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Reintegration of State Financial Management Through the FARAH Model: An Accounting Study of Inmates at Lapas Parepare

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ABSTRACT

This research aims to analyze the role of state financial management in supporting the development and social reintegration of prisoners at Class IIA Parepare Correctional Facility, as well as to examine the effectiveness of the FARAH model (Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach). This model is positioned as an integrative framework that links the technical aspects of budget management with social needs in Lapas. The research uses a qualitative method with a phenomenological approach based on Alfred Schutz's sociology. Data is obtained through in-depth interviews, observations, and document analysis, and its validity is tested through triangulation and member checking. Research results show that budget management in Parepare Correctional Facility has been carried out according to procedures, but still faces challenges such as overcapacity, limited resources, and partial rehabilitation programs. The implementation of the FARAH model (Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach) offers an integrative solution: Financial management serves as the material basis that ensures basic needs and rehabilitation space are met, while Accountability builds transparency and trust as a form of state legitimacy. Rehabilitation opens up space for the transformation of values and behaviors, Awareness fosters moral and existential consciousness, and the Holistic approach unites all elements in a cross-sectoral collaboration network that strengthens social integration.

Keywords: State Financial Management, Social Reintegration, Accounting of Inmates, FARAH Model.

JEL Code: H83, H72, H75, M41, Z18.

I. Introduction

In the dynamic rhythm of national development, every rupiah spent by the state should carry the spirit of justice, the voice of transparency, and the breath of social inclusion, particularly for those who are often marginalized from the policy narrative. State financial management is not merely a matter of figures and reports (Mardiasmo, 2018); it reflects how a nation fulfills its social responsibilities to all its citizens, including those behind bars. Yet, correctional facilities remain isolated within the fiscal discourse, and prisoners are often reduced to statistics in criminal records and rehabilitation targets rather than recognized as human beings with rights, potential, and futures worth rebuilding. The Indonesian Minister of Law and Human Rights, Yasonna Laoly, through Law No. 22 of 2022 on Corrections, affirms that correctional institutions should serve



as spaces of education and transformation leading to fair rehabilitation and reintegration (Kementerian Hukum dan HAM, 2022). However, this transformative spirit has not been fully mirrored in the practice of budget management. In an era of performance-based budgeting, public expenditure should translate into concrete efforts to humanize humanity rather than simply fulfill administrative procedures. The 2023 report of the Ministry of Law and Human Rights reveals low quality in the management of prisoner rehabilitation funds, signaling a blurred policy orientation, weak fiscal control, and limited social commitment. These issues are reinforced by findings from the Audit Board of the Republic of Indonesia (BPK RI, 2023) and media coverage (Bisnis.com, 2024), highlighting the fragile accountability mechanisms and inefficiency of fiscal implementation within correctional institutions.

While the Ministry's 2023 budget realization reached 97.16% of the total allocation of IDR 18.93 trillion, most of it was absorbed by structural activities that have little direct impact on prisoner reintegration. The high absorption rate recorded on paper fails to represent true effectiveness in the field, where ambitious targets often collapse under the weight of gaps between planning and execution. Beyond fiscal issues, overcapacity in correctional facilities remains a critical challenge. Data from the Directorate General of Corrections (Ditjenpas, 2025) indicate that 277,200 inmates are housed in spaces designed for only 146,080 individuals—an overcrowding rate of 89.75%. Such numbers are not mere statistics but reflections of cramped realities that hinder effective rehabilitation, restrict human rights, and obstruct access to education and vocational training. Rehabilitation programs often focus on basic skills training, while financial literacy and accounting knowledge—vital tools for post-release economic independence—are rarely included. Given these complexities, the concept of “inmate accounting” becomes particularly relevant. This idea refers to the management, recording, and reporting of financial resources allocated for prisoner training and empowerment programs within correctional institutions (Prasetyo, 2020). Accounting here functions not only as an administrative tool but also as an educational and transformative instrument, enabling inmates to learn personal and cooperative financial management as part of their social recovery. Implementing such an approach can foster transparency, accountability, and empowerment, turning correctional finance into a vehicle for social rehabilitation.

