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INFORMATION GOVERNANCE AND ACCOUNTABILITY TO IMPROVE FUNDING PERFORMANCE, DIGITAL TRANSPARENCY AND CSO SUSTAINABILITY IN INDONESIA

Sony
Universitas Tarumanagara, Indonesia
Corresponding E-mail: sony_sucihati@yahoo.co.id

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Abstract

This study explores how information governance and financial accountability shape funding performance and the long-term sustainability of Civil Society Organizations (CSOs) in Indonesia. This study employed a mixed-methods approach to collect data from 709 Civil Society Organizations (CSOs) across 34 provinces in Indonesia. Data were obtained through surveys, analysis of digital platforms, and structured interviews, allowing for a comprehensive understanding of CSO practices and challenges. The framework examines legal compliance, digital visibility, and accountability systems. Findings reveal a critical gap: 84% of CSOs have legal recognition, 93% hold tax IDs, and only 44% regularly undergo audits. Moreover, 86% depend heavily on grants and donations, and just 17% actively use integrated digital platforms. This misalignment between formal compliance and strategic accountability risks donor confidence and long-term viability. The study proposes a diagnostic model interlinking governance, digital engagement, and funding strategy. Practical recommendations include improving audit practices, advancing digital transparency, and encouraging innovative, diversified funding approaches. The insights contribute to ongoing efforts by policymakers, donors, and CSOs to cultivate more transparent, resilient, and accountable nonprofit ecosystems.

Keywords: ***Information Governance, Financial Accountability, Funding Performance, Organizational Sustainability, Civil Society Organizations, Indonesia.***

INTRODUCTION

Civil Society Organizations (CSOs) defend human rights, strengthen social bonds, and actively include marginalized communities in sustainable development efforts. (Sharma, 2023). In Indonesia, CSOs serve as key actors in program implementation, public policy advocacy, and the advancement of both national and global agendas, including the Sustainable Development Goals (SDGs) (Bhatta et al., 2024; Kadariya et al., 2023).

The sustainability of CSOs relies heavily on the quality of information governance and financial accountability (Cordery et al., 2023; Grossi et al., 2024). Robust information governance enables transparent reporting, enhances stakeholder trust, and increases organizational legitimacy (Crosman et al., 2021; Saba et al., 2024). Independent audits and financial reporting that comply with national accounting standards such as SAK (Standar Akuntansi Keuangan) are also essential to maintaining institutional legitimacy and meeting donor expectations (He, 2023; J. Lee et al., 2024).

Despite their importance, many CSOs in Indonesia face persistent structural challenges. These include low adoption of standardized accounting practices(Zulfikar, R., Astuti, K., & Ismail, 2022), weak digital accountability systems (Alonso-Travesset et al., 2023)(Alonso-Travesset et al., 2023), and regulatory fragmentation (Alexander et al., 2023). Additionally, limited human resource capacity in financial reporting and digital technology hinders effective governance implementation (Demirkan et al., 2022; Farough Khosravi et al., 2023; Lin & Tsai, 2020; Temel et al., 2021; Tongvijit et al., 2023).

In Indonesia, many Civil Society Organizations (CSOs) still depend largely on support from international donors and philanthropic sources to keep their work going. While this support is crucial, it also makes them vulnerable—significantly when unexpected policy changes or external shocks disrupt the flow of funding they rely on (Asante, 2024; Hoicka et al., 2023; Ranganathan & Ranjalkar, 2023). This funding volatility affects their ability to implement long-term programs (Kharisma & Hunaifa, 2023; Kordi & Abedini, 2021; Lather et al., 2021). The recent literature increasingly acknowledges digital transformation as a strategic driver for enhancing organizational efficiency, fostering transparency, and strengthening public visibility, particularly within dynamic socio-economic environments (Fang & Parida, 2022; Seigner et al., 2024; Y. Zhang et al., 2023). However, many CSOs still lack

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strategic approaches to digital communication and online financial reporting (Hoang et al., 2024; Y. F. Zhang, 2024). Weak sustainability visions often lead to reduced stakeholder participation (Savari et al., 2024) and diminished public trust (Fink & Ruffing, 2020; Zabłocka-Kluczka & Sałamacha, 2020).

The lack of empirical studies examining the links between information governance, financial accountability, and digital visibility makes it even harder for CSOs to improve their funding performance and achieve long-term sustainability. Existing studies remain fragmented and fail to capture the national-level dynamics of the Indonesian CSO ecosystem (Bazimya, 2023; Hieu, 2023; W. Lee, 2023; Maurel & Zwarich, 2021; PG. Talattov et al., 2021; Yin et al., 2024).

This study makes significant contributions to the field by offering fresh perspectives and deepening the ongoing discourse. Firstly, it utilizes large-scale primary data, gathered from 709 Civil Society Organizations (CSOs) across 34 provinces in Indonesia, providing a comprehensive and diverse set of insights. Additionally, the research employs a mixed-methods approach, integrating online surveys, digital platform analysis, and structured interviews, allowing for a more robust and nuanced understanding of the topic. Furthermore, the study develops a systemic conceptual framework that connects key elements such as information governance, financial accountability, digitalization, and funding strategies. This framework not only enriches the theoretical discussion but also offers an applied model for strengthening institutions in the context of contemporary challenges.

