

FACTORS AFFECTING TRANSPARENCY AND ACCOUNTABILITY OF VILLAGE FUND ALLOCATION MANAGEMENT

**(Study on Village Government in Pancalang District, Pasawahan District and
Cipicung District of Kuningan Regency)**

¹Neni Nurhayati, ²Oktaviani Rita Puspasari, ³Amir Hamzah.

¹²³Kuningan University, Indonesia.

*Email: neni.nurhayati@uniku.ac.id, oktaviani.rita.puspasari@uniku.ac.id,
amir.hamzah@uniku.ac.id*

Abstract

This study aims at analyzing the effect of presentation of accountability reports and accessibility toward transparency and accountability of village allocation management (ADD). The method used in this research is descriptive and verification method. The sampling technique used is purposive sampling obtained 102 respondents. The data analysis technique used is Structure Equation Modeling (SEM). The results of the study are presentation of accountability reports and accessibility has positive effect on transparency of village allocation management (ADD), presentation of accountability reports and accessibility has positive effect on accountability of village allocation management (ADD).

Keywords: presentation of accountability reports, accessibility, transparency, accountability.

1. INTRODUCTION

Regulation of public finances, Law No. 17 of 2003 on State finances requires transparency and accountability of public finances. When managing public funds, public sector organizations are required to provide financial statements that can be accounted. The village head is responsible for the finances and management of village assets, Government Regulations 43 of 2014 Article 103-104 regulates the reporting procedures that must be carried out by the village head. The village head is obliged to submit a report on the realization of the implementation of APBDes to the regent / mayor every semester in the current year. In addition, the village head is obliged to submit a report (annual report) on the responsibility of implementing APBDes to the regent / mayor at the end of each fiscal year. High accountability in the presentation of financial statements will trigger increased accountability for village financial management.

Kuningan Regent Regulation No. 63 of 2018 part 6 article 72 and article 74 on accountability, namely (1) The village head must submit an APBDes accountability report to the Regent through the Camat at the end of each fiscal year; (2) The accountability report must be submitted within three months after the end of the year in accordance with village regulations; (3) Reports are submitted to the public through information media. Transparency and accountability is a form of openness and responsibility to the media in an accountability manner that is carried out periodically to describe the success of the organization's mission to achieve predetermined goals. Transparent and responsible village financial management is financial management ranging from planning, implementation, management to village financial reporting.

Indonesian Corruption Watch (ICW) recorded 252 cases of corruption in the village budget during 2015 and 2018. As we know this number increases on average every year. ICW noted that 15 village heads committed corruption in 2015. Then it increased to 61 village heads in 2016, 66 village heads in 2017, and 89 village heads in 2018. If added up, at least 231 village heads have been involved in corruption cases. From 2015 to 2018, the country lost IDR 107.7 billion (m.republika.co.id).

The case of criminal acts of irregularities or corruption of village funds allocation and village funds involving village heads in Kuningan regency according to several media sources, Suheli (2017) stated that the village head on behalf of X (49) Kahiyangan Village, Pancalang District has been proven to have committed criminal acts of corruption of Village Funds and Village Fund Allocation in the fiscal year amounting to IDR 325,647,284 and the village head on behalf of Y (59) Padabeunghar Village Pasawahan District has been proven to have committed acts of deviation or corruption add and DD Village Fund in fiscal year 2016 amounting to IDR 140,357,650, the two cadres abused the budget of funds with almost the same mode that funds were used for development but not realized and the money was proven for personal interests. (www.seputarkuningan.com).

Dadan (2017) stated that the head of Susukan Village Cipicung subdistrict on behalf of Z reported his citizens related to the alleged misappropriation of the village fund budget and village fund allocation in the fiscal years 2015 and 2016, found by the inspectorate a discrepancy in the amount of the budget allocated up to IDR 200,000,000 more and the absence of a spending note and the emergence of suspicions from the

village community related in 2016 which is suspected to be fictitious and unfinished but the 2017 budget can be realized this proves transparency on the part of the village government towards the community is less so as to cause dishonest and relevant reports (www.pewartasemesta.com).

This case proves that the village government in the Kuningan Regency area in carrying out the presentation of its accountability report is irrelevant and does not provide access, resulting in the loss of the principle of accountability and transparency that can lead to misuse of village funds and loss of public trust in the Village Government. Factors that can affect government financial management accountability include: According to Mada et. al, (2017), including appropriate factors such as applicable accounting standards, adequacy of disclosure, compliance with regulations, effectiveness of internal control systems, utilization of information technology, management commitment, decision-making power, organizational culture and human resource capabilities. According to Terinspirasi (2015), factors that affect accountability, namely village level government in financial management, are able to be held accountable transparently, quickly and appropriately.