This gap between fiscal policy and practice is vividly reflected in the Parepare Class IIA Correctional Facility, where 571 inmates live in a space designed for about 300. Overcrowding undermines service quality and diminishes the sustainability of rehabilitation efforts. Most training programs—carpentry, hydroponics, handicrafts, and basic computing—remain fragmented and lack institutionalized accountability or continuity. International experiences, however, demonstrate that when state finance reaches the most vulnerable layers, it generates not only efficiency but also hope. Norway and the Netherlands, for instance, have reduced recidivism rates to below 20% (Prisonersabroad, 2017) by integrating fiscal management with long-term rehabilitation frameworks. In contrast, Indonesia still struggles with the disconnection between budgetary efficiency and social effectiveness. Studies by Purnomo et al. (2022) and Farhan Ramadhan et al. (2025) show that even with high budget realization rates (over 96%), the outcomes of rehabilitation programs remain suboptimal, often confined within formal administrative routines rather than transformative learning processes.

This situation reveals a profound gap between the technocratic logic of state budgeting and the social reality of prisoner rehabilitation. To address this divide, the present study introduces the FARA Model—Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach—as an integrative framework linking the technical aspects of fiscal management with the human dimensions of correctional transformation. Conceptually, the FARA model rests upon three theoretical foundations: Restorative Justice, which views prisoners as subjects of rehabilitation rather than mere objects of punishment (Zehr, 2014); Critical Accounting Theory, which perceives accounting as an instrument for social justice and empowerment rather than a neutral reporting mechanism (Tinker, 1980); and Human-Centered Development, which places the individual—here, the inmate—at the center of inclusive and meaningful development (Sen, 1999).

The FARAH framework redefines public finance as a moral and social instrument, positioning state budgeting not only as a means of control but as a tool for liberation and empowerment. Within this model, fiscal data are infused with meaning and direction: financial reports cease to be sterile documents and become narratives of restoration and human dignity. The model envisions an ecosystem where transparent financial management, meaningful accountability, humane rehabilitation, inmate self-awareness, and cross-sector collaboration operate as interdependent pillars. In doing so, FARAH transforms public finance into an instrument of social recovery rather than bureaucratic compliance—ensuring that state budgeting truly touches those long silenced within the system.

Based on this conceptual and empirical foundation, this study seeks to analyze the role of state financial management in supporting the development and social reintegration of prisoners at the Parepare Class IIA Correctional Facility, and to examine the effectiveness of the FARAH model as an integrative approach that unites fiscal governance with restorative human development. Specifically, the study addresses two research questions: (1) How does state financial management support the process of prisoner rehabilitation and social reintegration at Lapas Parepare?, (2) How does the implementation of the FARAH model enhance the effectiveness of financial management in supporting these processes?. This research aims to contribute both theoretically and practically. Practically, it provides a framework for correctional administrators and policymakers to strengthen financial governance and implement more holistic rehabilitation programs. Theoretically, it introduces the FARAH model as a new paradigm that integrates public financial management, accountability, rehabilitation, self-awareness, and collaborative governance within the context of correctional institutions. In terms of policy, the findings are expected to inform the design of regulations and oversight mechanisms for correctional budgeting, while encouraging multi-sectoral collaboration among government agencies, civil society, academia, and the private sector in building a sustainable, human-centered correctional ecosystem. Ultimately, this study is grounded in a moral aspiration: that accounting and state finance should not only administer but also restore, empower, and dignify. Through the FARAH model, public finance can become a pathway of return—not only for the body released from confinement but for the spirit reawakened to citizenship and shared humanity.

II. Literature Review and Hypothesis Development

The relationship between state financial management and the social reintegration of prisoners requires a multidimensional theoretical foundation that bridges fiscal governance with human rehabilitation. The FARAH Model—*Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach*—emerges as an integrative response to this gap, combining administrative, ethical, and human-centered perspectives in correctional governance.

