

Analysis of Transparency and Accountability of Village Funds' Financial Management: a case study in Banyumas

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Abstract. The purpose of this study was to identify the transparency and accountability of village funds' financial management. This research was conducted by exploring the implementation of Law No. 6/2014 from the perspective of village officials in Banyumas Regency. This research approach is qualitative with a case study method. Data collection was carried out using participatory observation approaches, in-depth interviews, documentation of evidence, and focus group discussions. The research was conducted on village officials in 20 villages from 4 districts in Banyumas. The results showed that transparent and accountable village financial reporting by the village head and village officials by Law No.6 of 2014 concerning villages, was still low. About budget accountability, there are still many villages that have not drafted village regulations related to village financial management policies. The results of interviews with village secretaries showed that only six villages admitted that they had not compiled it, but based on the results of the documentation analysis carried out there were ten villages that had not compiled it. Thus, as many as fifty percent of the total study villages had not yet compiled village regulations related to village financial management. This shows that the village financial rules, in the village income and expenditure budget, have not yet made village regulations as a basis for carrying out an activity when getting funds. Other findings are that reports of village property, village regulations on village financial management, treasury accountability reports, tax books, village bank books, are not available. This indicates that the budget use recording system and procedures are not integrated with the financial records that should be owned and used in the village government. The obstacle faced is the lack of availability of human resources who understand the governance and accounting information system of village funds

Keywords: village funds, Law No. 6 of 2014, financial reporting, accountability, transparency

1. Introduction

The issuance of Law No. 6 of 2014 on villages is good news for village officials throughout Indonesia. The welfare of the village head and its officials will be prosperous. The village head will receive regular income. Also, the budget for funds flowing to the village is expected to be able to improve the welfare of the village community. However, as a consequence of the issuance of Law No.6 of 2014, the village head must report and account for the use of village budget funds to the Supreme Audit Agency. This happens because the funds that flow to the village are taken from the state budget. In Indonesia, there are currently 74,957 villages and 8,490 sub-districts. Meanwhile, every year the village funds distributed continue to increase. In 2019 it will reach Rp. 70 trillion and

increase in 2020 to Rp. 72 trillion. At least, each village received funds of Rp. 960 million (Ikmal, 2020).

Specifically, the source of village budget funds is stated in Article 72 of Law No.6 of 2014 which states, "The village budget is set at a minimum of 10% of the regional transfer funds in the state revenue and expenditure budget". The consequence of the use of village funds sourced from the state revenue and expenditure budget has resulted in the accountability of village heads, as can be referred to in article 72 of Law No.6 of 2014 referring to Law No.17 of 2003 concerning state finances, Law No.15 of 2004 concerning management audit and state financial responsibility, as well as Law No.15 of 2006 concerning financial audit agencies where village budget funds are part of state finances, so their use must be audited by a financial audit agency. Meanwhile, government regulation No 72 of 2005 concerning villages states that the village head is obliged to make a report on government administration.

The village head as the manager of village funds must be ready to provide reports and accountability to the state and also be ready to conduct an audit by the financial audit agency. As we know that so far village funds have never been audited by the supreme audit agency, this is because village funds do not directly use state revenue and expenditure budget funds, so there is a concern that village heads do not have the capacity and ability to face the supreme audit agency. A budget of Rp 1.4 billion per village per year as mandated by Law No.6 of 2014 has raised concerns among village officials about the effectiveness and transparency of its use. Large amounts of money will not be on target and will even be in vain without optimal preparedness from the village. The fear of being caught in the law with an audit by the supreme audit agency will prevent village heads from submitting village budgets for fear of becoming corruption suspects due to errors in reporting.

The phenomenon of corruption in village funds has been suspected and worried about by the supreme audit agency and the corruption eradication commission. Findings from the Indonesian Corruption Watch show that corruption in village funds in 2019 has cost the state IDR 32.3 billion of the 271 cases. To minimize and prevent budget misuse, the village ministry needs to provide training and capacity building for village officials. Through socialization related to the implementation of Law No.6 of 2014 and training in village financial management, it is hoped that funds can be managed properly to avoid corrupt practices, because Law No.6 of 2014 concerning villages was made with the aim of improving the welfare of village communities, and not the other way around the village apparatus was plunged into corruption.

This study focuses attention on exploring the implementation of Law No. 6 of 2014 concerning villages and the application of the principle of accountability in village financial management with the aim of describing the transparency and accountability of village financial management. This research is expected to be useful for the Banyumas Regency Government, in increasing the accountability and transparency of village financial management. Management of village finances includes planning, implementation and accountability of village budgets and expenditures.

Village finances are all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of the rights and obligations of the Village. The rights and obligations as referred to generate income, expenditure, financing, and management of Village Finances (Law no.6 of 2014 article 71). Thus, in order to be trusted by readers of financial statements, the reporting must pay attention to the principles of accountability and transparency.

