

# The Effect of Accountability and Transparency on Village Financial Management: Study in Kabila Village, Bone District, Bone Bolango Regency

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## Abstract

The Effect of Accountability and Transparency on Village Financial Management. Zulmar Irianto Saman. 921419157. (Study in Villages of Kabila Bone District, Bone Bolango Regency). Harun Blongkod, S.Pd.Ak., M.SA as supervisor 1 and Siti Pratiwi Husain, SE., M.Sc as supervisor 2. This research will investigate the impact of accountability and transparency of land sales in the villages, Kabila Bone, District Bone Bolango, either sequentially or simultaneously, with a view to determining which of the two approaches is more effective. Quantitative analysis with an ex-post facto approach was used to compile the results of this study. The use of a questionnaire is an integral part of the data collection process in this examination. 103 people participated in the event overall. Quantitative inferential structural equivalence modeling is used during the data processing in this study. Based on the findings, (1) accountability does not have a major impact on rural land development in the Kabila Bone District, Bone Bolango Regency. The positive consequences suggest that an increase in a country's ability to do business will occur if the country's government accepts responsibility for its actions. (2) The sale of land in the Kabila Bone District, Bone Bolango Regency has a positive impact with transparency. The positive impact shows that the more transparent the government of a country, the better the country's financial services will be. (3) The accountability of the parties involved in the sale of land in the Kabila Bone District, Bone Bolango Regency has a considerable influence on the market. The findings indicate that rural banking will become more accessible, along with increased accountability and transparency in transactions that occur in BPRs.

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## Keywords

Village Financial Management, Accountability, Transparency

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## Introduction

Article 1 of Law Number 6 of 2014 concerning Villages (2014) states that a village is a legal community unit limited by its territory which has the authority to regulate and manage government affairs, the interests of local communities based on community initiatives, rights of origin and/or customary rights. human rights in the legal and political framework of the Unitary State of the Republic of Indonesia.

Everything in the form of money or goods related to the implementation of the Village's rights and obligations is considered Village Finance. Planning, determining, managing, reporting and being accountable for community finances is part of village financial management. Ministry of PDPT in Villages (2020) In terms of trade, community activities, services, development, community empowerment, security and order, rural areas are the epicenter of cooperation between villages. The aim of Village Development is to increase the happiness and welfare of the Village community as a whole.

Village financial management includes preparation, implementation, administration, reporting and accountability based on Articles 16 and 16 of Law no. 20 of 2018. Village financial management is carried out by the Village Financial Management Implementing Agency or PPKD. whose authority is delegated by the village head. Village financial management is

Umami and Nurodin (2017) In an organizational context, accountability refers to the obligation of those in positions of power to respond to legitimate requests for information about organizational performance and actions. Accountability is regular reporting and taking responsibility for the achievement or failure to achieve the goals set for an organization through established accountability channels. The Ministry of Home Affairs is responsible for regulating all levels of government and regional autonomy in the Republic of Indonesia, so that an accountable government that follows the principles of sound financial governance can function effectively.

Together, Garung and Ga (2020) Accountability of a leader, official, or executive is the obligation to ensure that their responsibilities have been fulfilled in accordance with legal requirements. Responsibilities include

Village governments must be transparent about their actions, from planning to tracking activities with budget assistance. orderly implementation to society and higher levels of government, as required by law.

Kumalasari and Riharjo (2016) Transparency in this case means that everyone in society has the same rights and access to know the budget process. This is because the budgeting process concerns the hopes and goals of society, especially meeting the needs of society as a whole. Umami & Nurodin, (2017) One of the most important parts of good governance is openness and honesty. In order for good governance to be realized, the public needs to be able to see, participate and get information about how the government works. Openness and easy access to information about government influences many other factors.

Kumalasari and Riharjo (2016) Transparency means that the government is open to providing information to people who need it about how public resources are managed. Transparency in this case means that everyone in society has the same rights and access to know the budget process. This is because the budgeting process concerns the hopes and goals of society, especially meeting the needs of society as a whole. Openness gives communities more power over how the village grows and better financial management of village money.

