

THE ROLE OF COMMUNITY PARTICIPATION, MANAGER COMPETENCE AND INTERNAL CONTROL SYSTEM IN REALIZING THE ACCOUNTABILITY OF VILLAGE FUND MANAGEMENT

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ABSTRACT

Introduction/Main Objectives: The aim of this research was to ascertain the contribution of specific factors towards achieving Accountability in Village Fund Management. **Background Problems:** The implementation of village governance must adhere to the principle of accountability. This requires that every action and result of village governance activities must be accountable to the village community. **Novelty:** Community participation is included in this study to test the extent to which the role of the community can influence the implementation of accountability for the financial management of village funds by village officials or governments. **Research Methods** Using a quantitative methodology, the study focused on associations to explore the relationship between different variables. Primary data collection involved the distribution of questionnaires to village officials tasked with reporting on village fund management. **Finding/Results:** Community participation can increase trust in the village government. Competent village government officials can reduce budget fraud. A robust internal control system increases the transparency of village government financial reports and shapes internal decision-making processes. **Conclusion:** This article scrutinizes the interplay of several factors affecting Village Fund Management Accountability with the objective of enhancing the accountability of reports, particularly within Kepil Sub-district, Wonosobo Regency. For future research, it is recommended to include additional variables such as governance and integrity, as well as other relevant indicators. In addition, the use of alternative methods, such as direct interviews with respondents, can provide more comprehensive and objective data to give a more accurate picture of conditions on the ground.

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1. Introduction

Each village possesses the autonomy to administer its own governance, a concept known as decentralization. Decentralization entails a governance framework wherein power and authority are not centralized but distributed across various levels, from the central government to local administrations, and further down to village administrations. Law No. 3 of 2024, the second amendment to Law No. 6 of 2014, states that village governance must be carried out as an effort to improve the competence and performance of village governments, the principle of accountability is necessary so that all actions and results of village government activities can be explained to the village community (Law No. 3 of 2024 on the Second Amendment of Law No. 6 of 2014 on Villages, 2024).

Research (Alfala et al., 2024) on accountability for the management of village funds found that village governments that have implemented accountability for the management of village funds enable the community to feel the direct impact of the village government's performance, such as development that can be directly felt. Moehariono (2018) elucidates that competence encompasses knowledge, skills, aptitudes, and personal principles derived from experience and education to execute tasks and duties effectively, efficiently, and professionally. Competence is defined as an individual's behaviour or attitude when in performing tasks according to their authority with optimal results. As villages are required to prepare financial reports as a form of accountability for the management of village finances, and which are of considerable value, the competence variable is the main focus of the research, the variables Human Resource Competence (HR), Use of Information Technology (UIT), Government Internal Control System (GIC), internal control system (SPIP) and use of SISKEUDEK influence the village fund management accountability variable (Hayyuani & Hidayat, 2024). The accountability of village fund management is significantly influenced by community involvement, the role of village officials and the competence of village officials. Recommended that village governments can increase their knowledge of village fund management by attending trainings on village fund management so that they better understand what is needed to achieve accountability in village fund management. For the village community to increase their involvement in the management of village funds and to increase their control over the village government so that there is no misappropriation of funds as has happened in the past (Chalista Rambu Olivia, 2023)

The Government Agency Performance Accountability System, hereinafter referred to as SAKIP, is a systematic set of various activities, tools and procedures designed to identify and measure, collect data, classify, summarise and report on the performance of government agencies in the context of accountability and performance improvement of government agencies (Regulation of the Minister of Finance of the Republic of Indonesia No. 239 /PMK.09/2016 on the Evaluation of the Implementation of the Performance Accountability System of Government Agencies within the Ministry of Finance, 2016).

Against this backdrop, researchers are inclined to empirically scrutinize the correlation between community participation, managerial competence, and internal control systems vis-à-vis the accountability of village fund management. Kepil Sub-district, characterized by a subpar absorption rate of village funds compared to other sub-districts within Wonosobo Regency, is selected as the focal point of the investigation owing to its inability to optimize the village fund budget, thereby impeding the attainment of accountability in village fund management and heightening the susceptibility to fraudulent activities or misappropriation. The objective of this

study is to discern the impact of community participation, managerial competence, and internal control systems on the accountability of village fund management.

2. Literature Review

2.1. Stewardship Theory

Stewardship theory posits that the management of a company bears the responsibility to the proprietors for overseeing the assets entrusted to them. The company proprietors serve as principals, representing the community, while management functions as stewards, notably the village government in this context. The interrelation between the two is epitomized by the notion of accountability in village fund management, where the village government is obligated to furnish and disclose information required by proprietors as information users, aiding decision-making processes (Arfiansyah, 2020).

