



## Accountability in village financial management in Kludan Village

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### ABSTRACT

*This study aims to understand the practice of government financial accountability in Kludan Village, Tanggulangin District, Sidoarjo Regency. Village finances are very interesting to study, because of the large amounts of funds released by the centre for the development and welfare of communities in the village. This study uses two forms of public accountability, namely vertical accountability and horizontal accountability. The use of these two forms of accountability is expected to be able to dig deep information for the village government. This study uses an interpretive paradigm with a case study method. The data used are primary data, obtained from interviews with informants and secondary data obtained from documentation owned by the village government. Village culture is also a tool used by researchers in making decisions when observing research carried out. This is because village culture also influences the way the community and village government think about making decisions. The results showed that the village financial accountability vertically and horizontally had been carried out in accordance with the rules of government on 113 of 2014. This was evidenced by the implementation which was carried out in a transparent, accountable, participatory as well as orderly and budgetary discipline. However, there is still a lack of mastery by village officials regarding the recording of accountability reports. The village government tends to have less accountability. This will have an impact on the level of trust of the village community and the welfare of the village environment.*

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## Introduction

The Law Number 23 of 2014 concerning Regional Government defines a village as a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs which are recognized and respected in the Government system of the Unitary State of the Republic of Indonesia. In accordance with the autonomy that the village has, it can be understood that the village has recognition of the rights of origin, customs and authority to regulate household and government affairs as outlined in Law No. 23 of 2014 concerning local government and government regulation no. 6 of 2014 concerning the Village. This shows that legally, the decentralization and regional autonomy policy format has touched the lowest level of government, namely the village.

The rules of government number 84 of 2015 article 11 concerning the Organizational Structure of Village Government states that there is a village organizational structure that is adjusted to the level of village development. The level of village development consists of three forms, namely independent villages, self-employed villages, and self-sufficiency villages. Starting with independent villages, namely villages that are still bound by tradition because the quality of education is still low. self-subsistent villages have very little facilities and infrastructure due to the lack of education of the village community, and the community still adheres to customs. Furthermore, self-made village is a form of village where the customs of the community are undergoing a transition, resulting in changing ways of thinking and increasing employment opportunities. The last form of village, namely self-sufficiency village. Self-sufficient villages are also called developed or developing villages. This is because the community has been able to manage and utilize natural resources.

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Based on Law Number 6 of 2014, villages have a source of income, namely Village Original Income (PAD) and Village Transfer Income. Village transfer income is village income that comes from transfers from the regional government or central government which are budgeted in the APBD / APBN. Village transfer income from the central government that is budgeted in the APBN is the village fund (DD). Whereas village transfers originating from local governments, both Provincial / Regency / City, are the allocation of village funds (ADD), shared tax and retribution, Provincial / Regency / City financial assistance and other legal village income. The overall source of village income is used to fund the implementation of village authority which includes governance, development, community empowerment, and society.

This study focuses on the use of the Village Fund (DD) which comes from the APBN, which is the main income of the village. Village funds can be used to finance priority programs and activities that have been agreed upon and determined in the Village development planning deliberations (Discussion Village) on the Village Government Work Plan (RKP Village) every year. The use of DD in a self-managed manner such as a project is in the context of increasing the absorption of labor in the village, especially the poor, as well as the provision of basic village facilities and infrastructure, such as roads in the village, farm roads, bridges and irrigation canals.

The delivery of information related to the management of village funds that is open and aspirational is one form of the responsibility of the village government to the community. The village government is also responsible for periodically reporting village fund management reports to the village government. This is because the village government in its development must be known by the central government whether the activity plan matches the priority for the use of village funds. As well as to minimize the existence of fraud, most of which were committed by the village government, especially the village head. From this, researchers are interested in studying accountability based on their obligations, namely vertical accountability as well as horizontal accountability. The measure for assessing the vertical and horizontal accountability is guided by the rules of government number 113 of 2014 concerning village financial management.

There are several problems in managing village funds, so this research is important to do because finding the accountability of good village government financial management will have an impact on the sustainability of village development. The village government and the community are expected to be able to work together to build the village. The relationship between the village government and the community can be realized by increasing community trust and participation in the regulations drawn up by the village government. Researchers are interested and motivated to carry out this research to understand more deeply how the form of financial accountability of the Kludan village government in improving village development. Researchers will also reveal whether the financial accountability of the Kludan village government has been able to increase community trust and participation for village development.