This research was conducted in villages in Kabila Bone sub-district, Bone Bolango Regency. It looks at how accountability and transparency affect village financial management. As for the problems that exist in the villages in Kabila Bone sub-district, Bone Bolango Regency, especially the village government in

In Kabila Bone District, Bone Bolango Regency, researchers who carried out observation activities (pre-research) found that various village assets which were sources of PADesa were not utilized optimally. Missing funds from this source were also found at the PADesa post and in several villages. From the interview results, it can be seen that various channel efforts have not made a significant contribution to increasing PADes. The PADesa government has not used all of the community's untapped resources, but it can restore the village's financial health. These include increasing the attractiveness of villages for tourists, strengthening village markets, and promoting BUMDes which are less connected to market potential in the heart of Bone Bolango Regency and Gorontalo City.

Accountability, transparency, and community participation in village financial management significantly influence development, as shown in this and other studies (Siregar, 2020). However, Sukmawati and Nurfitriani (2019) analysis of 30 VGs in Garut Regency did not find a correlation between openness and better fiscal management. The government needs to provide technical direction for human resources and provide effective assistance and supervision, as found by

Yulihantini., et al. (2016), but accountability has not been improved in this regard. In this regard, the study authors wanted to gain a deeper understanding of the issue by exploring "Influence

The difference between management functions and control functions in a company is explained by agency theory. This kind of relationship occurs when one or more people hire another person to do work for them and then give the hired person power to make decisions. Norbarani (2012) says that agency theory is based on three assumptions about human nature: 1) people are usually self-interested, 2) people have limited ability to think about the future (bounded rationality), and 3) people always try to avoid risking (avoid risk). Because of these three things, it is difficult to trust information that people create for other people. Asymmetric information means that the information provided does not match the company's real situation. Management'

The attachment or importance of accountability in APBD management can be seen that accountability is how well legal procedures are followed to form public administration decisions that must be respected by civil servants and public authorities. Accountability includes the existence of mechanisms that convince politicians and government officials of their actions in the use of public resources and behavioral performance. According to Kusumastuti (2014:2) Accountability is a form of obligation for organizers of public activities to be able to explain and answer all questions about the steps taken in determining choices and carrying out the process, as well as who is responsible for the results of their work.

Accountability is the responsibility of a person, legal entity, or organizational leader to answer or explain their actions and actions to those who have the right or ability to request information or accountability (Adisasmita, 2011). According to Halim et al. (2012), public transparency involves providing information

Regional financial management The most important element in assessing regional government performance is accountability. The results of accountability investigations into financial records are critical in assessing how well the government is performing. The magnitude of the government's success increases as regional financial management becomes increasingly accountable. (Purnama and Nadirsyah, 2016).

Accountability is a measure for the effectiveness of government operations and services. According to Wahyudi Kumorotomo (2013), accountability is a measure of the caliber of government operations or services. This means accountability must take social values into account in addition to providing transparent performance statistics. in accordance with community standards and beliefs, and whether public services can truly meet community needs (Mardiasmo 2009: 20). Public accountability is the obligation of the fiduciary (agent) to provide transparency, appear directly, and respond to questions. Based on the understanding above, it can be concluded that

accountability refers to the obligations of civil servants. to act as a person in authority and responsible for all decisions and actions. All relevant parties, especially the community, are held accountable openly in this matter. To be held accountable, one must have “higher authority” – either legal or organizational – over one’s actions in society at large or within an organization.

According to Mahmudi (2016), page 17, transparency refers to the openness of an organization in providing information to stakeholders about how to handle public resources. In addition, transparency requires that the person in charge of a public sector organization provide an explanation of the tasks that have been, are being, and will be completed, as well as the resources used. In accordance with the principles of good governance, public sector organizations must use public funds in a transparent and open manner. According to Ritonga and Syahrir (2016), transparency is more than just making information accessible to the general public; it also requires its publication at the right time.

Because it is one of the principles of good governance, transparency in regional financial management is very important to increase the effectiveness of regional government. When providing information about how public resources are managed to individuals who request it, governments demonstrate transparency (Adisasmita, 2011).

Mahmudi (2016) People are more accepting of each other now. Information and communication technology has advanced significantly and continues to be improved. Various information is now increasingly easy and affordable for the wider community to access. As a result, the more advanced civilization becomes, the more difficult it becomes to trick and defraud others. The public will be better informed if they demand transparency, even in the handling of public money. Information on public resource management activities should be shared more frequently with interested parties by central and regional authorities. The community, both collectively and individually, either directly or through NGOs, the Ombudsman, and DPR/DPRD spokespersons,

Providing transparent and correct financial information to the public on the grounds that they have the right to know is the definition of transparency according to Nurhayati (2017). government accountability for the use of resources entrusted to it and for compliance with rules and laws. The definition of transparency according to Hoesada (2019: 273) includes elements of openness and availability of information that is adequate and available to village stakeholders. Village officials usually issue notifications verbally.

