



**DOES THE VILLAGE FUND MANAGEMENT HAS BEEN ACCOUNTABLE?  
(EMPIRICAL STUDY OF VILLAGE FUND MANAGEMENT IN WONOGIRI  
REGENCY, INDONESIA)**

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**Elwas Tanty Pranowo<sup>1✉</sup>, Mahameru Rosy Rochmatullah<sup>2</sup>**

<sup>1,2</sup>Universitas Muhammadiyah Surakarta, Indonesia

✉ elwas68@gmail.co.id

***Abstract***

*Village fund management accountability is a form of a village government obligation to account for the performance of village financial management. The amount of village funds that are not small will lead to various frauds so that village supervision and accountability are needed for the community as trustees. So this research aims to examine leadership, village apparatus competence, community participation, and organizational commitment. The research population of all villages in Wonogiri Regency obtained a sample of 207 people, there is one data that is out of order due to heteroscedasticity problems. The results showed that leadership, competence, and organizational commitment had a positive and significant effect on village fund management accountability, while community participation had no effect on village fund management accountability.*

**Keywords:** *Village Fund Management Accountability, Leadership, Competence, Organizational Commitment, Community Participation.*

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## INTRODUCTION

The increase in the village fund budget every year has had a positive impact on developments in the village. However, this increase has triggered several problems, including delays in the distribution of village funds, village development that is not according to planning, and misuse of village funds (Indonesia Corruption Watch/ICW, 2019). Even more concerning, policymakers at the regional level do not yet understand the procedures and procedures for managing village funds (Hartono, 2018). Based on this problem, this study aims to explore more deeply about the village fund management accountability at the village-level government.

Accountability is a form of organizational obligation to explain and account for performance to all stakeholders (Fajri, 2017). Village financial management accountability is influenced by several factors including leadership quality, capability and capacity of village-level officials, organizational commitment and culture, and community involvement. Fajri and Setiowati (2015) argue that village heads have an important role as distributors of state hands who are close to the community and as village community leaders. Meanwhile, other research confirms that leadership can be said to be good if the village head always strives to achieve common goals by embracing the community and village officials to jointly realize the goals of

village funds (Kadek and Gayatri, 2021, Thing. 3273-3287).

Cahyani, Khoiri, and Setianingsih, (2019) argue competence The village apparatus has a role in influencing the village financial management accountability in the form of accountability for the village apparatus to manage and provide the best possible service to the community. This is confirmed by the statement "the higher the competence possessed by village officials, the higher the accountability of village fund management"(Purdiyanto, 2020).

Organizational commitment is closely related to accountability, a good organizational commitment to the public is illustrated to provide benefits to the accountability system. The community itself gives trusts and trusts the government to manage village funds. Accountability for managing village funds will be realized with the commitment of a good village government organization (Putri, 2020).

Community participation is defined as a form of community involvement in individuals or social groups who have a role in village development from the planning process to implementation (Arta & Rasmini, 2019). It is confirmed that the community as the principal automatically monitors and assesses government activities. Community participation can be in the form of monitoring activities carried out by the government in managing or using by an implementation of

the interests of the community (Periansyah, 2020). This study will explore the accountability of village fund management by studying the four factors above in Wonogiri district, Indonesia.

Studies on the issue of village funds in Indonesia have often been carried out, but many studies have only explored the four factors mentioned above in the period before the Covid-19 pandemic (Fajri and Setiowati, 2015; Santoso, 2016; Mahayani, 2017; Setyowati, Kaukab and Romandhon, 2020; Savitri, Andreas, Diyanto, and Gumanti, 2020). Therefore, the findings obtained from these studies cannot be generalized during and after the Covid-19 pandemic.

Implicitly, village funds are funds that come from the State Revenue and Expenditure Budget (APBN) it is prioritized to fund the implementation of village development, community empowerment, and coaching society. The Legal Basis for Village Regulations and Village Funds is regulated in Law. The objectives of the Village Fund according to Law number 6 of 2014 concerning villages are: improving public service in the village, eradicating poverty, promoting the rural economy, addressing the development gap between villages, and strengthening rural as subjects develop.

In managing village funds, it is based on the principles of being transparent, accountable, participatory, orderly, and disciplined, this is

in accordance with the Ministry of Home Affairs 113 of 2014. Accountability is a broader concept than stewardship, where stewardship proposes a management process for activities carried out economically and efficiently without being accompanied by obligations. to report, while Accountability proposes accountability from the Steward to the mandate giver (Mardiasmo (2009:20).

## **THEORETICAL BACKGROUND**

Accountability here is the process of providing information from the center to the community regarding the village fund management process, this is where managers are given the trust to manage and be responsible for the outputs produced from the process, the results are influenced by the level of agent competence. Village fund accountability can be influenced by several factors including leadership, competence, organizational commitment, and community participation.

