



Analysis of factors affecting the accountability of village fund management at village government

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Abstract: *In order to determine whether or not certain factors have an effect on the accountability of village money, this study looks at a variety of factors, including the use of information technology, community participation, internal control mechanisms, and prosocial behavior. The sample for this research comes from the entire community of Kapanewon Imogiri, which is located in the Bantul Regency. This research was conducted for 4 months in early 2022. In total, there were 48 persons who agreed to take part in this study. The research method that was used was a non-probability sampling method that utilized a saturated sampling type. The information was gathered through the use of a questionnaire. The study of the data consisted of using multiple forms of linear regression. The findings demonstrated that the utilization of information technology has an impact on the accountability of the management of village funds. Accountability in the management of village funds is unaffected by community participation, institutional control systems, or prosocial behavior.*

Keywords: *Accountability; Community participation; Information technology utilization; Internal control system; Prosocial behavior.*

1. Introduction

A village is a group of people who reside in the same region and have the capacity to regulate and run government affairs, community interests and goals, origin rights and/or traditional rights (Law Number 6 of 2014). Governance, development, social knowledge, and local

empowerment are village responsibilities. Law 6 of 2014 requires the government to grant money to communities so villagers can do their work. APBN sets aside village finances. These monies are prioritized for implementation and empowering local communities through district/city APBD. Village funds can boost a village's income. Village officials' principal function is handling money. Human resource competence, community participation, and leadership in village fund administration are moderated by prosocial conduct. According to social behavior theory, prosocial behavior is assisting others without expecting anything in return (Sears, 1991). Village authorities who aid others will increase human resource competency and financial responsibility. Internal control influences village fund management (Widyatama, 2017). According to study, the village's internal control system is weak, disrupting the quality and trustworthiness of financial reporting. Village funds are prone to fraud, thus community involvement is crucial for regional financial reporting. Local community participation is vital for village financial accountability, researchers found. Research (Naima, 2017) shows that community participation doesn't affect village fund management.

To ensure effective governance, the central government and regional governments must develop and employ information technology to improve regional financial management and make financial information more accessible to the public (PP No. 56 of 2005). Information technology influences village management's responsibility. The Village Financial System Application handles village finances (Siskeudes). Siskeudes utilizes an app to track village finances. According to Syafaruddin et al. (2019); Yudianto (2017), and Wardhani (2017), IT influences village fund accountability. Using technology speeds up and simplifies financial reporting, increasing village fund management accountability. There are several reasons why IT doesn't work well. One doesn't have a good enough Internet network. It's vital to build up and upgrade computer network devices (like the Internet) so the village community may look for information on village fund allocations (Syafaruddin, 2019).

In addition to several factors that are indicated to influence the handling of village fund management above, the Supreme Audit Agency (BPK) claims that there are problems in managing village finances due to a lack of understanding of village officials, thus allowing fraud or corruption to occur (Abidin, 2015). Based on ICW's monitoring, the number of corruption cases committed by village heads increased between 2015-2019. A total of 110 village heads were involved in corruption cases between 2016-2017, and this number increased to 102 in 2018. According to the IWC in 2019, 46 cases of corruption using village funds cost the state IDR 32.3 billion.

Several studies have attempted to link prosocial behaviour (Diansari, 2022; Mahayani 2017), and the use of information technology (Syafaruddin et al., 2019); (Yudianto, 2017); (Wardhani, 2017) but research on village funds is still interesting. With the size of village funding, the accountability mechanism is very complex, therefore fraud is feasible. Kapanewon Imogiri is one of the recipients of village funding in Bantul Regency. The average ADD receipt in 2021 is IDR 1,175,218,477.00. According to extant statistics, Selopamiro Urban Village in Kapanewon Imogiri is the largest ADD beneficiary in Bantul Regency with a monthly allocation of Rp. Kapanewon Imogiri Bantul Regency has also

achieved its strategic aims. Changes to Kapanewon Imogiri Bantul Regency's Strategic Plan for 2016 - 2021 include 2 (two) goals and 4 (four) KPIs. In general, each KPI was met, and several even exceeded the objective, for an average of 103.5% or very good performance requirements (LKJ Kapanewon imogiri, 2021).

