

The effect of village fund management accountability in aceh singkil district, Indonesia

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Abstract.

This study is conducted to address the effect of village fund management accountability in Aceh Singkil District of Indonesia. Using the factors of government internal supervisory, village apparatus competency and public participation, this study tried to test either partially or simultaneously on the management accountability of village funds. By selecting the population of all villages in Aceh Singkil District, which total of 116 villages in 11 districts, these research using purposive sampling method to curve the population. However, the sampling technique used stratified random sampling, totaling 46 villages including the village head, village secretary, treasurer, head of affairs and community leaders in each village. Utilizing the primary data of questionnaires from respondents, the research data was collected by using documentation techniques. The result of Multiple Linear Regression Analysis proved that the government internal supervisory and village apparatus competency influenced the management accountability of village funds in Aceh Singkil District. Alongside, public participation has no effect on the management accountability of village funds in Aceh Singkil District.

Keywords: Government Internal Supervisory; Village Apparatus Competence; Public Participation; Management Accountability of Village Funds.

1. Introduction

The government has a direct relation to rural communities which is an priority focus of government development. The reason comes because of there are many regions in Indonesia are located in rural areas. Several existing regulations have stipulated that village finances are managed using transparency principles, accountability, participation, which it is carried out in line and disciplined budget through the implementation of village accounting. Therefore, the submission of accountability for village financial reports must be accounted then the financial statements of the village is a form of transparency which require support in the issues of lack accountability, transparency village government over the activities of management for public resources (Mada, Kalangi and Gamaliel, 2017).

If the village financial reports can be implemented properly, then the performance of the village government will increase. While the current reality is related to Village Financial Statements, in principle there are still many villages that have problems related to village financial reports. The phenomenon related to the accountability of village funds is still a problem and the hottest issue in several villages, especially villages in Aceh Singkil District.

As happened in a number of villages where several village heads were failed in legal cases caused by misappropriation of village funds. Additionally, lack of transparency and lack of accountability to village heads in implementing village budgeting and fund management mechanisms are also common problems in the village.

The results of the field survey that the author conducted first, there are several phenomena that arise regarding the management accountability of village funds. The potential for problems with village funds needs to be anticipated, controlled through structures, systems and preventive strategy in order to managing the village funds which is give a benefit to societies as whole. All agencies should work together in order to control and supervise funds in the village, including the village government, sub-district government, village assistants and district governments.

Research related to the management accountability of village funds has been conducted by several previous studies (Fatmawati, 2018; Pangemanan, Rotinsulu and Engka, 2018; Tumbel, 2017; Mada, Kalangi and Gamaliel, 2017; Nuswantoro, 2017; Yohanes, Paton and Alaydrus, 2016; Ilyas and Muchlis, 2016; Sulumin, 2015; Hanifah, 2015). Regarding to prior study there are some factors could be determined which are thought about the accountability effect over the village funds.

First, the role of the Government Internal Supervisory Apparatus (APIP) affects the management accountability of village funds. Supervision is a critical point and becomes the center of attention, especially in relation to the effectiveness of supervision and the readiness of the supervisory apparatus, especially APIP in the District/City. The provision of large village funds and various amounts of reporting, as well as a critical point in village financial management, of course also demands great responsibility by village government officials. The results of the research by Yohanes, Paton and Alaydrus (2016), Ilyas and Muchlis (2016) prove that the role of APIP affects the accountability of village funds. The role of APIP in the administration of regional government is manifested through the implementation of a comprehensive examination of the administration of government affairs by the regional apparatus which includes auditing of institutional and staffing aspects; examination of regional financial aspects; and examination of aspects of management of regional property.

Second, village apparatus competency has an effect on the management accountability of village funds. As a result from decentralization fiscal, the accountability must be a tool for managing village funds. There is an aspect to be prepared is the competence of human resources (Ferina, 2016). The results of Mada, Kalangi and Gamaliel's (2017) study has underlined the village apparatus competency has a positive significant influence on the accountability of village funds. The suggestion of previous study that the low competency of village apparatus is an inhibiting factor for managing accountable ADD funds.

Third, public participation affects the management accountability of village funds. The participation of public as societies is not only in sage of decisions making, but also in every development program public must involved in identifying problems and potentials that exist in the village. In 2018, Pangemanan, Rotinsulu and Engka's published research results which infered that Public participation has a significant effect on the preparation of APBDesa.

Therefore, these research is important because there still has a gap regarding the management accountability of village funds in Aceh Singkil District. Regarding to the background described above, then objective of this study is to test the effect of the government's internal supervisory, village apparatus competency and public participation either partial or simultaneously to the village fund management accountability in Aceh Singkil District of Indonesia.