According to Yukl (2010:85) In carrying out village government activities, the village head is assisted by other village officials. Leadership is a process of influencing other people or certain parties to achieve common goals (Sudarmo and Sudita, 2013: 35-36). According to agency theory, the village government acts as an agent who carries out the trust of the principals, namely the community (Fajri, Setiowati, 2015).

The village head has an important role as a distributor of state hands close to the community and as a village community leader. Study Setyowati, Kaukab, and Romandhon (2020) and Savitri, Andreas, (2020). This is also supported by Dewi and Gayatri (2019) who stated that the leadership of the village head had a positive effect on the accountability of village fund management. Thus, the hypothesis (H<sub>1</sub>) formulated in this study is "leadership has a positive effect on village fund management accountability competence influence on village fund management accountability".

The next factor is competence which is a combination resulting from motives, the nature of aspects of a person's self-image, social roles, or something parts of the relevant knowledge (Amaliyah and Witiatuti, 2015). Competence is the skill, knowledge, and ability to do a job. Competence explains how a person produces a satisfactory level in the workplace by carrying out duties and responsibilities effectively and increasing agreed benefits (Chyani, Khoiri, and Setianingsih, 2019). In agency theory, the position of village apparatus competence as an agent for the community in managing village funds must have the skills, knowledge, and ability to do the jobs and be responsible for all activities carried out by the community as the principal.

Accountability in this case is in the form of accountability for village officials to manage

and provide the best possible service to the community (Chyani, Khoiri, and Setianingsih, 2019). Research conducted by Purba, Kurniawati, and Jamin (2020), and Setyowati, Kaukab, and Romandhon (2020) succeeded in proving that the competence of village officials affected the accountability of village financial management. This study has different results from research by Diarespati (2017) who explained that the competence of village officials does not affect the accountability of village funds. Hypothesis (H<sub>2</sub>) formulated in this study is "competence has a positive effect on village fund management accountability".

Organizational commitment is a psychological state that characterizes the relationship between employees and the organization or its implications in influencing employees to remain in the organization or not (Zurnali, 2010: 127). Organizational commitment to employees as a form of their loyalty to their involvement in the organization, in village government organizational commitment, is a situation where the village government has a goal to be achieved to maintain membership and the organization to carry out village activities in accordance with existing regulations.

Good organizational commitment to the public is illustrated to provide benefits to the accountability system for how the organization's goals are realized. The community itself gives trust and trust the

government to manage village funds. Accountability for managing village funds will be realized with the commitment of a good village government organization (Putri, 2020). Research conducted by Putri and Yadiati (2020) and Purba, Kurniawati, and Jamin (2020) that proves organizational commitment is proven to have an influence on the accountability of village financial management, and government organizations provide maximum service to the community. Study Savitri Andreas et al., (2020), Setyowati, Kaukan, and Ramadan (2020,) and Purba, Kurniawan, and Jamin (2020) succeeded in proving that organizational commitment has a positive effect on the management of village funds. Hypothesis (H3) formulated in this study is "organizational commitment has a positive effect on village fund management accountability".

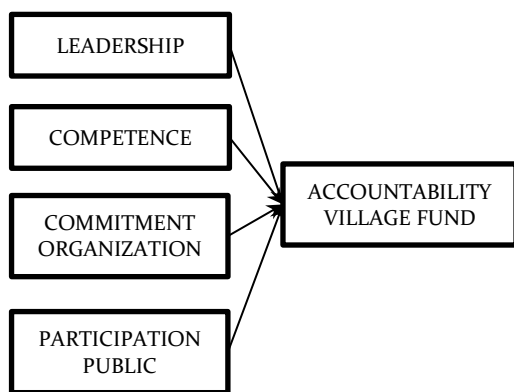
Community participation in identifying problems and potential that exist in the community for decision-making to deal with problems and overcome problems to evaluate the changes that occur (Isbandi, 2013: 81). Community participation is the involvement of the community from all stages of the existing development process in assessing from analyzing the situation, planning, implementing and managing to monitor and evaluating to determine the distribution of development benefits carried out for the equality process.

The agency theory in the accountability of village fund management in the form of principals or the people gives a mandate to the village government or agent to manage village fund finances. This theory makes it easier for the community to monitor the performance and process of managing existing village funds (Halim and Abdullah, 2006). This participation can be in the form of monitoring activities in management or using the budget in accordance with the interests of the community. Study Purba, Kurniawati and Jamin (2020), Aulia (2018), Setyowati, Kaukab and Romandhon (2020), Budianto, Styaningrum, and Sari (2020). The hypothesis (H4) formulated in this study is "community participation has a positive effect on village fund management accountability".

