
**The Effect Quality of Supervision of Village Consultative Body and
Community Participation in Village Fund Management Accountability**

Selina Hoar Beilulik¹, Wahyu Widarjo², Wulan Suci Rachmadani³

^{1,2,3}Faculty of Economics and Business, Universitas Sebelas Maret,
Surakarta, Indonesia

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Abstract

This study aims to examine the supervision quality effect of the village consultative body and community participation on the accountability of village fund management in Malacca Regency, East Nusa Tenggara Province in Indonesia. The research sample of 372 respondents was selected using accindetal sampling technique. Data was collected by giving questionnaires directly to the respondents. The data results analysis show that the supervision quality of the village consultative body and community participation has a positive and significant impact on the accountability of village fund management.

Keywords: accountability, quality of supervision, village consultative body, community participation

1. Introduction

Implementation of village rights and obligations have the relationship with money or goods is often referred to as village finance. The existence of these rights and obligations will lead to the management of village finance. Accounting will help to record and report all aspects of village financial management. Village financial management is based on the Regulation of the Minister of Finance of the Republic of Indonesia No. 49/PMK.07/2016, emphasizes the procedures for the allocation, distribution, use of monitoring and evaluation of village funds. This regulation provides transparency in the management of village funds. Transparency is very important for the community in monitoring the implementation of village fund management (Triani & Handayani, 2018).

The Indonesian government implements policies in regional autonomy, as can be seen from the widespread decentralization of regional government. This allows the village to handle all activities in its territory based on the principle of autonomy. They are authorized to manage and administer the government system to improve the efficiency and effectiveness of services and reach all levels of society (Nadir, 2013). Furthermore, the government provides a large village fund allocation budget to increase community empowerment and development. However, the Weulun village head between 2013 and 2019, misused the village revenue and expenditure budget amounting to Rp 162,834,196.66 and 405.885,778.56 for the 2016 and 2017 FYs, respectively. The total state costs amounted to Rp 568,719,975 which was budgeted by the government. for a 1.5 km road construction project in Weulun Village, Wewiku District, Malacca Regency, East Nusa Tenggara Province (Ndoen, 2020).

Study regarding village funds has performed by various researchers, both in Indonesia and abroad Pham & Lensink (2007) stated that the village fund applied in Thailand is focus on practice borrowing. The hope of the village funds being rolled out to the Thai government is for reduce poverty besides that allow for diversification product for innovation sustainable. The implementation of village funds in Thailand is effective steps for increase financial assets in rural areas Actor giver loan in study the rated important, thing this caused maker decision in determine step credit segmented rural areas to fit the target with poor people in need empowerment (Hermes & Lensink, 2007). Village fund push asset growth, help smoothness consumption community, make it easy mobility work and reduce dependency to creditor (Kaboski & Townsend, 2005).

Accountability is a means of controlling performance in an organization and has an important role in the administration of national and village government. The village government which is authorized in public policy is obliged to account for all community actions. Furthermore, all government administration activities must be accountable to the public. Accountability is influenced by factors such as the quality of supervision of the village consultative body. This is a control tool for the village government in implementing development and all policies concerning community needs. According to Munti & Fahlevi (2017), the quality of supervision of the village consultative body has a positive effect on the accountability of village fund management. However, Triyono, et al (2019). shows that the quality of related supervision does not affect accountability.

Community participation also strengthens accountability (Devas, & Grant, 2003). Increasing community participation is the key to increasing the responsiveness of local governments to the poor and making development more pro-poor. Participation is carried out starting from evaluation to reporting as an accountability mechanism. Wafirotin & Septiviastuti, (2019), Mada et al. (2017), as well as Umaira & Adnan (2019) showed that community participation had a positive and significant effect on the accountability of village fund management. In contrast, Aprilya & Fitria (2020) show that community participation does not affect accountability.

This study explores the cultural values of how the moral foundation of society can be strengthened to ensure individuals always consider their actions. Furthermore, the culture and customs in Malacca Regency greatly affect the governance of village funds. This is because the community participates more in traditional events than village activities that are considered normal. Therefore, the village government must convey information about the management of village funds. This will ensure that efforts to improve village fund management accountability are more efficient, effective, and targeted. Through the village consultative body, as traditional leaders, the community will be more obedient based on customary social rules in actions, words and deeds. In this case, the customs that are firmly held by the community can influence decision making, especially in the power of village fund management. The management of village funds is expected to run effectively, which is indicated by more equitable development results in various villages. Better development is expected to be able to improve the living standard of the village community and be able to reduce the existing poverty level (Triani & Handayani, 2018).