2. Literature review

2.1 Village fund management accountability

Accountability in the context of governance is often interpreted as accountability. Accountability in the administration of regional government is defined as the obligation of the regional government to be accountable for the management and implementation of government in the regions in the context of regional autonomy to achieve the goals that have been set through accountability media that is measurable both in terms of quality and quantity (Hanifah, 2015). The philosophy of the village fund is to improve the welfare of the village Public and there is equality in development carried out in the village with increased service to the public, a developed village economy, reducing development gaps between villages, and strengthening village communities not only as objects but acting as subjects in development (Government Regulation No. 43, 2014). The village government in carrying out village financial accountability must use the principle of village financial management,

namely village finances are managed based on the principles of transparency, accountability, participation and be carried out in an orderly manner and with budget discipline.

2.2 Role of government internal supervisory

Under the PP. 79/2005 which is Guideline for the Guidance and Supervision of Regional Government Administration underlined in accordance with their functions and authorities, the supervision of government affairs in the regions is carried out by the Government Internal Supervisory Apparatus (APIP). Furthermore, it is stated that the role of APIP is to ensure that the implementation of Regional Government and village administration runs in accordance with the plans and provisions of laws and regulations. Based on PP. 60/2008 article 1 states that APIP carries out internal supervision, namely the entire process of monitoring, auditing, reviewing, evaluating and other supervisory activities on the implementation of organizational tasks and functions due to provide adequate assurance that whole process have been done inline with established benchmarks which determined effectively and efficiently for the interests of the leadership in actuating good governance. Over the previous description, it appears that the scope of internal audit work is very broad and comprehensive in order to ensure the achievement of organizational goals.

2.3 Village apparatus competence

Defining the competency according to Law No. 13 of 2003 article 1 (10) on Manpower is the aspects of knowledge, skills and work attitudes which own by each individual as working ability in accordance with established standards. Based on the role of the head of the National Civil Service Agency Number 7 of 2013 competence is the characteristics and abilities that involved aspects of skills, knowledge and attitudes according to funding assignments or job functions. As example of knowledge from educational background has a very important role in the organization. It is targeted to meet the job requirements in order to maximizing the task more quickly and accurately. Furthermore, what is referred to as the village apparatus in this study is the regional apparatus. UU no. 23/2014 regarding to Regional Government give description on regional apparatus as the supporting element of the regional head and DPRD in the administration of Government Affairs which becomes the authority of the Region. Warisono (2008) states that village officials must have competent resources, which gained from education such as has a background in accounting education, regularly participate in education and training program, and supported by experience in finance in good regional financial management.

2.4 Public participation

According to Wijaya (2018: 48) public participation is the implementation of village government that includes elements of village societies and institutions. The role of public participation involve in the process of identifying problems, drafting a potentials, selecting and making decisions about alternative solutions to address problems. Public participation aims to enable the village to take collective action as a village government governance unit, village Public institution governance unit and economic and environmental governance unit.

3. Research methods

This study utilizing the population of all villages in Aceh Singkil District which is included total of 116 villages in 11 subdistricts. The research sample was taken using purposive sampling method, while the sampling technique used stratified random sampling, totaling 46 villages including the village head, village secretary, treasurer, head of affairs and Public leaders in each village. The primary data was used in this study with the acquisition of questionnaires from respondents. Hence, the data collection technique is done by the documentation technique with the analytical method is Multiple Linear Regression Analysis.

Below, the operationalization of variables will be described as follows;

- a. Village Fund Management Accountability (Y). Accountability for village funds is defined as the obligation of the regional government to be accountable for the management and implementation of government in the regions in the context of regional autonomy to achieve the goals that have been set through accountability media that is measurable both in terms of quality and quantity (Hanifah, 2015). The indicators used are based on and BPKP (2016), namely; transparent, accountable, participative, orderly and budgetary discipline. The scale used is the interval scale.
- b. Role of Government Internal Supervisory (X_1). Based on PP. 79/2005 Regarding Guidelines for the Guidance and Supervision of the Implementation of Regional Government, the role of APIP is to ensure that the implementation of Regional Government and village government runs according to the plans and provisions of the laws and regulations. The indicators used are based on Permendagri No. 23/2007 covers inspection, monitoring and evaluation. The scale used is the interval scale.

- c. Village Apparatus Competency (X_2). Competence according to Law no. 13/2003 is the aspects of knowledge, skills and work attitudes which own by each individual as working ability in accordance with established standards. The indicators used are based on Hutapea and Thoha (2008:8), namely; knowledge, skills and attitudes. The scale used is the interval scale.
- d. Public Participation (X_3). According to Wijaya (2018:48) Public participation is the implementation of village government that includes elements of village Public and institutions. The indicators used based on Sujarweni (2015) include; decision making, budgeting, and budget execution. The scale used is the interval scale.