Accountability includes providing financial information to the public and other users so that it allows them to assess the government's accountability for all activities carried out, not only financial reports but must provide information in making economic, social and political decisions. Accountability principles must be supported by a strong commitment from an organization that has the authority and responsibility in the field of supervision and assessment. Accountability is expected to improve the quality and performance of government agencies in order to become a government that is transparent and oriented to the public interest (Astuty and Fanida, 2013).

Transparency is one of the characteristics of good governance. Transparency is built on the basis of the freedom to obtain information that applies to the public interest directly to those who need it (Renyowijoyo, 2010). The purpose of transparency is to build mutual trust between the government and the public in which the government must provide accurate information to the public in need (Sedarmayanti, 2009).

Research related to accountability and transparency of village financial management has been conducted by Budiarto, Indro (2007); Subroto, A (2009); Sudarmaji, Yoyok (2009); Putriyanti, Aprisiami (2012); Rahmi, Fajri dan Setyowati, Endah (2015); Arifiyanto and Kurrohman (2015); Kholmi (2016); Nafidah and Anisa (2017); Putra, Sinarwati, and Wahyuni, (2017); Ramli (2017), however, most of them are still researching the allocation of village funds while this research examines village funds. The process of achieving the objectives of this study is to obtain a pattern of understanding the scope of village financial management by the village head and village officials, which will be used as a basis in developing models and strategies for strengthening the internal control system and village financial accountability. A good understanding of village financial management will greatly assist village heads and other village officials including village treasurers in conducting village financial reporting and be able to minimize the exposure faced in village financial reporting. The above objectives are achieved through several specific objectives as follows:

1. Identifying the extent of implementation of Law Number 6 of 2014 regarding accountability and transparency in village financial reporting.
2. Identifying obstacles in the implementation of Law no. 6 of 2014 related to village financial reporting.

Thus the research questions in this study are as follows:

1. How is the implementation of Law Number 6 of 2014 regarding accountability and transparency in village financial reporting
2. What are the obstacles faced in implementing Law no. 6 of 2014 regarding accountability and transparency in village financial reporting.

2. Literature Review

2.1 Stewardship Theory

Stewardship Theory was introduced by Donaldson and Davis (1991) where this theory provides a situation where the motivation of the management is more focused on the target of their main results for the benefit of the organization, not for the goals and interests of individuals. This theory assumes that there is a strong relationship between satisfaction and organizational success. Organizational success illustrates the utility maximization of the principals and management group. Maximizing the utility of this group will ultimately maximize the interests of individuals in the group of organizations. Stewardship theory is often referred to as management theory (stewardship), where this theory views management as stewards (servants/entrants/ managers) who will act consciously, wisely and wisely for organizational interests.

Stewardship theory can be applied to accounting research public sector organizations such as government organizations. Accounting for public sector organizations has been prepared to meet the information needs for the relationship between stewards and principals. Thus, accounting acts as a driving force for increasingly complex transactions and is followed by the growth of specialization in accounting and the development of public sector organizations. The relationship contracts between stewards and principals on the basis of trust, acting collectively in accordance with organizational goals. Theory Stewardship is built on the philosophical assumption of human nature that humans are inherently trustworthy, able to act responsibly, have integration and honesty with others. In other words, stewardship theory views management as a party that can be trusted to act in the best possible way for the public interest in general and stakeholders in particular.

The implication of stewardship theory for this research is that it can explain the existence of the village government as an institution that can be trusted to act in the public interest by carrying out its

duties and functions appropriately so that economic goals, public services and community welfare can be maximally achieved. To carry out these responsibilities, the stewards (village government) direct all of their capabilities and expertise in managing village funds so that the village fund budget can be absorbed more efficiently. effective, transparent, empowering the community, mutual cooperation and accountable for the greatest possible prosperity and welfare society as principals. The bureaucratic environment affects budget absorption. This means that the village government as stewards has knowledge of regulations, management commitment and the environment. Strong management will have an impact on increasing the expertise of village officials regarding the management of village funds.

2.2. Law No.6 of 2014 concerning villages

The law No.6 of 2014 concerning villages is stipulated with the consideration that villages have developed into various forms so that they need to be protected and empowered so that they become strong, advanced, independent and democratic which can become a strong foundation in running governance and development towards a just society, prosperous and prosperous. The definition of village is explained in article 1 of Law No.6 of 2014, namely traditional villages and villages or what is referred to by other names, hereinafter referred to as villages, are community units that have territorial boundaries that are authorized to regulate and manage government affairs, the interests of local communities based on the initiative community, rights of origin, and / or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. The village administration is the implementation of government affairs and the interests of the local community in the government system of the Unitary State of the Republic of Indonesia. Meanwhile, the village government is the village head or what is referred to by any other name assisted by the Village apparatus as an element of village administration.