Despite the increasing acknowledgment of accountability and transparency within the nonprofit domain, empirical investigations have not thoroughly examined how interrelated governance mechanisms affect funding and organizational sustainability in developing nations. Furthermore, a deficiency in scholarly research establishes a connection between formal compliance (such as legal status and audit practices) and strategic digital engagement alongside cultivating donor trust within the context of Indonesian Civil Society Organizations (CSOs). There is also a lack of research that links formal compliance (e.g., legal status, audit practices) with strategic digital engagement and donor trust-building in the Indonesian CSO context.

LITERATURE REVIEW

This section explores key scholarly works that provide the conceptual grounding for this study. Particular attention is given to how information governance and financial accountability intersect and collectively influence the sustainability of Civil Society Organizations (CSOs). By examining these interrelated dimensions, the review of the theoretical developments and practical gaps that shape current understanding in this area.

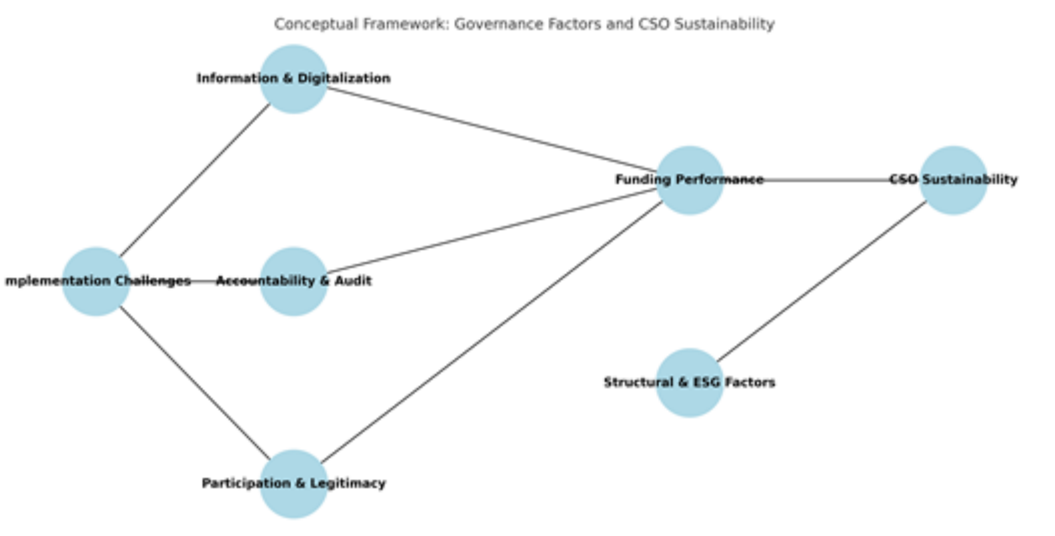

Figure 1. Conceptual Framework: Governance Dimensions and Their Impact on CSO Funding Performance and Sustainability
Source: Data processed by the authors

Information Governance in Civil Society Organizations

Information governance is fundamental to establishing accountability, transparency, and legitimacy within civil society organizations (CSOs). In the nonprofit sector, information is a communication tool and a mechanism for reinforcing public and donor accountability (Saba et al., 2024). (Lockwood & Devenish, 2024) argue that organizations implementing systemic information governance frameworks adapt more effectively to policy changes and strengthen their position for operational sustainability.

(Wiarda et al., 2024) Introduced the concept of responsible mission governance, emphasizing the importance of integrating digital information systems to support the social missions of organizations. (Y. F. Zhang, 2024) argued that digital governance enables the automation of reporting processes and strengthens internal control systems. (Seok et al., 2023) affirmed that integrating information technology into communication strategies expands the donor base and enhances financial credibility.

However, the level of digital adoption among Indonesian CSOs remains low. (Seigner et al., 2024) only a small proportion of organizations actively use websites, social media, and reporting dashboards to enhance transparency and fundraising. Studies by(Ali et al., 2024; Fang & Parida, 2022) emphasized that technology-based reporting systems accelerate accountability and increase access to global donor networks. On the technical dimension, (Ling et al., 2022) proposed integrating risk classification in nonprofit reporting systems to support data-driven decision-making. (Hoang et al., 2024; Nguyen et al., 2024) Emphasize that transparent financial reporting significantly enhances strategic decision-making and strengthens stakeholder trust.

Accountability and Governance Framework in CSOs

Accountability in the nonprofit sector entails responsibility toward various stakeholders, including donors, governments, and beneficiary communities (Tenakwah et al., 2024). (Cordery et al., 2023) while accountability is widely accepted as a core principle, its practical application is often inconsistent. Organizational structure directly influences transparency (Grossi et al., 2024) found that complex or ambiguous board structures reduce organizational openness.