Mahmudi (2016) states that transparency in regional government financial management is a public demand that must be responded to positively. With this transparency, the public will obtain actual and factual information, so that this information can be used to (1) compare the financial performance achieved with that planned (realization with budget), (2) assess whether there

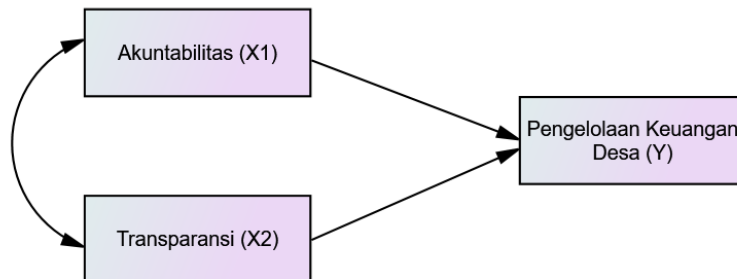
are elements of corruption and manipulation in planning and budget implementation, (3) determining the level of compliance with relevant laws and regulations, (4) knowing the rights and obligations of each party, namely between the government and the community and with other related parties.

### Research Methodology

The research locations in this research proposal are in villages in Kabila Bone District, Bone Bolango Regency. The research period is 3 months from February to April 2023

In this research, the method used is a quantitative research method. Quantitative research according to Sugiyono (2014) aims to show the relationship between one variable and another, test theories and look for generalizations that have predictive value.

**Pengaruh Akuntabilitas dan Transparansi terhadap  
Pengelolaan Keuangan Desa  
(Studi Pada Desa-Desa Di Kecamatan Kabila Bone, Kabupaten Bone Bolango)**



**Figure 1.** Research design

### Variables and Operational Definitions of Research Variables

Operational research variables according to Sugiyono (2015:38) are attributes or characteristics or values of an object or activity that has certain variations that have been determined by the researcher to be studied and then conclusions drawn. In the

Based on Junaidi et al. (2018) Population is the subject of research. So what is meant by population is individuals who have the same characteristics even though the percentage of similarity is small, or in other words all individuals who will be the object of research. Meanwhile, Sugiyono (2013:117) population is a generalization consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The

population in this study was all village officials in Kabila Bone District, totaling 103 people, the details of which are presented in the following table:

In this research, the data collection technique used is primary data. in the form of respondents' perceptions of the variables used. To obtain data from respondents in this study using a questionnaire.

The data source was obtained through distributing questionnaires which were distributed directly to respondents, where the respondents in this study were village and community officials in Kabila Bone District, Bone Bolango Regency. In a study, the population and sample are the ones that must be determined. This is because the research carried out will get the results as expected.

## **Data Types and Data Sources**

### **1. Main data**

Primary data is data obtained in standard form and still requires further management in the form of a questionnaire

### **2. Other information**

What is meant by "secondary data" is primary data that has been changed and presented in a different way, such as a table or map, either by the original data collector or by another party. Population statistics, village and sub-district socio-demographic frameworks, and village and sub-district social demography are the main sources of information for this study. This investigation is supported by first and second hand data. To collect initial data, questionnaires were sent to village officials and community leaders in Kabila Bone District, Bone Bolango Regency. Questionnaires that have been sent and converted into data are an example of secondary data, as are publications from previous research.

## **Instrument Quality Evaluation**

### **Research Tools**

The research instrument is a questionnaire which includes questions about responsibility (X1), openness (X2), and village financial management. (X3). (Y). Questions on the form are created using indications for each variable. The measuring instrument used in this research technique is the Likert scale. This gives each of the three variables a score between 1 and 5. The study tool used to measure attitudes and opinions is the Likert scale. A Likert scale is given to

respondents, and they are asked to rate how much they agree with various statements or questions in the questionnaire.

A Likert scale is a scale that compares how different two sets of data are while assigning the same weight to each set:

- a. Strongly agree = 5
- b. Agree = 4
- c. Doubtful = 3
- d. Don't agree = 2
- e. Strongly disagree = 1

Data collection was carried out using a questionnaire, therefore the seriousness of respondents in answering questions was very important in research. The validity of a social research result is largely determined by the measuring instrument used. If the measuring instrument used is invalid or unreliable, then the research results obtained will not reflect the actual situation. There are two types of testing, namely validity or validity testing (test from validity) and reliability testing (reliability test) to test the seriousness of the respondents' answers.