Law No.6 of 2014 concerning villages emerged due to problems with service, development and empowerment at the local scale of the village, that is, almost 70% of the village government is not functioning, where the village does not have sufficient finance to develop the village independently, and village officials cannot work effectively due to unclear status. Many villages are underdeveloped so they need concrete sides by the government. In addition, district capacity to support villages is low. The normative objective of village development (article 78) is to improve the welfare of rural communities and the quality of human life as well as to reduce poverty through: provision of fulfillment of basic needs, development of village infrastructure and suggestions, development of local economic potential, use of natural resources and the environment in a sustainable manner. Village development prioritizes togetherness, kinship, and mutual cooperation in order to realize the mainstreaming of peace and social justice.

2.3. Transparency and Accountability

Article 1 of Law No.6 of 2014 concerning villages explains that village finance is all the rights and obligations of the village that can be valued in money as well as everything in the form of money or goods related to the rights and obligations of the Village. Whereas village assets are village property that originates from the village's original wealth, purchased or obtained at the expense of the village income and expenditure budget, or other legal rights acquisition. Article 26 states that the village head is in charge of organizing village governance, implementing village development, fostering village communities, and empowering village communities.

To carry out these tasks related to financial management, the village head, including the authority to manage finance and village assets, determine the village budget and income and expenditure, foster and improve the village economy and integrate it to achieve a productive scale economy for the greatest prosperity of the village community, developing a source of village income, proposing and accepting the transfer of a portion of state wealth in order to improve the welfare of rural communities. More specifically, it is explained that the village head is obliged to implement the principles of village

governance that are accountable, transparent, professional, effective and efficient, clean, and free from corruption, collusion and nepotism and to carry out good village government administration.

Sulistiyani (2004) states that transparency and accountability are two key words in good governance and corporate governance, it is also stated that accountability contains the obligation to present and report all activities, especially in the field of financial administration to higher parties. One of the main elements in government financial reporting is transparency. Transparency means that in running the government, the government regularly discloses material matters to parties who have an interest in it, in this case, namely the wider community. According to Mardiasmo (2002), the definition of transparency is "the openness of the government in making regional financial policies so that they can be known and supervised by the regional people's representative councils and the public".

The definition of accountability according to Sabeni and Ghozali (2001) states "Accountability is a form of necessity for a person (leader/officer/executive) to ensure that the duties and obligations they carry out are carried out in accordance with applicable regulations. Mardiasmo (2002) explains that there are five dimensions of accountability that must be fulfilled by public sector organizations, namely: (1) Financial Accountability, Financial accountability related to avoiding misuse of public funds; (2) Accountability of Honesty and Legal Accountability, accountability of honesty related to avoiding abuse of office, while legal accountability is related to guarantees of compliance with laws and other regulations that are implied in the use of public sources of funds; (3) Process Accountability, process accountability related to whether the procedures used in carrying out tasks are good enough in terms of the adequacy of accounting information systems, management information systems and administrative procedures; (4) Program accountability, program accountability related to the consideration of whether the objectives can be achieved or not, and whether alternative programs have been considered that provide optimal results with minimal costs; (5) Policy Accountability, policy accountability related to the accountability of the government, both central and regional, for policies taken by the government towards regional people's representative councils and the wider community.

3. Research Method

3.1. Research location

This research was conducted in 20 villages included in 4 sub-districts in Banyumas, namely Patikraja sub-district covering five (5) villages, namely: Patikraja, Kadungrandu, Pegalongan, Sidabowa, and Notog; Rawalo sub-district, covering five (5) villages, namely: Tambaknegara, Rawalo, Pesawahan, Sidamulih, and Sangreman; Karanglewas Subdistrict includes five (5) villages, namely: Pasir Wetan, Pasir Kulon, Karang Lewas Kidul, Kediri, and Pengebatan; Sumbang sub-district, covering five (5) villages, namely: Datar, Tambak Sogra, Kebanggan, Kedung Malang, and Karang Gintung

3.2. Research Approach

The research method applied is a qualitative descriptive method. Data collection was carried out using participatory observation approaches, in-depth interviews, and focus group discussions. Data sources and research subjects were the village head and village officials in the Banyumas district. Data were analyzed through transcription and data reduction processes.

3.3. Type of Research

This research uses a qualitative approach with a case study method. Case study is a type of qualitative research. A case study, also referred to as a case history, is a research methodology that combines individual group interviews with analysis and observation notes (Cooper and Schindler, 2011).