4. Result and discussion

4.1 Descriptive analysis

Descriptive analysis for each variable in this study was obtained by questionnaires filled out by respondents to the variable; accountability of village funds (Y), the role of APIP (X_1), village apparatus competency (X_2), Public participation (X_3). The following are descriptive statistical values for each of the research variables in Table 1.

Table 1 Descriptive statistics

	Village Fund Management Accountability	APIP's role	Village Apparatus Competence	Public Participation
Mean	4,06	4,16	4,12	4,13
Std. Deviation	0,44	0,42	0,39	0,38
Minimum	2,50	2,20	2,60	3,23
Maximum	4,83	5,00	5,00	4,87

According to the results of descriptive statistics, it can be illustrated that the four research variables namely management accountability of village funds (Y), the role of APIP (X_1), competence of village apparatus (X_2), Public participation (X_3) show a greater *mean* of the standard deviation value. This indicates that the four research variables have a more stable level of data distribution. It could be inferred that the difference of four variables which have the range no too far in the minimum and maximum values.

4.2 Research instrument testing results

- a. Management Accountability for village funds (Y), the role of APIP (X_1), competence of village officials (X_2), and Public participation (X_3) are exist above the critical value of the *product moment* correlation (correlation coefficient > 0,284) it is concluded that the items in the questionnaire is valid.
- b. Based on the reliability test, resulting that every instrument in this research are reliable because the value Cronbach's Alpha above 0.5. Therefore, it could be inferred that the measuring tools of questionnaire in this research is reliable.

4.3 Classical assumption testing results

By the illustrated in the histogram graph, it is known the data observed is normally distributed where the curve is normal. Meanwhile, from the P-Plot graph, it is known that the points move in the direction of the linear line, could be underlined that the regression model of this study is linear.

Moreover, in the *tolerance* number of the village fund management accountability variable (Y), the role of APIP (X_1), village apparatus competence (X_2), and Public participation (X_3) > 0.10, which means that there is free from multicollinearity exist between the independent variables. Meanwhile, the VIF value calculation results also showed that none of the independent variables that have a VIF value greater than 10. Thus, it is proved that in this study the regression model is free from multicollinearity between the independent variables.

From *scatterplot*, the graph published no particular pattern in the chart, then to be inferred that this study is free from heteroscedasticity.

4.4 Hypothesis testing results

The hypothesis testing results of the research is illustrated in **Table 2**.

Table 2 Hypothesis testing results

No.	Variable Name	Regression Coefficient (β)	t Test (t Table)	Significance (Provisions)	Conclusion
1	Role of APIP (X_1)	0.318	2,050 (2,010)	0.046 (0.05)	Has Effect
2	Village Apparatus Competency (X_2)	0.407	2,030 (2,010)	0.048 (0.05)	Has Effect
3	Public Participation (X_3)	0.208	1,342 (2,010)	0.187 (0.05)	No effect
4	F value = 15,540; Sig. F = 0,000				
5	R value = 0.717; $R^2 = 0.514$; Adj. $R^2 = 0.481$				

According to the prior table, the regression results obtained by the multiple regression equation as follows:

$$MAVF = 0,202\text{Constant} + 0,318\text{RAPIP} + 0,407\text{VAC} + 0,208\text{PP} + \varepsilon$$

Based on the multiple linear regression equation, it can be seen that the research results are:

1. A constant of 0,202 means that if the role of APIP (X_1), competence of the village apparatus (X_2), and Public participation (X_3) is considered constant, then the value of the management accountability of village funds (Y) is 0,202 in the Likert scale.
2. The regression coefficient (β_1) for the role of APIP of 0,318 indicates that each increase in the role of APIP by 1 interval scale unit following with an increase in the management accountability of village funds by 0,318 interval scale units.
3. The regression coefficient (β_2) for village apparatus competence of 0,407 indicates that each increase in village apparatus competence by 1 unit of interval scale with an increase in village fund management accountability of 0,407 unit of interval scale.
4. The regression coefficient (β_3) for Public participation of 0,208 indicates that every increase in Public participation by 1 interval scale unit will be followed by an increase in village fund management accountability of 0,208 interval scale units.

5. Discussion

5.1 The effect of village fund management accountability in aceh singkil district, indonesia

The results of this research proved that the government internal supervisory apparatus, village apparatus competence and public participation simultaneously had an effect on the management accountability of village funds in Aceh Singkil District. Regarding to the value of the coefficient of determination (R^2) of 0.514 displays the meaning that the management accountability of village funds is simultaneously influenced by the role of the government internal supervisory apparatus, village apparatus competence and public participation by 51.4%, and the remaining 48,6% is effected by other variables not observed in this research model.

