

Implementation of Transparency and Accountability in Financial Management of Village Fund Allocation in 2022 in Pandai Village, Woha District, Bima District

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Abstract

This research is a type of qualitative research which aims to explore the implementation of transparency and accountability in the financial management of Village Fund allocations (ADD) in Pandai Village, Woha District, Bima Regency, in 2022. In the context of regional autonomy, the Village government has the responsibility to independently manage the resources and funds provided to improve development and welfare of the community. This research uses primary and secondary data, with data collection techniques in the form of observation, interviews and documentation. The research results show that Pandai Village has implemented the principles of accountability and transparency in all stages of ADD management, from planning to reporting. The application of the accountability principle involves responsibility and reporting, which has been implemented through an online system and monthly accountability reports submitted to the relevant agencies. This process involves all relevant agencies, the Village Consultative Body (BPD), and the village community. In the aspect of transparency, Pandai Village actively involves the community in planning through village meetings, where community participation is highly valued. In addition, the implementation of physical and non-physical activities funded by ADD is made open through information boards, billboards and quarterly accountability placed in front of the village office. The Pandai Village community is actively involved in every stage, from village deliberations to evaluating the implementation of activities. Thus, Pandai Village has succeeded in implementing transparency and accountability in ADD management, creating community involvement, and providing clear information regarding the use of village funds. The application of these principles is an important basis for realizing good governance at the village level

1. Introduction

The development of the public accountancy sector in Indonesia is rapidly progressing with the implementation of autonomy in government areas. This autonomy system empowers all levels of regional government, from provincial to village levels, to independently pursue the development and prosperity of their constituents. With financial management fully entrusted to the government under this autonomy system, effective management and accounting systems become imperative. Transparency and accountability are crucial in ensuring accountable financial management within the framework of decentralized, transparent, efficient, and corruption-free fund management.

These principles are fundamental to achieving good governance, particularly in

budget management, which is closely tied to societal development. Implementation of village fund allocations, as mandated by Law no. 6 of 2014, underscores the importance of good governance principles in managing public finances. The allocation process must adhere to principles of transparency, accountability, and participation to prevent fraud and mismanagement. Research on the transparency and accountability of village fund management in Smart Villages, such as those in Bima district, highlights the significant impact of these programs on local development. The independence and direct handling of funds by village leadership and communities underscore the need for honesty and integrity in financial management to ensure clear development outcomes. Therefore, further study into the implementation of transparency and

accountability in the management of village funds in Pandai Village, Woha District, Bima Regency, is warranted to understand and address the challenges and opportunities in local development initiatives.

2. Literature Review

2.1 Overview Theory

According to Wolfensohn, President of the World Bank (1999), one of the related theories to Corporate Governance is stewardship theory (Pratama, 2018). Stewardship theory is based on a philosophical assumption about the characteristics of humans, namely, that humans are inherently trustworthy, capable of acting with integrity, and honest towards others. In essence, stewardship theory posits that management can be trusted to act in the best interests of the public at large and shareholders in particular.

2.2 Transparency

Transparency originates from the word "transparent," which means clear, genuine, and openly characteristic. The term "data transparency" is defined as the clarity or openness of information.

a. Draft Transparency

Transparency or openness implies that members of the public have equal rights and access to understanding the budget process, as it pertains to fulfilling public aspirations and interests, especially in meeting the diverse needs of the public. Transparency is a principle that must be present throughout all aspects of good financial management, from the planning process to its implementation. Ultimately, transparency in financial management fosters horizontal accountability between the government and its people, leading to the creation of a clean, transparent, accountable, effective, and responsive government that aligns with public aspirations and interests. By maintaining transparency, the government provides the public with insight into policies being considered or implemented, allowing for feedback and accountability mechanisms. Transparency is a fundamental principle of

good governance, encompassing communication between the government and the public, as well as the public's right to access information. To achieve transparency, governments must establish robust systems for reporting finances, performance measurement, public sector auditing, and channels for public accountability. This commitment to transparency ensures that the government remains accountable to its citizens by providing openness and clarity in its actions and decisions.

b. Transparency Management Allocation Fund Village

Transparency is a crucial aspect needed in government, ensuring openness in financial policy-making that facilitates easy access for the public. This transparency should foster a relationship of trust and accountability between the government and its citizens, leading to the creation of a clean, effective, efficient, accountable, and responsive government. According to Minister of Home Affairs Regulation Number 113 of 2014, transparency entails providing the public with wide access to information about financial matters, including policies, their formulation, implementation processes, and outcomes achieved. The Management of Allocation Fund Village, for instance, involves the operation of the village budget to enhance community well-being, sourced from both central and local finance balances. Transparency plays a central role in good financial management, ensuring that essential information is periodically disclosed to interested parties, enabling public scrutiny and oversight. This openness empowers individuals to access information about governmental operations, policies, processes, and outcomes, thereby promoting accountability and informed decision-making.