2.1. State Financial Management

State finance functions as the heart of governance, ensuring the implementation of public policy, service delivery, and social welfare (Widayati, 2014). As stated in Law No. 17 of 2003 on State Finance, it encompasses all rights and obligations measurable in monetary terms, including assets used to execute government functions. Mardiasmo (2018) identifies four pillars of state financial management: revenue, expenditure, administration, and macroeconomic stability, all of which must adhere to principles of good governance—transparency, accountability, efficiency, and effectiveness. Within correctional institutions, expenditure policy must extend beyond administrative compliance to serve as an instrument of social justice, funding rehabilitation, education, and empowerment programs. Performance-based budgeting ensures that fiscal allocations are linked to measurable outputs and outcomes, such as reduced recidivism and successful reintegration (Sari, 2016; Mahmudi, 2020). Thus, financial management becomes not merely administrative but moral, reflecting the state's duty to restore human dignity.

2.2. Social Reintegration

Social reintegration is not merely a post-sentence procedure but a process of reconnecting individuals with society and restoring their moral and social identity (Maruna, 2001). It represents a bridge between the past and the possibility of renewal, emphasizing social acceptance and the internalization of communal values (Bazemore & Umbreit, 2014). According to Law No. 22 of 2022 on Corrections, prisoners are subjects of rehabilitation with rights to education and reintegration support. Sanusi (2019) distinguishes rehabilitation as internal behavioral change and reintegration as external social transition, both requiring institutional and societal collaboration. Clemens Bartollas's model outlines four stages—rehabilitative guidance, transitional service, community mentoring, and final guidance—underscoring that successful reintegration depends on sustained social connection (Sulistiyono & Dewanto, 2025). Labeling theory (Becker, 1963) highlights the stigma faced by ex-prisoners, while restorative and integrative justice frameworks (Zehr, 2014; Muladi & Arief, 2010) advocate for reconciliation and empowerment rather than punishment. Reintegrative programs such as parole, conditional leave, and community assimilation (PP No. 31/1999) exemplify the state's moral commitment to offering second chances and restoring social harmony.

2.3. Inmate Accounting

Inmate accounting functions as a bridge between fiscal obligation and human rehabilitation, interpreting financial data as a narrative of recovery rather than mere expenditure. As a branch of public sector accounting, it encompasses the recording, reporting, and management of funds allocated to inmate rehabilitation programs (Mardiasmo, 2018). In practice, inmates often engage in informal financial activities that reflect an emergent internal financial culture (Prasetyo, 2020). Under Government Regulation No. 71 of 2010 on Government Accounting Standards, correctional finance must be transparent, accountable, and oriented toward public value. Core accounting principles—economic entity, monetary unit, continuity, and full disclosure—ensure financial reports accurately reflect institutional conditions (Hasanah & Fauzi, 2017). Ultimately, inmate accounting embodies both fiscal and humanitarian dimensions, ensuring that every rupiah spent contributes to measurable social recovery and empowerment.

2.4. The FARAH Model

The FARAH Model integrates five interdependent pillars:

- a. Financial Management – Strategic budgeting and internal control to ensure resource efficiency (Anthony & Govindarajan, 2007; Horngren et al., 2015).
- b. Accountability – Expanding administrative accountability into participatory social oversight (Bovens, 2007; Roberts, 2009).
- c. Rehabilitation – Emphasizing identity transformation and empowerment (Maruna, 2001; Cullen & Jonson, 2012).
- d. Awareness – Developing financial literacy and critical consciousness (Lusardi & Mitchell, 2014; Freire, 1971).
- e. Holistic Approach – Encouraging multi-systemic collaboration across institutional and societal layers (Bronfenbrenner, 1979; Fung, 2006).

The model is grounded in three theoretical frameworks:

- a. Restorative Justice Theory emphasizes the restoration of relationships through accountability and community participation (Zehr, 2014; Braithwaite, 2023).

- b. Critical Accounting Theory challenges the neutrality of accounting and promotes its use as a tool for social empowerment (Tinker, 1980).
- c. Human-Centered Development Theory situates human agency as the core of development, emphasizing capacity building and social inclusion (Sen, 1999; Nafukho et al., 2004).