(Eugster et al., 2024; Ferilli et al., 2024) emphasized the importance of both internal and external audits as risk control tools and governance enhancers. However, limited organizational capacity and financial resources are common barriers to regular audit implementation. (Li et al., 2024) many small CSOs lack internal policies or regulatory support to establish robust accountability systems. Moreover, unequal accountability orientations remain a concern. (Cordery et al., 2023) many CSOs prioritize accountability to donors over beneficiary communities, highlighting the need for a more inclusive, multidimensional accountability approach (Loeber & Kok, 2024). A comparative study by ((Lockwood & Devenish, 2024) showed that countries with stricter regulatory environments tend to have stronger nonprofit accountability systems.

Information Governance and Organizational Sustainability

Accountable information management is a vital element in ensuring organizational sustainability. Transparent reporting enables donors and the public to objectively assess program effectiveness and institutional performance (Bhatta et al., 2024). (Savari et al., 2024) warned that the absence of goal-oriented information systems could hinder planning and program success. A lack of transparency also directly impacts reputation. (Fink & Ruffing, 2020; Zabłocka-Kluczka & Sałamacha, 2020) found that organizations failing to uphold transparency experience declining public trust and reduced access to funding.

Stakeholder participation is also crucial for sustaining organizational legitimacy. According to (W. Lee, 2023) and (Bazimya, 2023), involving communities in planning and reporting processes enhances accountability and supports long-term funding sustainability.

Accountability and Funding Performance

The link between accountability and funding performance is well established. (Ho, 2022) argued that consistent financial audits and verifiable reporting directly impact donor confidence. A survey by (Cheraghali et al., 2022) revealed that only 46% of CSOs in Indonesia conduct regular institutional audits, indicating low adherence to accountability principles. (Durán-Santomil et al., 2023) found that data-driven reporting increases funding volume and diversifies funding sources. (Escobar Jaramillo et al., 2024) and (Ali et al., 2024) added that organizations with strong ESG ratings are more attractive to strategic donors. (PG. Talattov et al., 2021) emphasized that the absence of robust financial and reporting systems often causes stagnation in nonprofit organizations.

Structural Factors Affecting CSO Sustainability

Structural factors such as internal efficiency, funding diversification, and policy support are key determinants of CSO sustainability. Studies by (Ling et al., 2022) and (Durán-Santomil et al., 2023) demonstrated that diverse funding sources—including social enterprises, community services, and membership contributions—help organizations withstand external shocks. However, (Ali et al., 2024) data show that only a few CSOs in Indonesia have systematically developed alternative financing models. (Hieu, 2023) Further, it was noted that the weak integration of ESG and SDG principles into institutional systems limits access to global funding. (Matallín-

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Sáez & de Mingo-López, 2024) also confirmed that compliance with international reporting standards can significantly enhance cross-border donor confidence.

Challenges in Governance and Accountability Implementation

CSOs face several common challenges in implementing effective governance and accountability systems. These include low levels of digital and financial literacy ((Cumming et al., 2024), limited access to training and technical assistance (Hoang et al., 2024), imbalanced accountability orientations that favor donors over communities (Cordery et al., 2023), and the absence of uniform national reporting standards (Grossi et al., 2024; Matallín-Sáez & de Mingo-López, 2024) In addition, (Y. F. Zhang, 2024) highlighted that digital transformation remains constrained—especially among community-based organizations with limited infrastructure and human capital capacity.

METHOD

Research Design and Approach

This study employs a mixed-methods approach, combining quantitative and qualitative techniques to explore how information governance and accountability practices shape the funding performance and long-term sustainability of Civil Society Organizations (CSOs) in Indonesia. It adopts a mixed-methods design to capture measurable organizational patterns and gain in-depth insights into institutional dynamics, particularly in implementing financial governance standards and digital visibility strategies.

The research team collected quantitative data through online surveys distributed to CSOs across 34 Indonesian provinces. These surveys focused on variables such as legal compliance, audit practices, funding sources, operational procedures, and communication strategies. Qualitative data were obtained through structured interviews with organizational representatives to validate survey findings and explore implementation challenges. This dual approach enabled effective data triangulation, ensuring validity and a comprehensive understanding of governance frameworks across diverse CSO settings.

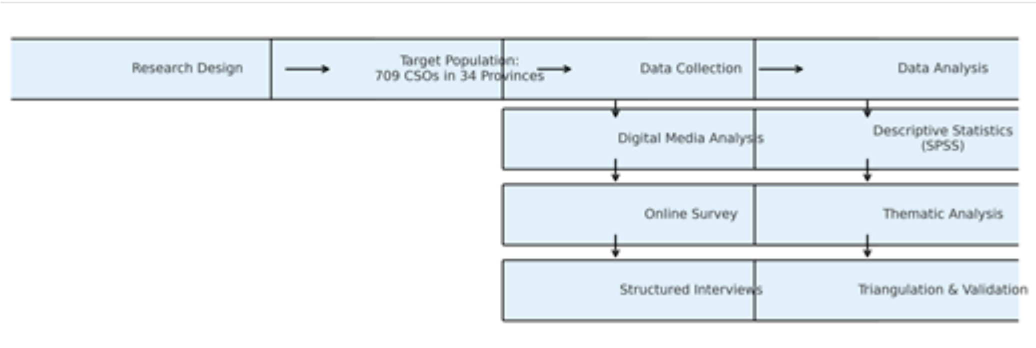

Figure 2: ResearchFlow Diagram: Information Governance & Accountability in CSOs
Source: Data processed by the authors