After the measuring instrument is built based on dimensions and indicators developed from the theoretical construction of variables, before being used in actual research, a trial is first carried out on a number of objects that have population characteristics that are almost the same as the population of this study.

### Validity test

The validity test is used to measure whether or not the questionnaire used is valid. A research questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that the questionnaire will measure (Sunyoto, 2009). To test validity, it is done by correlating each question on a variable with the total score, and using the product product moment correlation technique formula (Sunyoto, 2009), the formula is as follows:

$$r_{xy} = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{\{n\sum X^2 - (\sum X)^2\} \{n\sum Y^2 - (\sum Y)^2\}}}$$

Where :

$r_{xy}$  = correlation coefficient between items and quantities

N = number of samples (respondents)

X = total item score

Y = total item score

The results of the validity test will receive different recognition according to each item. The confession statement is valid based on a 95% confidence level or a 5% probability of error (probability). So if the validity coefficient (correlation coefficient) is produced with a probability of less than 5% ( $p < 0.05$ ), then the item is declared valid. This means that the questions have accurate and convincing validity qualifications. On the other hand, if the validity coefficient (correlation coefficient) is produced with a greater probability of 5% ( $p \geq 0.05$ ), then the instrument item is declared invalid and will be discarded or corrected in the next analysis model. This means that the question items have validity qualifications that are inaccurate and inconclusive.

### Trust test

Reliability testing is a tool for measuring a questionnaire which is an indicator of a variable or construct. Question items are said to be reliable or reliable if someone's answers to these questions are consistent (Sunyoto, 2009). This reliability test uses the Alpha Cronbach technique ( $\alpha$ ), where an instrument is said to be reliable if it has a reliability or alpha of 0.6 or more (Sunyoto, 2009) This technique uses the following formula:

$$r_{11} = \left( \frac{k}{(K - 1)} \right) \left( 1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right)$$

Information:

$r_{11}$  = instrument reliability

K = number of questions

$\sum \sigma_b^2$  = number of item variants

$\sigma_t^2$  = total difference.

The Pearson Product Moment Correlation statistical model is used together with SPSS 25 software to carry out the test method. The criteria used in this test are based on the criteria used by Sunyoto (2009) which states that the reliability of an instrument is acceptable if the Cronbach alpha coefficient is at least 0.6, which indicates the instrument can be used as a reliable and dependable data collector. . that the measurement results are generally repeatable.

Data Transformation: 3.8%

### SEM Analysis

In accordance with the aim of this research, it is to analyze and formulate the influence of accountability and transparency on village financial management, as an analytical tool (analysis tools) in this thesis is the method Structural Equation Modeling (SEM). Based on (Ghozali, 2016) Structural Equations modeling (SEM) is a combination of two separate statistical methods,

namely factor analysis (factorial analysis) which was developed in psychology and psychometrics and simultaneous equation modeling (simultaneous equation modeling) which was developed in econometrics. A group of statistical models that attempt to explain the relationship between several SEM variables is one part of statistics that can explain the relationship between the variables studied.

Importance of analytical methods More complex circuit or network models can be tested using structural equation modeling (SEM), which offers statistical efficiency (Haryono, 2016:10). A group of statistical methods called structural equation modeling allows testing some very complex series. One or more dependent variables and one or more independent variables can be used to establish these complex relationships. Factors can represent each independent and dependent (or a construct built from several indicator variables). Of course, a single variable that is observed or measured directly during the research process can represent that variable (Hariyono, 2016:17).

This method was chosen because it makes it easier to test a number of interrelated dependent relationships between measured variables and latent constructs as well as the relationship between these constructs and other constructs. It also allows for indirect measurement of constructs through indicators, analysis of indicator variables, latent variables, and measurement error. SEM can be viewed as a combination of two different multivariate techniques, namely factor analysis and regression analysis, as well as confirmatory analysis, which aims to determine whether the indicators and dimensions that make up the latent construct are accurate measures of the latent construct (Haryono, 2016:214).

The measurement equation, which describes the relationship between one latent variable and other latent variables, is known as the structural equation, is used in structural equation modeling (SEM) to analyze the relationship between indicator variables and latent variables. equality) which together involve measurement errors. Latent variables are constructs in a structural equation model that cannot be measured directly, but must be represented or determined by one or more indicator variables. The measurement equation is an SEM model that determines indicators for each construct and provides an estimate of the validity of that construct (Hair, et. al, 1995) which is referred to by (Hariyono, 2016a).

