INDONESIAN JOURNAL OF ECONOMICS, SOCIAL, AND HUMANITIES
ijesh.unri.ac.id

Factors Affecting Village Fund Management With Village Apparatus Competence as a Moderating Variable

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Article Info

Received : 2024-03-25
Accepted : 2024-04-22
Published : 2024-09-30

Key words: utilization of village financial system; community participation; accessibility of financial statements; management of village funds; competence of village apparatus

Abstract

The aim of this research was to investigate how the utilization of village financial systems, community involvement, and the availability of financial statements impact the management of village funds, with the competence of village officials playing a moderating role, in Rokan Hulu Regency. Users can easily access information about the villages in Rokan Hulu Regency included in this study as recipients of village funds, namely 139 villages. The study employed proportional stratified random sampling and included 412 respondents, including village officials such as the village head, village secretary, head of finance, and BPD. Data was collected through questionnaires, and analysis was conducted using Warp PLS. The utilization of village financial systems and the management of village funds are affected by factors like community involvement and the accessibility of financial records, according to research findings.Additionally, the effectiveness of village officials plays a moderating role in how financial systems and community involvement affect fund management, though not in the accessibility of financial statements.

INTRODUCTION

The central government allocates village funds as a budgetary provision for villages in order to enhance development budgets, services, and community empowerment, whereas the government has budgeted a quite significant amount of village funds each year In 2018, the government allocated Rp 60 billion for village development, with almost the entire amount, Rp 59.86 billion, being disbursed, accounting for 98.77% utilization. The following year, the allocation rose to Rp 70 billion, but by August 2019, only Rp 42.2 billion had been disbursed, representing 60.29% of the funds. In 2020, the allocation increased further to Rp 72 billion. These funds were distributed across 444 regencies and cities in 33 provinces, benefiting approximately 74 thousand villages. The village consistently neglects to account for additional funds it receives. Over the past three years, there has been a significant increase in the average village fund, encompassing financial aid, revenue-sharing allocations, and rural development grants.

In 2018, each village received an average allocation of IDR 800.4 million, which increased to IDR 933.9 million in 2019 and IDR 960.6 million in 2020. In 2020, a total of IDR 72 billion was allocated for village funds, aimed to benefit 74,953 villages and distributed through 169 State Treasury Service Offices (KPPN). As of January 29, 2020, KPPN had allocated IDR 97,735,184,900 in village funds.This acceleration still follows the terms of the process of disbursing the funds to eligible villages, namely Madiun Regency, East Kolaka Regency, Natuna Regency, and Bantaeng Regency (Ministry of Finance, 2022).

Rokan Hulu Regency is part of Riau Province and has received village funds since 2015. In 2015, In 2014, Indonesia introduced Law No. 6/2014, which required the disbursement of the Village Fund. This marked the inaugural year of implementing this legislation.

DOI: https://doi.org/10.31258/ijesh.6.3.223-238

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Table 1: Village Funds in Rokan Hulu Regency 2017-2021

Number	Year	Total (Rp)
1	2017	112.016.303.000
2	2018	120.306.632.000
3	2019	139.861.061.000
4	2020	143.249.015.000
5	2021	147.334.899.000

Source: Ministry of Finance, 2022.

Based on Table 1, it shows that village funds in Rokan Hulu Regency during 2017–2021 have increased every year. However, the increase in village funds has always been an issue, Issues regarding the management of village funds in Rokan Hulu Regency, particularly concerning the reporting process, are of significant concern. Based on data obtained from the Rokan Hulu Regency Community Empowerment and Village Government Office with Letter Number 412.2 / DPMPD-KAD / 2022 dated November 17, 2022, it states that there are 25 (twenty five) villages that are late in submitting applications for the disbursement of village funds phase III in 2022 including: Greetings to the communities of Babussalam, Bangun Jaya, Bangun Purba Timur Jaya, Batang Kumu, Kembang Damai, Kepayang, Langkitin, Masda Makmur, Pasir Baru, Pasir Intan, Pasir Luhur, Pasir Makmur, Pekan Tebih, Pendalian, Rambah, Rambah Muda, Rambah Tengah Barat, Rambah Tengah Utara, Sangkir Indah, Sei Kandis, Serombou Indah, Sialang Jaya, Suka Maju, Tanjung Belit, and Tingkok in the Rokan Hulu Regency according to the Department of Population and Civil Registration (DPMPD) report from 2022.