Faza, et. al, (2018) stated that the accountability report has a positive and significant effect on the accountability of village fund allocation management. Kurniawan & Rahayu (2018) suggest that accessibility has a significant influence on the accountability of regional financial statements. Hendratmi (2017) showed that transparency has a positive and significant effect on the accountability of village fund allocation management.

2. LITERATURE REVIEW

Stewardship Theory

The implication of stewardship theory in this study is that it can explain precisely the existence (manager) of village government by carrying out its duties and functions (for the welfare of the community) that can be trusted and aimed at the public interest (Donaldson & Davis, 1991).

Stakeholder Theory

The implications of stakeholder theory on this research are, the community as a user of public services is the main stakeholder of public sector organizations, therefore

if public satisfaction can be guaranteed then public organizations can be said to be successful (Phillips, 1997).

Presentation of Accountability Report

The accountability report is part of the village government implementation report at the end of the fiscal year. The report is submitted to the public through predetermined information media (including bulletin boards, community radio and other information media) (Faza, et. al, 2018).

Accessibility

Accessibility of financial statements is the ability to provide access to stakeholders to seek or obtain financial statements as part of stakeholder participation (Aliyah & Nahar, 2012: 142).

Transparency

Transparency is the government's openness to providing information related to public resource management activities to parties who need information (Mardiasmo, 2006: 30).

Accountability

Accountability is a form of obligation that uses accountability media that is carried out periodically to describe the success of the organization's mission in achieving predetermined goals (Mardiasmo, 2006: 3).

The Effect of Presenting Accountability Report on Transparency

Transparency ensures that everyone can obtain or freely obtain information about the implementation of government, namely information about policies, formulation processes, implementation and results achieved (Arista, 2017). Public sector financial statements are the structure of the financial situation resulting from transactions (Nurlaili, 2016: 454). The presentation of complete information in financial statements will increase transparency which further leads to accountability (Nordriawan, 2010: 18).

This is in line with stewardship theory and stakeholder theory, in this theory the village government is obliged to report its accountability system transparently, so that it

can provide information in the form of reliable and useful financial statements for the community and gain the trust of users of financial statements. The results of Ema, T.C, (2017), Wahida (2015) research showed that the presentation of accountability reports has a significant positive influence on the transparency of regional financial management. Hendratmi, et. al, (2017) shows that the presentation of accountability reports has a positive influence on the transparency of regional financial management.

H1: *Presentation of Accountability Report affects transparency*

The Effect of Accessibility on Transparency

The effectiveness of transparency and accountability will depend on understanding public access to the results of the accountability report analyzed (Hehanussa, 2015: 8). To increase transparency of local financial management, local governments are obliged to submit accountability reports in the form of financial statements to the community by developing regional financial information systems. In addition to providing financial statements, another thing that needs to be done by local governments is to provide easy access to financial statements to report users.

As a party that entrusts the government to manage public finances, the public has the right to obtain government financial information to evaluate government performance (Mardiasmo, 2006). The presentation of financial statements that do not provide easy access for users of financial statements, then efforts to build transparency in regional financial management will not be carried out optimally. The higher the accessibility provided by the region, the better the transparency of its financial reporting (Apriliani, et. al, 2015: 8). This is in line with stewardship theory and stakeholder theory, where transparent access can provide information that can be understood, compared, and useful for stakeholders to make decisions, so that public services or public welfare are realized.

H2: *Accessibility affects transparency*

The Effect of Presenting Accountability Reports on Accountability

The presentation of regional financial statements is an important factor in establishing a regional financial management accountability system. As a form of accountability, local governments must present financial statements submitted by regional heads based on Government Accounting Standards (SAP). By presenting

regional financial statements that are good, correct and in accordance with the characteristics of the financial statements, the sense of responsibility for regional financial management can be improved. A better view of regional financial statements will certainly clarify the financial statements of local governments, because all financial transactions are carried out in accordance with applicable provisions and are listed completely and honestly in the financial statements of the local government (Fauziyah, 2017: 4). This is in accordance with stakeholder theory, where financial statements that meet predetermined standards are useful for stakeholders to make decisions. Mustofa's (2012) shows that the presentation of regional financial statements has a significant positive influence on regional financial management accountability. Bararah (2013) shows that the presentation of accountability reports has a significant influence on regional financial management accountability.