Framework Implementation

The analytical framework for this research integrates three core pillars:

1. Information Governance: Measured through indicators such as the presence of official websites, digital communication channels (e.g., Facebook, Instagram, YouTube), and standardized internal reporting systems. This pillar assesses the CSOs' capacity to transparently manage and disclose organizational information.
2. Accountability Mechanisms: Assessed through the adoption of financial Standard Operating Procedures (SOPs), the frequency of audits conducted by Public Accounting Firms (KAPs), tax compliance, and the application of ISAK 35 accounting standards. These indicators are essential for evaluating institutional transparency and donor trustworthiness.
3. Organizational Visibility and Funding Performance: This is evaluated through the types of funding sources (e.g., government grants, international donors, individual contributions), public engagement platforms, and program sustainability strategies. The visibility-funding nexus is analyzed to understand how public-facing communication enhances organizational resilience.

We develop an integrated evaluative model to assess organizational maturity in governance and accountability. The model enables differentiation between high-performing and underperforming CSOs, revealing critical gaps in implementation across regions and sectors.

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Sampling and Data Collection Sampling and Data Collection

Based on the verified database from Konsil LSM Indonesia (2022), the research population comprised 709 CSOs operating in 34 provinces in Indonesia. A total of 173 organizations responded to the survey, and structured interviews were conducted with 34 selected representatives to deepen contextual understanding.

The data collection followed five stages:

1. We conducted online desk research by extracting public data from official websites and social media accounts
2. Online Survey: Deploy a structured questionnaire using Google Forms to capture quantitative data on governance and accountability.
3. Structured Interviews: Verify data through direct engagement with CSO representatives.
4. Data Validation: Cross-checking survey, website, and interview data for consistency and accuracy.
5. Data Analysis: Execution of descriptive statistical analysis using SPSS 22.0 and thematic analysis for qualitative findings.

RESULTS AND DISCUSSION

Results

Key Findings

Institutional Legality and Accountability Compliance

Legal registration is a minimum requirement for organizational governance. Among the 709 CSOs surveyed, 84% possess formal legal documentation (Akta Hukum Usaha/AHU) from the Ministry of Law and Human Rights, while 16% remain without formal legality. Regarding taxation, 93% of organizations have obtained a Tax Identification Number (NPWP), yet only 72% consistently fulfill their tax reporting obligations.

Interviews revealed that low tax compliance stems from limited administrative capacity and a widespread perception that nonprofit organizations are exempt from tax obligations. Compliance is mainly reactive to donor requirements rather than driven by internal organizational awareness. These findings highlight a disparity between formal legality and substantive accountability practices.

Financial Transparency and Audit Practices

Only 44% of CSOs conduct regular institutional audits, while 56% lack documented audit mechanisms. Among those that do, most engage certified Public Accounting Firms (KAP) as a form of external accountability. Most organizations cited budget limitations and the absence of explicit donor requirements as barriers to conducting audits. The findings suggest that many organizations perceive accountability as a procedural obligation rather than a fundamental element of good governance. The lack of audit and transparent reporting threatens long-term donor trust (Eugster et al., 2024).

Grant Dependency and Limited Funding Diversification

86% of CSOs continue to rely on grants and donations, with only 14% adopting alternative funding models such as social enterprises or membership contributions. The most significant funding shares come from the government (33%), international donors (21%), and individual donors (18%). Revenue from business units accounts for a mere 2% of total income. Limited organizational capacity, a poor understanding of social business models, and a lack of long-term financial strategies have hindered diversifying funding sources. Heavy reliance on one or two funding sources makes organizations vulnerable to stagnation during shifts in donor priorities (Durán-Santomil et al., 2023; Ling et al., 2022).

Technology Use and Digital Visibility

Only a tiny proportion—approximately 17%—of CSOs entirely use digital platforms such as websites, Facebook, Instagram, Twitter, and YouTube to support their organizational visibility and engagement strategies. While 50% have a website, 41% combine a website with Facebook, and only 36% use a website and Instagram. Human resource limitations and weak digital communication strategies are significant barriers. Many organizations fail to recognize the role of digital visibility in enhancing accountability and attracting donors. Yet, digitalization has proven effective in building public credibility and expanding access to online dono (Y. Zhang et al., 2023; Y. F. Zhang, 2024).

