

ACCOUNTING CONTRIBUTION TO THE EFFECTIVENESS OF TOURISM DESTINATION MANAGEMENT

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Abstract:

This study aims to analyze the contribution of accounting to the effectiveness of tourism destination management in Bali. The study explains how the application of good accounting principles can improve financial management efficiency, resource control, and performance evaluation of tourism destinations. The study's results demonstrate that accounting plays a vital role in providing accurate financial information, thereby supporting more informed and transparent decision-making for destination managers. Furthermore, the implementation of an effective accounting system enables managers to plan budgets, control expenses, and optimize revenue more accurately. Thus, accounting not only improves management effectiveness but also supports the sustainability and competitiveness of tourism destinations in Bali. In addition, the study emphasizes the importance of capacity building for accounting human resources, as well as the integration of digital technologies to enhance reporting accuracy, efficiency, and stakeholder trust in the tourism sector. Continuous improvement and regular evaluation are also needed to adapt to dynamic challenges.

Keywords: Accounting, Management Effectiveness, Tourism Destination, Bali, Financial Management, Performance Evaluation

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INTRODUCTION

Tourism in Bali has been the backbone of the regional economy for decades. According to the Central Statistics Agency of Bali Province, the number of foreign tourist visits in 2023 will reach more than 5 million people. This sector not only contributes to regional income but also opens up jobs for local communities. However, amid global competition and changing tourist preferences, managing tourism destinations requires a more professional and measurable approach (Badan Pusat Statistik Bali, 2025).

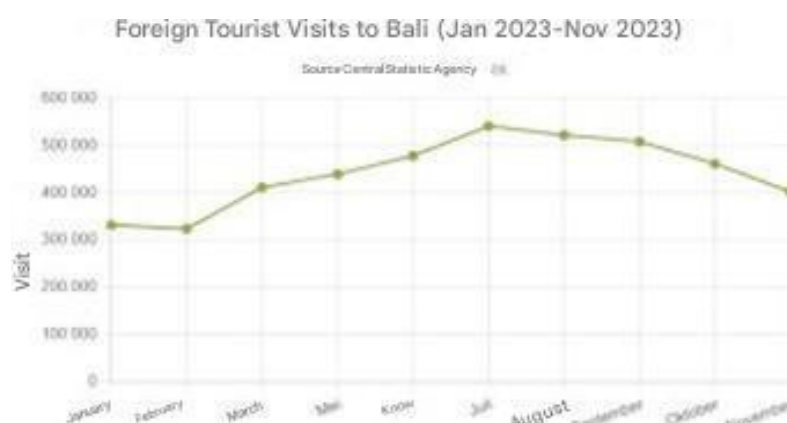


Figure 1. Foreign Tourist Visit to Bali

Based on the graph of foreign tourist visits to Bali from January to November 2023, there is a trend of increasing numbers of visits from the beginning of the year to the peak in July. In January, visits were recorded at around 400,000 tourists and continued to increase, reaching more than 550,000 tourists in July. After that, the number of visits tended to decrease gradually, although it remained at a high figure

of over 450,000 tourists until November. This data shows that the mid-year period, especially June to August, is the peak season for tourist visits to Bali. Meanwhile, the decline from September to November can be linked to the end of the international holiday season. This information is crucial for tourism destination managers to design effective financial management and promotional strategies, as well as facility development, based on existing annual visit patterns.

Tourism destination management encompasses a range of aspects, from planning and developing promotional infrastructure to preserving culture and the environment. To ensure that all these elements run effectively, an accurate and reliable information system is needed. This is where accounting plays a crucial role, specifically as a tool for recording, controlling, and reporting the financial and non-financial resources of tourism destinations.

Accounting can provide information that helps destination managers make strategic decisions (Kurniansah et al., 2024). Through transparent and accurate financial reports, managers can determine the actual financial conditions, enabling them to plan spending and investments more wisely. This data is also useful for attracting investors who want to contribute to the development of tourism facilities in Bali.

Additionally, the implementation of good accounting practices increases the accountability and credibility of tourism destination managers. In the context of Bali, which relies heavily on its cultural image and tourist trust, accountability becomes particularly important. The management of funds from entrance tickets, tourist contributions, and sponsors must be reported openly to maintain public and tourist trust.

Not only for financial aspects, accounting also supports the management of tourism destination assets. Assets, such as land, buildings, transportation facilities, and promotional equipment, must be properly recorded and maintained. Accounting information about these assets helps managers plan maintenance, replacement, or development of destination facilities.