H3: *Presentation of Accountability Report Affects Accountability*

The Effect of Accessibility on Accountability

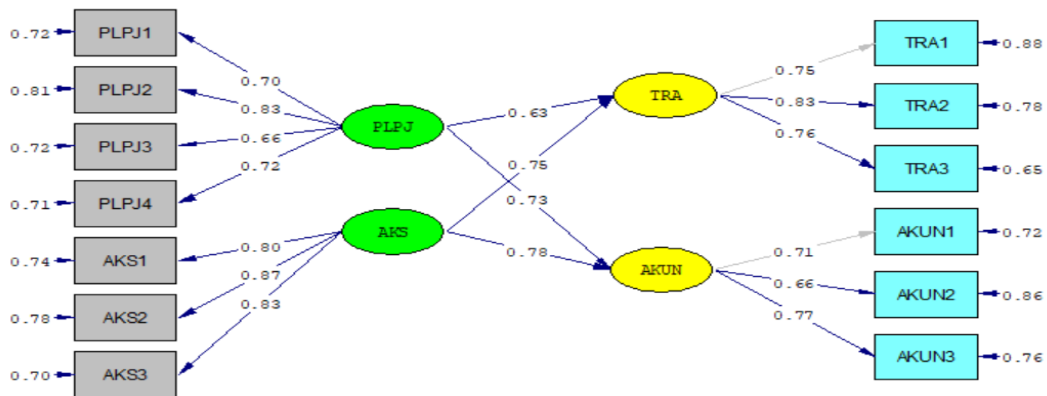
Effective accountability depends on the public's understanding of accountability reports and survey results reports (Shande, 2013). In an open democracy system, such access is provided by newspapers, magazines, radio, television, websites (internet), and forums that give direct attention or encourage governments to be socially responsible (Shende & Bannet in Mulyana, 2006). Ease of access to regional financial statements as a means of accountability for regional financial management. If the area cannot be supported by the ease of asking users of financial and community reporting (e.g. through the official government website) then the area will not function properly and strong internet network access can support the dissemination of information well so that public accountability can run effectively. This is in line with the stewardship theory which explains a form of openness of the village government (stewards) to the community (principals) by providing access to information related to financial management, local governments serve as agents authorized to present information that is beneficial to the community and users of government financial information as principals, either directly or indirectly through their representatives. The results of research conducted by Sande (2013) and Wahida (2015), stated that the accessibility of financial statements has a positive significant effect on regional financial management accountability.

H4: Accessibility Affects Accountability

3. RESEARCH METHODS

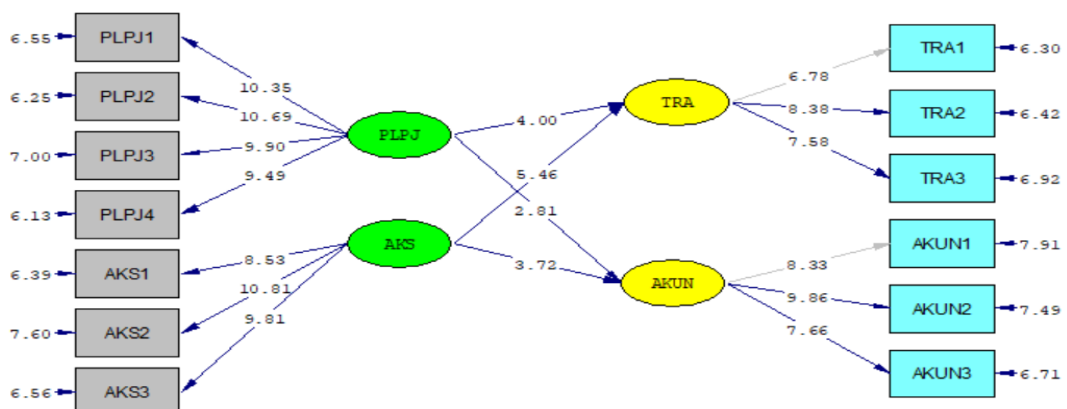
The method used in this study is a descriptive verifiative method with a quantitative approach. The population in this study is the Village Head, financial chairman and BPD chairman in Pancalang, Pasawahan and Cipicung Districts of Kuningan Regency which amounts to 34 villages with 102 people. (Hair et. al, 2010) showed that if the sample was larger than 40, the model (goodness of fit) would not be very good, so it is best recommended sample intervals of 100-400 so that the analysis tool used in this study is the Structural Equation Model (SEM).