Operational Age and Sustainability Strategies

The findings reveal that most CSOs—around 80.4 percent—have maintained operations for over five years, suggesting a relatively stable presence. In comparison, 15.4 percent of CSOs have been operating for two to five years, while a smaller segment—approximately 4.1 percent—represents newer organizations founded within the past

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two years. However, organizational age does not correlate directly with funding sustainability. Many well-established organizations depend on short-term, project-based funding without long-term financial strategies. These findings demonstrate that institutional sustainability is not solely a function of age but depends on strategic planning, risk management, and funding diversification (Tran et al., 2021).

Program Relevance and Funding Strategy Alignment

Roughly 33% of CSOs focus on community empowerment, 12% on environmental and climate issues, and another 12% on health-related programs. Although these themes align with societal needs, many organizations fail to connect their programming with impact-based funding strategies. Interviews revealed that programs are often community-driven but lack measurable value propositions that appeal to outcome-oriented donors. Without improvements in outcome mapping and impact reporting, access to strategic funding opportunities will remain li (Fang & Parida, 2022; Seigner et al., 2024).

Reporting Research Results

Table 1. CSO Population by Province in Indonesia

No.	Province	Number of CSOs
1.	Bali	15
2.	Bangka Belitung	7
3.	Banten	37
4.	Bengkulu	19
5.	Yogyakarta	17
6.	DKI Jakarta	63
7.	Gorontalo	7
8.	Jambi	11
9.	Jawa Barat	73
10.	Jawa Tengah	46
11.	Jawa Timur	41
12.	Kalimantan Barat	32
13.	Kalimantan Selatan	7
14.	Kalimantan Tengah	6
15.	Kalimantan Timur	12
16.	Kalimantan Utara	9
17.	Kepulauan Riau	6
18.	Lampung	14
19.	Maluku	12
20.	Maluku Utara	6
21.	NAD	22
22.	Nusa Tenggara Barat	24
23.	Nusa Tenggara Timur	23
24.	Papua	7
25.	Papua Barat	13
26.	Riau	8
27.	Sulawesi Barat	4
28.	Sulawesi Selatan	53
29.	Sulawesi Tengah	18
30.	Sulawesi Tenggara	11
31.	Sulawesi Utara	7
32.	Sumatera Barat	10
33.	Sumatera Selatan	16
34.	Sumatera Utara	53

Source: Database Verification Report of Civil Society Organizations (CSOs), Konsil LSM Indonesia, 2022

Table 1 presents the distribution of 709 CSOs across Indonesian provinces. The three provinces with the highest number of CSOs are West Java (73), DKI Jakarta (63), and South Sulawesi (53) record the highest number of CSOs, indicating a notable concentration of organizational activity in regions that serve as population centers and economic hubs. In contrast, provinces such as the Riau Islands and Central Kalimantan each have only six organizations, indicating potential disparities in access to resources and institutional support. These findings underscore the importance of capacity-building strategies for CSOs in institutionally limited regions to foster nationwide sectoral sustainability.

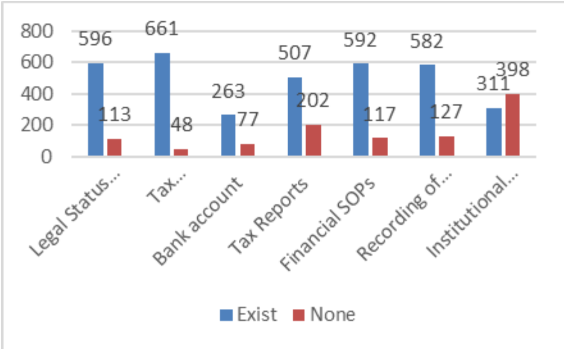

Figure 3. Legal Status and Accountability Practices of Organizations
Source: Data processed by the authors

In the graph shown in Figure 3, the X-axis represents the number of organizations by ownership of legal and accountability documents. At the same time, the Y-axis denotes the types of papers possessed or not possessed by the organizations. Figure 1 illustrates the level of legal registration and accountability practices among 709 CSOs. 93% of organizations have obtained a Tax Identification Number (NPWP), and 84% hold official legal status (AHU). However, only 72% report taxes regularly, and only 44% have undergone institutional financial audits. These findings indicate that while formal legal compliance is relatively high, more substantial accountability practices—such as financial auditing—remain limited, highlighting ongoing challenges in establishing transparent financial governance.

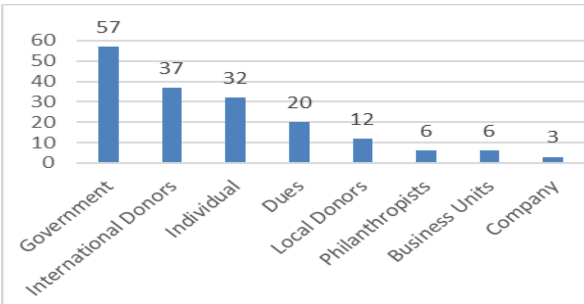

Figure 4. Organizational Funding Sources
Source: Data processed by the authors

Figure 4 presents the distribution of funding sources among CSOs in Indonesia. The figure shows how funding sources are distributed across CSOs, where the X-axis captures the number of organizations, and the Y-axis outlines the various types of funding they depend on. The data reveal that 86% of CSOs depend highly on grants and donations. Among these, government support emerges as the most dominant at 33%, followed by contributions from international donors (21%) and individual donors (18%), reflecting the prevailing reliance on institutional and philanthropic funding channels. In contrast, only 14% of organizations generate income independently through social enterprise initiatives or member-based contributions. This heavy reliance on external funding highlights a structural vulnerability within the sector, particularly in the face of shifting donor priorities or policy changes. These findings point to the pressing need for CSOs to diversify their income sources—through strategic collaborations, innovation in funding models, and a stronger focus on financial sustainability.

