

## Village Fund Management Viewed from Accountability, Transparency and Community Participation

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### ABSTRACT

Village funds are funds that are prone to misuse if the village government is less responsible to the community. This study aims to determine the effect of accountability, transparency and community participation on the management of village funds in Kasokandel District, Majalengka Regency. This research method uses a survey method with an instrument test approach, descriptive and verification. The population of the research village in Kasokandel District, Majalengka Regency with a sample of 90 respondents. Analysis of the data used in this study is the classical assumption test, multiple linear regression, coefficient of determination and hypothesis testing. For partial test using t test and simultaneous test using F test. The results of this study indicate simultaneously or partially that accountability, transparency and community participation have a significant effect on the management of village funds in Kasokandel District, Majalengka Regency. This shows that the better the accountability, transparency and community participation, the better the management of village funds in Kasokandel District, Majalengka Regency. Village fund management aims to create good welfare in the village community. This study aims to determine the effect of accountability, transparency and community participation on the management of village funds in Kasokandel District, Majalengka Regency.

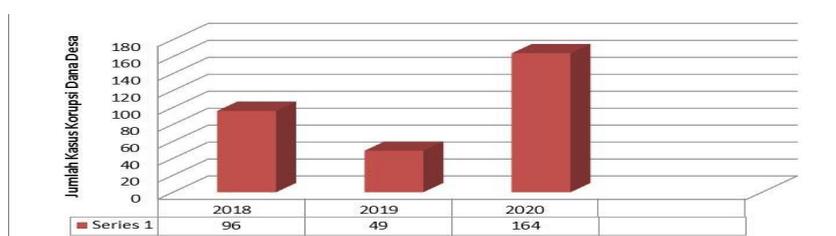
**Keywords:** Accountability, transparency, community participation, village fund management

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## INTRODUCTION

Law Number 6 of 2014 concerning villages is the spearhead of development and improving community welfare. To finance village development, the law mandates regional governments to budget village funds. Village fund policy is the government's way of developing the economy at the village level and reducing poverty in the village. One of the government's concerns is allocating village funds in the State Revenue and Expenditure Budget (APBN) each year. With village funds, village income increases, so good accountability is needed (Lailatul, 2020).

Village funds issued by the government in 2021 amounted to 72 trillion which was then allocated to 74,691 villages in the Republic of Indonesia. Apart from the large amount of village funds that are managed and the hope of realizing village development, there are also concerns that are no less big, such as the unpreparedness of human resources which will result in non-transparent fund management, the large financial potential of village funds, if it is not accompanied by transparency there is the potential for irregularities (<https://www.bps.go.id>).



**Figure1. Village Fund Corruption Cases 2018-2020**

Village funds are funds that are prone to misuse if village officials lack responsibility and transparency towards the community. As can be seen from Figure 1, there were 309 cases of misappropriation of village funds in Indonesia from 2018 – 2020. As in Kasokandel District, there are cases of misappropriation of village funds by village officials which are detrimental to the state and society. Kasokandel District consists of 10 villages, namely Leuwikidang, Jatisawit, Girmukti, Gandasari, Kasokandel, Jatimulya, Gunungsari, Ranji Kulon, Ranji Weta and Wanajaya (<https://kawanhukum.id>).

Deviations from the APBDes carried out by Ranji Kulon village officials for the 2015 – 2020 period in preparing the 2019 budget. Construction of the posyandu building amounted to Rp. 251,082,700 for a land area of 42 M<sup>2</sup> which

The Majalengka Regency APBD should have budgeted Rp. 2,200,000 M<sup>2</sup> to Rp. 5,230,889 per M<sup>2</sup>. The impact on state financial losses is IDR. 145,482,672. To avoid embezzlement of village funds, there are three main pillars, namely applying the principles of accountability, transparency and community participation in the management of village funds (<http://www.kompas.com>).

Transparent and accountable Village Fund management and community participation will have a positive impact on village government (Dewi, 2019). Because accountability shows the responsibility of village officials to realize good village government performance in running government, increase public trust in village government, and can accelerate the achievement of village development goals.

Based on the above phenomenon, the impact of misappropriation of village funds is very detrimental to the community. Village funds that should be used for the welfare of village communities are misused by irresponsible individuals. Therefore, the village government must be financially accountable to the government above it and the community, open information, and involve the community in managing village funds.

## LITERATURE REVIEW, FRAMEWORK AND HYPOTHESIS

### Agency Theory

Agency Theory according to Antony and Govindarajan (2005) in Iswahyudi et al., (2016) is a relationship or contract between the principal and agent. The principle of this theory states that there is a working relationship between the party who gives authority (Principal) and the party who receives authority (Agent) in the form of cooperation. If both parties have the same goal, then the agent will act in accordance with the Principal's interests.

