

Implementation of Accountability for Village Fund Management in the Post-Epidemic Era

Indri Widya Saputri^{1,*}, Marsia Kikiana^{2,*}, Anisa Kusumawardani^{3*}

¹ Sekolah Tinggi Ilmu Ekonomi Totalwin, Semarang, Indonesia

² Sekolah Tinggi Ilmu Ekonomi Totalwin, Semarang, Indonesia

³ Sekolah Tinggi Ilmu Ekonomi Totalwin, Semarang, Indonesia

*Corresponding author. Email: indriputri6676@gmail.com

ABSTRACT

This study examines the implementation of accountability in the financial management practices of some villages in Central Java, Indonesia. This research adopts a qualitative descriptive approach with interviews and content analysis. The interview questions responded by Ngemplak Simongan and Dimoro Village. The findings indicate that both villages have demonstrated accountability in fulfilling their obligations to report towards higher-level government authorities. Ngemplak Simongan actively uses social media and its website to disseminate information and socialize government programs, but they have not published their Budget Realization Report (LRA) through their platforms. Dimoro Village faces human resources challenges to publish budget realization reports online, thereby limiting accessibility to the wider community. The study recommends improvements to enhance transparency and public accessibility of financial information, ensuring responsible financial management and fostering public trust in both villages.

Keywords: Accountability, financial management, transparency, accessibility, budget realization report

1. INTRODUCTION

Indonesia is a country headed by a president with the smallest government in the society is a village. In the cities, the sub-district has the same position as the village, which is the two lowest government units. The distinction is that the village is lawful while the sub-district is only a place where governmental services operate that are not lawful. Moreover, villages are funded through the Village Revenue and Expenditure Budget (APBDes), whereas the sub-district receives financial allocation from the Regional Budget (APBD). Both entities are obligated to provide accountable financial statements. The concept of accountability can be elucidated through two distinct dimensions: internal accountability and external accountability. According to Presidential Instruction Number 7 of 1999, internal accountability necessitates individual or collective duty-bearers within the public sector to render periodic accountings of their performance and activity outcomes to superiors and peers alike. Concurrently, based on

Law Number 14 of 2008 [1], the implementation of Public Information Disclosure requires every government institution, including village administrations, to provide information to the public about their activities. Furthermore, Law Number 6 of 2014 [2] and the Minister of Home Affairs Regulation (Permendagri) Number 113 of 2014 [3] also address similar matters. These regulations mandate external accountability, which is now being enforced across all government sectors. Thus, in the conduct of governance, management accountability emerges as a mandated cornerstone, wherein adhering to principles of accountability becomes an imperative for public administrators.

The United Nations Development Programme (UNDP) has developed a method or approach to measure bureaucratic accountability based on five accountability principles: transparency, liability, controllability, responsibility, and responsiveness. The aim is to promote clean, accountable, and transparent

governance in village administration. The accountability of village funds management is closely related to Good Corporate Governance (GCG) in the modern era. According to Kooiman [4] on Bawono et.al [5], accountability is a parameter that must be achieved to obtain the predicate of Good Corporate Governance in government organizations. The accountability of village funds represents the government's responsibility to the village community as the implementer. Building public trust can be enhanced through the attainment of public accountability. The accountability of village funds management hinges on the role and competency of village officials as the implementers. Village officials play a vital role in managing the Village Revenue and Expenditure Budget (APBDes) in accordance with the agreement with the village community. [6]

One province that demonstrates considerable accountability is Central Java. The Financial Report of the Local Government (LKPD) of Central Java has received an Unqualified Opinion from the Supreme Audit Agency (BPK) 12 times, both during the COVID-19 pandemic and post-pandemic. However, despite obtaining an Unqualified Opinion, there are still some findings and issues, including the lack of submission of accountability reports from many village governments.[7] Hence, the researcher aims to examine the implementation of accountability in the Accountability Report on the Utilization of Village Funds after the COVID-19 pandemic has ended.