Structural Equation Modeling, is also the most common statistical modeling technique, and has been used widely in the behavioral sciences (behavioral science). SEM can be shown as a combination of factor analysis, regression analysis and analysis track. Diagram Track or trajectory diagrams are an effective means of communication to convey conceptual ideas from the SEM model. Fit test or Fit Goodness (GOF) between data and model. This compatibility testing step is

a step that contains a lot of debate and controversy. (Ghozali, 2016), GOF evaluation is carried out at several levels, namely fit of all models, measurement model fit, and structural model fit. GOF measures and match acceptance rates were compiled from several authors as follows:

1. The smaller the Chi-Square statistic ( $\chi^2$ ), the better ( $p > 0.05$ ), meaning the model is getting better. This tool is the most basic test tool for measuring overall fit, so the use of Chi-Square ( $\chi^2$ ) is only appropriate if the sample size is 100 to 200.
2. RMSEA (The Root Mean Square Error of Approximation). Is an index that can be used to compensate for the Chi-Square statistic ( $\chi^2$ ), the smaller the value the better ( $\leq 0.08$ ) is the acceptance index, the model shows a close fit to the model based on degrees of freedom.
3. GFI (Goodness of Fit Index), which is a non-statistical measure whose value ranges from 0 (poor fit) to 1.0 (perfect fit). There is no standard GFI value that can be accepted as a fair value, but many researchers recommend a value above 90% as a measure of good fit.
4. AGFI (Adjusted Goodness of Fit), is analogous to the coefficient of determination ( $R^2$ ) in the available analysis. The index can be adjusted to the available degrees of freedom to test the acceptability of the model. The recommended acceptance level is when  $AGFI \geq 0.90$ .
5. CMIN/DF (The Minimum Sample Discrepancy Function), is generally reported by researchers as an indicator to measure the level of suitability of a model. CMIN/DF is nothing but the  $\chi^2$  statistic divided by df so it is called relative  $\chi^2$ . A relative  $\chi^2$  value  $\leq 2.0$  or even  $\leq 3.0$  is an index of the fit of the model to the data.
6. TLI (Tucker-Lewis Index), is a measure that combines goodness-of-fit measures into a comparative index between the proposed model and the null model. TLI values range from 0 to 1.0. The recommended value is the same or  $> 0.90$ .
7. CFI (Comparative Fit Index), is a measure of comparison between the proposed model and the null model. The CFI value will vary from 0 (not a good fit at all) to 1.0 (a very good fit). There is no absolute value that can be used as a standard, but it is generally recommended to be equal to or  $> 0.90$ .

To determine that a model in structural equations can be stated as a good model accepted, then a criterion measurement test or what is usually called is needed Goodness of Fit Test can be seen in Table 1 below:

**Table 1:** Goodness of Fit Test Index

Goodness of Fit Index	Cutoff Value
<b>X2 – Square Chi</b>	Small value is expected
<i>Probability of Significance</i>	≥ 0.05
<i>RMSEA</i>	≤ 0.08
<i>GFI</i>	≥ 0.90
<i>AGFI</i>	≥ 0.90
<i>CMIN/DF</i>	≤ 2.00
<i>TLI</i>	≥ 0.90
<i>CFI</i>	≥ 0.90

Source: (Ghozali, 2016)

### Hypothesis Testing

#### First Hypothesis

Accountability influences village financial management

Ho:  $\beta_1 = \beta_2 = 0$ : There is no influence of Accountability (X1) on Village Financial Management (Y)

Ho:  $\beta_1 \neq \beta_2 \neq 0$ : There is an influence of Accountability (X1) on Village Financial Management (Y)

#### Second Hypothesis

Transparency influences village financial management

Ho:  $\beta_1 = \beta_2 = 0$ : There is no influence of Transparency (X2) on Village Financial Management (Y)

Ho :  $\beta_1 \neq \beta_2 \neq 0$  : There is an influence of Transparency (X2) on Village Financial Management (Y)

#### Third Hypothesis

Accountability and transparency influence village financial management

Ho:  $\beta_1 = \beta_2 = 0$ : There is no influence of Accountability (X1) Transparency (X2) Village Financial Management (Y)

Ho:  $\beta_1 \neq \beta_2 \neq 0$ : There is an influence of Accountability (X1) and Transparency (X2) on Village Financial Management (Y)

Next, to prove the hypothesis, it is proven by the t test. The t-test basically shows how far the influence of one independent variable individually explains the dependent variable.