### **Accountability in the village**

The importance of accountability in the village is an obligation for all village governments and governments to create welfare and village development. Vertical accountability and horizontal accountability are equally important in village development. Several articles have discussed the problem of horizontal accountability, including societal accountability (Smulovitz & Peruzzotti, 2000: 147-158) and downward accountability (Verschuere et al., 2006: 268-300). Both articles reveal that there is a need for organizational or company accountability to society / consumers. The form of accountability includes reporting or social and environmental disclosure to the community and giving the community the flexibility to assess and criticize the activities or policies of the company / organization. If these two accountability criteria can be met, then the accountability carried out by the village government can be considered good and will be able to increase community trust and participation in the village government.

### **Research and Methodology**

This study uses an interpretive paradigm. The interpretive paradigm is research used to understand and interpret a social activity carried out by individuals or groups who are directly involved with the social process (Burrell and Morgan, 1979). The interpretive paradigm of a researcher takes and extracts direct data from informants or parties who have experience and direct involvement with the social and cultural activities being studied. One of the reasons researchers use the interpretive paradigm is to understand deeply from the informant's point of view in a naturally obtained well. This study uses an interpretive paradigm to explore and understand the financial accountability of village government funds in Kludan Village, Tanggulangin District, Sidoarjo Regency.

Sukoharsono (2006:154) describes 5 (five) approaches that are often used in the research process, namely biography, phenomenology, grounded theory, ethnography, ethno methodology and case studies. To support the interpretive paradigm as the paradigm used, this research uses a case study or case study approach. This approach was popularized by Robert K. Yin. Yin (2019: 1-2) explains that this case study approach is carried out if the researcher has little opportunity to control the events being investigated and when the focus of his research lies on historical phenomena with real-life contexts. Furthermore, Yin (2019: 1-2) explains that case studies are a more appropriate strategy to use if the main question of a research is how (how) or why (why). Furthermore, the case study approach according to Yin (2019: 12) is used to describe how and why a real-life phenomenon can occur using various sources of evidence when the phenomenon and context have unclear boundaries. Then cases are also limited by time and activity, so researchers must collect complete information using various data collection procedures based on a predetermined time.

Analysis and interpretation of data in case study research is to manage data, namely organizing, selecting and looking for patterns to find something important to describe (Sukoharsono, 2006: 14). Miles and Huberman (1992: 67) qualitative data with an interactive analysis model through three steps, namely data reduction (data reduction) Reducing data means summarizing, selecting the main things, focusing on important things, looking for patterns and themes relevant to the research theme. The second stage is the presentation of data (data display), namely by looking at the suitability of the accountability practices carried out by the village government and the rules of government number 113 of 2014 concerning village financial management and looking at village culture to observe how social processes are usually a habit in decision making. and the last stage is the conclusion drawing / verification. The conclusion in this study uses accountability based on criteria, namely vertical accountability and horizontal accountability. The use of accountability is expected to be able to understand deeply the implementation of village government financial accountability. This research was conducted to determine whether the accountability carried out by the village government has been able to increase community trust and participation in the village government.

This research refers to village financial management based on the rules of government number. 113 of 2014 concerning Village Financial Management, the stages are as follows:

### **Planning**

From what several informants have revealed, Kludan village has carried out village financial management procedures in accordance with the rules of government number.113 of 2014 in the planning stage. The village government of Kludan has also tried to involve the community in village development planning. Because basically this planning stage is a deliberation and the result of a joint agreement between the village community and the village government for village development. The annual RKPDs of Kludan village refers to the RPJMDes and receives program proposals from the community that are relevant to be implemented in that fiscal year. The village government of Kludan also accepts aspirations from the lowest structures in the village starting from RT, RW and Dusun as parties that are in direct contact with the community.

### **Implementation**

The results of the interviews at this implementation stage can be assessed that the Kludan village government has made efforts to carry out procedures or regulations in the implementation of development activities. The implementation of activities carried out by the village implementation team must have openness (transparency) to the entire community as an implementation of the principle of transparency. In accordance with the concept of transparency put forward by Tjokroamidjojo (2000), the activities / programs carried out must be known by interested parties regarding the formulation of policies from the village government, communities, organizations and business entities. Kludan Village in carrying out the principle of transparency by placing a banner or information board containing the name of the activity, the amount of the budget, the volume of activities and the schedule for the implementation of activities at the location of the implementation of development activities.

### **Administration.**

At this stage, Kludan Village still has to improve the performance of its human resources in order to facilitate reporting related to village finances. This was done to avoid misuse of the village budget. The village government of Kludan has difficulties in administering it and is still asking for guidance from outside parties because of the unpreparedness of existing human resources. The village government of Kludan has tried its best to improve good administration and is in accordance with applicable regulations.