### Accountability

According to Jamaluddin (2019:47) Accountability is the principle of public responsibility which means that the budgeting process starting from planning, preparation and implementation must be truly reportable and accountable to the legislature and the public. According to Mardiasmo (2018:3) Accountability is the obligation of the trust holder to provide accountability for all activities and activities that are the responsibility of the party giving the trust

### Transparency

According to Mardiasmo (2018:18) transparency is the access that the public uses to find out about the ongoing process of budget use. According to Law Number 14 of 2008, transparency is providing open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in managing regional resources.

### Society participation

Community participation is the role of the community in channeling their aspirations, thoughts and interests in the administration of regional government (Angelia, CA, 2020). Participation is a principle where the community plays an active role in the process or flow of program stages and supervision, starting from the stages of socialization, planning, implementation and preservation of activities by contributing energy, thoughts or in material form (Sriani, 2021).

### Village Fund Management

Village fund management is a total of activities which include planning, implementation, administration, reporting and accountability of village funds (Angelia, CA, 2020).

Based on this theory, it can be included in the framework of thought and hypothesis as follows:

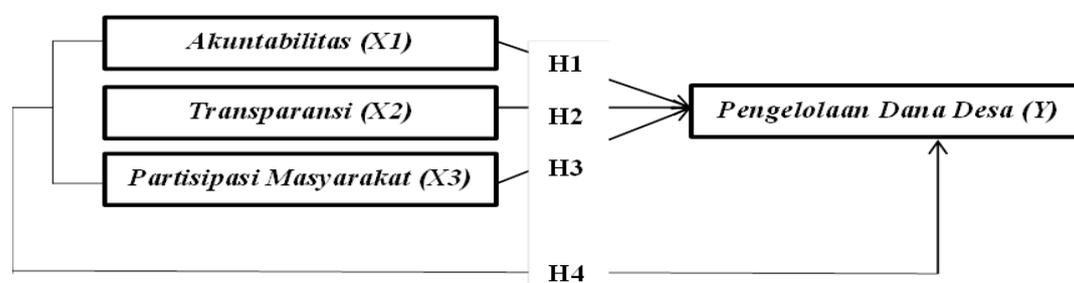


Figure 2. Research Model

H1: Accountability has a significant influence on village fund management.

H2: Transparency has a significant influence on village fund management.

H3: Community participation has a significant influence on village fund management.

H4: Accountability, Transparency and Community Participation Have a Significant Influence on Village Fund Management.

## METHODS

In this research, the type of research used is descriptive research with a verification approach. The type of data used in this research is data. Meanwhile, the source of data collection in this research is using the questionnaire method. The population of this research is village officials who are responsible for managing village funds consisting of the village head, village secretary, village treasurer, village consultative body (BPD) which consists of the chairman, secretary and treasurer and the Community Empowerment Institute (LPM) which consists of the chairman, secretary and treasurer with a total of 90 people. The sampling technique used is saturated sampling. Where all members of the population are used as samples. The data analysis method used in this research uses the multiple linear regression analysis, coefficient of determination test, and hypothesis testing.

## RESULTS AND DISCUSSION

### Data Normality Test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution.

**Table 1. Normality Test Results**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		90
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	4,28193650
	Most Extreme Differences	
	Absolute	,073
	Positive	,073
	Negative	-,067
Test Statistic		,073
Asymp. Sig. (2-tailed)		,200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: SPSS 25 output, 2023

Based on Table 1 above, it is known that the asymp.sig (2-tailed) value is 0.200. This shows that  $0.200 > 0.005$ . So it can be concluded that the residual values are normally distributed.

### Multiple Regression Analysis

**Table 2. Result of Multiple Regression Analysis**

Model	Coefficients <sup>a</sup>				T	Sig.
	Unstandardized Coefficients		Standardized Coefficients Beta			
	B	Std. Error				
(Constant)	9,266	5,033			1,841	,065
Akuntabilitas	,282	,142	,193		1,992	,050
Transparansi	,464	,213	,209		2,178	,032
Partisipasi Masyarakat	,521	,139	,357		3,739	,010

a. Dependent Variable: Pengelolaan Dana Desa

Source: SPSS 25 output, 2023

Based on the calculation results in table 2 above, the following equation can be prepared:

$$Y = 9.266 + 0.282 X1 + 0.464 X2 + 0.521 X3 + e$$

### Coefficient of Determination Analysis

The Determination Coefficient ( $r^2$ ) is used to determine how much influence Accountability, Transparency, Community Participation has on Village fund management.

**Table 3. Coefficient of Determination Analysis Result**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,563 <sup>a</sup>	,317	,293	4,35598

a. Predictors: (Constant), Partisipasi Masyarakat, Transparansi, Akuntabilitas

b. Dependent Variable: Pengelolaan Dana Desa

Source: SPSS 25 output, 2023

Based on table 3 above, it can be concluded that the application of the variable accountability, transparency and community participation simultaneously influences village fund management by 31.5%. Meanwhile, the remaining 68.5% is determined by other variables not included in the regression model used in this research.