1. Formulate a Hypothesis

Ho:  $\beta_1 \leq 0$  (X has no effect on Y)

Ha:  $\beta_1 > 0$  (X has a significant effect on Y)

2. Determining the Real Level ( $\alpha$ )

Hypothesis analysis is used as a tool to determine whether there is an influence independent variable to the dependent variable, using a significant level ( $\alpha$ ) = 5% Distribution r with degrees of freedom ( $df = n - k - 1$ )

Where:

$\alpha$  = real level

n = number of respondents

k = number of research variables

3. Looking for t-count

The t-test aims to see the effect of the independent variable on the dependent variable. To calculate the t-count value, use the formula:

$$T_{\text{count}} = \frac{b_i - (\beta_i)}{Se(b_i)}$$

Where:

$b_i$  = i-variable coefficient

$\beta_i$  = the hypothesized first parameter

$Se_{(two)}$  = standard error  $b_i$

4. Test Criteria

a) If the significance level of t is  $> 0.05$  or t is  $< t$  table, then  $H_0$  is accepted.

b) If the significance level of t is  $< 0.05$  or t is  $> t$  table, then  $H_0$  is rejected.

## Results and Discussion

### Partial Hypothesis Testing

Next, research hypothesis testing will be carried out. Testing was carried out on 1 proposed hypothesis. Hypothesis testing is carried out using the t value with a significance level of 0.05. The t value in the AMOS 24 program is the Critical Ratio (CR) value in Regression Weights:

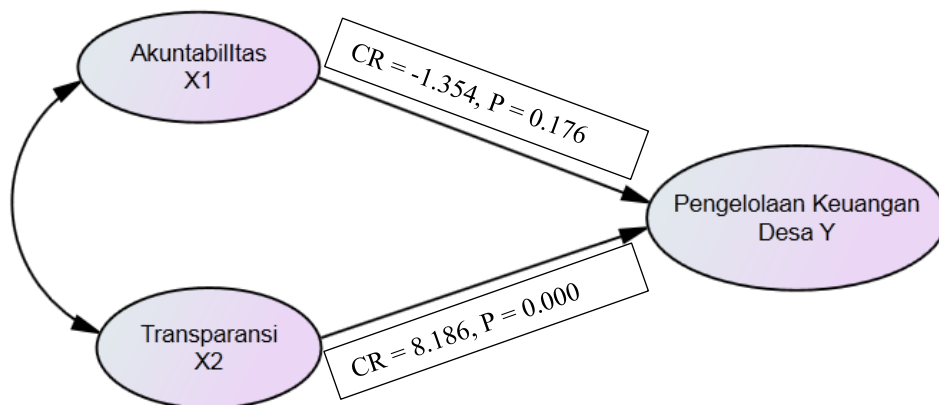
(Group number 1 - Default model) from the fit model (Full Model\_4). If the Critical Ratio (CR)  $\geq 1.660$  or probability value (P)  $\leq 0.05$  then H0 is rejected (research hypothesis is accepted). Regression Weights values: (Group number 1 – Default model) results of AMOS 24 processing of Full Model\_2 are shown in Table 2 below:

**Table 2:** Regression Weight: (Group number 1 - Default model)

	Variable	Estimation	S.E	CR	P	Label
PKD Y	<--- AKT X1					par_1
PKD Y	<--- TPRX2					par_2

Data source: attachment 4

Table 2 above is used as the main reference for hypothesis testing in this research. The testing criteria are to reject H0 if the t-value or Critical Ratio (CR)  $\geq 1.660$  or p-value  $\leq 0.05$ . Based on Table 2 above, a calculated t coefficient diagram can be made from the results of the full model\_2 analysis as in the image below:



**Figure 2.** Coefficient tcount Complete Model\_2

The results of testing all hypotheses proposed in this research are as follows:

1. Hypothesis Testing 1 (Accountability of Village Financial Management)

Based on Table 2 and Figure 2 show a t or CR value of 3.118  $> 1.660$  or a P value of 0.002  $< 0.05$ , so accept H1, so it can be concluded that accountability has a positive and insignificant effect on village financial management in Kabila Bone, Bolango District, Bone Regency. This shows that it is better accountability carried out by the village government the

better the quality of village financial management. This supports hypothesis 1 in this study so that hypothesis 1 is rejected.