### **Reporting**

With an appeal or advice to avoid crowds, at this reporting stage the village government of Kludan provides a report on the management of village funds without presenting the community. Only community representatives can attend meetings related to the reporting of village funds. The existence of this limitation is indeed a bit disturbing the routine activities that usually the community and the village government of Kludan do. Still trying to adapt to the current situation, does not undermine the enthusiasm of the Kludan village government in providing good services to Kludan village and submitting good reports to the Sidoarjo regency government.

## **Accountability: Commitment to Maintaining the Trust of Village Communities**

The most important issue in government financial management today is how to achieve accountability and foster public confidence in government financial performance. Village government financial accountability can be realized and is able to increase public trust if vertical accountability and horizontal accountability are fulfilled. Endahwati (2014) states that accountability is the responsibility of management or the recipient of the mandate to the mandate for the management of the resources entrusted to him, both vertically and horizontally. Assessing vertical accountability by looking at the implementation of financial management with the rules of government number 113 of 2014 on village financial management. Horizontal accountability can be seen from the accountability carried out by the village government to the Kludan community.

#### *Vertical Accountability: Accountability to the Central Government*

The information provided by the Kludan village head concluded that the current village apparatus needed assistance and monitoring to issue correct reports. The recognition from the village head of Kludan regarding accountability to the centre is something that can be appreciated. Because it is not uncommon for many village heads or other leaders to try to cover up the shortcomings of the areas they lead to make them look good in the eyes of the community.

#### *Horizontal Accountability: Service to Society*

A good commitment from the Kludan government in maintaining horizontal accountability can be said to be good. This is related to the statement made by the Kludan community, only in the process of submitting information through the website which received less attention from the village government.

### **Conclusions**

From the research results, it can be concluded that the financial accountability practices that have been carried out by the Kludan village government have committed to implementing financial accountability both vertically and horizontally in accordance with the rules of government number 113 of 2014. Vertical accountability has been reported to the Regency / City government in the form of accountability letter (SPJ) regularly. Meanwhile, horizontal accountability has been reported in village deliberation forums at the end of each year orally and administratively. Vertical and horizontal accountability has been reported on time, however, in terms of completeness, it is considered to be insufficient. This is evidenced by the reports from the village community who are often aware of delays in village reporting to the central government. The village government also carries out transparency by placing a banner detailing the APBDes, activity information boards and program / activity publications on the website. This is intended to provide financial management information to both the district government and the community. Openness and accountability are aimed at increasing the confidence of the district / city government and the community in the performance of the village government and increasing community participation in village development.

### **Limitations**

This study has limitations which mostly lie in a very limited time. This is because during data collection and interviews, which is around June to August, there is still the implementation of PSBB (Large-Scale Social Restrictions) that still needs to be done. Researchers must confirm the health condition first before meeting with several informants. When starting the interview process, several village officials had to carry out a swab test from the central government, namely the district government. So he was forced to make a re-agreement to conduct interviews with village apparatus informants. Then another limitation is the informants from the Kludan village community who really have to implement the health protocol, namely by maintaining a minimum distance of two meters. This requires maximum effort to properly hear what the informant said, considering that he is obliged to wear a mask when leaving the house.

Another limitation in this study is the lack of resource persons to match the answers of the village government and from the village community. This is due to the lack of residents outside the house. So the researchers couldn't interview them, because of the pandemic that is going on right now.

### **Suggestions for Next Research**

Based on the limitations of this study, the researchers provide suggestions for further research related to the time required in the process of data collection and interviews. Before this research was conducted, the researcher made sure that the conditions where the object of research were in good condition. This is done to ensure and determine which informants in the research provide sufficient free time for the research.

The number of sources obtained is the more valid the qualitative research is being conducted. So the next suggestion, it is better if the researcher has a lot of time provided and careful preparation in order to have and get to know more in-depth sources.

### **Research Implications**

The theoretical results of this study have implications for enriching the scientific treasures of public accounting, especially regarding village financial accountability. This needs to be done to provide convenience to village government officials in realizing good village governance. The current theories mostly discuss public accounting at the district / city government level only. So that we need a theory or guidelines related to public accounting at the village government level which must be adjusted to the level of education and the ability of village government officials. This research is expected to provide input for local and central government in increasing the commitment to the practice of village government financial accountability. The compliance of the village government in making accountability reports, both related to the completeness and timeliness of reporting, must also be improved. This research shows that the indecisiveness of the local government in imposing sanctions has resulted in the implementation of village government accountability so far not going well. This is because the village government thinks that the local government will certainly tolerate errors and delays in the SPJ. The regional or central government must provide a clear and firm sanction mechanism, either in the form of administrative sanctions or legal witnesses that are in accordance with the state financial management system. The

government must also create a system and guidelines for village financial accountability that are tailored to the conditions and quality of education of village government officials.

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