The government has budgeted funds for a regional road construction project in Weulun Village, Wewiku District, Malacca Regency, East Nusa Tenggara Province. However, the village revenue

and expenditure budget was misused by the former Weulun village head. This phenomenon encourages this research to analyze the factors that affect the accountability of village fund management. It aims to help shape policies that support the accountability of village fund management to the community in Malacca District. This study aims to answer the following questions:

Q1: Does the quality of supervision of the village consultative body affect village fund management accountability?

Q2: Does community participation affect village fund management accountability?

2. Hypothesis Development

2.1 Quality of Supervision of the Village Consultative Body

Supervision is ensuring the implementation of an activity or work and whether it is in accordance with the agreed rules, plans and objectives. Increasing the accountability of village fund management requires the supervision of the village consultative body which is responsible for government administration activities carried out by the village head.

This agency establishes checks and balances and channels community aspirations in village policies. Legislative bodies are required to be responsible and carry out their duties properly. Furthermore, the village consultative body is a partner of the village government which must show professionalism because of its separate position from the village government. It must pay attention to the flow of funds determined and distributed to each work post efficiently and appropriately to prevent fraud. Therefore, as a legislative institution that carries out the mandate of the community, it is expected to carry out its functions in the fields of legislation, budgeting, and supervision. This ensures that government activities carried out by the village head are free from fraud, especially the management of the village fund allocation. Therefore, this improves the management of the village fund allocation by the village implementation team. Its implementation becomes effective, with benefits that improve the welfare of the village community.

The quality of supervision of the village consultative body is the spearhead of the community in ensuring that the implementation of village governance goes according to plans and applicable regulations. The quality of supervision is improved by encouraging and motivating someone to carry out activities with the right information to achieve the expected results on time. Therefore, the more capable supervision of the village consultative body makes the village government more accountable. Munti & Fahlevi (2017) and Atmadja & Saputra (2018) stated that the quality of supervision of the village consultative body has a positive effect on the accountability of village fund management. Therefore, the following hypothesis is formulated:

H1: The quality of supervision of the village consultative body has a positive effect on the accountability of village fund management.

2.2 Community participation

Community participation is important for government agencies in managing village funds. A participant consciously engages in social interactions in certain situations. Community

participation is where the community identifies problems and potentials, selects the best alternative solutions, and evaluates changes (Aprilya & Fitria, 2020).

Community participation is needed to realize development in accordance with village needs. Communities are involved in decision making in development programs and in identifying problems and potentials. Therefore, community participation in village government activities increases the accountability of village fund financial management. This is because the response that appears to the public's distrust of the government is decreasing. Periansya & Sopiyan (2020) stated that community participation has a positive effect on the accountability of village fund management. These results are in line with Umaira & Adnan (2019), Aulia et al. (2018), Jannah et al. (2018), and Mada et al. (2017). Therefore, the following hypothesis is formulated:

H2: Community participation has a positive effect on the accountability of village fund management.

3. Methods

3.1 Research Design

This study uses an associative quantitative approach to determine the relationship between variables using the survey method. Primary data was obtained by using a questionnaire instrument. The population consists of people in Malacca Regency, East Nusa Tenggara. Sampling was used to select five villages in Wewiku District, ten in West Malacca District, and 15 in Central Malacca District, so that 372 respondents were obtained. Accidental Sampling was conducted based on chance, where the sample included anyone who was met without prior planning.

3.2 Statistics and Data Analysis

Data analysis in this study used multiple linear regression. Prior to the regression analysis, the validity and reliability of the research instrument was first tested, then the classical assumption test was carried out which consisting of normality, multicollinearity and heteroscedasticity tests. The following is the formulated regression equation in this study.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Description:

Y: Village Fund Management Accountability (VFMA)

X₁: Quality of Supervision of the Village Consultative Body (QSVCB).

X₂: Community Participation (CP).