3.4. Data Collection Techniques

Collecting data in this study using observation techniques, interviews, documentation and audio and visual materials. Creswell (2014) states that data collection techniques in qualitative research involve the following four types of strategies:

a. Qualitative interview

Researchers conducted face-to-face interviews with participants and online focus group interviews. In this study, researchers conducted semi-structured, open-ended interviews designed to bring out the views and opinions of the participants. Researchers conducted direct interviews with village officials, namely the village head, village secretary, village treasurer, and the community.

b. Qualitative documentation

The researcher collected qualitative documents, in the form of public documents (such as the Village Budget Implementation Accountability Report, Village Budget Realization Report, village owned wealth report, village financial management, or private documents (such as general treasury books and village bank books).

c. Audio and visual material

Audio and visual material in this study are photos and recorded conversations.

3.5. Data Analysis

The data source of this research is the result of interviews with informants. The informants in this study are a number of parties who are considered to understand and be competent in providing explanations and opinions on the object of research, namely the application of the principles of transparency, accountability, and participation in village financial management. Understanding and competence they have because they are parties who are directly involved and carry out management village finances. Informants are divided into 5 categories, namely the village head, village secretary, treasurer, village and community supervisory bodies.

3.6. Test Data Validity

The credibility test or trust test of qualitative research data includes:

a. Extension of Observations

The extension of the observation was carried out after the research was completed, but researchers faced difficulties in obtaining information from certain groups of informants, in this case the village supervisory agency. This is because most of the village supervisory bodies are working members of the community, while the research process is carried out on working days and hours, making it difficult to meet with village supervisors.

b. Triangulation

Triangulation is a technique for checking the validity of data by comparing the data. The triangulation techniques used in this study are:

1) Source Triangulation

Researchers have classified a number of resource persons' answers about the village financial management process, when the same thing (similar question) is asked of different sources, there is a tendency for the same answers and leads to the same data or information so that it can be said that the data obtained has credibility .

2) Technical Triangulation

In testing the credibility or validity of data obtained from interviews with informants in this study, researchers also used other techniques, namely by observing supporting documents such as accountability reports on the implementation of the village income and expenditure budget, examples of financial administration documents by the treasurer such as cash books, and examples. documents related to submitting payment for the implementation of activities.

4. Result

4.1. Accountability

Accountability from the point of view of government administration, contains an obligation to present and report all activities, especially in the field of financial administration, to higher levels (Sulistiyani, 2004). Sabeni and Ghozali (2001) explain that accountability is a form of necessity for a person (leader / officer / executive) to ensure that the duties and obligations they carry out have been carried out in accordance with applicable regulations. Meanwhile, Mardiasmo (2002) argues that accountability consists of: financial accountability, honesty accountability, process accountability, program accountability, policy accountability. The accountability analysis in this study was carried out at the planning, implementation and accountability stages of the budget.

4.1.1. Application of the principle of accountability in village financial management

The implementation of the principle of accountability for village financial management has been carried out well by villages in the Rawalo District, Sumbang District, Patikraja District and Karanglewas District. This is as disclosed:

"Of course, we must do openness and a sense of responsibility, because with that all types of activities carried out by the village government are given to the community or bpd or other institutions. Obviously it will have a good and positive impact, because with that the community will know, understand and judge. In addition, the village government must be ready to be criticized, and that will have a positive impact on the village government so that the village government will work as well as possible in accordance with existing procedures and regulations." (Head of the village of Pasir Kulon, Karanglewas District)

"With this disclosure of information, of course it has a very positive impact because we and the village government can together with the community make plans, so that the community can supervise if what we are doing is not appropriate. However, we are very open to the public, from the planning process to accountability reports. It is very positive that the village government and the community trust each other so that we have a responsibility and the community also has the responsibility to oversee and evaluate. So that what we do is what the community wants." (Head of Karang Gintung Village, Sumbang District)

"Yes, of course it shows positive things, with the community knowing the planning, village development will automatically be better than before." (Head of Kedungrandu Village, Patikraja District)

The aspect of supervising village financial management in applying the principle of accountability can be seen from the coordination between village officials and the village supervisory agency. This is in line with the following interview results:

"Every time we carry out development, the village always communicates with the village supervisory agency and later the village supervisory agency will monitor development by assigning 1-2 members from the relevant field to oversee development. For example, if the drainage is built, the village supervisory agency will assign members who understand the field to supervise it." (Treasurer of Sidamulih village, Rawalo sub-district)

"There is a coordination meeting together, participate in supervising and planning." (Treasurer of Pangbatan village, Karanglewas district)

"Yes, the budget plan is being carried out. When the village accountability report, the plan is together with the community so that the community knows, after that the implementation and funds are disbursed, the first funds go directly and then it is divided into the sub-sub budget and the village supervisory agency only glanced at it. The connection is with the process we are the village supervisory agency in the development department. Reports from the development section are read out during a village supervisory agency meeting, if the accountability report will be submitted at the end of the fiscal year." (Treasurer of Kebanggan village, Sumbang sub-district).