The existence of village funds can speed infrastructure development in Kapanewon Imogiri, such as restoring roads and bridges, and improving MSMEs. Kapanewon Imogiri also has potential for nature tourism, gastronomic tourism, craft tourism, cultural tourism, agricultural tourism, and more. Kapanewon Imogiri's poverty rate hasn't reduced significantly, but it has potential. The village administration has a significant responsibility in maintaining the welfare of its residents, not just through the use of local revenues. Kapanewon Imogiri, one of the key users of village money in Bantul Regency, must show better accountability in handling village finances to ensure community development. Community people have the right to know how village funds are spent, and this information must be made transparent and understandable. This research is also a variable modification from [Diansari et al. \(2022\)](#) which seeks to portray prosocial conduct as a variable that influences responsibility.

2. Literature Review & Hypotheses development

2.1. Agency Theory

When cooperating partners have multiple goals and a division of labor, agency theory emerges ([Homayoun, Saed & Homayoun, 2015](#)). In accordance with the agency theory, the central and regional governments (principals) choose village officials as the authorities (agents) to manage village money. Therefore, village authorities must not only explain how local funds are used to the federal and state governments, but also to villagers. The agency principle requires accountability in the administration of regional funds. A village apparatus is given authority (agent) to administer village funds by central and regional governments (principals). Besides In this instance, the community is also the principal, so the village administration must account to the public for its management of local funds. Agency theory requires village fund accountability. This accountability requires enough competence from village authorities, encouragement and support from the village head, and active community participation as a control mechanism.

2.2. Accountability and Prosocial Behavior

Accountability is the process of managing village finances from planning to being accountable to the community. The government is here to carry out the people's mandate, meaning that the community has the right to demand responsibility for how village financial management is carried out ([Halim, 2012](#)). Prosocial behavior is assisting others without expecting anything in return, according to social behavior theory. Theoretically, Village financial management is successful when officials aid others without expecting rewards. Prosocial behavior by village leaders strengthens financial management responsibility. Prosocial conduct weakens human resource competency on village fund responsibility ([Mahayani, 2017](#)). Prosocial conduct improves village finance management responsibility.

Prosocial conduct did not increase leadership's accountability for managing community funds.

H₁: Prosocial behavior has an effect on village fund accountability

2.3. Internal Control System

Control System According to Government Regulation N0. 60 of 2008 in [Tawaqal & Suparno \(2017\)](#), the internal control system is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliable financial reporting, safeguarding state assets, and compliance with laws and regulations. AICPA (American Institute Of Certified Public Accountants) defines internal control system as the structure of an organization and all organized methods for maintaining the security of assets, checking the accuracy and correctness of accounting data, improving the efficiency of organizational activities and enforcing compliance. Internal control system elements: Control environment, risk assessment, control activities, information and communication, and internal control monitoring . The internal control system is one of the aspects that can have an effect on the quality of the financial reporting ([Widyatama, 2017](#)). An organization's resources can be directed, supervised, and evaluated more effectively with the help of internal control. Furthermore, internal control also plays a significant part in either preventing or uncovering instances of fraud. According to research conducted by [Yudianto \(2017\)](#) on the subject of the internal control system in the administration of the village, the internal control system that is now in place is insufficient, which has a negative impact on the quality and trustworthiness of financial reports.

H₂: Internal control system has an effect on village fund accountability

2.4. Community Participation

Community participation involves identifying problems and community potential, making alternative options about problem-solving strategies, implementing solutions, and evaluating changes. Accountability is achieved if the community shares its ambitions and helps manage the finances. Based on participatory village finance management, responsible, orderly, and budget discipline include substantial community involvement ([Umaira & Adnan, 2019](#)). Community participation can be understood to mean community participation in all processes of setting government policies and budgets as a form of control over management in the process of running the organization. Community participation can also be seen as community participation in all processes of running the organization. Participation from the local community fosters growth in the village. According to findings from research carried out by ([Mada, 2017](#)), participation from the local community has a good and significant impact on the accountability of the management of village funds.