1.1. Prinsip Dasar Akuntabilitas

[8] Transparency, liability, controllability, responsibility, and responsiveness are the five typologies of accountability concepts. The following are indicators of the five principles of accountability:

Table 1.1 The Fundamental Principles of Accountability

| Accountability Principle | Key Question |
|--------------------------|---|
| Transparant | Is the concerned organization be able to state the facts about performance? |
| Liability | Does the concerned organization face the consequences for its performance? |
| Controllability | What does the concerned organization do? what the parties want who gave the assignment? |
| Responsibility | Does the concerned organization have respon-sibilities to the performance standards? |
| Responsiveness | Has the concerned organization meet the expectations to stakeholders |

Transparency, by definition, means being clear, open, visible, and accessible (Menpan: No.81 of 1993). It is built upon the foundation of the freedom to access information. Information relevant to public interests can be directly obtained by those in need. [9] Transparency is also present in several other laws and government regulations, including:

1. Article 4 of Government Regulation No. 58 of 2005 stipulates that regional financial management shall be conducted in an orderly manner, in compliance with the prevailing laws and regulations, efficient, transparent, and accountable, while considering principles of fairness and appropriateness.
2. Article 23 paragraph (2) of Law No. 32 of 2004 states that regional financial management shall be conducted efficiently, effectively, transparently, accountable, orderly, fair, and in compliance with the prevailing laws and regulations.

Liability in Financial Accounting Standards (PSAK) is referred to obligation. One of the principles of accountability implies that if there is a legal or regulatory risk or obligation, it must be fulfilled. Controllability is also part of the control system. Findings by the Supreme Audit Agency (BPK) in the financial reports of both Central Java Province and Semarang City reveal deficiencies in their control systems. An effective monitoring system is needed to meet the principle of controllability and achieve a robust control system. Responsibility in financial reporting implies that village officials and village heads are accountable for the financial reports and related disclosures, while BPK auditors are responsible for assessing whether the presented financial reports are fairly stated in all material respects. Responsiveness represents a form of service to the broader community with quick and responsive actions. Trust is established when all principles of accountability are met.

1.2. Agency Theory

[10] Posited that agency theory is an agreement between one or more principals and an agent. Agency theory is an agreement that outlines the respective rights and obligations of each party. In this context, village officials, in fulfilling their accountability to the broader community, act as agents with the obligation to provide information to the broader community as principals. It can be inferred that agency theory establishes a connection between the agent and the principal, where the agent bears the responsibility of being accountable

to the principal, who, in turn, possesses the right to receive/request accountability

2. RESEARCH METHODS

This research employs a qualitative descriptive research method, which aims to depict, explain, or address a particular issue that arises based on statements from an expert or individuals involved in the studied problem, in accordance with the actual circumstances. This method utilizes interview and observation techniques to gain insights and understanding of the real-life situation.

[11] The qualitative descriptive method is a research approach based on the post-positivism philosophy, which is utilized to study natural conditions of objects (in contrast to experimentation). In this method, the researcher acts as the key instrument, and data collection is conducted through triangulation (combining multiple sources). The data analysis is of an inductive/qualitative nature, and the outcomes of qualitative research emphasize meaning over generalization.

In this study, the reference is made to the research conducted by Nurlailah et al. [12] questions related to the accountability of village financial management were categorized into three aspects: planning, field implementation, and financial reporting and accountability of village finances, as presented in Table 1. Subsequently, a comparison of the application of budgetary accountability principles between the two respondents was presented. Furthermore, each aspect of village financial management was measured using four criteria: availability, accessibility, timeliness, and feedback (from the public). Availability reflects that information regarding village financial management can be known by the community or published for all parties. Accessibility indicates that available information on village financial management is clearly communicated to the wider public.

The data analysis process in the research was conducted following the procedures as follows:

1. Measurement was conducted using a dichotomous scoring method, assigning a value of 1 for "Yes" responses and a value of 0 for "No" responses for each item in the questionnaire.
2. The scores obtained for each informant (respondent) were then multiplied by 0.25 for each criterion.
3. The scores obtained for each indicator were summed to obtain the total score for each village government.
4. The transparency index was calculated by dividing the total score obtained by the total expected score

for each indicator, and then multiplied by one hundred.