The application of the principle of accountability in the village financial accountability stage in villages in Rawalo District, Sumbang District, Patikraja District and Karanglewas District is almost entirely good, of the 20 villages only 1 village, namely Pesawahan Village, has not yet compiled an accountability report on the realization of the implementation of the village income and expenditure budget in accordance with Minister of Home Affairs Regulation. This is in accordance with the interview as follows:

"As for the accountability report, it looks like something has not been completed. If I'm not mistaken, the realization report." (Treasurer of the village of Rawalo District of Pesawahan)

The accountability for village financial administration carried out by the treasurer in the village in the 4 sub-districts has been carried out well. This can be seen from the compilation of general cash books, tax auxiliary books, and bank books as mandated in Permendagri 20 of 2018 concerning village financial management. This is in accordance with the following interview:

"Our administration is with the General Cash Book and Tax Book or Tax Payment Form. So that is written all our expenses and revenues in the general treasury book." (Treasurer of Datar Village, Sumbang District)

Based on the description above, it can be seen that the application of the principle of accountability in the aspect of making village financial management accountability reports has been carried out by all villages in Rawalo District, Sumbang District, Patikraja District, and Karanglewas District but there are still villages that have not compiled what is mandated in Permendagri No. 20 2018 concerning village financial management.

4.1.2. Implementation of the Principle of Participation in Village Financial Management

The implementation of participatory principles by the village supervisory agency in the management of village finances in villages in the Rawalo District, Sumbang District, Patikraja District and Karanglewas District starting from the planning, implementation, and accountability stages is good. This can be seen in the involvement of the village supervisory agency in the process of preparing the village income and expenditure budget. This is in accordance with the interview as follows:

"The first step we look at is income, where are the sources of income, how much is the income plan, after we know the income plan, Because in essence they are the technical and operational executors. They understand how much they need, only after that we formulate a village income and expenditure budget." (Treasurer of Notog Village, Rawalo District)

In the implementation stage the village supervisory agency also plays an active role, this is reflected in the involvement of the village supervisory agency in checking and monitoring physical development. Furthermore, in the accountability process the village supervisory agency plays an active role through a meeting to discuss the accountability report on the realization of the village revenue and expenditure budget. The implementation of participatory principles by the community in village financial management in villages in the Rawalo District, Sumbang District, Patikraja District and Karanglewas District starting at the planning and implementation stages has been going well. This can be seen from the active participation of the community in the process of preparing the village income and expenditure budget, which is reflected in the pouring of aspirations in meetings in the hamlet to the deliberation of village development plans. This is in accordance with the following interview:

"Very good, 90% of the invitations for the meeting were present." (Secretary of the Flat Village of Sumbang District)

Furthermore, the implementation of participatory principles by the community in the implementation stage of village financial management in the Rawalo District, Sumbang District, Patikraja District and Karanglewas District has also been good. This is reflected in the active participation of the community in community self-help to assist village development. The form of community self-help in each village is different depending on the level of community capacity in each village, some in the form of labor, material, consumption or money donations. This community self-help certainly has a positive impact in educating the mentality of the community so that they have a

greater sense of belonging to the results of the development being carried out so that they can participate in maintaining and protecting them. The implementation of this participatory principle is in accordance with what is mandated in article 81 of Law number 6 of 2014, the village development is carried out by the village government by involving all village communities with a spirit of mutual cooperation.

4.2.1 Accountability at the Budget Planning Stage.

Village development planning is carried out by involving the village community. The village government is obliged to hold a village development planning deliberation. Village development planning deliberations determine the priorities, programs, activities, and needs of village development that are funded by the village income and expenditure budget, village community self-help, and/or the village income and expenditure budget. Village development priorities, programs, activities, and needs are formulated based on an assessment of the needs of the village community.

The results of the analysis of the collected data show that most of the villages in four (4) sub-districts, totaling twenty (20) villages, have carried out the budget preparation procedure by involving the community in deliberations to determine planning and priority scales for program activities and Village development needs. This is supported by the following statement:

"The preparation of the village income and expenditure budget is carried out at the end of the year. Starting from a meeting of residents, community institutions, village supervisory bodies, community leaders and all levels of society. We collect aspirations from the community, then we meet at the Musrembangdes, determine activities on a priority scale, from us compiling budgets according to regulations," (Head of Sidabowa Village, Patikraja District).

"From the musdus first to accommodate aspirations at the hamlet level, then the aspirations of each hamlet were discussed in village deliberations to become a village income and expenditure budget plan, then discussed with the village supervisory agency to become a village income and expenditure budget" (Head of Rawalo Village, Rawalo District) .

