

Factors Influencing Financial Management of Village Fund Allocation: Study in Lubai Ulu District

Periansya^{1*}, M.Muamar², Yuli Antina Aryani³

^{1,2,3}Jurusan Akuntansi Politeknik Negeri Sriwijaya

Corresponding Author: periansya@polsri.ac.id

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Abstract

This research examines the impact of accountability, openness, and involvement on the financial management of village budget allocations in the Muara Enim district's Lubai ulu subdistrict. The sample included nine members of the village consultative committee from eleven communities within the subdistrict of Lubai Ulu. This study was conducted to assess how public accountability, transparency, and participation affect the administration of village budget allocations in the Muara Enim subdistrict of Lubai Ulu. The sample for this research consisted of 99 respondents from 11 villages in the Lubai Ulu subdistrict. Respondents were chosen based on their direct involvement in reporting, decision-making, accountability, and administration in the financial management of local budget allocations. The result of this research was found accountability, transparency, and participation partially have a positive and significant effect on the management of fund village allocations.

Keywords: Accountability, Transparency, Participation, Fund Village, Fund Village Allocation, and Village Expenditure.

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1. Introduction

Efforts to reduce the gap in social inequality in society require regulations that aim to ensure services to the community can be right on target so that the programs launched by the government are by the programs that have been created. Law No. 6 of 2014 states that villages are responsible for regulating and managing their problems. The enactment of this law means that regional government management is carried out professionally, efficiently, effectively, openly and responsibly in carrying out its work programs. Village government, with its

potential, will accelerate the process of improving the community's social life without ignoring existing norms. Apart from having the right to run the government budget, of course you must apply the principle of accountability in order to create good governance principles as an effort to improve services and empower the community with funds distributed by the government (Irma, 2015). In managing village funds, transparent, accountable and participatory governance is needed in budget management. (Adiwirya & Sudana, 2015) Furthermore, to implement village fund management, the government issues (Permendes No.21 Tahun 2015) regulations so that good governance must be implemented, it must apply the principles of Good Governance (Nuru et al., 2013) In Article 4 Paragraph 7 Permendagri No.37 Tahun 2007 concerning Regional Financial Management Guidelines regulates the management of village funds. Good administration of Village Funds requires Accountability, Transparency and Participation, which means that village officials can comply with relevant ethical and legal requirements.

Public accountability includes the dissemination of data about government operations and performance. The administration of public sector organizations must be open about the actions, initiatives and policies that have been, are being and will be implemented, as well as the resources they are using (Mahmudi, 2015). In PP 29/2014 which is a regulation regarding fulfilling the obligations/requirements of government agencies to be accountable for the success/failure of implementing programs/work plans or activities delegated to stakeholders in order to achieve the organization's mission in a measurable manner with targets/targets so that performance reports must be submitted periodically.

Transparency (Adiputra et al., 2018; Ball, 2009) also refers to the provision of public/direct services that are open, straightforward, and accessible to the public in an adequate and easy to understand manner. Transparency is a concept of openness/broadness that allows the community to have access to the widest possible information regarding village finances through all accessible media. Participation is an expression of the desire to enhance democracy through decentralized means so that citizen involvement in government can be triggered on demand (Novia, 2015; Rigian & Sari, 2019). Apart from that, participation is interpreted as incorporating the need for bottom-up planning by involving the community in village planning and development. (Syamsi, 2014)

As the holder of power, the central government expects village governments to increase their independence in managing village finances and advance villages by providing village funds and village fund allocations in large amounts that can be managed well by villages so that they can become more sophisticated. PP No 47 Tahun 2015 as implementing regulations for village regulations, which state, "The Regency/City Government allocates in the State Revenue and Expenditure Budget (APBD) for Village Fund Allocations (ADD) each fiscal year concerned."

One of the considerations in this research is because there is an inaccuracy in the work program with the realization of village funds disbursed, then the implementation of village project work is not carried out in accordance with government regulations. Previous research in Indonesia that examined the influence of accountability, transparency and involvement on the implementation of village budget allocations at other district levels (Putra & Rasmini, 2019; Rigian & Sari, 2019; Suci muti'ah, 2019) stated that the influence of accountability, transparency and involvement influenced the financial management of village budget allocations.

Even though the variables used by previous researchers are similar, regional characteristics can cause differences in results. For this reason, researchers are interested in researching more deeply the issues of Accountability, Transparency and Community Participation in Lubai Ulu

sub-district. It is hoped that the results found in this village can be a contribution or input for the regional government.