### Hypothesis Test

#### Partial Test (t-statistic)

The partial test is carried out using the t test tool which is used to test the hypothesis of each independent variable against the dependent variable. Based on table 2 (*Coefficient table*), hypothesis testing in this research can be described as follows:

#### The influence of accountability on village fund management

Based on table 2 above, it can be seen that accountability has a t-statistic value of 1.992 and t-table 1.662 with a significance level of 5%. So t-statistic is 1.922 > from t-table of 1.662 and the significant value is 0.050, so  $H_0$  is rejected. This means that the accountability variable has an influence on village fund management, meaning that  $H_1$  is supported.

The results of the research show that accountability has a significant effect on village fund management in Kasokandel District, Majalengka Regency. This happens because village government officials in Kasokandel District have carried out work programs in accordance with applicable procedures and laws and are accountable to the community and the government above. With accountability, the community and the government above will know the results of the program being realized so that the community can know that the program was achieved well. The higher the financial accountability carried out by the village government to the community and the government above, the better the management of village funds.

#### The Influence of Transparency on Village Fund Management

The transparency variable has a t-statistic value of 2.178 and t-table 1.662 with a significance level of 5%. So t-statistic is 2.178 > from t-table of 1.662 and the significant value is 0.032, so  $H_2$  is supported. This means that the transparency variable has an influence on village fund management.

The results of the research show that transparency has a significant effect on village fund management in Kasokandel District, Majalengka Regency. This happens because village government officials in Kasokandel District have disclosed information clearly and transparently through deliberation media to form village program budget drafts and are transparent regarding information on village program budget drafts. It has been proven that most of the villages in Kasokandel District, Majalengka Regency have information boards on draft budgets so that the public can know well what village funds are being distributed to. The higher the openness of information starting from the planning process to reporting carried out by the village government, the better the management of village funds.

### **The Influence of Community Participation on Village Fund Management**

Community participation has a t-statistic value of 3.739 and t-table 1.662 with a significance level of 5%. So t-statistic is  $3.739 >$  from t-table of 1.662 and the significant value is 0.010, so H3 is supported. This means that the community participation variable has an influence on village fund management.

The results of the research show that community participation has a significant effect on village fund management in Kasokandel District, Majalengka Regency. This happened because village government officials in Kasokandel District had included the community so that the community could take part in providing suggestions or criticism of the village work program. With participation from the community, it will encourage good communication between the community and the village government. With community participation in managing village funds, the government will know what the community needs. The higher the community involvement in managing village funds, the better the management of village funds.

### **Simultaneous Test (F-statistic)**

#### **The Influence of Accountability, Transparency and Community Participation on Village Fund Management**

Simultaneous hypothesis testing is used to find out whether the independent variables together can influence the dependent variable.

**Table 4. Simultaneous Test Results**

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	758,167	3	252,722	13,319	,005 <sup>b</sup>
Residual	1631,813	86	18,975		
Total	2389,980	89			

a. Dependent Variable: Pengelolaan Dana Desa

b. Predictors: (Constant), Partisipasi Masyarakat, Transparansi, Akuntabilitas

Source: SPSS 25 output, 2023

Based on table 4, the F-statistic value is 13.319 at a significance level of 5%. The Ftable value at the 5% significance level obtained a value of 2.71. Furthermore, it can be seen that at a significance level of 5%, the F-statistic value =  $13.319 >$  F-table = 2.71. This means H4 is supported. Therefore, the variables of accountability, transparency and community participation influence the management of village funds.

The results of the research show that accountability, transparency and community participation have a significant effect on village fund management in Kasokandel District, Majalengka Regency. This happens because village government officials in Kasokandel District have implemented the principles of Good Governance well, namely accountability, transparency and community participation.

## CONCLUSION

Based on the overall results of the research conducted by the author, to determine the influence of accountability, transparency and community participation on village fund management (Study of Village Governments in Kasokandel District, Majalengka Regency), the author concluded that partially and simultaneously, Accountability, Transparency and Participation Community Regarding Village Fund Management. This means that good or bad management of village funds is determined by accountability, transparency and community participation.

Based on the results of the research and discussions that have been carried out, the author provides suggestions that are expected to provide benefits and be taken into consideration by the Village Government in Kasokandel District, Majalengka Regency, namely financial accountability. It would be good for the community to know this information by installing information boards containing designs. village work program budget posted at each Village Office. Then the Village Government is expected to implement village fund management procedures in accordance with PMK No. 113 of 2014, such as the Village government needs to evaluate its use and the village, so that it is more effective and efficient and on target.

Meanwhile, for future research, this research can provide a conceptual framework for analyzing the factors that influence village fund management. However, in this research, the author only examined Accountability, Transparency and Community Participation in Village Fund Management. Therefore, it is hoped that further research can add other variables that can influence Village Fund Management such as the role of village officials, organizational commitment and other variables.

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