The village head and village apparatus have understood and implemented the procedure for preparing the village income and expenditure budget, however, for the types of submitting budget items, there are still some village heads and village officials who do not understand well what the scope of the budget items should be submitted. The village head and village officials must be aware of the importance of the village income and expenditure budget to be accepted by the community as stakeholders, so that they have made a lot of efforts to realize the expectations of the village community. Most of the village heads and their apparatus involve the community to convey the hopes that they want to realize from the development of their village through the selection of priority scales and put in the income and expenditure budget to be implemented properly. Several interview results obtained the following statements:

"People today want to be transparent. After knocking the hammer, we will inform the community that the village budget is running in this village. Socialization to the community regarding the village income and expenditure budget. The public will understand better than we just share documents, we better convey it directly. The agreement with the village supervisory agency for village income and expenditure budget documents should not be made available to the general public but may be submitted, for the confidentiality of documents. So that transparency will have a direct impact. " (Head of Sidabowa village, Patikraja District).

"Make a village income and expenditure budget that is in accordance with the situation and conditions in the village, especially physical development, community services, and trainings", Head of Rawalo Village, Rawalo District).

4.2.2 Accountability at the Budget Implementation Stage.

Village development is carried out by the village government by involving all village communities with a spirit of mutual cooperation. The implementation of village development is carried out by utilizing local wisdom and village natural resources. Village-scale local development is carried out by the village itself. The village government is informed about the implementation of sectoral programs that enter the village to be integrated with village development. In fact, it is still found that the use of village funds is not in accordance with the regulations. As obtained from the following interview results:

"Personnel spending, honorarium for village supervisors, assistance for residents, shopping for office stationery, minor repairs to village buildings, shopping for food and drink for employees, procurement of office supplies (cupboards, pulpits, laptops, printers, LCDs, sofas, inventory boards." Patikraja Village, Patikraja District).

However, most villages use it for the construction of facilities for the benefit of the community, such as for paving roads, irrigation, drainage, talud, community empowerment.

The results of the analysis of the data obtained from interviews and documentation relating to budget accountability show that there are still many villages that have not compiled village regulations (Perdes) related to village financial management policies. The results of interviews with village secretaries were only six (6) villages that admitted they had not compiled them, but the results of the documentation analysis were ten (10) villages that had not compiled them. So as many as fifty percent (50%) of the number of villages studied had not yet prepared village regulations for village financial management. This shows that the village finance regulations, in the village income and expenditure budget, have not yet been issued as a basis for carrying out an activity when receiving funds. Whereas village regulations are the basis for implementing policies, to support the implementation of the village income and expenditure budget. The village head and village secretary are very aware of the importance of village regulations regarding village financial management, as stated in the following statement:

"Of course it is compiled and made, perdes is made first. If the perdes has not been made, we will not dare to realize the activities. Perdes is a reference in order to carry out all village actions. " (Secretary of Patikraja village, Patikraja District)

In the process of controlling and supervising the use of village funds, there are still several villages whose implementation is very weak. This can be seen from the mechanism of expenditure and financial receipt of Village funds. Several Villages in several districts only made a match between the available funds and a request for disbursement of funds for an activity or program. Some of the results of interviews with the Village Secretary can be obtained by the following statements:

"The technical team will then verify activities through the village secretary to obtain approval from the village head." (Secretary of Notog Village, Patikraja District).

"For verification, we best match the amount of expenditure in the planned expenditure budget and its revenue (Secretary of Pesawahan Village, Rawalo District).

4.2.4 Accountability at the Budget Accountability Stage

As a consequence of the issuance of Law No.6 of 2014, the village head must report and account for the use of village budget funds to the Supreme Audit Agency. Thus the village head must make a report on the use of village funds that he has received. The mechanism for administering village financial expenditures and revenues varies from village to village. For the receipt of funds or income, it is directly deposited in the village cash account, while for the expenditure the procedure is requested for verification in advance from the village's secretary. Several direct interviews with the treasurer obtained the following explanations:

"Village financial receipts are transfer funds that have been received automatically into the village treasury account. Village financial expenditures are carried out with an order to issue money from each section head, then verify the village secretary, submit it to the village head, then order the

treasury to disburse the funds, after which it is given to the village head to be given to the technical activity team (if used for development)." (Village Treasurer Kadungrandu, Kec Patikraja)

However, some were immediately executed by the village treasurer, as in the following statement:

"For expenditures, the head of section / activity implementation team submits an activity plan to the treasurer, then the treasurer takes the money from the bank, then the money is handed over to the executor of the activity concerned." (Treasurer of Sidamulih Village, Kec Rawalo).

The strict control system for expenses is found in the following interview statement:

"Making a budget plan after a letter requesting payment to the treasurer, after the budget plan is made, then an accountability letter is made and then the treasurer submits to the head of the sub-district government section to be given a cover letter for withdrawing money from the sub-district head. After getting a new introduction, take it to the people's credit bank." (Treasurer of Datar Village, Sumbang District).

The regulations that determine the village financial reporting media are to use the following form / list:

1) First semester report

2) Year-end semester report

3) The first semester report is a report on the realization of the village income and expenditure budget.