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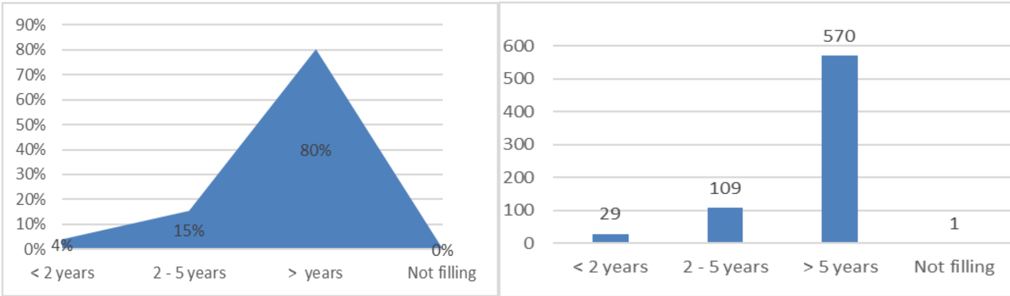

Figure 5. Chart of Organizational Age Profile
Source: Data processed by the authors

Figure 5 shows how CSOs are distributed based on their operating duration. The X-axis represents the number of organizations, while the Y-axis indicates their operational age. The data suggest that a large majority—around 80.4%—have been active for over five years, whereas the remaining CSOs are still relatively young, having operated for less than five years. Although organizational longevity is often associated with more established systems and experience, interviews suggest that many CSOs—regardless of age—face sustainability challenges, especially those that depend on short-term, project-based funding and lack long-term financial planning.

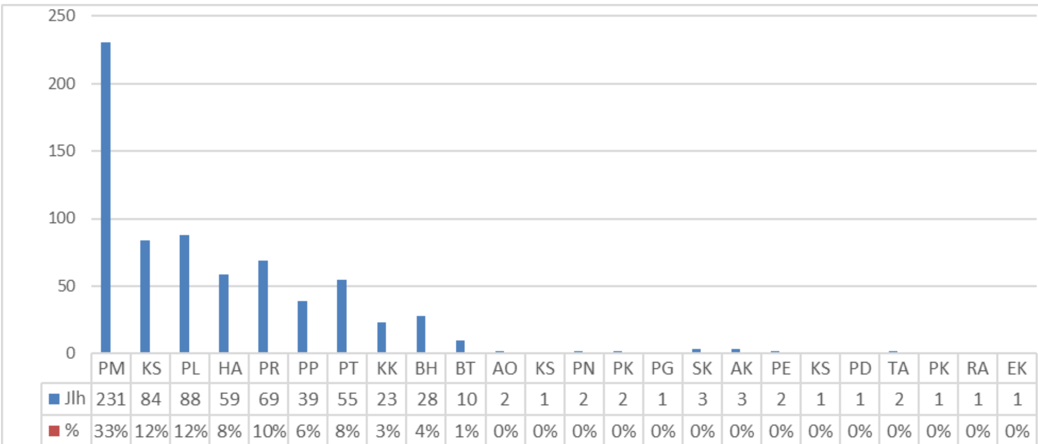

Figure 6. CSO Programmatic *Focus Areas*
Source: Data processed by the authors

The Organizational Program Issues Chart illustrates the distribution of diverse programmatic areas, with the X-axis representing the number of organizations and the Y-axis showing the percentage of CSOs engaged in each of the 24 issue categories. Figure 4 shows that CSO programs in Indonesia are predominantly focused on community empowerment (33%), followed by environmental protection and health-related issues (each at 12%). While these programs reflect broad contributions to social development, interviews revealed that many organizations struggle to align their programs with impact-based fundraising strategies. These findings highlight the need for CSOs to strengthen their capacity to develop compelling value propositions that effectively engage potential donors.