5. Subsequently, the results were ranked based on the obtained percentages, then analyzed and discussed based on transparency level categories, referring Adiloglu & Vuran [13] and budget openness categories, referring to the International Budget Partnership [12-14]

Table Error! No text of specified style in document.1 The Operationalization Matrix of Variables.

| Dimensions | Indicators |
|------------------------------|--|
| Planning | <ol style="list-style-type: none"> 1. Village development plan deliberation 2. Village government work plan 3. Draft village regulation on village fund (APBD/APBDesa) 4. Village regulation on village fund 5. Village head regulation on the elaboration of village fund 6. Village regulation on budget amendments (APBD/APBDesa) 7. Village head regulation on amendments to the elaboration of village fund (APBD/APBDesa) |
| Implementation | <ol style="list-style-type: none"> 1. Village fund implementation documents (DPA) for village activity and budget plans 2. DPA for village work activity plans 3. DPA for cost budget plans 4. Document of budget amendment implementation (DPPA) for village activity and budget plan changes 5. DPPA for changes in cost budget plans 6. Documents for extended budget implementation 7. Village cash budget plan 8. Payment request letter 9. General plan for village goods.services procurement 10. Village head's decree on the implementation of village financial management 11. General cash book (BKU) 12. BKU : Bank subsidiary ledger 13. BKU : Tax subsidiary ledger |
| Reporting and Accountability | <ol style="list-style-type: none"> 1. Report on the Implementation of First Semester Village fund 2. Report on the First Semester Activity Realization 3. Village Regulation on the Accountability Report of the Implementation of Village fund (APBD/APBDesa) 4. Report on the Year-End Realization of Village fund (APBD/APBDesa) 5. Notes to the Financial |

| | |
|--|---|
| | Statements 6. Year-End Activity Realization Report |
|--|---|

Source: Ministry of Home Affairs Regulation Number 113 of 2014 and Ministry of Home Affairs Regulation Number 20 of 2018

3. RESULT AND DISCUSSION

Referring to the budget openness index categories according to the International Budget Partnership [14], the data obtained from respondents regarding the transparency aspect of financial management planning is presented in the following table:

Table 3.1 Comparison of the Implementation of Budget Accountability in Revenue and Expenditure Management between Ngemplak Simongan Urban Village in Semarang City and Dimoro Village in Grobogan Regency, Central Java Province.

| Comparison Analysis | Village/Sub-District: Ngemplak Simongan | Village/Sub-District : Toroh |
|---------------------|--|--|
| Transparency | <ul style="list-style-type: none"> •Village/sub-district development plan deliberation and budget obtained through the APBD are conveyed openly and through a participatory process •Information about the village/sub-district government's work plan is created and presented openly and in a manner easily understood by the community •There is also no village regulation yet on changes to the APBD/APBDesa that is presented openly and in a manner easily understood by the community | <ul style="list-style-type: none"> •The APBDesa planning process starts from the grassroots level, through village deliberation involving community figures, the village consultative board (BPD) and the village development council (LPM) •Information regarding the work plan and village regulations are collectively developed and disseminated to the community •There is a village regulation concerning changes to the APBD/APBDes a that is presented openly and comprehensibly to the community |
| Liability | The team formed by village/sub-district officials together with the community carries out the publication of activity | The implementation phase involves forming a TPK (Transparency and Public Accountability) |

| | | |
|----------------|--|---|
| | <p>programs through Instagram with the account name @ngemplaksimongan</p> | <p>team, which includes community members. The publication is carried out through a large banner displaying the entire APBDesa at the Toroh Village Hall, and also through information boards at each activity location. In addition to submitting accountability reports to relevant parties, the reports are also delivered through the Simpeldesa application.</p> |
| Controlability | <ul style="list-style-type: none"> •Financial report are prepared in accordance with the guidelines for presenting local government financial statements •The management of APBD/APBDesa involves internal village/sub-district officials, and meeting are conducted before implementing each activity program | <ul style="list-style-type: none"> •Financial reports are generated using the village financial system (SISKEUDES), ensuring accountability in financial reporting by adhering to established standards •The management of APBDes involves internal village government officials, and meeting are held once a month |
| Responsibility | The Local Government Financial Report (LKPD) is prepared by the finance officer and then submitted according to the deadline provided by the Supreme Audit Agency (Badan Pemeriksa Keuangan, BPK), with a submission deadline of 3 months after the fiscal year ends. | <ul style="list-style-type: none"> •The village government's accountability to the higher-level government (central government) has been conducted effectively and in a timely manner, following the prescribed regulations. The accountability is reflected through the submission of LKPJ (Village Government Accountability Report) to the regent/sub-district head and |