In fact, the process of preparing the accountability report for the implementation of the village income and expenditure budget is very diverse. However, the results of documentation analysis are still found in many villages that do not have a village property report, treasurer accountability reports, village bank books and tax books. The village head and village officials still place an emphasis on making reports on the realization of the budget because it has serious consequences. Concern about the existence of a financial audit agency audit and entangled in legal cases.

4.3. Transparency

The word transparency is a word that cannot be separated from the word accountability. More specifically, it is explained in Law No.6 of 2014 concerning villages, namely that the village head is obliged to implement the principles of village governance that are accountable, transparent, professional, effective and efficient, clean, and free from corruption, collusion and nepotism. Sulistiyani (2004) states that transparency and accountability are two key words in good governance and corporate governance, it is also stated that accountability contains an obligation to present and report all activities, especially in the field of financial administration, to higher parties. One of the main elements in government financial reporting is transparency. Transparency means that in running the government, the government regularly discloses material matters to parties who have an interest in it, in this case, namely the wider community.

4.3.1. Transparency in the Budget Planning stage

The village government is obliged to hold village development planning deliberations. In village development planning deliberations, determine the priorities, programs, activities and needs of village development which are funded by the village income and expenditure budget, village community self-help, and / or district / city regional income and expenditure budgets. Village development priorities, programs, activities and needs are formulated based on an assessment of the needs of the village community. The results of interviews with the village head and village secretary obtained an explanation of how the budget preparation procedure involves various parties to ensure accountability and transparency:

"Holding a hamlet meeting then being discussed in a development planning meeting to prepare a village income and expenditure budget plan, the technical team of activities holds a meeting with the head of the section, then the village income and expenditure budget is submitted to the sub-district for evaluation. village to become the village income and expenditure budget" (Head of Sangreman village, Rawalo District).

"The preparation of the village income and expenditure budget is carried out at the end of the year, starting from the neighborhood meeting, community institutions, community leaders as straight as the layers of society. We collect aspirations from the community, then we will discuss them in development planning deliberations, then determine activities on a priority scale, from compiling budgets according to the instructions for implementing the village revenue and expenditure budget in Banyumas Regency. " (Head of Sidabowa village, Patikraja District).

Community involvement in Budget formulation can minimize the occurrence of fraud, assuming that the community involved in the budget preparation discussion already has sufficient knowledge of budgeting, or a community that has a high sense of responsibility /concern for the common interest.

4.3.2. Transparency at the Budget Implementation Stage

At the budget execution stage, the concept of transparency can be carried out by involving human resources in the village. The active involvement of the wider community will suppress possible abuses. As stated by the Implementation of Village development (article 81), namely that Village development is carried out by the Village Government by involving all Village communities with a spirit of mutual cooperation. The implementation of Village Development is carried out by utilizing local wisdom and natural resources of the Village. Village-scale local development is self-managed by the village. The implementation of sectoral programs that enter the Village is informed to the village government to be integrated with village development.

The results of interviews with the village head and village secretary regarding budget execution transparency are as follows:

"We hold village meetings, we involve the heads of neighborhood associations and women figures in relation to the village budget, apart from that through routine meetings, recitations, etc." (Head of Sidamulih Village, Rawalo District).

"Conducted through musrembangdes, displaying or pasting announcements in the village, hearings with bpd regarding planning, implementation, and village financial accountability. Verbally or in writing in meetings with householders / household members or other village institutions. "(Secretary of Datar Village, Sumbang District).

4.3.3. Transparations in the Budget Accountability Stage

Transparency can be applied by compiling a budget realization report following established procedures and involving the participation of all village officials related to the implementation of work programs. This is like what has been done by Tambaknegara Village, Rawalo District, which reveals that;

"Each activity implementer makes a letter of accountability per activity. Then the accountability letter is submitted to the village secretary to be used as an accountability report. " (Head of Tambaknegara village, Rawalo District).

However, the results of data analysis were obtained from data collection through documentation, in this village for eleven (11) evaluated documents, the fact was that the wealth report belonged to the village, village regulations regarding village financial management, treasury accountability reports, tax books, village bank books. , not available. This indicates that the budget use recording system and procedures are not integrated with the financial records that should be owned and used in the village government.

It is different with the transparency of budget accountability in Notog Village, Patikraja District. The statement of the village head regarding this matter, is:

"Of course, each person in charge of activities, after carrying out activities, be it physical development, empowerment and so on, of course, must immediately carry out an accountability report on the activities that have been carried out. That has been the compilation process starting from the disbursement of funds, preparation for the implementation of activities, ranging from 0% to 30% there are reports, 50% there are reports up to 100% there are reports. " (Head of Notog village, Patikraja District).

