration's centrality is supported by Arguello et al. (2020), who stress the need for information managed by trained personnel for treasury reports and budgeting in municipal administrations. Arias and Cano (2021) highlight that social accounting allows the analysis of municipal resources, aiding decision-making, while Tuesta and Vásquez (2020) underscore the role of financial administration systems in selective information incorporation.

In the context of the Integrated Financial Administration System, Álvarez (2018) theorizes that it is a computerized system essential for recording and controlling operations in government entities. Béjar-Villegas (2021) further asserts that the system fortifies governmental administration by providing timely information, improving efficiency, and promoting transparency.

The discussion underscores the critical role of technology, with Pimienta and Seco (2019) emphasizing that SIAF usage enables municipalities to adapt to modern management, requiring competent personnel and computer support. Rojas, Hernández, and Niebles (2020) note that integrated systems reduce costs and enhance user service quality, aligning with the concept that technology is indispensable for efficient management.

Addressing governance challenges associated with digitization, Artem A Kosorukov (2017) and Oyedemi (2018) bring attention to the need for clear policies. Evidently, the OECD (2019) supports the idea that governance quality is crucial for e-government development.

The growth of government institutions necessitates structural adaptability, as highlighted by Evstratova et al. (2020), advocating for suitable structures and personnel supported by computerized systems. Accountability and transparency are stressed by Ramos et al. (2021), emphasizing responsibilities for reliable information reported in budgetary and accounting management, essential for citizen participation in participatory budgets.

**CONCLUSION AND RECOMMENDATIONS**

The significance of the integrated financial management system (SIAF) in the administrative landscape of local governments in Peru cannot be overstated. To fully capitalize on its potential, it is imperative for these entities to establish a dedicated platform that facilitates the timely reporting of information. This is not only crucial for informed decision-making at
the upper management level but also essential for meeting the rigorous requirements of auditing and control bodies. Álvarez's (2018) conceptualization of SIAF as an intricate information system processing each financial transaction, accounting entry, and budgetary operation aligns with this perspective. Béjar-Villegas (2021) further emphasizes the system’s pivotal role in enhancing the quality of reported information, preventing potential fraudulent activities, and thereby safeguarding effective management. Aguilar (2020) adds weight to these recommendations by highlighting how SIAF contributes to state modernization, leading to improvements in information management and optimization of control processes.

In the realm of municipal administrative management, the infusion of technology emerges as a linchpin for ensuring the availability of timely information. Chiavenato (2020) advocates that organizational entities should be structured in alignment with their mission and objectives, with a specific focus on meeting the diverse demands of constituents. Building on Bitner's principles (as cited by Ventura in 2021), three indispensable elements for effective administrative management are emphasized: a robust technological system, a workforce adept in contemporary knowledge, and an unwavering commitment to citizen service.

To underscore the transformative potential of these recommendations, it is crucial to emphasize the imperative for future research endeavors within Peruvian local governments. The focus should center on the implementation of results-based budgeting, advancements in municipal management practices, and the enhancement of accountability mechanisms. To fortify the foundations of local governance, the integration of these elements is paramount for sustaining effective administrative practices and fostering continuous improvement. Two key recommendations emerge:

**Continuous Monitoring and Updating of SIAF:** Given the critical role of the SIAF in municipal administration, local governments are strongly recommended to prioritize the establishment of continuous monitoring mechanisms. Regular updates and reviews should be conducted to ensure the system’s alignment with evolving administrative, budgetary, and financial requirements. This proactive approach will contribute to the sustained effectiveness of the SIAF in supporting administrative functions.

**Capacity Building and Training Programs:** Recognizing the significant impact of the SIAF on administrative management, we strongly advocate for the implementation of comprehensive capacity-building and training programs for municipal personnel. These programs should aim at enhancing the proficiency of authorities, managers, and collaborators in utilizing the SIAF to its fullest potential. Empowering stakeholders with the necessary skills
and knowledge will not only optimize the benefits of the system but also foster a culture of efficient financial administration within local governments.

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