c. Accountability

Accountability refers to the responsibilities and obligations of individuals or organizations to provide answers or explanations for their actions, particularly in

fulfilling funding requirements and achieving performance goals. This concept encompasses the idea that every party involved in a venture has the right and authority to demand results and hold others accountable for them. Social accountability, as an approach, involves building accountability based on agreements with the public, where both direct and indirect participation from civil society organizations and individuals is encouraged. Traditionally, social accountability takes forms such as advocacy, investigative journalism, public policy participation, monitoring public expenditure, and efforts to enhance the effectiveness of internal government accountability mechanisms by involving the public in various policymaking processes. The objective of social accountability is to improve governance, enhance development effectiveness, and empower communities.

d. Draft Accountability

Accountability is the embodiment of responsibility carried out by individuals or groups entrusted with tasks and functions, ensuring that they can provide answers and assurances. In the context of administration, particularly in finance, it entails the obligation to present and report all activities to the relevant authorities. According to the Administration Institutions and Supervisory Bodies for Finance and Development in Indonesia, accountability involves providing explanations and justifications for performance to the parties with the right to demand such accountability.

This accountability is crucial both in government and in maintaining good corporate practices. It includes giving access to interested parties, holding decision-makers responsible for their actions, and ensuring transparency in financial administration. Accountability and transparency are fundamental principles in good governance, emphasizing the responsibility of those in power to be answerable to the public. These principles facilitate supervision through the distribution of power among various government

institutions, thereby preventing the accumulation of power and fostering mutual oversight.

2.3 Good Governance

Good Governance, as defined by Mardiasmo (2018), involves effectively managing all public affairs in a manner that upholds principles such as participation, rule of law, transparency, responsiveness, orientation towards public interests, justice, effectiveness, efficiency, and accountability. These principles serve as universal benchmarks for assessing the quality and characteristics of good governance, with the ultimate goal of protecting and advancing public interests. Rhoders emphasizes a shift in the definition of governance from traditional government-centric notions to a broader focus on the processes of governance and the blurring lines between public and private sectors. Governance, according to Stoker, reflects a change in the style of government operation, with an emphasis on mechanisms that do not solely rely on government intervention. Koolman and Vans Vilet (1993) highlight governance as the result of interactions among various stakeholders in the government process, leading to the creation of structured and orderly systems. The World Bank defines Good Governance as the responsible management of development, aligned with democratic principles and efficient market practices, aimed at preventing corruption, maintaining fiscal discipline, and fostering a conducive legal and political environment for business activities.

3. Research Methods

This study adopts a purposive qualitative approach aimed at obtaining high-quality findings without relying on statistical procedures. The focus is on understanding the application of transparency and accountability in the management of finance allocation for village funds in the Village Pandai, District

Woha, Bima Regency. The research was conducted in the Village Smart over approximately one month following the issuance of study permissions. Qualitative data, comprised of words, sentences, and images, were collected primarily through direct interviews and observations, supplemented by secondary data obtained from notes, documents, and historical reports stored in files.

The study involved various stakeholders, including the Village Head, Village Secretary, Village Consultative Body (BPD), Village Treasurer, and members of the community, such as religious leaders, traditional figures, and youth leaders. Data collection methods included observation, interviews, and documentation, supported by tools such as image recorders and writing instruments. The data analysis process followed a descriptive qualitative approach, which encompassed organizing, overall reading, coding, horizontalization, data reduction, data presentation, and formulation of conclusions. These steps were undertaken to synthesize the information into a cohesive narrative that provides a reflective understanding of transparency and accountability in the management of village fund allocation in the Village Pandai, District Woha, Bima Regency.

4. Research and Discussion

4.1 Research result

a. Accountability and Transparency System Management ADD Finance

1) Accountability system management ADD finance

Accountability in village government entails holding village authorities responsible for their actions concerning village development and governance. Accountability goes beyond mere compliance with applicable laws and regulations; it also involves the prudent, efficient, effective, and economical use of resources. This accountability function comprises two key components: ensuring that village authorities act responsibly and transparently, and providing comprehensive

reporting to achieve the objectives of village governance with good governance principles.

2) Accountability Allocation of village funds

The management of village finances is conducted efficiently and effectively, with a focus on transparency and accountability. The Allocation Fund Village (ADD), as a primary source of village income, is subject to transparent accountability to both the public and the regency government, the institution with authority over the village. According to an interview with the Secretary of Village Smart, monthly reports on the utilization of village funds are submitted to various relevant agencies, including the inspectorates, financial bodies, and government offices.