α: Constant

β: Coefficient

e: Error

Table 1. Variables and Indicators

Variable	Indicator	Questionnaire Questions
Quality of Supervision of the Village Consultative (Munti & Fahlevi, 2017)	1. Supervision schedule	1. The Village Consultative Body in my village has compiled a routine monitoring schedule.
	2. Supervision standard	2. The Village Consultative Body conducts direct monitoring of the implementation of village fund management.
	3. Input	3. The Village Consultative Body monitors indirectly through reports from the village government who are responsible for the implementation of village fund management.
		4. The Village Consultative Body conducts supervision based on objective standards, namely in accordance with local government regulations.
		5. In addition to supervising, the village council also makes corrections if errors or irregularities occur in village activities and programs.
		6. The Village Consultative Body establishes good communication during meetings with village officials and community leaders.
		7. The Village Consultative Body always conducts an assessment or evaluation of the implementation of village activities and programs.
		8. The Village Consultative Body members are responsive to the demands of the community in my village and do not discriminate between status in providing services.
Community participation (Perdana, 2018)	1. Involvement in village program decision making	1. Before creating and implementing new programs, such as repairing facilities and infrastructure, roads, literacy education, the government in my village asked the community for approval.
	2. Engage in monitoring and reporting	2. I was given the freedom to participate in supervising/monitoring the reporting of village fund management activities.
	3. Assessing budget execution	3. I contribute in contributing ideas, expertise, skills, and personnel for the implementation of village programs.
	4. Awards	4. I participate in assessing or evaluating budget implementation activities. 5. I am willing to maintain, preserve, and apply the results of the program implemented.

Village Fund Management Accountability (Periansya, 2020)	<ol style="list-style-type: none">1. Honesty and openness of information2. Compliance in reporting3. Procedural conformity4. Information sufficiency5. Report delivery accuracy	<ol style="list-style-type: none">1. The financial management of my village funds is prepared honestly, avoiding abuse of office and in accordance with the law.2. The management of village funds is presented openly, quickly and accurately to the entire community.3. The village leader in my village is obedient in submitting a written statement on the administration of the village government to the BPD at the end of each fiscal year.4. Procurement of activities in accordance with procedures, namely the application of funding to carry out activities must be accompanied by a Budget Plan document.5. Adequacy of information is needed in implementing activities that are responsible for expenditure actions that cause the burden of the activity budget to use the activity cash sub-book as accountability for the implementation of village activities.6. All village receipts and expenditures are carried out through the village treasury account and are supported by complete and valid evidence.
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4. Results and Discussion

4.1. Descriptive Statistics

The results in Table 2 show that the independent variable is the Quality of Supervision of the Village Consultative Body (X1) at least 3, maximum 5, mean 4.44, and standard deviation 0.609. Community Participation (X2) is at least 3, maximum 5, the mean is 4.29, and the standard deviation is 0.602. The dependent variable is Village Fund Management Accountability (Y) at least 3, maximum 5, mean 4.23, and standard deviation 0.594.

Table 2. Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
QSVCB.1	372	3	5	4.52	0.603
QSVCB.2	372	3	5	4.39	0.709
QSVCB.3	372	3	5	4.29	0.695
QSVCB.4	372	3	5	4.48	0.654
QSVCB.5	372	3	5	4.43	0.687
QSVCB.6	372	3	5	4.41	0.661
QSVCB.7	372	3	5	4.40	0.699
QSVCB.8	372	3	5	4.46	0.649
QSVCB	372	3	5	4.44	0.609
CP.1	372	3	5	4.33	0.614
CP.2	372	3	5	4.37	0.620
CP.3	372	3	5	4.42	0.633
CP.4	372	3	5	4.32	0.626
CP.5	372	3	5	4.35	0.625
CP	372	3	5	4.29	0.602
VFMA.1	372	3	5	4.07	0.628
VFMA.2	372	3	5	4.16	0.710
VFMA.3	372	3	5	4.20	0.706
VFMA.4	372	3	5	4.19	0.686
VFMA.5	372	3	5	4.21	0.708
VFMA.6	372	3	5	4.16	0.685
VFMA	372	3	5	4.23	0.594
Valid N (by list)	372				

Source: Primary data processed, (2022)

4.2. Validity and Reliability Test Results

The validity test results in Table 3 show that the r-count value of all variables is greater than the r-table value. Therefore, it can be concluded that all the instruments which used to measure the research variables are valid. Furthermore, the reliability test results which using Cronbach's Alpha in Table 4 show that the Cronbach's Alpha value of all variables is greater than 0.70. Thus it can be concluded that all instruments which used to measure variables are reliable.

Table 3. The Validity Test Results

Variable	Instrument	r-value	r-table	Information
QSVCB (X ₁)	QSVCB.1	0,831	0,0854	Valid
	QSVCB.2	0,843	0,0854	
	QSVCB.3	0,844	0,0854	
	QSVCB.4	0,837	0,0854	
	QSVCB.5	0,825	0,0854	
	QSVCB.6	0,796	0,0854	
	QSVCB.7	0,804	0,0854	
	QSVCB.8	0,775	0,0854	
CP (X ₂)	CP.1	0,807	0,0854	Valid
	CP.2	0,803	0,0854	
	CP.3	0,776	0,0854	
	CP.4	0,765	0,0854	
	CP.5	0,805	0,0854	
VFMA (Y)	VFMA.1	0,716	0,0854	Valid
	VFMA.2	0,742	0,0854	
	VFMA.3	0,715	0,0854	
	VFMA.4	0,712	0,0854	
	VFMA.5	0,739	0,0854	
	VFMA.6	0,743	0,0854	