By combining these frameworks, FARAH positions public finance as a moral and rehabilitative mechanism that transforms accounting into a medium of justice, awareness, and empowerment.

2.5. Empirical Foundations

Prior studies reinforce the conceptual pillars of FARAH. Purnomo et al. (2022) highlight that efficient and transparent budgeting enhances rehabilitation outcomes, while Musri (2022) emphasizes the significance of collaboration and inmate awareness. Effendi (2022) finds that financial mentoring fosters self-management skills crucial for reintegration. Wijaya and Indrayenti (2023) demonstrate that performance-based budgeting strengthens accountability in correctional programs. Maryani (2024) compares German and Indonesian systems, showing that third-party collaboration improves innovation and efficiency. Poluan et al. (2024) underscore the importance of human rights in rehabilitation, and Ramadhan et al. (2025) confirm that personality and vocational training reduce stigma and strengthen family and community reintegration. Collectively, these studies provide empirical support for the FARAH model's integrative vision, affirming that transparent financial governance, rehabilitative education, and cross-sector collaboration form the foundation of sustainable and humane correctional reform.

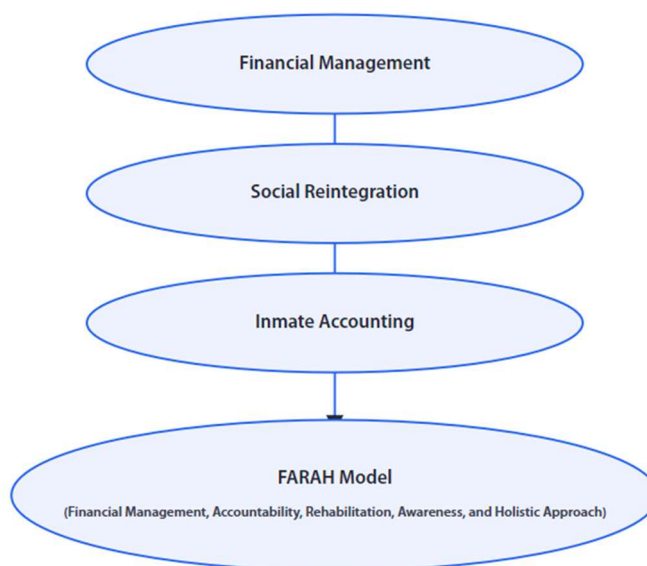


Figure 1. Conceptual Framework

III. Research Method

This study employs a qualitative interpretive paradigm using the sociological phenomenology approach of Alfred Schutz. This design is grounded in the belief that social reality is a dynamic, meaningful, and lived experience rather than a fixed, measurable construct. The phenomenological approach enables the researcher to explore deeply how inmates, officers, and management at Parepare Class IIA Correctional Facility interpret financial management practices and the implementation of the FARAH Model (Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach).

3.1. Research Design

The interpretive paradigm views social reality as constructed through shared meanings, symbols, and interactions (Geertz & Darnton, 1973). Schutz's phenomenology emphasizes understanding social actions through subjective intentions, motivations, and lived experiences within the lifeworld (Schutz, 1967; Hasbiansyah, 2008). Thus, the researcher acts as an interpreter, striving to capture meanings from the perspective of social actors rather than from external observation (Creswell & Creswell, 2017).

3.2. Informants and Sampling

Informants were selected purposively to represent three key perspectives—management, officers, and inmates—each contributing unique insights into correctional financial governance and rehabilitation:

- a. Management: represented by the facility's treasurer (e.g., Ali Rahmat M) to explain operational and budgetary mechanisms.
- b. Officers: including the Head of Guidance and Care (e.g., Nur Alim Syah), rehabilitation staff, and registration officers directly involved in inmate programs.
- c. Inmates: participants engaged in prison cooperatives and vocational training programs, representing the lived experience of rehabilitation and economic empowerment.

3.3. Research Site

The study was conducted at Parepare Class IIA Correctional Facility, South Sulawesi, chosen for its representativeness of Indonesia's correctional system—marked by overcrowding, resource constraints, and the complexity of financial and social management processes. The site provides a rich environment to examine the institutional and cultural context in which the FARA model is practiced.