## 2. Testing Hypothesis 2 (Transparency in Village Financial Management)

Based on Table 2 and Figure 2 show a t or CR value of  $3.118 > 1.660$  or a P value of  $0.002 < 0.05$ , so accept H1, so it can be concluded that transparency has a positive and significant effect on village financial management in Kabila Bone District, Bone Regency, Bolango. This shows that when village government transparency in financial governance, the better the quality of village financial management. This supports hypothesis 2 in this study so that hypothesis 2 is accepted.

The discussion of the research findings was carried out using an approach to the real conditions or situations of respondents in general in the field and a comparative study approach to several theories and scientific journals published specifically related to the research variables as follows:

### **The Influence of Accountability on Village Financial Management in Kabila Village, Bone District, Bone Bolango Regency**

The results of the t test show that accountability has a positive and insignificant effect on village financial management in villages in Kabila Bone District, Bone Bolango Regency. This positive influence shows that if the village government is accountable there will be an increase in good and quality village financial management. Accountability is one of the most important elements for creating a clean and good government system. Accountability will certainly encourage the performance of government agencies to work optimally in carrying out government programs and in making public policies, because government agencies must be accountable for the results of their performance to the public, so that public sector financial governance can run well.

Based on empirical facts through distributing questionnaires in villages in Kabila Bone District, Bone Bolango Regency, it is proven that the accountability variable has a score of 4.19 units, which is in the good or high category. This shows that village officials have clear accountability for village funds allocated by the regional government of Bone Bolango Regency for village development and community empowerment. This clear accountability will increase the credibility of village officials in managing village funds so that their performance will also increase and of course will have a positive impact on achieving the village vision and mission as outlined in the RPJMD.

Accountability is a form of obligation for organizers of public activities to be able to explain and answer everything regarding the steps of all decisions and processes carried out, as well as accountability and information (Mahmudi (2015: 9). Accountability is very important, because it will improve financial management that public bureaucracy is said to be accountable if it is assessed objectively by society and can be held accountable for all its actions, attitudes and actions to the party from which its power and authority originates. The aim of accountability comes from outside which encourages them to work hard so that the organization's goals can be achieved.

These results are in accordance with Ultafiah (2017) statement that partial and simultaneous accountability have a significant effect on village fund management. This confirms that implementing accountability in village fund management by village officials will improve village financial management. Regional autonomy at the village level requires control from the government above it, such as the district/city government, provincial government, and central government over the funding sources obtained by the village and the management of these funds. Therefore, there needs to be transparency and accountability of the village government in the process of managing village funds to minimize the occurrence of fraud committed by the village government.

Accountability is one of the principles of regional financial management which means responsibility, both by the people and elected bodies, for their choices and actions. The concept of justice means that people are treated equally under the law, and have the same level of political participation in their government. Accountability for financial management is the obligation of the Regional Government to provide accountability, present, report and disclose all activities and activities related to the receipt and use of public money to parties who have the right and authority to ask for this accountability (Halim and Iqbal, 2012: 29).

Accountability for village fund management will maximize the management of village fund allocation by village officials. Overall, the results of this research are in line with Sabarno (2007:86) statement that accountability in regional government administration is defined as the obligation of regional governments to be responsible for the administration and administration of regional government. within the framework of regional autonomy to achieve predetermined goals through measurable accountability media. both in terms of quality and quantity. Regional governments as government actors must be responsible for what they have done to the community in the context of implementing the duties, authority and obligations of regional governments, including governments at the village level.

## **The Influence of Transparency on Village Financial Management in Kabila Bone District, Bone Bolango Regency**

The results of the t test show that transparency has a positive and significant effect on village financial management in Kabila Bone District, Bone Bolango Regency. This positive influence shows that the more transparent the village government is, the better the quality of village financial management will be. Transparency in regional financial management is an important factor for improving regional government performance, because it is one of the principles of good governance. Transparency is the government's openness in providing information related to public resource management activities to parties who need the information.

Based on empirical facts through distributing questionnaires in villages in Kabila Bone District, Bone Bolango Regency, it is proven that the transparency variable has a score of 4.11 units, which is in the good or high category. This shows that the village government in Kabila Bone District, Bone Bolango Regency tends to be open in conveying useful public information in terms of development and empowerment of village communities so that it will make village programs more developed and in line with expectations. Information disclosure carried out by public agencies or organizations is important to provide control for the public agency or organization so that the series of activities carried out can be in accordance with administrative, financial and technical performance achievements in achieving the expected goals.