2. Literature Review

2.1. Accountability

Accountability According to (Halim & M. Ikbali (2012) in (Nurlinda, 2018) accountability is "an obligation to provide accountability or answer and explain the performance and actions of a person/legal entity or leader of an organization to parties who have the right or authority to ask for information or responsibility". Meanwhile (Mardiasmo, 2009) accountability is an obligation to report and be responsible for the success or failure of implementing the organization's mission in achieving previously determined results, through accountability media which is carried out periodically. Apart from that (Government Regulation No. 71, 2010) Accountability is an act of responsibility to achieve goals periodically in policy implementation management of potential resources entrusted to an organization.

2.2. Transparency

Transparency is the openness of public agencies or institutions in sharing information with each party in need related to resource management which will later be useful for decision making by the party in need (Tahir, 2015). Transparency is needed to prevent the possibility of bad things occurring in irregularities committed by an agency or institution. The community is also trained to take responsibility for implementing activities and build trust from all parties (Albugis, 2016). Meanwhile (Government Regulation No. 71, 2010) transparency provides 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 responsibilities in managing the resources entrusted to it.

2.3. Society participation

Apart from competent human resources, to support the running of village government, village community participation is also needed, Mada et al., (2017). Septyasa (2013) participation is the participation of an individual or group of people in assisting a work program in an activity. This participation and participation is either physical or non-physical by providing all the abilities they have (taking the initiative) so that all activities carried out support the achievement of goals.

2.4. Village Fund Management

According to Law No. 6 of 2014, "village government is the administration of government affairs and the interests of local communities in the government system of the Unitary State of the Republic of Indonesia". Within its authority, villages have the right to regulate their own households based on ideas and suggestions from the village community without prejudice to village norms and customs. In implementing the village work program, the budget is submitted with work procedures for planning, implementation, administration, reporting and village financial performance to achieve previously determined results, through accountability media which is carried out periodically. Apart from the Village Government Law, the implementation of village finances is Permendagri No. 113 of 2014 concerning village financial management. "Where the village work program originates from the State Revenue and Expenditure Budget (APBN) which is intended for villages which are transferred through the district/city Regional Revenue and Expenditure Budget (APBD) which is usually used to finance government

administration, implementation of development, community development and community empowerment." . Therefore, the government budgets village funds nationally in the APBN every year.

3. Research Methods

This research is quantitative descriptive in nature , using primary data originating from the 2020-2021 Village Fund Use Report. The data collection approach in this research is by interviewing respondents to obtain primary data. Multiple linear regression analysis techniques were used to evaluate the data . The independent variables in this research consist of Public Accountability (X1), Transparency (X2), Public Participation (X3). while the dependent variable is Village Fund Allocation Management (Y). The indicators in this research for the Public Accountability variable (X1) are in the form of accountability actions to achieve goals periodically in the implementation of resource potential management policies entrusted to an organization (Government Regulation No. 71 of 2010). Transparency (X2) indicators are whether there is a legal framework for transparency, there is public access to budget transparency, there is independent and effective auditing, there is community involvement in making budget decisions (Albugis, 2016). while Public Participation (X3) is an indicator of participation and participation both physically and non-physically by providing all the abilities they have (taking the initiative) (Septyasa, 2013). Meanwhile, the indicator variable for Village Fund Allocation Management (Y) is transparent, accountable, participative, orderly and budget discipline (Permendagri No. 20 of 2018).

3.1. Hypothesis Development

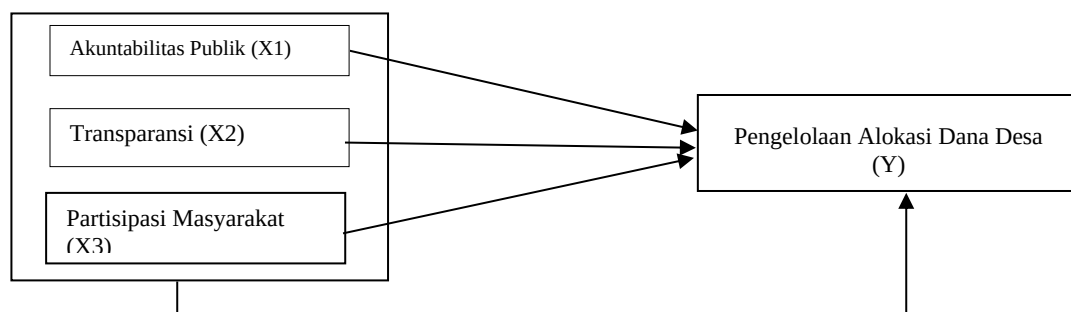


Figure 1. Framework of Thought

Based on theory from problem research, so researcher will develop framework study. As for the hypothesis Research as follows:

H₁ = Allegedly, Accountability Influences the Management of Village Fund Allocations in Villages

H₂ = It is suspected that transparency influences the management of village fund allocations

H₃ = Participation is suspected to influence Village Fund Allocation Management

H₄ = Allegedly Accountability, Transparency, and Participation simultaneous influence on management of village fund allocation

4. Results And Discussion

4.1. Results Analysis Regression Linear Multiple

Table 1. Multiple Linear Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
1 (Constant)	-44,595	11,918		-3,742	,000
X1	,177	,087	,142	2,026	,046
X2	,411	,051	,562	8,036	,000
X3	,995	,123	,556	8,074	,000

Based on Table 1, the following regression equation is obtained:

$$Y = -44,595 + 0,177X1 + 0,411X2 + 0,995X3$$

1. A constant value of -44.595 implies that management Village fund allocation is poorly managed if the independent variables of public accountability, transparency and community participation are all 0.
2. Positive results indicate that the public accountability variable is related in the same direction to the village money allocation management variable, so that a one unit increase in the public accountability variable will result in an increase in the village fund allocation management variable by 0.177 percent. Assuming the other independent variables remain constant, the dependent variable will determine the results.
3. A positive/good value indicates a unidirectional relationship between the transparency variable and the village fund allocation management variable, so that if the value of the transparency variable increases by 1, the value of the village fund allocation management variable will also increase by 0.411 percent. Assuming the other independent variables remain constant, the dependent variable will determine the results.
4. A positive score indicates a unidirectional relationship between the community involvement variable and the management of village money allocation; If the value of the community participation variable increases by 1, the value of the village fund allocation management variable will increase by 0.995%. Assuming the other independent variables remain constant, the dependent variable will determine the results.

4.2. Hypothesis Testing Results

4.2.1. Results t test (Partial)

Testing the t test hypothesis shows the results as outlined in Table 2 below:

Public Accountability (X₁)

The t count was 2.026. To determine the t table, you can look for a significance of $0.05/2 = 0.025$ (2-sided test) with degrees of freedom $df = nk-1$ or $99-3-1 = 95$ (k is the number of independent variables and n is the number of observations). The result for the t table is 1.985. Because the t-count is more than the t-table (2.026, greater than 1.985), Ha1 is acceptable. Because the significance of the t-test is smaller than 0.05 (0.046 0.05), the t-test result is 2.026

with a significance value of 0.046; So Public Accountability has a positive and statistically significant effect on Village Fund Allocation Management.

Table 2. Results Significance of t Values

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-44,595	11,918		-3,742	,000
	X1	,177	,087	,142	2,026	,046
	X2	,411	,051	,562	8,036	,000
	X3	,995	,123	,556	8,074	,000

a. Dependent Variable: Y

Transparency (X₂)

The calculated t is 8036. To determine the t table, you can look for a significance of $0.05/2 = 0.025$ (2-sided test) with degrees of freedom $df = nk-1$ or $99-3-1 = 95$ (k is the number of independent variables and n is the number of observations). 1.985 is the result for the t table. Ha1 is accepted because the calculated t result is greater than the t table ($8.036 > 1.985$). Because the significance of the t test is smaller than 0.05 (0.000 0.05), the t value is 8.036, and the significance value is 0.000, it can be stated that partial transparency has a positive and statistically significant effect. related to Village Fund Allocation.

Community Participation (X₃)

The t count was 8.074. To determine the t table, you can look for a significance of $0.05/2 = 0.025$ (2-sided test) with degrees of freedom $df = nk-1$ or $99-3-1 = 95$ (n is the amount of data and k is the number of independent variables). The result of the t table is 1.985. Ha1 can be approved because tcount is greater than ttable ($8.074 > 1.985$). Because the significance of the t test is smaller than 0.05 (0.000 0.05), the t value is 8.074, and the significance value is 0.000, indicating that Community Participation has a positive and significant effect statistics on Village Fund Allocation Management in 11 villages.

4.2.2. Results Test F (Simultaneous)

From the calculation results, the F-count as shown in table 3 is 39.978, and the significance is 0.00. This shows that the F-count of 39.978 is greater than the F-table of 2.70, so that simultaneously it can be said that the independent variables Public Accountability (X1), Transparency (X2), and Community Participation (X3) have a positive and statistically significant effect . about Allocation Management. Village Fund (Y).