3.4. Data Collection Techniques

Data were collected through multiple qualitative methods to ensure depth and triangulation:

- a. In-depth Interviews: Semi-structured interviews were conducted with key informants to explore their subjective experiences of financial and rehabilitative practices.
- b. Document Analysis: Review of official documents such as budget realization reports (DIPA), rehabilitation work plans, and internal policy records (Yin, 2017).
- c. Observation and Field Notes: Direct observation of daily prison activities and interactions to capture contextual dynamics and non-verbal cues. Primary data were supplemented by secondary data from institutional records and relevant regulations. Ethical standards—*informed consent, confidentiality, and research integrity*—were upheld throughout the study.

3.5. Data Validity

Following Lincoln & Guba's (1985) framework, the study applies four validation criteria:

- a. Credibility: achieved through triangulation of sources (management, officers, inmates), prolonged engagement, and member checking to confirm interpretation accuracy.
- b. Transferability: ensured through thick description of social settings and activities to allow contextual application in other correctional environments.

- c. Dependability: maintained through systematic documentation and audit trails that make the research process transparent and traceable.
- d. Confirmability: achieved through reflexivity and external audit to minimize researcher bias and ensure findings stem from authentic field data.

3.6. Data Analysis

Analysis was conducted through three interrelated layers:

- a. Theory-Driven Analysis: employing the FARAH model as the analytical lens, supported by:
 - 1) *Restorative Justice Theory* (Zehr, 2014) — for Rehabilitation and Awareness;
 - 2) *Critical Accounting Theory* (Tinker, 1980) — for Financial Management and Accountability;
 - 3) *Human-Centered Development* (Sen, 1999) — for the Holistic Approach.
- b. Contextual Analysis: assessing the congruence between institutional practices and regulatory frameworks (Yin, 2017), including policy documents, organizational structure, and resource constraints.
- c. Phenomenological-Sociological Analysis: based on Schutz's concepts of noesis (the subjective act of meaning-making) and noema (the content of that experience). This dual analysis allows exploration of both individual consciousness and shared institutional meanings that shape the lived experience of FARAH implementation.

IV. Results and Discussion

4.1. State Financial Management as a Manifestation of Rehabilitation and Social Reintegration

The research reveals that state financial management at Parepare Class IIA Correctional Facility is not merely an administrative mechanism but a human-centered practice that embodies moral awareness and social responsibility. As explained by the facility's treasurer, *"We start the budgeting process one year before implementation... then adjust it to the real conditions in the field"* (Ali Rahmat, 2025). This statement reflects Pressman and Wildavsky's (1984) theory of adaptive implementation, emphasizing that local actors bridge the gap between policy and practice. Budget planning thus becomes an act of conscious reflection where financial procedures are aligned with ethical judgment and human needs, echoing Schutz's (1967) notion of *lifeworld*—the lived space of social meaning.

Transparency, often viewed as a bureaucratic demand, in practice emerges as a moral commitment. As one officer expressed, *"Every quarter, even monthly, we reconcile financial reports monitored directly by the Ministry... all reports are uploaded to the system"* (Gilang, 2025). This illustrates Bovens' (2007) argument that public accountability carries moral and social dimensions beyond technical reporting. Officers internalize transparency as an ethical act of trust, transforming digital reports into *symbols of integrity and responsibility*. Yet, when formal systems fall short, ethical intuition fills the void. *"Sometimes there is no budget allocation for an activity, but we still carry it out because rehabilitation follows the needs of inmates, not the system,"* explained Nur Alim Syah (2025). This aligns with Liao's (2016) *pragmatic responsiveness* and Lipsky's (2010) concept of *street-level bureaucracy*, showing how correctional officers act as moral agents who prioritize rehabilitation over rigid compliance.