This statement is supported by the evaluation data of eleven (11) documents, of which all 11 (11) documents are available and meet the stipulated requirements. The participation of village and community supervisory bodies in planning, implementation and accountability for village finances plays a fairly active role with the existence of several statements expressed by the village supervisory agency, including:

"It can be said that it is quite good because in the preparation of the village budget, the community supervisory bodies participate from the village meeting. During financial implementation, they carry out supervision even though it is not interrogating, only supervising. Rawalo)

Community involvement in village activities is very enthusiastic, especially for development activities. The statements that the community has given about their involvement are expressed as follows:

"What is clear is that community involvement in terms of development, mutual cooperation in cleaning the environment, regular community meetings, self-help is also good, for example for every rice harvest the residents contribute 10 kg of rice per head of the family, then the results are sold to finance the residents' needs." (Pesawahan village community, Rawalo District).

"In relation to development, the community is automatically involved (employed), as well as other activities such as agriculture, auctions and other activities that are always involved." (community in Sanggreman village, Rawalo District).

4.4. Constraints

The obstacles faced by the village government in the process of preparing the village income and expenditure budget include the existing village funds that have not been able to finance all needs, such as the following interview results regarding problems that arise in budgeting for village needs:

"The first problem is the problem of the amount of the budget, because people who propose many activities, according to the deliberation of development planning, one community group has more than 10 activities, one activity based on the Banyumas Regency budget plan of around 50 million. The community knows that the village receives one billion in aid, yes one billion, but it's not just for one activity, so we focus on equitable development, on a priority scale. The second problem is that the community still lacks awareness, but we still motivate us to improve our mutual cooperation to develop our territory. " (Head of the village of Rawalo, Patikraja District)

The similar thing was also expressed by the Head of Notog Village Patikraja District, the Head of Tambaknegara Village, Rawalo District, and the Head of Sidamulih Village, Rawalo District as follows:

"Due to the large number of proposals that have been submitted, the budget cannot be fulfilled. The village is working on the problem of lack of funds. Not all community proposals have been fulfilled due to funding problems. "(Head of Notog Village, Patikraja District)

"The most problem is the calculation, bro. Also the budget is too little while we need a lot. Tambaknegara Village has a large area, so the needs are a lot, while the budget we receive is not sufficient to meet all needs. " (Head of Tambaknegara Village, Rawalo District)

"The needs of the community are many, while if it is included in the budget plan, everything is impossible." (Head of Sidamulih Village, Rawalo District)

With the existing problems related to activities that cannot be funded, it can be done by exploring the source of local revenue and also need to determine the priority scale and also provide an understanding to the community about the limitations between available funds and the need for completion of work programs that require a lot of funds exceeding the funding sources Yes, there is also community self-help that is not maximally needed to be involved in the implementation of village development.

In addition to the problems above, there are also problems related to human resources, namely many village officials who do not understand budgeting and report administration and there is no clear division of tasks between functions as well as changing computer-based accounting information systems such as the interview below:

"The problem of human resources, for example, only one person does it, there should be coordination per sector to convey the task." (Head of Kediri Village, Karanglewes District)

"The information system for making financial reports is changing, making it difficult for us to study it" (Head of Kedungmalang Village, Sumbang District)

Based on the above problems, village officials need to improve their understanding by providing ongoing training in the field of budgeting and financial administration including accounting information systems.

Meanwhile, several villages such as Pasir Wetan Village, Karanglewes District and Kebanggan Village, Sumbang District, stated that there were no problems in budgeting village funds and financial administration, such as the results of the interview as follows:

"There is no problem in budgeting in the village of Pasir Wetan" (Head of Desa Pasir Wetan, Karanglewes District)

"I think there is no problem which means that at most we will discuss it with the team if not, then there is no need for deliberation." (Desa Kebanggan, Sumbang District).

5. Conclusions and Implications

The understanding of transparent and accountable village financial reporting by the village head and related apparatus that inline to the Law No.6 of 2014 concerning villages is still low. The absence of a government accounting system and procedure that is built in control, as well as integrated between the recording of funds obtained through the village income and expenditure budget as well as from other sources, makes the preparation of accountability reports limited to budget realization reports only. The elements of the existing village government bookkeeping system are not up-to-date when there are additional village assets obtained from the construction of physical facilities obtained through the village income and expenditure budget.

The opportunities that each village government has are the potential for natural resources that can be increased their utilization, and there is still a high level of mutual cooperation from the community to build the village for the common welfare. The obstacle faced is the lack of availability of human resources (HR) who have the potential opportunity develop the villages using appropriate technology and knowledge of village government accounting information systems. They are also have ability to improve their standard of living without having to leave their village.. The implications of this study were the development of models and strategies for strengthening the internal control system and accountability for village financial reporting needs to be followed up more seriously, and increasing human resources related to the first suggestion can be carried out in collaboration between local governments and universities, both in the form of trainings and discussions and community service to jointly build an increase in the quality of human resources in rural areas.

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