Data from the Bali Tourism Office shows that several destinations with professional financial and asset management, such as Penglipuran Village and West Bali National Park, were able to increase tourist visits by up to 20 per cent in 2023 (Kementrian Pariwisata dan Ekonomi Kreatif Bali, 2023). This shows that the effectiveness of management is closely related to the quality of accounting implementation at the destination.

However, many destinations in Bali still face challenges in transparent and accountable financial management. The lack of human resources with accounting expertise and the absence of an adequate recording system are the primary obstacles. Without effective accounting, destination management will not be optimal and can even lead to the potential misuse of funds, ultimately damaging the destination's reputation (Suprastayasa et al., 2023).

Therefore, it is important to examine more deeply how accounting contributes to the effectiveness of tourism destination management in Bali. This study aims to provide a realistic picture of the role of accounting in enhancing the quality of destination management, as well as offer practical recommendations for tourism managers in Bali to address challenges and increase global competitiveness.

The research conducted by Temo Sukma Ayu and colleagues (2025) aims to analyze the implications between the conceptual framework and government financial reports, specifically the Budget Realisation Report (BRR) and Operational Report (OR), at the East Java Tourism and Culture Office in 2022. The results of the study indicate a strong relationship between the application of the accrual-based accounting conceptual framework and the quality of LRA and LO presentation. This study highlights the significance of implementing government accounting standards to enhance transparency and accountability in the financial management of government tourism agencies (Ayu et al., 2025).

Another study, conducted by Galuh Tresna Murti with a team from Telkom University (2024), investigated the development of an accounting information system for financial monitoring and evaluation in the Stamplat Girang tourist village, Bandung. Through community service activities, they developed a system that helps local tourism actors improve transparency, accountability and efficiency

of financial management. The implementation of this system has a positive impact on village communities' ability to monitor finances and strengthen the foundation for sustainable tourism development at the local level (Murti et al., 2024).

Research by Atikah Dwi Fadhilah (2023) at the Culture and Tourism Office of Sungai Penuh City examined the effect of implementing an accounting information system on leadership style and work motivation on employee performance. Using the multiple linear regression analysis method on 37 respondents who were Civil Servants, the study's results showed that the three variables had a positive effect, either simultaneously or partially, on employee performance. This study reinforces the understanding that the implementation of an accounting information system not only affects financial reports but also enhances the performance of human resources in tourism organizations (Fadhilah, 2023).

These three previous studies reinforce the view that accounting makes a significant contribution to supporting the effectiveness of tourism sector management. In both the context of government institutions and local tourism villages, accounting information systems play a crucial role in creating transparency and accountability, as well as enhancing organizational performance, which ultimately impacts the management of tourism destinations as a whole.

METHODS

This study employs a qualitative approach, utilizing a literature review method. Literature studies are conducted by collecting and analyzing various secondary data sources such as previous research journals, official reports from related agencies, and statistical data from the Central Statistics Agency. This approach was chosen to gain an in-depth understanding of the contribution of accounting to the effectiveness of tourism destination management in Bali by reviewing relevant theoretical concepts and research results. The data studied include financial reports from the tourism sector, accounting information systems, and the application of accrual-based accounting standards, as well as their effects on the performance of tourism management institutions.

During the data collection process, the Author utilizes reference search techniques through academic databases and trusted online repositories. Data analysis involves comparing and synthesizing findings from various studies to draw conclusions that support the formulation of research questions. The validity of the study is maintained by selecting relevant, credible sources. The results of this literature study are expected to provide a comprehensive understanding of the importance of accounting in enhancing transparency, accountability, and efficiency in managing tourism destinations in Bali.

RESULT AND DISCUSSION

Based on the analysis results, it was found that effective accounting implementation can significantly contribute to the effectiveness of tourism destination management in Bali. The application of transparent and systematic accounting principles enables tourism destination managers to obtain accurate data on expenditures and income, which in turn facilitates more informed decision-making. In this study, tourism destination managers who implement a cost-based accounting system and clear budget management show more efficient and effective destination management. In addition, measuring financial performance based on accounting reports also facilitates the evaluation of results and future planning of tourist destinations.

The Role of Accounting in Financial Management of Tourism Destinations. Accounting plays a very important role in the financial management of tourism destinations. Good financial management determines the extent to which a tourism destination can develop and survive in a highly competitive industry. In this context, implementing an appropriate accounting system can improve the management of financial and material resources more efficiently.

Destination managers who utilize accurate financial information can identify their funding allocation needs, control spending, and plan profitable investments for destination development

(Zainurossalamia et al., 2024). This ultimately contributes to increasing the competitiveness and sustainability of tourism destinations.