4. RESULTS AND DISCUSSIONS



Source: Data Processed, 2020

Figure 1. Confermatory Factor Analysis (CFA) Full Model



Source: Data Processed, 2020

Figure 2. Confermatory Factor Analysis (CFA) Full Model t-value Test

Hypothesis Test

Based on the results of hypothesis testing can be concluded the results of this study as follows:

Table 1
Hypothesis Test Results

| Hypothesis | Path | Estimation | T-value | Conclusion |
|------------|----------------|------------|---------|------------|
| H1 | PLPJ ---> TRA | 0.63 | 4.00 | Accepted |
| H2 | AKS ---> TRA | 0.75 | 5.46 | Accepted |
| H3 | PLPJ ---> AKUN | 0.73 | 2.81 | Accepted |
| H4 | AKS ---> AKUN | 0.78 | 3.72 | Accepted |

Source: Data Processed, 2020

The Effect of Presenting the Accountability Report on The Transparency of Village Fund Allocation Management

The results of the statistical analysis showed that the presentation of the accountability report had a positive effect on the transparency of village fund allocation management, meaning that the better the presentation of the accountability report compiled, the higher the transparency of village fund allocation management. The presentation of a complete accountability report will result in transparency of the village fund allocation financial management report, so that there is a complete report and delivered to the community with transpransi then the impact of the village government will be trusted by the community and the performance of the manager in the allocation of village funds in accordance with the appropriate program and allocation. The results of this study are in line with Mulyana (2006) which states that the presentation of accountability reports has a positive effect on transparency, and Hehanussa (2015) stated that the presentation of accountability reports has a positive effect on transparency and accountability of regional financial management.

The Effect of Accessibility on Transparency of Village Fund Allocation Management

The results of the statistical analysis show that accessibility has a positive effect on the transparency of village fund allocation management, meaning that the better accessibility, the better the level of transparency in the management of village funds allocation. Management of village fund allocation in addition to transparency in its management, then the need for accessibility to financial statements, because with easy access for users to find out information about the financial statements of village fund

allocation will create quality transparency and accountability, both financial statements if coupled with an easy access system then the quality of financial statements is feasible and quality and can be accounted for. The results of this study are in line with Mulyana (2006) which states that accessibility has a positive effect on transparency, and Hehanussa (2015) stated also that accessibility has a positive effect on transparency of regional financial management.

The Effect of Presenting the Accountability Report on Accountability for Village Fund Allocation Management

The results of the statistical analysis show that the presentation of the accountability report has a positive effect on the accountability of village fund allocation management, meaning that the better the presentation of the accountability report, the better the accountability level of village fund allocation management. The presentation of the accountability report is a form of village government responsibility that is reported to the Camat every semester or 2 times a year where the presentation is timely, honest, relevant, detailed, and can be understood by its users so that it is more accountable in all activities that have been carried out. Stewardship theory is in line with this research which explains that the village government serves as an institution that has full responsibility in its duties to provide accountable and useful information for users so that success can be achieved that can provide welfare for the community or principal. The results of this study are in line with research conducted by Mustofa (2012), Bararah (2013), Apriliani (2015), Hanifah (2015), Nurlaili (2016), Chrystiana (2017), Faza, et. al, (2018), and Utami (2019), stated that the presentation of regional financial statements has a positive effect on accountability for regional financial management and research.

The Effect of Accessibility on Accountability of Village Fund Allocation Management

The results of the statistical analysis show that accessibility has a positive effect on the accountability of village fund allocation management, meaning that the better accessibility, the better the level of accountability for village fund allocation management. Accessibility is one of the supporting facilities, such as newspapers, magazines, radio, TV stations, and websites (internet). The service is used by the village government as a medium of information delivery and provides convenience for

information users (especially the community). As one of the accountability tools for regional financial management will not run well, if it is not supported by ease of access for users of financial statements and the public such as through the official government website must be supported by strong internet network access and the dissemination of information to the public must be continuously updated so that public accountability can run effectively. Stakeholder theory is in line with this research which explains that the village government must provide access or media such as official government websites that are easily understood by the community as the main stakeholders so that useful information is obtained. The results of this study are in line with research conducted by Sande (2013), Wahida (2015), Apriliani (2015), Nurlaili (2016), Chrystiana (2017), Faza, et. al, (2018), Utami (2019), stated that the accessibility of financial statements has a positive significant effect on regional financial management accountability.