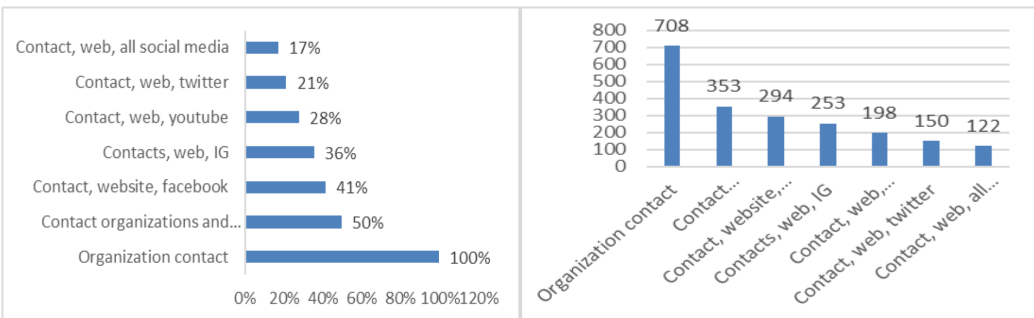

Figure 7. Types of Organizational Visibility
Source: Data processed by the authors

In Figure 7, the X-axis represents the types of visibility, while the Y-axis shows the percentage of organizations utilizing each channel. The chart indicates that while nearly all CSOs have official contact information, only 50% have an official website, and even fewer are active on social media platforms. Notably, only 17% of organizations utilize all major digital platforms integrated. This low digital visibility reflects an underdeveloped communication and online fundraising strategy. Digital openness is crucial for building public trust and mobilizing support in modern governance. Investing in technology-based communication, progressive policy support, and stakeholder engagement is critical to strengthening CSO institutional sustainability. The data from the tables and figures illustrate structural challenges in CSO governance, particularly regarding accountability, funding, and digital visibility. These three areas are key determinants of organizational sustainability and underscore the need for adaptive policy support, technology adoption, and active stakeholder participation in building a transparent and responsive institutional ecosystem.

Discussion

This study confirms that information governance and financial accountability are critical in strengthening funding performance and the sustainability of Civil Society Organizations (CSOs) in Indonesia. The findings support prior literature suggesting that public accountability and sound governance are foundational to organizational legitimacy, stakeholder trust, and long-term resource access(Cordery et al., 2023; Grossi et al., 2024).

Dependency on Grants and the Need for Diversification

Most CSOs remain heavily dependent on grants from the government and international donors, making them vulnerable to policy shifts and economic instability (Asante, 2024). These findings reveal weak diversification strategies in funding portfolios and reinforce the perspectives of (Durán-Santomil et al., 2023; Ling et al., 2022), who advocate developing social enterprise models, cross-sector partnerships, and crowdfunding to strengthen financial resilience and organizational autonomy.

Limited Auditing and Adoption of Accounting Standards

The limited implementation of institutional audits and the low adoption of ISAK 35 suggest that many CSOs have not fully internalized accountability within their organizational cultures. (Eugster et al., 2024; Ho, 2022) emphasize that independent auditing and financial transparency play a critical role in maintaining donor confidence, reinforcing this study's findings. Furthermore, weak internal control systems—such as the lack of segregation in financial functions and transaction authorization—further increase the risk of fund mismanagement (Mohamed et al., 2014).

Fragmented Sustainability Strategies

Although over 80% of CSOs have been operating for over five years, many still struggle to develop a clear plan for long-term sustainability. A project-based approach remains dominant, rendering organizations vulnerable to funding discontinuities. (Bilderback, 2024) underscores the importance of data-driven planning and risk management, while (Tran et al., 2021) advocate using technology-based financial information systems as a foundation for institutional stability—an argument supported by the findings of this study.

Low Technological Adoption and Digital Visibility

Only a few CSOs actively leverage technology to enhance transparency and stakeholder communication. Infrastructure and human resource capacity limitations remain significant barriers to systematically integrating digital communication tools. Yet, digitalization has improved communication efficiency and broadened donor outreach (Y. Zhang et al., 2023; Y. F. Zhang, 2024).

Weak Linkages Between Programs and Funding Strategies

Although CSO programs address strategic issues such as community empowerment, environment, and public health, many have yet to align them with impact-based fundraising strategies. By failing to provide precise outcome mapping and measurable impact indicators, these organizations weaken their positioning with donors who increasingly demand evidence-based results (Fang & Parida, 2022).

Policy Implications and the Role of Stakeholders

The findings suggest the need for public policy frameworks that support the strengthening of CSO governance, including fiscal incentives for independent audits, inclusive digitalization programs, and community-based accountability training. In line with (Jones-Crank, 2024), the active involvement of CSOs in national policy

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agendas and global initiatives such as the SDGs can enhance legitimacy and funding opportunities. Collaboration among government bodies, donors, and the private sector is essential to building an adaptive and sustainable institutional ecosystem for civil society. Such partnerships are key to supporting the long-term resilience of CSOs.

CONCLUSION

This study reaffirms that information governance and financial accountability are critical factors in improving funding performance and ensuring the sustainability of Civil Society Organizations (CSOs) in Indonesia. While many CSOs possess legal status and demonstrate long-standing institutional presence, structural weaknesses persist—particularly in areas such as independent audits, ISAK 35 adoption, internal control systems, and digital transparency (Cordery et al., 2023; Grossi et al., 2024; Mohamed et al., 2014) High dependency on external grants, limited implementation of independent audits, and the underutilization of digital technologies contribute to financial vulnerability and reduced donor trust. Moreover, the absence of impact-based reporting and outcome mapping hinders CSOs' ability to communicate the strategic value of their programs to external stakeholders (Fang & Parida, 2022; Seigner et al., 2024). This study offers a significant scholarly contribution by employing a mixed-methods approach grounded in primary data from 709 CSOs across 34 provinces. The novelty of the research lies in its development of a conceptual framework that systematically integrates information governance, financial accountability, digitalization, and sustainable funding strategies—providing a foundation for evidence-based institutional reform applicable to the nonprofit sector.