One example that can be seen is the use of income statements and balance sheets in measuring financial performance. These reports provide a clear picture of the income and expenses incurred, which is very useful in determining whether the destination is making a profit or even a loss. By using these reports, managers can make more informed decisions, such as adjusting entrance ticket prices, improving operational efficiency, or even changing marketing strategies to attract more tourists.

The implementation of a cost-based accounting system is also very helpful in controlling expenses related to destination operations. For example, costs for facility maintenance, staff salaries, and promotions can be calculated in more detail, allowing managers to ensure that the funds spent are comparable to the results obtained. With this system, tourist destinations can optimize their expenses to be more effective and have a positive impact on their income.

Additionally, utilizing an accounting system to plan the annual budget of a tourist destination is also crucial. With effective budget planning, tourist destinations can establish spending priorities and ensure that existing funds are utilized to achieve the stated objectives (Nuryani et al., 2021). Without clear budget planning, tourist destinations are at risk of experiencing financial difficulties, which can affect the continuity of operations and the quality of services provided to visitors.

On the other hand, cash flow statements are also an important tool in managing the finances of a tourism destination. With regular and accurate cash flow statements, destination managers can monitor cash inflows and outflows and plan short-term and long-term cash needs. This is very important to avoid a shortage of funds that can hinder the smooth operation of a tourism destination. Cash flow statements also allow managers to more quickly identify financial problems and take appropriate actions to address them.

However, to optimize the contribution of accounting in managing tourism destinations, adequate training is necessary for destination managers on basic accounting principles and the application of information technology in accounting. Managers who possess a strong understanding of accounting will be better equipped to manage finances more efficiently and effectively and can make more informed decisions based on existing financial data.

Finally, effective tourism destination management does not only rely on financial aspects but also involves human resource management, facilities, and infrastructure. Good accounting provides a solid foundation for managers to manage every operational aspect of a tourism destination, from finance to service. Therefore, the implementation of good accounting is crucial in creating a sustainable tourism destination.

Accounting as a Tool for Controlling and Evaluating Tourism Destination Performance.

Accounting serves not only as a tool for recording and reporting finances but also as a means for controlling and evaluating the performance of tourism destinations. In managing tourism destinations, effective internal control is needed to ensure that all resources are managed properly and that the destination can achieve its goals efficiently. Accounting that is integrated with the internal control system provides the information needed to identify problems early and take appropriate corrective actions.

One of the most frequently applied forms of control in tourism destinations is budget and expenditure monitoring. With detailed and accurate financial reports, managers can easily monitor every expenditure that occurs and compare it with the previously prepared budget. If an expenditure exceeds the budget, managers can immediately conduct an analysis to identify the cause and evaluate whether the expenditure has a positive impact on destination development. This kind of control also helps managers avoid waste and ensure that funds are used optimally for destination development and marketing purposes.

Accounting allows tourism destination managers to conduct periodic performance evaluations. By using prepared financial reports, managers can evaluate the destination's achievements in terms of

revenue, expenditure, and net profit obtained during a certain period (Widiastuti, 2023). This evaluation provides an overview of whether the destination has successfully achieved its goals or not. If there is inadequate performance, managers can adjust the operational and managerial strategies implemented, both in terms of financial management, service, and human resource management.

In the tourism industry, promotion is one of the factors that greatly influences the number of tourist visits. By using the available financial information, managers can evaluate the effectiveness of the marketing budget that has been spent. Are the costs spent on promotion comparable to the increase in the number of visitors and the income received? If not, managers can evaluate and improve the marketing strategy that has been implemented (Sudini & Arthanaya, 2022).

Ultimately, effective accounting-based control and evaluation will help tourism destination managers create a sustainable and efficient system. When managers have full control over the financial and operational aspects of the destination, they can minimize losses, optimize revenue potential, and enhance service quality, which in turn will strengthen the attractiveness of tourism destinations in Bali. Therefore, the implementation of effective accounting is crucial in maintaining the effectiveness of tourism destination management in Bali, enabling it to continue growing and competing in the global market.

CONCLUSION

Based on the research results, accounting plays a crucial role in supporting the effectiveness of tourism destination management in Bali. The application of good accounting principles allows managers to manage finances more transparently, efficiently, and accountably. By using accurate financial reports, managers can make more informed decisions regarding budgets, expenses, and investments, as well as exercise better control over existing resources. This contributes directly to smooth operations and improved service quality at tourism destinations.

Additionally, accounting serves as an effective evaluation tool for measuring the performance and success of destination management. With clear financial information, managers can evaluate the achievement of goals and make necessary strategic adjustments. Therefore, the implementation of good accounting not only improves the efficiency of financial management but also supports the sustainability and competitiveness of tourism destinations in Bali, as well as improving the experience of visiting tourists.

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