5. CONCLUSIONS

Based on the results of research and discussion can be concluded as follows: (1) The presentation of the accountability report positively affects the transparency of village fund allocation (ADD) management. The results of the study stated that the better the presentation of the accountability report, the higher the level of transparency in the management of Village Fund Allocation (ADD); (2) Accessibility positively affects the transparency of village fund allocation (ADD) management. The results of the study stated that the better accessibility, the higher the level of transparency in the management of Village Fund Allocation (ADD); (3) The presentation of the accountability report positively affects the accountability of village fund allocation (ADD) management. The results of the study stated that the better the presentation of the accountability report, the higher the level of accountability for the management of Village Fund Allocation (ADD); (4) Accessibility positively affects the accountability of village fund allocation (ADD) management. The results of the study stated that the better accessibility, the higher the level of accountability for village fund allocation (ADD) management.

6. BIBLIOGRAPHY

- Aliyah, S. dan Aida Nahar. 2012. "Pengaruh Penyajian Laporan Keuangan Daerah dan Aksesibilitas Laporan Keuangan Daerah Terhadap Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah Kabupaten Jepara". *Jurnal Akuntansi & Auditing*. Volume 8/No. 2/Mei 2012: 97-189.
- Apriliani, N.K.A., et. al. 2015. "Pengaruh Penyajian Laporan Keuangan, Karakteristik Kualitatif, dan Aksesibilitas terhadap Transparansi Laporan Keuangan Pemerintah Daerah (Studi Empiris pada Satuan Kerja Perangkat Daerah Kabupaten Klungkung)". *E-Journal S1 Ak Universitas Pendidikan Ganesha. Jurusan Akuntansi Program S1. (Volume 3 No 1 Tahun 2015)*.
- Badan Pusat Statistik Kabupaten Kuningan. (2019). Kecamatan Pancalang Dalam Angka 2019. Kuningan Jawa Barat : Badan Pusat Statistik [Online], Tersedia : <https://kuningankab.bps.go.id>.
- Badan Pusat Statistik Kabupaten Kuningan. (2019). Kecamatan Pasawahan Dalam Angka 2019. Kuningan Jawa Barat : Badan Pusat Statistik [Online], Tersedia : <https://kuningankab.bps.go.id>.
- Chrystiana, E,T. 2017. "Pengaruh Penyajian Laporan Pertanggungjawaban dan Aksesibilitas Terhadap Transparansi dan Akuntabilitas Pengelolaan Alokasi Dana Desa (ADD) (Studi Kasus di Desa Wironangan, Kecamatan Gatak, Kabupaten Sukaharjo)". *Jurnal IAIN*.
- Donaldson, L., & Davis, J. H. (1991). *Stewardship Theory or Agency Theory : CEO Governance and Shareholder Return*. *Australian Journal of Management*, 16:49.
- Fauzani, Faza, M. 2018. "Analisis Persepsi Pengaruh Penyajian Laporan Pertanggungjawaban dan Aksesibilitas terhadap Transparansi dan Akuntabilitas Pengelolaan Alokasi Dana Desa (ADD) (Studi Kasus di Desa Cipaku, Kecamatan Mrebet, Kabupaten Purbalingga)". *Jurnal Universitas Jenderal Soedirman, Indonesia*.
- Hanifah, S. I 2015. "Akuntabilitas dan Transparansi dalam Pertanggungjawaban Anggaran Pendapatan Belanja Desa (APBDes)". *Jurnal Ilmu dan Riset Akuntansi Vol. 4 No. 8 (2015)*.
- Hehanussa, S.J. 2015. Pengaruh Penyajian Laporan Keuangan Daerah dan Aksesibilitas Laporan Keuangan Daerah terhadap Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah Kota Ambon. *2nd Conference in Business, Accounting and Management (CBAM), 2 (1) : 82-89*.
- Hendratmi, et. al. 2017 "Pengaruh Transparansi dan Komitmen terhadap Akuntabilitas Pengelolaan Anggaran". *Jurnal Ilmiah Akuntansi Fakultas Ekonomi. Volume 3, Nomor 2, 2017: 76 - 93 ISSN 2502-4159*.
- Kurniawan, Dika dan Sri Rahayu. 2018. "Pengaruh Penyajian Laporan Keuangan Daerah dan Aksesibilitas Laporan Keuangan Daerah terhadap Akuntabilitas Pengelolaan Keuangan Daerah". *E-proceeding Of Management, Vol. 6, No. 1 April 2019*.
- Mada, S.K.L dan Gamaliel, H. 2017. " Pengaruh Kompetensi Aparat Pengelola Dana Desa, Komitmen Organisasi Pemerintah Desa dan Partisipasi Masyarakat terhadap Akuntabilitas Pengelolaan Dana Desa di Kabupaten Gorontalo". *Jurnal Riset Akuntansi dan Auditing. Vol. 8, No. 106-155*.
- Mardiasmo, 2006. *Pewujudan Transparansi dan Akuntabilitas Publik Melalui Akuntansi Sektor Publik: Suatu Sarana Good Governance*, *Jurnal Akuntansi Pemerintah vol. 2, no. 1, Mei 2006 hal 1 – 17*.