From the inmates' perspective, financial resources signify recognition and hope rather than mere policy output. *"I feel very supported by the state through the available facilities,"* shared Muhammad Hidayat (2025), while Rahman (2025) emphasized, *"I am guided, not punished... we are truly being prepared to become better after release."* These voices mirror Honneth's (1995) *recognition theory*, where

acknowledgment and care form the psychological foundation for social reintegration. Here, the budget becomes a *symbolic bridge of humanity*, transforming fiscal capital into emotional and moral rehabilitation. Despite severe staffing disparities—82 officers overseeing 594 inmates—the correctional staff maintain a sense of ethical endurance. As Nur Alim Syah stated, “*Comprehensive rehabilitation needs many officers. We really need more personnel to reach each inmate personally.*” This echoes Grindle’s (1997) idea that institutional performance depends not only on financial resources but on human capacity and moral resilience. In summary, financial management within the prison system has evolved from bureaucratic routine to an ethical praxis, where accountability, empathy, and awareness merge into a living system of rehabilitation. Each financial report, each training program, and each act of care represents more than administrative compliance—it represents the state’s belief in the human capacity to change.

4.2. Pillars of Correctional Governance: Foundations of Rehabilitation and Reintegration

This chapter identifies five interrelated pillars that form the foundation of effective correctional governance at Parepare Class IIA Correctional Facility: *Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach*. Together, these pillars demonstrate that correctional management is not merely an administrative exercise but a human-centered system of moral responsibility and social transformation.

a. Financial Management

Financial management acts as the *heartbeat* of the rehabilitation process. Budget planning follows a bottom-up approach, considering inmate needs and staff capacity. As noted by the treasurer, “*We ensure every rupiah touches rehabilitation needs, though not all inmates can join independence programs*” (Ali Rahmat, 2025). The 2025 budget (Rp12.5 billion) allocates 96% for basic needs and health, while programs for skill training reach only 13% of inmates, indicating an imbalance that prioritizes maintenance over empowerment. Despite fiscal limits, staff continue their duties ethically. “*We keep running activities even if not covered by the budget, because rehabilitation follows human needs, not the system*” (Nur Alim Syah, 2025). Through *Critical Accounting Theory* (Tinker, 1980) and Schutz’s *phenomenological sociology*, financial management emerges not as a mechanical system but a moral field—where officers translate state budgets into social meaning and inmate empowerment.

b. Accountability

Accountability extends beyond bureaucratic compliance to become a moral contract between the state, officers, and inmates. “*What is budgeted, we complete, and everything is documented*” (Nur Alim Syah, 2025). For inmates, transparency is felt rather than seen: “*We don’t know the financial details, but we feel the impact—the funds meet our needs*” (Rahman, 2025). This reflects Bovens’ (2007) idea of *living accountability*—responsibility enacted through daily action. Officers act as *street-level bureaucrats* (Lipsky, 2010), maintaining trust while ensuring each report reflects genuine field realities. Accountability in Parepare thus bridges formal structure and human experience, aligning fiscal integrity with ethical presence.

c. Rehabilitation

Rehabilitation is the core of human recovery, offering inmates pathways for spiritual, emotional, and vocational transformation. “*Religious programs changed me deeply—I learned and grew here,*” said one inmate (Rahmat, 2025). Others noted skill-based training: “*I joined the barbershop course; now I can cut hair and plan to open my own shop*” (Kaldo, 2025). Through initiatives like cooperative accounting, inmates practice discipline, patience, and integrity—turning financial records into tools of behavioral reform. As one remarked, “*We learn how to manage money well through the prison cooperative*” (Rahman, 2025). Rooted in Restorative Justice (Zehr, 2014), rehabilitation here becomes a bridge between punishment and renewal, where the state reaffirms human dignity rather than merely enforcing control.

d. Awareness

Awareness grows from empathy, not coercion. *"We approach them like friends or siblings, sometimes just sitting and talking in their rooms"* (Dirga Ayu, 2025). This relational approach embodies Zehr's (2014) restorative philosophy, in which respect and empathy cultivate moral awakening. Inmates internalize values through daily practice—recording finances, managing small businesses, and joining cooperative work. *"At first they joined because we encouraged them, later they participated because they felt valued,"* explained Nur Alim Syah (2025). Such experiences foster existential awareness, where inmates rediscover identity, responsibility, and moral agency through humane interaction rather than authority.