These reports ensure that stakeholders, including service providers, are informed about the development and utilization of ADD in Village Smart. Additionally, responsibility for ADD oversight is delegated to the village treasurer, who provides detailed expenditure reports to both the village community and officials, as noted in an interview with the Chairman of BPD Pandai. These measures enhance accountability and transparency in the management of village finances, ensuring that stakeholders are well-informed about fund utilization for village development infrastructure.

3) Reporting Allocation of village funds

The implementation flow of village finances in Village Smart is structured and gradually carried out by the village government, recognized by the village chief. This process is in accordance with the information provided by the informants. "As all reporting must follow the structural or mechanism determined by the village government," explained the Secretary of Village Pandai during an interview on June 27, 2023.

According to the principle of accountability, the implementation of ADD is facilitated through a system of reporting on activities and development. This was affirmed during an interview with the Treasurer of

Village Pandai on the same date, who stated, "Government accountability and transparency are demonstrated through quarterly realization billboards displayed in front of the village office." These interviews reveal that the village government takes responsibility for

openly reporting on the realization of programs funded by the ADD, as evidenced by the billboards displayed. The implementation of ADD is documented in the Annual Village Budget (APBDes) implementation report:

Table 4.2
VILLAGE APB REALIZATION REPORT
SMART VILLAGE GOVERNMENT
BUDGET YEAR 2022

VILLAGE APB REALIZATION REPORT SMART VILLAGE GOVERNMENT			
WOHA DISTRICT BIMA DISTRICT BUDGET YEAR 2022			
U.R A I A N	Ref. BUDGET (Rp)	REALIZATI ON (Rp)	MORE OR LESS) (Rp)
INCOME			
Income Original Village	5,000,000.00	3,000,000.00	2,000,000.00
Income Transfer	1,429,438,79 7.00	1,423,651,54 5.00	5,787,252.00
AMOUNT INCOME	1,438,104,0 50.00	1,429,316,79 8.00	8,787,252.00
SHOPPING			
	738,224,800.00	724,559,547.00	13,665,253.00
FIELD ORGANIZATION	172,950,000.00	170,250,000.00	2,700,000.00
GOVERNMENT VILLAGE	92,050,170.00	92,050,170.00	0.00
FIELD IMPLEMENTATION	0		
DEVELOPMENT VILLAGE	84,542,200.00	84,542,200.00	0.00
FIELD COACHING COMMUNITY	0		
FIELD EMPOWERMENT	350,336,880.00	342,000,000.00	8,336,880.00
PUBLIC	0	0	
FIELD COUNTERMEASURES			
DISASTER, EMERGENCY AND			
URGE VILLAGE	1,438,104,0 50.00	1,413,401,91 7.00	24,702,133.00
AMOUNT SHOPPING	0.00	15,914,881.0 0	(15,914,881.00)
SURPLUS / (DEFICIT)	0.00	15,914,881.0 0	(15,914,881.00)
SILPA/SILPA YEAR WALK			

Based on table 4.2 above report realization implementation 2022 Village APBDes Clever , we are can see that ADD usage is used For maintenance government village

and for activity empowerment public in accordance with activities and budgets spent.

b. Transparency system management ADD

finance

Transparency entails providing open and honest information to society, grounded in the belief that the public has the right to know in a transparent and comprehensive manner about the government's accountability in managing entrusted resources and adhering to legislative rules. This is underscored in Law No. 6 of 2014 concerning Government Areas, which stipulates that the implementation of village development must align with the planning process, and society is entitled to oversee village development activities. This is exemplified in Village Clever, which implements two components of transparency: planning and implementation.

1) Planning Allocation of village funds

Public participation in the planning of ADD involves discussions at the village level, known as musrenbang. This process was confirmed through interviews, as explained by the Head Village Pandai, who stated that discussions begin at the hamlet level, then proceed to the village level, with inputs directly incorporated into the RKP (Rencana Kerja Pemerintah). The active involvement of the public in musrenbang is evident, with enthusiastic participation and the provision of valuable inputs. During these discussions, the public proposes necessary improvements for the village, ensuring that all members are informed about the management of ADD finances. This level of public participation is crucial for supporting essential development programs and addressing community needs, as it allows direct involvement in the planning process at the village level.

2) Implementation Allocation of village funds

Implementation activities funded by ADD are carried out entirely by the Village Implementation Team (TPD). To ensure transparency and clear communication with the community, each physical and non-physical activity is accompanied by information boards displaying the activity name and the budget

allocated from ADD. This transparency initiative was confirmed during interviews with the Head Village Pandai, who mentioned that every activity, from village discussions to the determination of the RKP, is openly communicated through transparency boards.