Implication for Policy and Practice

Based on empirical findings and current literature, the study proposes the following seven strategic policy and practice recommendations:

1. Promote ISAK 35 Adoption and Independent Audits
   The government should expand the mandatory application of ISAK 35 among CSOs, accompanied by fiscal and technical incentives for organizations conducting regular independent audits (Mohamed et al., 2014).
2. Develop Digital Financial Information Systems
   Organizations should prioritize digitalizing financial reporting and communication by investing in digital accountability training and leveraging social media to enhance transparency (Y. Zhang et al., 2023; Y. F. Zhang, 2024)
3. Diversify Funding through Social Innovation
   CSOs should explore alternative financing models, such as social entrepreneurship and crowdfunding, supported by regulations encouraging nonprofit innovation (Durán-Santomil et al., 2023; Ling et al., 2022)
4. Strengthen Internal Control Systems
   Minimum accountability standards must include functional segregation, accurate transaction records, and systematic financial authorization processes (Mohamed et al., 2014).
5. Enhance Impact-Based Reporting Capacity
   CSOs must be encouraged to adopt outcome mapping, impact reporting, and theory of change approaches to effectively communicate measurable program outcomes to donors (Seigner et al., 2024).
6. Reinforce the Role of Government and Donors in Institutional Development
   Technical assistance, multi-stakeholder forums, and collaborative policy mechanisms are essential—especially for CSOs operating in regions with limited fiscal and digital capacity (Jones-Crank, 2024).
7. Foster CSO Integration into National and Global Development Agendas
   Participating in the SDGs, ESG frameworks, and national social protection programs will enhance CSOs' strategic positioning within the cross-sector development ecosystem.

Limitations and Directions for Future Research

Research Limitations

This study offers valuable insights into the relationship between information governance, financial accountability, and funding sustainability among CSOs in Indonesia; however, several methodological and empirical limitations merit further attention.

1. Low response rate on funding disclosure: Only 24% of the 709 CSO respondents were willing to provide detailed funding data, limiting the generalizability of findings on the relationship between financial transparency and organizational performance.
2. Potential bias in data collection methods: The study relied on online surveys, digital media reviews, and interviews, which may be prone to perceptual prejudice and fail to capture undocumented internal practices.

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3. Limited audit data: Only 44% of CSOs reported conducting financial audits, constraining the ability to fully assess the impact of independent auditing and ISAK 35 adoption on organizational sustainability (Mohamed et al., 2014).
4. Cross-sectional design constraints: The research design does not allow for exploring temporal dynamics or long-term changes in governance practices.
5. Variability among respondents: Differences in organizational size, program sectors, and geographic locations challenged the conduct of representative comparative analyses.
6. Uncontrolled external variables: The study did not explicitly isolate the influence of external factors such as regulatory shifts, donor dynamics, or socio-economic turbulence, which may moderate the effectiveness of governance practices.
7. Limited exploration of digitalization impacts: The effectiveness of digital transformation—particularly in enhancing fundraising efficiency and real-time financial visibility—was not fully explored (Y. Zhang et al., 2023; Y. F. Zhang, 2024).

Future Research Directions

Future research should focus on the following strategic areas to address these limitations:

1. Longitudinal panel studies are needed to evaluate long-term changes in governance practices, the impact of digitalization, and organizational funding resilience.
2. Cross-regional or cross-country comparative studies can help identify how local contexts—such as fiscal regulation, civic space, and donor preferences—shape governance effectiveness (Baltes & Ralph, 2022).
3. In-depth mixed-method case studies would allow for micro-level exploration of organizational culture, leadership styles, and change management.
4. A digital accountability index must be developed to measure the depth of digitalization and its correlation with transparency and funding attractiveness.
5. Moderation analysis of external factors, such as fiscal policy changes and donor behavior, should be conducted to understand their influence on the relationship between governance practices and sustainability outcomes.
6. Exploration of technology-enabled financial innovations—including crowdfunding, blockchain, and online financial dashboards—can provide insight into their contribution to reporting effectiveness and donor network expansion.
7. Future studies should examine how integrating internal governance, community participation, and impact-based funding models can support the design of outcome-driven sustainability systems.
8. Examining leadership roles and organizational structures in shaping data-driven accountability culture, risk management, and institutional ethics will be essential for building adaptive and resilient governance foundations.

Furthermore, future research could contribute to developing an ecosystem-based governance framework, analyzing the systemic interaction between CSOs, government institutions, donors, and the private sector. Such an approach would enable the formulation of collaborative strategies to strengthen institutional capacity, public accountability, and sustainable funding resilience.

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