Research related to the management of village fund accountability that is used as a reference for conducting similar research is research conducted by Darsono, Saputra, and Abdullah 2021 entitled "The effect of village fund management accountability in Aceh Singkil district, Indonesia". Then the researchers added research variables in the form of leadership and organizational commitment in order to find out how the role of leadership and organizational commitment in realizing accountability in managing village funds, especially during the Covid-19 pandemic.

This study will specifically explore several factors that affect the accountability of village management funds during the Covid-19

pandemic. Some of these factors include leadership, village competence, organizational commitment, and community participation. The conceptual framework of this study can be illustrated in Figure 1.



**Figure 1.** Conceptual Framework

## RESEARCH METHOD

This study uses quantile research methods. This study uses primary data sources, where the data was obtained by distributing questionnaires to village fund managers in Wonogiri Regency. The objects used by the village apparatus consist of the village head, village secretary (head of finance and head of planning), and treasurer spread over 251 villages in Wonogiri Regency. Some of the data that researchers use refers to research (Sudarmo and Sudita, 2013; Purba, 2020; Darosono, Saputra, and Abdullah, 2021) namely leadership, competence, organizational commitment, and community participation.

The population in this study is village officials in Wonogiri Regency, Central Java, Indonesia.

The sampling technique used in this study is using a convenience sample technique by collecting information from members of the population who agree to provide the information (Sekaran, 2006). From a total population of 251 villages, a sample of 78 villages was obtained for research.

**Table 1.** Result Respondent

Information	Amount
Distributed Questionnaire	234
Questionnaire Back	216
Rate of Return	90%
The questionnaire that Meets the Criteria	206

## Data Analysis Technique

The research data were processed using SPSS 26 software. The study used multiple linear regression tests, to analyze the relationship between the dependent variable and one or more independent variables (Ghozali, 2016: 192). This analysis uses the following model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

- Y : Village fund management accountability
- $\alpha$  : Constant
- $X_1$  : Leadership
- $X_2$  : Competence
- $X_3$  : Organizational Commitment
- $X_4$  : Society Participation
- $\beta_{1,2,3,4}$  : Variable Coefficient

$\varepsilon$  : Error disturbance or prediction error rate

**Table 2.** Variable Operational Definition

No	Variable	Operational definition	Indicator
1	X <sub>1</sub> Leadership	Leadership is an ability that exists within a person to be able to influence others or guide certain parties to achieve goals (Sudarmo and Sudita, 2013: 35-36).	Sudarmo and Sudita (2013): a. How to communicate b. Giving motivation c. Leadership ability d. Decision-making
2	X <sub>2</sub> Competence	Competence is an ability to do or carry out a job task, which is based on the skills, knowledge, and work attitude support required in the job (Wibowo, 2016: 271).	Ancient (2020): a. Knowledge b. Skills c. Attitude
3	X <sub>3</sub> Organizational Commitment	Organizational commitment is a psychological state that characterizes the relationship between employees and the organization or its implications that affect whether employees will remain in the organization or not (Zurnali, 2010: 127).	Ancient (2020): a. Effective b. Sustainable c. normative
4	X <sub>4</sub> Society Participation	A community involvement in all development processes within a community group, resulting from the process of analyzing the situation, planning, implementing and managing, monitoring and evaluating to the stage of determining the distribution of benefits from the development carried out in order to obtain equality (Suryana, 2010).	Ancient (2020): a. Decision-making b. Budgeting c. Budget execution
5	Y Village Fund Management Accountability	The ability of the village government to carry out accountability for village fund management activities carried out with regard to village government development (Sumpeno, 2011; 25).	Ancient (2020): a. Honesty and Law b. Process

## RESULTS AND DISCUSSION

### Classical Assumption

**Table 3.** Result Classical Assumption Test

No	Variable Name	Sig.	VIF
1	Leadership (X <sub>1</sub> )	0,263	1,451
2	Competence (X <sub>2</sub> )	0,208	1,499
3	Organizational Commitment (X <sub>3</sub> )	0,306	1,267

4 Community Participation (X<sub>4</sub>) 0,204 1,225  
5 Test Statistics = 0,056; Lower Bound = 0,496

The normality test can be seen from the results of the statistical test, from the test it is known that the statistical test value is 0.056. This means that it is smaller than the Monte Carlo value with a sig of 0.509 and a lower

bound of 0.496. It can conclude that the data in this study are normally distributed so that the assumptions or statements in the regression model are met. In addition, the sample can be used because it represents the population.

By looking at the significant test value of each independent variable, if it is more than 0.05, then there is no heteroscedasticity. From the

test results, it is known that the significant value is higher than 0.05. So that each independent variable used does not contain any element of heteroscedasticity. From the table shows that each variable has a VIF value less than 10 and a tolerance value greater than 0.10, it can be concluded that there's no multicollinearity problem in the regression model so it meets the regression analysis.