H₃: Community participation has an effect on village fund accountability

2.5. Utilization of Information Technology

In order to ensure that the development process is carried out in a manner that is consistent with the principles of good governance, both the central government and the regional

governments are obligated to research, develop, and implement new forms of information technology in order to enhance the level of competence of regional financial management and to make it easier for the general public to access financial data (PP No. 56 of 2005). Research conducted in the past on information technology has produced empirical findings that indicate that processing data with information technology (computers and networks) will bring various advantages in terms of the accuracy and precision of the information that is processed. According to research carried out by [Mayowan \(2016\)](#), the infrequent application of information technology is to blame for the poor quality of service provided to rural populations. According to research ([Yudianto, 2017](#)), similar findings were also demonstrated, indicating that the use of information technology has the advantage of increasing the accuracy and precision of information while simultaneously minimizing the number of errors.

H4: Information technology utilization has an effect on village fund accountability

3. Method

Primary data was collected by distributing questionnaires in this study. The village government of Kapanewon Imogiri includes the villages of Selopamioro, Sriharjo, Kebonagung, Imogiri, Karangtalun, Karangtengah, Wukirsari, and Girirejo as well as Imogiri hamlet itself. In January-February 2022, the researchers collected their data. All village officials in Kapanewon Imogiri were included in this study population.

Table 2. Research Instrument

Variables	Instrument
Prosocial Behaviour (Mahayani, 2017).	1. Helping others; 2. Sharing and donating; 3. Working together; 4. Empathy; 5. Honesty.
The internal control system (PP No. 60 of 2008).	1. Control environment; 2. Risk assessment; 3. Control activities; 4. Information and communication; 5. Internal control monitoring.
Community participation (Budiarto, 2020).	1. Decision making; 2. Budget preparation; 3. Budget implementation.
SISKEUDES Application (Attatir, 2017).	1. Ease of use; 2. Risk; 3. Service features; 4. Utilization of application software
Accountability (Irene at al, 2020)	1. Physical output, 2. Financial reporting, 3. Record keeping

The non-probability sampling method with saturated sampling is used in this study. In this study, 64 village officials were involved, including the head, secretary, head of administrative and general affairs, director of planning, head of finance, head of government affairs, minister of welfare, and minister of services. They were randomly selected from the village (Permendagri No 20 of 2018). SPSS is used to perform data analysis. Tests of

validity, reliability and descriptive statistics can all be used to ensure the quality of your data. Multiple linear regression was used to analyze the data.

4. Result

The population of this research is all village officials in Kapanewon Imogiri. The number of village heads in Kapanewon Imogiri is 8. This research uses primary data. Data collection was carried out for two months, from January to February 2022. A total of 64 questionnaires were distributed using the saturated sampling method. A total of 48 questionnaires returned and 16 questionnaires did not return. The research instrument was tested to see whether it is valid or not. If $r_{count} > r_{table}$, then it is declared valid. Calculation of r_{table} produces a value of 0.284 for $N = 48$ at a significance level of 5%. $R_{count} > r_{table}$, then all items in the test are considered valid.

Table 1. Reliability Test Results

No	Variable	Cronbach Alpha	Information
1	Prosocial Behavior (X1)	0.686	Reliable
2	Internal Control System (X2)	0.662	Reliable
3	Community Participation (X3)	0.858	Reliable
4	IT Utilization (X4)	0.816	Reliable
5	Accountability (Y)	0.870	Reliable

Data source: SPSS output, processed in 2022.

Table 2. Hypotheses Testing

Variable	B	t-statistic	P value	Results
Prosocial Behavior (X1)	0.188	1.886	0.066	H ₁ : Rejected
Internal Control System (X2)	0.075	0.444	0.660	H ₂ : Rejected
Community Participation (X3)	-0.005	-0.046	0.964	H ₃ : Rejected
IT Utilization (X4)	0.496	4.707	0.000**	H ₄ : Accepted
F Value:			0.000**	
Adjusted R Square: 0.295				