- Mulyana, Budi. 2006. “Pengaruh Penyajian Neraca Daerah dan Aksesibilitas Laporan Keuangan terhadap Transparansi dan Akuntabilitas Pengelolaan Keuangan Daerah”. Jurnal Akuntansi Pemerintah.
- Mustofa, A.I. 2012. “Pengaruh Penyajian dan Aksesibilitas laporan keuangan terhadap Akuntabilitas pengelolaan keuangan Kabupaten Pematang”. Accounting Analysis Journal.
- Nordiawan, D. (2010). Akuntansi Sektor Publik. Jakarta: Salemba Empat.
- Novelino, Andry. (2019, 17 Nopember). ICW Sebut Korupsi Dana Desa Kian Meningkat. CNN [Online], Halaman 1. Tersedia : m.republika.co.id [25 Nopember 2019].
- Nurlaili. 2016. “Pengaruh Penyajian Laporan Keuangan dan Aksesibilitas Laporan Keuangan terhadap Akuntabilitas Pengelolaan Keuangan Daerah”. Jurnal JOM Fekon Vol. 3 No. 1.
- Peraturan Bupati Kuningan No. 61 Tahun 2018 tentang Tata Cara Penetapan, Penyaluran, Penggunaan Dan Pelaporan Alokasi Dana Desa Tahun 2019.
- Peraturan Bupati Kuningan No. 63 Tahun 2018 tentang Pedoman Pengelolaan Keuangan Desa Tahun 2019.
- Peraturan Pemerintah No. 43 Tahun 2014 tentang Peraturan Pelaksanaan Undang – Undang Nomor 6 Tahun 2014 tentang Desa.
- Peraturan Presiden No. 29 Tahun 2014 tentang Sistem Akuntabilitas Kinerja Instansi Pemerintah.
- Permendagri No. 20 Tahun 2018 tentang Pengelolaan Keuangan Desa. Undang – undang No. 17 Tahun 2003 tentang Keuangan Negara.
- R. A. Phillips, “Stakeholder theory and a principle of fairness,” *Business Ethics Quarterly*, vol. 7, pp. 51–46, 1997.
- Suheli, Iin. (2018, 06 Agustus). Korupsi Dana Desa, Dua Kades di Kuningan ditetapkan Tersangka. Seputar Kuningan [Online], halaman 1. Tersedia : www.seputarkuningan.com [25 Nopember 2019].
- Undang – undang No. 6 tahun 2014 tentang Desa. Undang – Undang Nomor 33 tahun 2004 tentang Perimbangan Keuangan antara Pemerintah Pusat dan Pemerintahan Daerah.
- Utami, Resty. (2019). Pengaruh penyajian laporan keuangan, aksesibilitas laporan keuangan dan sistem akuntansi keuangan daerah terhadap ketepatan pengelolaan keuangan daerah. Fakultas Ekonomi dan Bisnis. Universitas Tanjung Pura.
- Wahida, N. 2015. Pengaruh Penyajian Laporan Keuangan Daerah dan Aksesibilitas Laporan Keuangan Daerah terhadap Akuntabilitas Pengelolaan Keuangan Daerah Kabupaten Konawe Utara. Skripsi. Universitas Hasanudin Makasar.
- Widiyanti, Arista. (2017). Akuntabilitas dan Transparansi Pengelolaan Alokasi Dana Desa (studi pada Desa Sumberejo dan Desa Kandung di Kecamatan Winongan Kabupaten Pasuruan). Skripsi. Malang. UIN Maulana Malik Ibrahim.