| | | |
|----------------|--|---|
| | | <p>LPPD (Village Development Accountability Report) to the Village Consultative Board (BPD).</p> <p>• There are some challenges in the allocation of responsibilities for preparing the reports, mainly due to a shortage of competent human resources in the Village Office (Kasi/Kaur). As a result, tasks are sometimes handled by a single individual, leading to delays in reporting.</p> |
| Responsiveness | <p>The village officials provide a clear means or address for complaints, suggestions, and feedback on the management of the village's finances. They offer active email and telephone numbers, as well as several social media accounts such as Facebook and Instagram.</p> | <p>The community's complaints are well received and resolved together in a familial manner. One complaint was recorded online on the "lapor gub" platform regarding assistance during the COVID-19 pandemic by an individual who believed they met the criteria for receiving aid but their name was not on the list of beneficiaries. The matter was resolved amicably, and the person was provided with an explanation and reasons why they did not meet the criteria for receiving assistance.</p> |

Source: Primary data processed

The Indicators source from Ministry of Home Affairs Regulation Number 113 of 2014 and Ministry of Home Affairs Regulation Number 20 of 2018 is used in the evaluation of the amount of transparency, implementation and accountability of village fund management on planning aspects, see table 3.2, table 3.3, and table 3.4.

Table 3.2 Transparency of village fund planning

| Name of Village | The answers on indicators of planning | | | | | | |
|-----------------|---------------------------------------|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Ngemplak | Y | Y | Y | Y | Y | N | N |
| Dimoro | Y | Y | Y | Y | Y | Y | Y |

Source: Primary data processed

Dimoro village answered all the questions from the indicator with "yes" while the village of ngemplak did not have village regulation on budget amendments (APBD/APBDesa) and village head regulation on amendments to the elaboration of village fund (APBD/APBDesa).

Table 3.3 Transparency of village fund in implementation

| Name of Village | The answers on indicators of planning | | | | | | | | | | | | |
|-----------------|---------------------------------------|---|---|---|---|---|---|---|---|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Ngemplak | Y | Y | Y | N | N | N | N | Y | Y | Y | Y | Y | Y |
| Dimoro | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |

Source: Primary data processed

Dimoro village has all indicators fulfilled, but Ngemplak village did not have the document of budget amendment implementation (DPPA) for village activity and budget plan changes, DPPA for changes in cost budget plans, documents for extended budget implementation and village cash budget plan.

Table 3.4 Transparency of village fund in reporting and accountability

| Name of Village | The answers on indicators of planning | | | | | |
|-----------------|---------------------------------------|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| Ngemplak | Y | Y | Y | Y | Y | Y |
| Dimoro | Y | Y | Y | Y | Y | Y |

Source: Primary data processed

The indicators for reporting and accountability of the village fund transparency on both villages are all fulfilled.

The reporting and accountability conducted by Ngemplak Simongan village/sub-district and Dimoro village/sub-district, based and the analysis of primary data through interviews and content analysis, are considered sufficiently accountable. Both village have effectively and timely fulfilled their accountability to the higher level government. However, Dimoro Village

has not been able to publish budget realization reports on its website or social media platforms to make them accessible to the wider community beyond the local residents. According to the head of village, there is a lack of human resources responsible for handling the publication aspect. This statement was revealed during the interview process.

"It is true that almost all residents of Dimoro Village are now using social media, but those with higher education in accounting or finance mostly choose to work outside the village because, well, the salaries here are small. That's why it's challenging to publish on social media or the website due to the lack of human resources."

Meanwhile, for Ngemplak Simongan sub-district located in Semarang City, they have been publishing their activities and conducting socialization meetings for the city government's programs through their instagram account and website. However, the Budget Realization Report (LRA) has not been made publicly available through social media or the website.

4. CONCLUSION

In conclusion, both Ngemplak Simongan and Dimoro village have demonstrated accountability in their financial management practices by fulfilling their reporting and accountability obligations to higher-level government authorities. Ngemplak Simongan has been proactive in using social media and their website to disseminate information and socialize government programs, but they have not published their Budget Realization Report (LRA) through these platform. On the other hand, Dimoro village faces challenges in human resources, leading to the inability to publish budget realization reports online, limiting accessibility to the wider community. Despite their commitment to accountability, improvements are indeed to enhance transparency and public accessibility of financial information, ensuring responsible financial management and fostering public trust in both villages.