This practice reinforces the commitment to transparency and community involvement in decision-making processes. Furthermore, interviews with village residents highlighted their active participation and engagement in village meetings and activities, demonstrating their high enthusiasm for the transparency initiatives of the village government. This level of community involvement ensures that residents are well-informed about the implementation of activities and the management of funds received from the government, fostering a sense of mutual cooperation and trust between the government and the community.

4.2 Discussion

All activities funded by the Village Fund Allocation (ADD) are meticulously planned, executed, and evaluated, with active involvement from all members of the rural community. The village budget comprises detailed records of funds received from the regency government, which are utilized to enhance government operations and empower the public through various initiatives. This financial framework aligns with the regulations outlined in Law No. 6 of 2014, ensuring compliance and adherence to established systems. The ADD is derived from the Regional Income and Expenditures Budget (APBD), with the aim of equitably financing village needs for governance, development, and societal services. These funds are acquired by the village treasury from the district government and are distributed in accordance with the principles of local governance, which prioritize community initiative and respect for traditional rights. This comprehensive approach to financial management and village fund allocation underscores the commitment to fostering local development and community

welfare.

a. Accountability

The accountability system for managing ADD is crucial for achieving good governance. It ensures that the acceptance and utilization of budgetary resources from both society and the state are conducted transparently and responsibly. Accountability for ADD is a central dimension of financial governance and represents a primary obligation for those entrusted with its management, including the allocation of village funds. In the case of the Village Smart, the accountability process for ADD is robust, with funds being meticulously accounted for both physically and administratively. Tangible outcomes from these funds are evident in the community, including repaired bridges and aqueducts, distribution of seed paddy, and improvements to mosque and village hall facilities. These developments highlight the effective utilization of village funds for the benefit of the community. Moreover, the reporting and implementation flow of ADD in the Village Smart follow a structured process established by the village government and endorsed by the village chief. The transparency of the village government is demonstrated through quarterly realization reports displayed on billboards in front of the village office. This openness enables the public to stay informed about the government's programs and activities funded by village funds.

b. Transparency

Transparency plays a crucial role in ensuring the accountability of government to its citizens. By adhering to principles of transparency, society can access information related to local government activities, policies, and development processes, thus promoting good governance. In the Village Smart, community participation in the planning process through discussions such as the Musrenbang is essential for supporting ongoing development programs. This involvement ensures that villagers understand the procurement of infrastructure projects

funded by village funds.

Furthermore, the implementation of ADD in the Village Smart is conducted transparently, with each activity being equipped with informative boards detailing the allocated budget from village funds. It is imperative for the village government to realize that adhering to principles of good governance in the management of village fund allocations facilitates smoother development activities and responsibilities.

Maintaining transparency and accountability in the management of village funds ensures effective and efficient implementation of development projects. These findings are consistent with previous research by Ahlun Nusr (2021) on the Application of Accountability and Transparency in the Management of Village Fund Allocations in Village Tanete Speed Tompobulu, Gowa Regency. This research demonstrates that accountability and transparency principles are applied across all stages, from planning to reporting, in the management of village funds in Tanete.

5. Closing

5.1 Conclusion

The conclusions drawn from the application of transparency and accountability in the management of finance allocation in Village Smart, Speed Wow, Bima Regency are as follows:

a. Accountability

The principle of accountability has been effectively implemented, evidenced by the submission of accountability reports in the form of Village Regulations (Perdes) to the sub-district head and the public dissemination of information through boards and banners. Society has also benefited from the development projects in the village, aligning with the principles of good governance. The stage of reporting demonstrates transparency in village governance, with quarterly realizations displayed through billboards in front of the village office.

b. Transparency

Transparency is evident throughout the planning and implementation stages of the ADD program in Village Smart. The planning process prioritizes participatory and transparent principles, allowing the community to contribute to achieving good governance. Additionally, the implementation phase ensures transparency through clear information dissemination, such as boards displaying the utilization of village funds for physical projects. These efforts collectively contribute to the attainment of good governance in the village.

5.2 Suggestion

The research results are expected to have significant implications for further studies with similar topics. Based on these findings, several suggestions can be made:

1. Village governments should actively encourage community participation in village deliberation forums (Musrenbang) to ensure that they are ready to accept inputs from the public.
2. It is advisable for village governments to formalize decisions regarding the allocation of village funds through written documentation. This will ensure transparency and accountability, especially for community members who are unable to attend Musrenbang discussions.
3. Officials responsible for managing and accounting for Village Funds should continue to enhance their individual competencies through technical training or similar programs. This will enable them to improve their performance and serve as role models for other villages in implementing professional and integrity-based financial management practices aligned with the principles of good governance..

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