Open government (transparency) in making regional financial policies, so that they can be known and monitored by the DPRD and the public. Transparency in regional financial management will ultimately create accountability between regional governments and their communities so as to create regional governments that are clean, effective, efficient, accountable and responsive to the aspirations and interests of the community. In this case the government will be assessed as having good performance related to its functions (Sumarno, 2013: 22).

These results are in accordance with the opinion of Umami and Nurodin (2017) Transparency is one of the fundamental aspects for the realization of good governance. An organization that deals with the public or society requires open information that can be accessed by the public as a form of public supervision of the organization concerned. In the context of press freedom and efforts to create an information society that has the right to monitor the running of the government, so that the public has the right to know openly and thoroughly about the government's responsibilities in managing the resources it trusts and compliance with laws and regulations.

## **The Influence of Accountability and Transparency on Village Financial Management in Kabila Bone District, Bone Bolango Regency**

The findings of the R Square test and the results of the F test show that accountability and transparency have a significant effect on village financial management in Kabila Bone District, Bone Bolango Regency. These results show that village financial management will get better so that it can be optimized with good accountability and transparency in village financial governance.

Based on empirical facts through distributing questionnaires in villages in Kabila Bone District, Bone Bolango Regency, it is proven that the village financial management variable is in the good/high criteria with a score of 4.15 units. This shows that village officials have been able to optimize work results related to their responsibilities and mandate as village financial managers in Kabila Bone District. With this optimal performance, development planning and community empowerment will be in accordance with the achievement indicators in the RPJMD that have been determined. So this shows that village officials have a level of achievement that is in accordance with the work targets that have been set. The existence of good work results will of course have an impact on improving the quality of village development which includes community empowerment and the construction of economic accessibility facilities and infrastructure to support the high economy of local village communities. Good management will provide rewards for the village government, one of which is community trust and achievements that all parties within the village level government will be proud of.

This result is in line with agency theory where Pertiwi (2015) says that information asymmetry is a situation where managers have access to information about the company's prospects that is not owned by outside parties. The agent is assumed to receive satisfaction in the form of financial compensation and conditions that accompany the relationship. This theory tries to describe the main factors that must be considered in designing incentive contracts (Warsidi and Pramuka, 2017). Agency theory is a theory that explains the relationship between agents and principals where local governments as agents must provide accountable and transparent accountability to all parties, including the community as principals in financial governance and regional government financial administration.

### **Conclusion**

This research aims to examine the influence of accountability and transparency on village financial management. This research was conducted in all villages in Kabila Bone District, Bone Bolango Regency. The sampling technique uses purposive sampling. The sample criteria used in

this research are village officials involved in managing village finances based on Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management. Data analysis used in this research uses the Structural Equation Model (SEM) method.

Based on the results of research and discussion, it can be concluded that:

1. Accountability has a positive and insignificant effect on village financial management in Kabila Bone District, Bone Bolango Regency. This positive influence shows that if the village government is accountable there will be an increase in good and quality village financial management.
2. Transparency has a positive and significant effect on village financial management in Kabila Bone District, Bone Bolango Regency. This positive influence shows that the more transparent the village government is, the better the quality of village financial management will be.
3. Accountability and transparency have a significant influence on village financial management in Kabila Bone District, Bone Bolango Regency. These results show that village financial management will be better so that it can be optimized with good accountability and transparency in village financial governance.

### **Suggestion**

Based on the conclusions explained above, the researcher proposes the following suggestions:

1. It is recommended that village officials make clear and complete accountability reports so that they are able to explain in detail the sources and use of village funds used. The steps that need to be taken are to follow the format provided by the regional government and coordinate intensively with village assistants and agencies related to this responsibility.
2. The importance of community participation in the village financial management process so that the village government is more transparent in managing village finances. So the management of village funds needs to be followed up and given direction because there are many findings in the management of village funds that are technically good but in the administrative aspect they are not yet appropriate, so more consideration is needed in increasing the capacity of human resources as an effort to increase the competence and commitment of village officials in managing village finances.
3. For future researchers, this research should be developed by adding other variables that theoretically have an impact on village financial management. Then by developing a research questionnaire with a Guttman scale so that respondents' answers are more objective and by changing the data using secondary data.

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