5.2 The influence of the role of the government internal supervisory (apip) on the management accountability of village funds

The result has been inferred that the role of APIP affected the management accountability of village funds in Aceh Singkil District. Broadly speaking, in the implementation of Law No.6/2014 concerning villages, APIP has an important role in overseeing the management accountability of village funds, both in terms of assurance and consultation. This is in line with the mandate in PP. 60/2008, which states that APIP carries out internal supervision of the implementation of duties and functions of Government Agencies including accountability for state finances and fostering the administration of

SPIP. APIP is an apparatus that conducts supervision through audits, reviews, evaluations, monitoring and other supervisory activities on the implementation of organizational functions and its activities.

The added value and contribution of APIP is expected to make a strategic contribution to village governance. An important role that can be done is to oversee the budget formulation process with the aim of saving budget leakage, saving in village budget expenditures, and preventing budget overlapping. In addition, through routine audits, APIP provides recommendations to every village apparatus regarding the results, obstacles, and irregularities that occur in the activities carried out (Ilyas and Muchlis, 2016).

Moreover, the results of this study research is supported by the work of Yohanes, Paton and Alaydrus (2016) which concluded that the role of APIP in the implementation of regional government in Bulungan District was realized through the implementation of comprehensive examinations of the administration of government affairs by regional officials. Additionally, the results also inline with the study examined by Ilyas and Muchlis (2016) which prove that APIP has an important role in overseeing the management accountability of village financial management, both in terms of assurance and consultation.

5.3 The effect of village apparatus competence on the management accountability of village funds

The research results showed that the village apparatus competence had an effect on the management accountability of village funds in Aceh Singkil District. The results of this study are in accordance with the *Stewardship theory* which is as a science dicipline of psychology and sociology where there is designed for scholars to examine conditions in which executives as leaders are motivated to work and make decision as best as they can to maximizing the welfare of the organization. Hence, role of executives as managers is to achieving organizational goals. In this research, the executive as manager could be measured as village fund management (Davis et al, 1997:24).

In 2009, Subroto conducted the research which suggests that the low competency of human resources of village apparatus competence is an inhibiting factor in the accountables management of village fund management. Thus, lack of competence in human resources, ineffective monitoring and evaluation resulting a misapplication in the management of village fund management. Finally, lack of competence will effects the accountability for managing the village fund management which is does not reflect accountables management.

The output of research performance by Fajri (2015), Irma (2015), and Makalalag (2017) resulted that village financial management (Village Fund Allocation and Village Funds) is still experiencing obstacles. Finally, the accountability of village fund has not match the principle of accountability. The errors faced by the village government are due to the weak human resource capacity of the village government itself. The results of this study are also consistent with the work by Mada, Kalangi and Gamaliel (2017) which show that the competence of village fund apparatus has a positive and significant effect on the accountability of village fund management in Gorontalo District. It means that the more competent the village fund management apparatus is the more accountable the management of village funds is.

5.4 The effect of public participation on the management accountability of village funds

The results showed that public participation did not significantly influence the management accountability of village funds. This is due to the lack of Public participation in villages in Aceh Singkil District, especially in relation to socialization regarding village fund allocations, which only attended by representatives from each village. Therefore, other people do not really know about the allocation of village funds. Additionally, public awareness of participating in managing village fund allocations and other village government administration activities is also very lacking.

Monitoring and field observations also found that the people of Aceh Singkil District still lacked participation in village governance activities such as; village planning and development, development of village development programs and activities, preparation of village development plans, formulating village policies, organizing the improvement of the quality and capacity of human resources of rural communities to supervision and monitoring of the implementation of village government and village development. This is because most of the village communities in Aceh Singkil District are more concerned with their own interests such as working or gardening to fulfill their lives rather than participating in the activities of running the village government and managing the allocation of village funds, this will impact the accountability of village funds themselves later.

This result is conflicted with the study conducted by Pangemanan, Rotinsulu and Engka (2018) which prove that public participation has a significant effect on the preparation of APBDesa. On the other hand, this study also contradictive with the results of research work by Mada, Kalangi and Gamaliel (2017) which displays that public participation has a positive

and significant effect on the accountability of village fund management in Gorontalo District. This means that the more intense public participation, the more accountable the management of village funds is.

6. Conclusions and suggestions

The conclusion that can be given after testing and analyzing data and conforming to the hypotheses previously formulated in this study is that the role of the government internal supervisory apparatus and village apparatus competency influence the management accountability of village funds in Aceh Singkil District. Meanwhile, public participation has no influence on the management accountability of village funds in Aceh Singkil District.

The advice can be given from this research, it is expected that the Aceh Singkil District Government will pay attention to the independent variables in this study are in particular the role of village officials APIPs and competence, as two independent variables have an effect to an management accountability villages in Aceh Singkil. Further suggestions to village apparatus that to put this research as input in improving the competence of village apparatus and public participation in the management accountability of village funds, especially regarding planning, implementation, administration, reporting and accountability in accordance with applicable laws and regulations.

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