2.2. Accountability in Village Fund Management

Accountability stands as a pivotal governance principle that plays a crucial role in fostering public confidence in a suite of activities or programs conceived and executed by the government for societal welfare. The accountability concept encompasses responsibility, presentation, reporting, and disclosure of all agent activities to the principal (Aziiz and Prastiti, 2019).

2.3. Community Participation

Community participation denotes the involvement of the populace in the formulation of government policies and budgets as a means of overseeing management in organizational governance (Dewi and Gayatri, 2019).

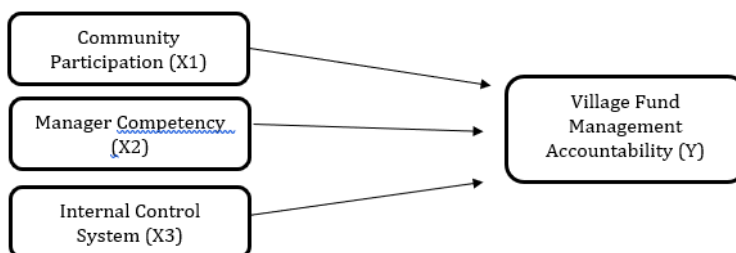
2.4. Managerial Competence

Competence signifies individuals' capacity to fulfill job requirements within an organization, thus achieving desired outcomes (Boyatzis, 1982 as cited in Khusniyatun, 2016).

2.5. Internal Control Systems

Internal control constitutes a system or procedure inherent in an organization to uphold activity processes in line with established policies, aimed at accomplishing organizational objectives (Martini et al., 2019).

Figure 1. Research Model



3. Method, Data, and Analysis

This research encompassed all village administrations across the Kepil sub-district. Employing a quantitative methodology with associative techniques, the study utilized a questionnaire to gather data from 80 village officials responsible for overseeing village fund finances, with data from 55 respondents being processed. The study population comprised all village officials from 20 villages within the Kepil Sub-district, Wonosobo Regency. Data analysis is used to test the relationship between several factors such as community participation, management competence

and internal control system as independent variables, which are used to measure the level of accountability of village fund management as the dependent variable. Data analysis was conducted using multiple linear regression analysis, and the data were processed using SPSS version 25 software. The analytical framework employed to examine the association between the independent and dependent variables in this study is a multiple regression analysis model. The regression equation can be delineated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad (1)$$

4. Result and Discussion

4.1 Validity Assessment

In this research, researchers used interview and observation methods. From the results in the field it can be explained that each informant has the skills to become a creative leader. This explanation is intended to lead an event, activity in a context for children aged 5-10 years. From several informants' explanations, it can be seen that at first the informants felt nervous, anxious and confused because they were not used to hosting events with children as the subject. However, with the knowledge they mastered during their studies, the informants were able to provide instructions that the children could understand.

4.2 Reliability Evaluation

Reliability evaluation in this research is using Cronbach's alpha. Table 1 shows that all variables exceed a score of 0.70, the findings indicate that the measurement instrument utilized has fulfilled the reliability test criteria, rendering it dependable as a valid measuring tool.

Table 1. Reliability Test Result

Table 1. Reliability Test Results

| VARIABLES | Cronbach Alpha | sign | α limit | Description |
|--|----------------|------|----------------|-------------|
| Community Participation (X1) | ,896 | > | 0,70 | Reliable |
| Manager Competence (X2) | ,896 | > | 0,70 | Reliable |
| Internal Control System (X4) | ,940 | > | 0,70 | Reliable |
| Village Fund Management Accountability (Y) | ,982 | > | 0,70 | Reliable |

Source: Primary data processed.

4.3 Model Suitability Evaluation / Goodness of Fit (F-Statistical Test)

Table 2. F- Test

Table 2. F test

| ANOVA ^a | | | | | |
|--------------------|----------------|----|-------------|--------|-------------------|
| Model | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 Regression | 4213,519 | 4 | 1053,380 | 43,107 | .000 ^b |
| Residuals | 1221,827 | 50 | 24,437 | | |
| Total | 5435,345 | 54 | | | |

a. Dependent Variable: Village Fund Management Accountability
b. Predictors: (Constant), Internal Control System, Village Fund Management Competence, Community Participation
Source: Primary data processed.

Table 2 shows the results of the statistical test with an F-test value of 43.107, with a significance level (alpha) of 5 per cent (0.05) and a degree of freedom of 4, so that the F-table value is 2.56. The statistical test results show that the F-test results are greater than the F-table with a value of 43.107 > 2.56. This indicates that Ho is rejected and Ha is accepted, which means that simultaneously all the independent variables, namely community participation, management competence and internal control systems together have a significant effect on the management of village funds.