e. Holistic Approach

The holistic approach unites all pillars into a collaborative ecosystem. As one officer noted, *"Rehabilitation can't work alone—collaboration is the bridge for inmates to return to society"* (Gilang, 2025). Partnerships with the Ministry of Religion, the Labor Training Center, and educational institutions expand inmates' capabilities (Sen, 1999), preparing them for meaningful reintegration. *"In barista training, I learned more than making coffee—I learned confidence and teamwork"* (Rahman, 2025). In this system, inmate accounting becomes a universal language of trust, connecting government, civil society, and the private sector. It transforms numbers into narratives of redemption—"from financial records to life records." The five pillars—Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach—redefine correctional governance as a humanistic and ethical process. Financial systems ensure continuity, accountability builds legitimacy, rehabilitation restores dignity, awareness nurtures self-realization, and the holistic approach integrates collaboration into sustainable reintegration. Together, they reveal that correctional facilities are not merely sites of punishment, but spaces of rebirth—where state responsibility, moral awareness, and social empathy converge to rebuild human lives.

4.3. The Farah Model: Reconstruction Of The Five Pillars

The rehabilitation of inmates at Parepare Class IIA Correctional Facility is not a set of isolated programs but a complex and interdependent social process. Building upon the five pillars discussed previously, this study formulates the FARAH model—an integrative framework consisting of *Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach*. FARAH is not a rigid formula; it is a reflection of how correctional practices evolve organically through daily interactions, institutional constraints, and moral intentions. Within this lifeworld (Schutz, 1967), bureaucratic procedures meet human values, transforming governance into a space for social healing and moral renewal.

a. FARAH as a Social Ecosystem

The FARAH model functions as an ecosystem of correctional governance rather than a linear program. Each pillar supports and depends on the others: *Financial Management* provides the material base; *Accountability* fosters transparency and trust; *Rehabilitation* drives behavioral and moral transformation; *Awareness* nurtures ethical consciousness; and the *Holistic Approach* weaves cross-sectoral collaboration into sustainable reintegration. As noted by a correctional officer, *"All of this is connected. The budget is important, but without inmates' awareness, it means nothing—and that awareness doesn't grow without rehabilitation"* (Nur Alim Syah, 2025). This interdependence transforms the prison from a bureaucratic structure into a living social system—a moral ecosystem where policies gain meaning through shared human experience.

b. FARAH as a Living Practice

In daily operations, FARAH is not perceived as theory but as a lived cultural practice. Officers and inmates embody its principles through routines—financial management becomes visible in cooperatives and training programs; accountability takes the form of transparent benefit distribution; rehabilitation blends with

awareness through spiritual and skill-building activities. As one inmate described, *“Here we are truly guided, not punished. I joined vocational and religious programs and even learned financial management—it all makes me ready to return to society”* (Rahman, 2025). FARAH thus operates as a circulating system of meaning—from budgeting to awareness, from rehabilitation to collaboration—linking institutional action with existential growth.

c. FARAH as a Space of Social Recognition

Drawing on Honneth’s (1995) theory of recognition, FARAH serves as a mechanism through which inmates regain moral, legal, and social acknowledgment. *“I am guided, not punished—that’s how I feel,”* stated one participant (Rahman, 2025). Through financial fairness, humane treatment, and active participation, inmates experience restored dignity. FARAH transforms correctional facilities into arenas of recognition, where individuals are reaccepted as moral subjects capable of change, rather than objects of punishment.