**Sig < 1%

Discussion

Using the results of the regression test, it means that helping others has no effect on who is responsible for managing the village's money. This test doesn't show that helping others can make human resources better at managing village fund accountability. On the contrary, it shows that helping others can make human resources less good at managing village fund accountability. That is, the more prosocial behavior village officials have, the less effect prosocial behavior has on the accountability of village fund management (Mahayani, 2017). The accountability that is carried out by the village government is not because of the prosocial behavior of the village government's social services to the community; rather, it is carried out because there are rules from the central and regional governments. As a result, many village governments still have not implemented accountability practices for village finances. According to the Theory of Planned Behavior, when you do something, the individual will have beliefs about the normative expectations of others and the motivation to meet those expectations. This suggests that the social behavior of the village government does not have an effect on the transparency of the village's finances (Perdana, 2018).

Using the results of the regression test, it means that the internal control system has no effect on who is responsible for managing the village's money. According to the [Babulu \(2020\)](#) that the internal control system has no effect on the accountability of managing village funds. This is because, in essence, the village government is a self-governing area that does not yet know how important it is to set up and maintain effective internal control, which is the responsibility of all parties. [Nafsiah & Diana \(2020\)](#) also say that the internal control system has no big effect on the accountability of village fund allocation management. The results of this study don't match research [Arfiansyah et al. \(2020\)](#); [Aziiz \(2019\)](#); [Syafaruddin et al. \(2019\)](#); [Yesinia \(2018\)](#) which says that the internal control system affects the accountability of managing village funds. Because the village administration is the only one responsible for reporting on the internal control system to the center, it has no effect on accountability and doesn't reach the goal of accountability, which is to win the public's trust. This research is backed up by research by [Diansari et al. \(2022\)](#) which says that internal control has no significant effect on accountability. Abuse of public funds will still happen, even if there are controls, if the authorized official wants to abuse his power and make the public doubt that the financial statements are accurate.

Based on the results of the regression test, it means that community participation doesn't change how accountable village fund management is. Previous research [Nafsiah & Diana \(2020\)](#) backs up the results of this study, saying that community participation has no effect on accountability for managing village fund allocations. The results of this study don't match up with research [Dewi & Gayatri \(2019\)](#) that says community participation affects accountability in village fund management. According to agency theory, the relationship between the apparatus and the community is not always aligned with the wishes of the community. Additionally, the community has gaps in its understanding regarding the management of village money, which is why it only accepts decisions from village administrators.

Based on the results of the regression test, it means that using IT affects who is responsible for managing village funds. [Arfiansyah et al. \(2020\)](#) say that the village financial system affects who is responsible for managing the village's money. The Siskeudes application is designed to make village financial management more accountable. Permendagri No. 113 of 2014 requires village governments to report on the village's finances. The Siskeudes application helps them do this. The Siskeudes application makes management easier, from planning to reporting. Results: This research agrees with [Aziiz \(2019\)](#) and [Syafaruddin et al. \(2019\)](#) which state that the use of information technology affects the accountability of managing village funds. But not according to research ([Amalya, 2017](#)) which shows that using the village financial system (siskeudes) has no effect on how accountable village financial management is.

5. Conclusion & Suggestion

According to the findings of the research and the discussion, factors such as Prosocial Behavior, the Internal Control System, and Community Participation have no bearing on the responsibility of the management of the Kapanewon Imogiri village funds. The utilization

of information technology has an effect on the accountability of the management of village money in Kapanewon Imogiri. This study provides implications for village officials in Indonesia as a material for consideration and knowledge about village financial management accountability and the factors that influence it. Village apparatus in Indonesia can evaluate the performance accountability based the dependent variable from the research.

There were some respondents who did not wish to be met because of the pandemic; therefore, they only filled out questionnaires without being explained; consequently, the information provided by the respondents through a questionnaire sometimes does not show the opinion of the respondent actually; this occurs because sometimes there are differences in the thinking, assumptions, and different understanding of each respondent, as well as other factors such as hoarding. This study was only able to collect data from 48 participants, despite the fact that questionnaires were sent out to a total of 64 persons. This is due to the fact that a high proportion of the questionnaires that were handed out were not returned. It is recommended that additional samples be collected in order to increase the quality of the data.

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