4.4 Multiple Regression Analysis

Table 3. Multiple Regression Analysis

Table 5. Multiple Regression Analysis

| | | Coefficients ^a | | | | |
|-------|------------------------------|---------------------------|--------------|------|--------|------|
| | | Unstandardised | Standardised | | | |
| | | Coefficients | Coefficients | | | |
| | | | Std. | | | |
| Model | | B | Error | Beta | T | Sig. |
| 1 | (Constant) | -4.969 | 4.558 | | -1.090 | .281 |
| | Community Participation (X1) | .728 | .289 | .357 | 2.517 | .015 |
| | Manager Competence (X2) | .741 | .348 | .285 | 2.129 | .038 |
| | Internal Control System (X4) | .520 | .179 | .308 | 2.905 | .005 |

a. Dependent Variable: tap
 Source: Primary data processed.

Table 3 shows that the t-value partially exceeds the t-critical value at a significance level of less than 0.05, indicating that the independent variable individually has a significant effect on the dependent variable. To determine the t-test value, a significance level of $\alpha = 0.05$ is used and then divided by two to obtain a t-test value of $\alpha/2$, with degrees of freedom (n-k). In this scenario, $\alpha/2 = 0.025$, with 50 degrees of freedom, gives a t-table value of 2.00856. With reference to the table, the regression equation is determined as follows:

$$Y = -4,969 + 0,728pm + 0,741kp + 0,520pi + 4,943 \quad (2)$$

Multiple linear regression analysis was used in this research to examine the possible influence of factors such as community participation, management competence and internal control systems on the level of accountability in village fund management. Factors such as community participation, management commitment and internal control systems are criticised as independent variables, while accountability in village fund management is a dependent variable or a variable that is influenced by predetermined independent variables. Using the multiple linear regression equation obtained, it can be explained that the constant coefficient of -4.969 is negative, indicating that when the independent variables, namely community participation, manager competence and internal control system, are zero, there is -4,969 percent decrease in the level of accountability of village fund management. The regression coefficient for a given variable shows the pattern that describes its relationship with the dependent variable. The regression coefficient for community participation is 0.728, the regression coefficient for management competence is 0.741, and the regression coefficient for internal control system is 0.520. These values indicate a positive direction, which means that as the variables of community participation, management competence and internal control system increase, there is a tendency for the variable of accountability of village fund management to increase.

Table 3 shows the results of the SPSS analysis of the multiple regression analysis, which includes several analysis results :

1. The regression coefficient for the community participation variable of 0.728 gives a t-count value of 2.517 which exceeds the t-table value of 2.00856 at the 0.015 level of significance. This confirms the acceptance of the first hypothesis which states that increasing community participation will increase the accountability of village fund management.
2. The regression coefficient for the manager competency variable is 0.741 with a t-count value of 2.129, which exceeds the t-table value of 2.00856 at the 0.038 significance level, leading to the acceptance of the second hypothesis which states that a high level of competence of village government officials or management will increase the accountability of village fund management.

- The regression coefficient for the internal control system variable of 0.520 gives a calculated t-value of 2.905, which exceeds the t-table value of 2.00856 at the 0.005 level of significance, strengthening the acceptance of the third hypothesis that a better internal control system will increase the accountability of village fund management.

4.5 Coefficient of Determination (R²)

Table 4. Result of the Coefficient of Determination

| Table 6 Test Results of the Coefficient of Determination | | | | |
|--|-------------------|----------|-------------------|----------------------------|
| Model Summary ^b | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .880 ^a | 0,775 | 0,757 | 4,943 |

a. Predictors: (Constant), Internal Control System (X4), Community Participation (X2), Village Fund Management Competence (X1),
b. Dependent Variable: Accountability of Village Fund Managers (Y)

Source: Primary data processed .

Table 6 reveals that the coefficient of determination, reflecting the Adjusted R-Square value of 0.757, suggests that approximately 75.7% of the variability in the accountability variable of village fund management is accounted for by the variables of manager competence, community participation, organizational commitment, and internal control system. The remaining 24.3% variability may be attributable to other factors not incorporated into the model.

5. Conclusion and Suggestion

This study was conducted to assess the possible influence of community participation, management competence and internal control system on the level of accountability of village fund management. This study used a questionnaire to collect data from 80 village officials responsible for overseeing village fund finances, with data from 55 respondents processed. The study population consisted of all village officials from 20 villages in Kepil Sub-district, Wonosobo Regency. The results of the analysis show that community participation, management competence and internal control system have a positive and significant effect on the accountability of village fund management, so the hypothesis for these variables is accepted. It is expected that village officials, the Village Consultative Body (BPD) and the community will use the results of this study as a source of information to increase the level of community participation, management competence and the internal control system. This is expected to help improve the implementation of assigned tasks and create a better level of accountability for the management of village funds. Suggestions for improvement include encouraging village government officials in Kepil sub-district to enhance their knowledge and actively involve the village community in fund management. For future research, it is advisable to incorporate additional variables such as governance and integrity, along with other relevant indicators. Moreover, employing alternative methods like direct interviews with respondents can yield more comprehensive and objective data, thereby offering a more accurate reflection of real-world conditions.

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