AUTHORS' CONTRIBUTIONS

AK conducted the primary data collection through interviews and content analysis, took the lead in drafting the manuscript, and involved in the study's design and methodology planning. IWS and MK assisted in reviewing relevant literature and contributed to the writing of the manuscript. All authors read and approved the final manuscript before submission

ACKNOWLEDGMENTS

The authors would like to express their gratitude to all individuals and institutions who have contributed to the completion of this research. We extend our appreciation to head of village and community members of Ngemplak Simongan and Dimoro Village for their cooperation and valuable insights during the interviews and data collection process. We also acknowledge the support and guidance provided by the local government authorities and officials. Additionally, we would like to thank all participants who willingly participated in the study and provided their responses.

RESEARCH LIMITATION

The limitations of this study include the small number of respondents, with only two villages, Ngemplak Simongan and Dimoro Village, providing comprehensive responses to the interview questions out of 126 distributed questionnaires to the head of village in Central Java area. This limited sample size may affect the generalizability of the findings to other villages in the region. Additionally, due to time and resource constraints, the study was unable to involve more respondents or collect data from a wider range of sources. Furthermore, the subjective nature of qualitative research and potential biases in respondents' views may also influence the interpretation of accountability practices in the financial management of the two villages.

REFERENCES

- [1] Republik Indonesia, *Undang-Undang Republik Indonesia Nomor 14 Tahun 2008 Tentang Keterbukaan Informasi Publik*. Jakarta: Sekretariat Negara.
- [2] Republik Indonesia, *Undang-Undang Republik Indonesia Nomor 6 Tahun 2014 Tentang Desa*. Jakarta: Sekretariat Negara.
- [3] Republik Indonesia, *Peraturan Menteri Dalam Negeri Nomor 113 Tahun 2014 Tentang Pengelolaan Keuangan Daerah*. Jakarta: Sekretariat Negara.
- [4] J. (Editor) Kooiman, *Modern Governance*. 1994. [Online]. Available: <http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:No+Title#0>
- [5] I. R. Bawono, A. D. M. Kinasih, and A. K. Rahayu, "Factors Affecting Accountability of Village Fund Management through Implementation of the Village Financial System (SISKEUDES)," *J. Account. Invest.*, vol. 21, no. 3, 2020, doi: 10.18196/jai.2103160.
- [6] N. T. Indrianasari, "Peran Perangkat Desa Dalam Akuntabilitas Pengelolaan Keuangan Desa (Studi Pada Desa Karang Sari Kecamatan Sukodono)," *Assets*, vol. 1, pp. 29–46, 2017.

- [7] Badan Pemeriksa Keuangan Republik Indonesia, “Anggota V BPK RI: WTP Harus Dorong Tingkatkan Akuntabilitas dan Transparansi,” 2023. <https://jateng.bpk.go.id/anggota-v-bpk-ri-wtp-harus-dorong-tingkatkan-akuntabilitas-dan-transparansi-2/>
- [8] J. G. Koppell, “Pathologies of Accountability : ICANN and the Challenge of ‘ Multiple Accountabilities Disorder ,” *Public Adm. Rev.*, vol. 65, no. 1, pp. 94–108, 2005.
- [9] Miswar Fuadi, *Pendidikan Politik Anggaran Bagi Masyarakat*. Banda Aceh: Solidaritas Gerakan Anti Korupsi, 2007.
- [10] M. C. Jensen and W. H. Meckling, “Theory of the firm: Managerial behavior, agency costs and ownership structure,” *Corp. Gov. Values, Ethics Leadersh.*, pp. 77–132, 2019, doi: 10.4159/9780674274051-006.
- [11] Sugiyono, *Metode Penelitian Kualitatif dan R&D*. Bandung: PT Alfabet, 2016.
- [12] Nurlailah, Syamsul, and A. Rahman, “Mengukur Transparansi Pengelolaan Keuangan Desa : Studi Kasus Pada Desa-Desa di Kabupaten Sigi,” *J. Stud. Akunt. Dan Keuang.*, vol. 3, no. 2, pp. 151–165, 2020.
- [13] B. Adiloğlu and B. Vuran, “The Relationship Between The Financial Ratios And Transparency Levels Of Financial Information Disclosures Within The Scope Of Corporate Governance: Evidence From Turkey,” *J. Appl. Bus. Res.*, vol. 28, no. 4, pp. 543–554, 2012.
- [14] International Budget Partnership, *Open Budget Survey Egyptian Center for Public Policy Studies*. 2019. [Online]. Available: https://internationalbudget.org/wp-content/uploads/2019_Report_EN.pdf