d. FARAH as a Restorative Practice

In alignment with Zehr’s (2014) restorative justice, FARAH functions as a systemic mechanism of healing, linking financial transparency and ethical governance with rehabilitation and cross-sector collaboration. It reconnects inmates to family, community, and nation by restoring identity and responsibility. FARAH bridges bureaucratic logic and human compassion, transforming punishment into a process of restoration that addresses psychological, social, and moral wounds. Through this model, *the act of accounting becomes the act of healing.*

e. FARAH as a Lifeworld and Narrative of Hope

From a phenomenological perspective (Schutz, 1967), FARAH is lived, not merely implemented. For officers, it represents meaningful professional service that integrates ethical and administrative dimensions. For inmates, it forms a social world of rediscovery, where they are seen as learners and contributors, not merely offenders. In this shared lifeworld, financial systems, accountability, and moral guidance converge to create a humanizing environment—a living structure of shared hope and responsibility. FARAH as ultimately, FARAH becomes a narrative of hope—a bridge between numbers and empathy, between bureaucratic structure and human meaning. It unites repressive and restorative dimensions of justice into a compassionate framework. *“I feel that the state has not abandoned us,”* said Kaldo (2025), reflecting the emotional truth of FARAH as a tangible presence of care behind bars. This model rebuilds trust between inmates, officers, and society, affirming that correctional facilities can become spaces of rebirth where financial management meets moral reconstruction and accountability becomes empathy in action.



Figure 2. FARAH as an integrative, lived ecosystem: each pillar sustains and depends on the others.

The FARAH model encapsulates the synergistic circulation among five essential pillars—*Financial Management* provides the material base, *Accountability* sustains legitimacy, *Rehabilitation* restores dignity, *Awareness* awakens moral consciousness, and *Holistic Approach* ensures integration through collaboration. Together, they form a living ecosystem of correctional renewal, transforming prisons into spaces where governance and humanity coexist. Thus, FARAH is not merely a theoretical construct, but a practical philosophy—a framework where the state, officers, inmates, and society co-create a sustainable system of rehabilitation, reintegration, and restored humanity.

V. Conclusion

This research concludes that the management of state finances in the Parepare Class IIA Correctional Facility represents more than an administrative or technical routine—it is a moral and social instrument that links the state’s fiscal responsibility with the human process of rehabilitation. By employing Alfred Schutz’s phenomenological sociology, the study reveals that financial governance, when experienced within the correctional lifeworld, evolves into a practice of meaning-making. The FARAH model—*Financial Management, Accountability, Rehabilitation, Awareness, and Holistic Approach*—embodies an integrative framework that connects financial rationality with ethical and humanistic principles. Within this framework, accounting becomes a language of recovery, translating state expenditure into dignity, justice, and hope. It demonstrates that when fiscal systems are guided by conscience, correctional institutions can transform from punitive spaces into restorative environments where individuals rediscover their social worth.

From a theoretical perspective, this study contributes to the expansion of public accounting discourse by positioning correctional financial management as a field of restorative accounting—one that unites material accountability with moral and social restoration. It challenges the dominant technocratic paradigms of accounting by embedding them in the lived experiences of marginalized actors within the prison system. The FARAH model strengthens Critical Accounting Theory by exposing how accounting practices in correctional contexts function as ethical narratives that restore recognition, echoing Honneth’s (1995) conception of moral acknowledgment and Zehr’s (2014) idea of restorative justice. Theoretically, this framework proposes that fiscal governance can serve not only as a means of regulation but also as a pathway to reconciliation, rehumanizing institutions through financial transparency, empathy, and participation. Thus, the FARAH model represents a new epistemic bridge between economics and ethics, demonstrating that the accountability of the state is not merely numerical but existential—it accounts for people’s transformation as much as for their costs.

From a managerial standpoint, the implications of this study encourage a paradigm shift toward human-centered financial governance in correctional institutions. Administrators are called to integrate empathy into budgeting, ensuring that every financial decision directly contributes to rehabilitation outcomes. Accountability must move beyond compliance to participatory transparency, allowing inmates and officers to share ownership of financial processes through education and collaboration. The FARAH model also emphasizes the importance of cross-sectoral cooperation—linking government agencies, civil society, and private actors—to expand opportunities for training, employment, and reintegration. In doing so, financial management becomes both efficient and compassionate, balancing fiscal discipline with social impact. Ultimately, this research envisions correctional finance as a moral economy—an ecosystem where every rupiah not only sustains operations but rebuilds humanity. When financial systems embody care, awareness, and accountability, prisons cease to be spaces of exclusion and become bridges of return—pathways home, not merely for inmates, but for the conscience of governance itself.

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