**Table 4.** Result F Uji Test and Hypothesis Testing

No	Variable Name	Regression Coefficient ( $\beta$ )	T-Test	Significance (Provisions)	Conclusion
1	Leadership ( $X_1$ )	0,070	3,467	0,001	Has Effect
2	Competence ( $X_2$ )	0,319	5,576	0,000	Has Effect
3	Organizational Commitment ( $X_3$ )	0,095	2,038	0,043	Has Effect
4	Community Participation ( $X_4$ )	0,007	1,179	0,858	Not Effect
5	F value = 28,946; Sig. F = 0,000				
6	R = 0,605; R Square = 0,365; Adj.R Square = 0,353				

From this test, it can be seen whether the formulation of the model is correct. The results show a sig value of 0.000 at a significant level of 0.05. So it can be concluded that this model test is feasible to be used in research. The result of the determination value test is 0.353. So that 35.3% of the variables of leadership, competence, organizational commitment, and community participation can predict the accountability of village fund management. While the remaining 64.7% is influenced by other variables outside the study.

The T-test is used to answer the hypothesis in the form of whether there is an influence of

the independent variable on the dependent variable. This is the data seen by Dario, the significance value is less than 0.05, so these variables can affect the dependent variable or the hypothesis is accepted. The results of the hypothesis test show that leadership ( $X_1$ ) has a positive effect on the accountability of village fund management because the value of sig is  $0.001 < 0.05$  and the coefficient is positive 0.070. The test results show that competence has a positive effect on the accountability of village fund management because the sig value is  $0.000 < 0.05$  and the coefficient is positive 0.319. The test results show that organizational commitment has a positive effect on village fund management



accountability because the sig value is 0.043 <0.05 and the coefficient is positive 0.095.

The test results show that leadership has a positive effect on the accountability of village fund management. The village head has an important role as a channel for the hand of the state given the mandate by the community to plan, organize, organize, and determine the direction and goals of the organization so that it is expected to increase the work motivation of village officials and bring the village government to achieve village fund management accountability (Dewi, 2019). These results are in line with research conducted by Hulu and Rohim (2022), Savitri et al (2020), and Putri and Yadiati (2020) which state that leadership has a positive effect on village fund management accountability.

The test results show competence has a positive effect on the accountability of village fund management. This is because the competence of agents will affect the results of their performance. Competence is needed by all staff to carry out their duties, responsibilities, and all actions taken in managing village funds. By using expertise, skills, knowledge, and behavior to encourage village development and the achievement of accountable village fund management. The results of this study are in line with research conducted by Darsono, Saputra, and Abdullah (2021), Purba, Kurniawati, and Jamin (2020), and Hulu and Rohim (2022) which state that

competence affects village fund accountability. The better the competencies possessed will increase the accountability of village fund management.

The results showed that organizational commitment had a positive effect on the accountability of village fund management. This is because accountability can be realized if there is a commitment between the leadership and all relevant staff, to ensure the consistency of resources and applicable regulations. The results of this study are in line with research conducted by Purba, Kurniawati, and Jamin (2020), and Savitri et al (2020) that organizational commitment has a positive effect on accountability for village fund management. The more competent the device in managing village funds, the more transparent, accountable, and accountable implementation of village fund management will be.

The results showed that community participation did not affect the accountability of village fund management. This result rejects the theory of stewardship, where the village government acts as an agent given the mandate by the community to carry out its activities. This is in line with research conducted by Darsono, Saputra, and Abdullah (2021), Ayem and Fitriyaningsih (2022), Baiq and Thatok (2020) that community participation does not affect the accountability of village fund management. Therefore, the higher community

participation in the implementation of village fund financial management does not affect the achievement of village fund management accountability.

## CONCLUSION

This study tries to explore the Accountability of Village Fund Management by taking the object of village research in Wonogiri Regency. Quantitative research method, where the data source used is primary data obtained by distributing questionnaires to village fund managers. In the end, the researcher concluded that leadership, device competence, and organizational commitment had a significant positive effect on the accountability of village fund management, while community participation had no effect on the accountability of village fund management.

From these results, it can be concluded that an important factor in influencing the accountability of village fund management is leadership because the leadership of the village head has an important role as a distributor of the state's hands who are close to the community, the village head will strive to achieve common goals by embracing village officials and the community (Yukl, 2016). In carrying out village government activities, the village head is assisted by other village officials. By using skills, knowledge, and abilities to do a job. In addition, the commitment of the village government will help the goals to be achieved to maintain

membership and organizations to carry out village activities in accordance with existing regulations.

However, it is necessary to conduct special training and competencies for village officials, especially to improve services to the community and to minimize unwanted actions. For this reason, village leaders and officials who are competent and have a strong commitment, and accountability for managing village funds can be easily realized. For further research, you can add research objects from several religions, and you can add other variables such as the role of supervisor.

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