Table 3. Simultaneous Test Results (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2975.251	3	991,750	39,978	,000 ^b
	Residual	2356.709	95	24,807		
	Total	5331.960	98			

a. Dependent Variable: Y

4.3. Discussion

4.3.1. Public Accountability partially has a positive effect on Village Fund Allocation Management

Based on the results of the partial t test, the calculated t value for the Accountability variable was 2.026. Because the calculated t value is greater than the t table value ($2.026 > 1.985$), the public accountability variable has a positive and statistically significant effect on the village money allocation management variable.

Accountability is an ethical concept that is closely related to government public administration, especially villages (government executive institutions, parliamentary legislative institutions, and judicial institutions) in the central government, which has many meanings and is often used interchangeably with concepts such as accountability. (responsibility), the ability to provide adequate responses (answerability), who can be blamed/who can be blamed (blameworthiness), and who has independence/obligations, as well as other concepts related to the purpose of the debate. Responsibility can be seen as a call to be accountable for completing the responsibilities given. This result is the same as research conducted (Irma, 2015; Putra & Rasmini, 2019) where accountability has a large and beneficial influence on the implementation of village money allocation. Accountability requires every activity/program and final result of village government to be legally accountable. Carrying out fiscal responsibility in the context of administering government, especially village government. Financial accountability is a form of responsibility for government agencies that use people's money in an acceptable, economical and effective manner, thereby avoiding leakage, waste and corruption.

4.3.2. Partial transparency has a positive effect on Village Fund Allocation Management

Based on the results of the t test (partial test), the calculated t value for Transparency is 8.036%. The t-calculated value obtained is greater than the t-table value ($8.036 > 1.985$), so it can be concluded that the involvement variable has a positive and statistically significant effect on the village budget distribution management variable.

The results of this research are in line with research. (Putra & Rasmini, 2019) Transparency or openness requires that choices are made/verified and actions are implemented in accordance with institutional norms, guidelines or laws. Transparency can also imply that information relating to the company is simply and openly accessible and visible to those, especially those affected by the organization's policies. Through the dissemination of information, the concept of transparency fosters mutual trust between the government and the public and ensures easy access to accurate and adequate information. Financial transparency is the dissemination of financial data to the wider community (citizens) in the context of government accountability. In

this scenario, transparency can be achieved in various ways, including the creation of an annual banner on the use of Village Funds displayed in front of the Village Head's Office and government compliance with requirements and regulations. relevant legislation and increase the effectiveness of community supervision of development and services. Apart from that, one of the key components of successful governance is transparency. The public must have transparency, involvement and simple access to government administration so that good governance can be realized. Transparency and accessibility of government administration information influences the achievement of various other steps. As a result, the administration of village money tends to be more efficient with a more transparent process.

4.3.3. Community Participation partially has a positive effect on the Management of Village Fund Allocations

Based on the results of the t test (partial test), the participation variable has a calculated t value of 8.074. Because the resulting t-calculated value is greater than the t-table value ($8.074 > 1.985$), it can be stated that the community involvement variable has a positive and statistically significant effect on the village budget allocation management variable.

Involvement in development is defined as community involvement in development; The role of society in this matter is very important. Participation in development includes both participation in development activities and participation in using and enjoying the results of development. The findings of this research are in line with research (Novia, 2015; Putra & Rasmini, 2019) where community involvement will foster community trust in the government for implementing activities, because the community has been involved in the planning process for managing the allocation of village money and conveying hopes. Increasing community involvement will encourage community participation in implementing village government activities, such as managing village money allocations.

4.3.4. Public Accountability, Transparency and Community Participation simultaneously have a positive influence on Village Fund Allocation Management

Based on the results of the F test (simultaneous test), the F-calculation value was determined to be 39.978 and a significance value of 0.000. The F-calculated value is greater than the F-table value ($39.978 > 2.70$) and the significance value is smaller than 0.05 ($0.000 < 0.05$), so it can be said that public accountability, transparency and community involvement have a significant effect. Positive and statistically significant for the village money management allocation variable.

5. Conclusion

Based on the calculation results, it shows that accountability, transparency and community participation partially have a positive and significant effect on the management of village fund allocation. Apart from that, accountability, openness and community involvement simultaneously, in the findings of the F test (simultaneous test) Accountability (X1), Transparency (X2), and Participation (X3) have a beneficial and substantial impact on the management of village money allocation (Y).

With the working principle of accountability, it can improve the management of village fund allocations and ensure that reporting and utilization of village funds for village progress runs well. implemented in accordance with the principle of accountability. Apart from that, transparency as a provider of financial information to the community can also be beneficial for development purposes, while community participation can encourage the

acceleration of development in the village.

Regional governments can continue to allocate village funds in an appropriate and measurable manner to achieve equitable and prosperous community development, especially in Lubai Ulu village, Muara Enim sub-district.

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