Source: Primary data processed, (2022)

Table 4. The Reliability Test Results

Variable	Cronbach's Alpha	Information
QSVCB (X ₁)	0,930	Reliabel
CP (X ₂)	0,851	
VFMA (Y)	0,823	

Source: Primary data processed, (2022)

4.3. Classic Assumption Test Results

This study used the Kolmogorov-Smirnov test to analyze the normality of the regression model residuals. The test results show the significance value of the unstandardized residual is 0.173. This means that the regression model residuals are normally distributed. The multicollinearity test results which using Variance Inflation Factor (VIF) and Tolerance analysis showed that the VIF value of the QSVCB and CP variables was less than 10 and the Tolerance value was more than 0.01. Therefore, it can be concluded that there is no multicollinearity between the independent variables. Furthermore, the heteroscedasticity test results which using the Glejser test showed that the significance values of the QSVCB and CP variables were 0.373 and 0.364. This means that there is no heteroscedasticity problem in the regression model.

4.4. Multiple Linear Regression Test Results

This research is proposed to find out the empirical facts about the effect of the independent variable on the dependent variable. The analysis aims to estimate or predict the population mean of the dependent variable or the mean value using multiple regression. Table 5 shows the results of multiple regression analysis.

Table 5. Multiple Linear Regression Test Results

Variables	Coefficients	t-value	Sig
Constant	7.595	6.105	0.000
Quality of Supervision of the Village Consultative Body (QSVCB)	0.227	6.909	0.000
Community Participation (CP)	0.429	7.317	0.000
Adjusted R Square	0.346		
F Statistic	99.040		
Sig	0.000		

Source: Primary data processed, (2022)

Simultaneous significance test or F test in Table 5 shows that the independent variables simultaneously have a significant effect on the dependent variable. The multiple regression model has a sig F value of 0.000 b ($0.000 < 0.05$), where F Statistic is 99.040 and exceeds F table by 0.0039. Therefore, the independent variable simultaneously affects the dependent variable. The Coefficient of Determination (R Square) test measures the model's ability to describe

variations in the dependent variable. The value of the coefficient of determination is between zero and one. Adjusted R square value of 0.346 indicates that 34.6% of the independent variables explain the accountability variable for village fund management. The remaining 65.4% is influenced by other variables or factors outside the model.

Multiple regression test showed that the t- value of 6.909 was higher than the t-table of 1.649, with a significance of 0.000 less than 0.05. This means the quality of supervision of the village consultative body has a positive and significant effect on the accountability of village fund management. Higher supervision by the village consultative body members improve village fund management accountability in Malacca Regency, East Nusa Tenggara Province. The results of the study support Munti & Fahlevi (2017) which show that the quality of supervision of the village consultative body has a positive effect on the accountability of village fund management in Gandapura District, Bireuen Regency, Aceh. Atmadja & Saputra (2018) also found that the quality of supervision of the village consultative body affects the accountability of village funds.

The results showed that the t-value of 7.317 was higher than the t-table of 1.649, with a significance of 0.000 less than 0.05. This shows that community participation has a positive and significant effect on the accountability of village fund management. The high level of community participation in village government activities increases the accountability of village fund management in Malacca Regency, East Nusa Tenggara Province. This is because the public's response to distrust of the government will decrease. The results of the study support Periansya & Sopiyan (2020) which show that community participation has a positive effect on the accountability of village fund management. Umaira & Adnan (2019), Aulia et al. (2018), Jannah et al. (2018), and Mada et al. (2017) also found that community participation had a positive effect on the accountability of village fund management.

5. Conclusion

Based on the research findings, there are several conclusions: 1) The variable quality of supervision of the Village Consultative Body has a positive and significant effect on the accountability of village fund management. This shows that better quality increases the accountability of village fund management. 2) The community participation variable has a positive and significant effect on the accountability of village fund management. This means that the more community participation, the more individuals involved in making decisions and implementing activities related to community needs.

This study provides the following suggestions: 1) The study must correct deficiencies by improving the quality of the human resources of the implementing team. This should be done through regular education and training, as well as providing more transparent accountability reports to the public. 2) Further studies should discuss other village fund management responsibilities, such as village original income, village owned enterprises, and others. 3) They must use a broader object and add independent variables, such as presentation of financial statements, transparency, community culture, and others that affect village fund management accountability.

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