Another problem is that there are still 35 (thirty-five) Villages that haven't applied for phase III 2022 funds disbursement, including Rambah Hilir, Tangun, Pagaran Tapah, Tanjung Medan, East Kepenuhan, Teluk Sono, Simpang Harapan, Pematang Berangan, Tibawan, Suka Damai, Kepayang, Mahato Sakti, Sungai Kumango, Pasir Agung, Pemandang, Pasir Maju, Rantau Binuang Sakti, Pauh, Alahan, Kepenuhan Hulu, Bagan Tujuh, Lubuk Betung, Bangun Purba, Lubuk Napal, Batas, Mekar Jaya, Kasang Mungkal, Payung Sekaki, Kepenuhan Baru, Sejati, Kepenuhan Jaya, Kepenuhan Raya, Kita Intan, Lubuk Bilang, Tandun Barat (DPMPD Rokan Hulu Regency 2022).

Based on the above issues, Understanding the variables that impact village fund management is essential. Factors such as the effectiveness of the financial system within the village, community engagement, and the availability of financial records can significantly influence how village funds are managed.

The effective utilization of the village financial system is crucial for enhancing the quality and dependability of financial reports, thereby enabling optimal management of village funds. It is imperative for village fund management to adhere to principles such as transparency, accountability, participation, discipline, and oversight. The Siskeudes app, a result of cooperation between BPKP and the Directorate General of Village Government Development, aims to enhance governance in villages by promoting transparency, efficiency, and accountability. This initiative aligns with the government's priorities as outlined in Nawacita.The development of the Village Financial System application was carried out on the basis of input at the Hearing Meeting (RDP) of Commission XI on March 30, 2015, as well as the fulfillment of recommendations from the KPK RI to implement the Village Financial System. This aligns with the findings of Bawono and Setyadi (2019) and Utami (2021), indicating that the partial and significant utilization of the village financial system impacts the management of village funds. However, it contrasts with the research findings of Putri and Mujiyati (2021) and Ningsih (2021), which suggest that the utilization of the village financial accounting system doesn't have a significant impact on village fund management.

Community involvement stands as a crucial factor influencing the effectiveness of village fund management, impacting rural development programs. Understanding the conditions and factors shaping community participation is vital for ensuring the sustainability of empowerment initiatives (Arta and Ni, 2019). Studies by Sari & Kadek (2021), Ani (2020), and Sarah et al. (2020) affirm the positive and significant impact of community engagement on

village fund management. However, research by Supriati (2022), Putri and Mujiyati (2021), and Indraswari and Yuliastuti (2021) presents contrasting findings, suggesting that community involvement does not affect the management of village funds.

The ability for the public to easily access financial statements can significantly impact how village funds are managed. Seda & Tilt (2020) highlight that when information about government entity performance is readily available, it enables the public to evaluate fund management effectively. Media platforms like newspapers, magazines, radio, television, websites, and forums play a crucial role in providing this access, facilitating community oversight. This aligns with findings by Supriati (2022) and Shafira & Evy (2021), indicating a positive correlation between accessibility and effective fund management. However, research by Putri and Mujiyati (2021) and Puspa and Prasetyo (2020) suggests no significant influence between financial statement accessibility and village fund management.

Based on the description above, there is still a lack of uniformity between one researcher and another, for this reason the author uses a moderating variable, The choice of the competence of the village apparatus as a moderating variable stems from its connection to mobilizing people or village communities, as well as its impact on the effectiveness of community participation.It impacts the community's perception and expectation of the output produced by the apparatus. Effective participation in group or individual work relies heavily on how the village apparatus interacts with the community and the level of control and influence available. Key elements in village governance include the village apparatus and the village head, who represent the human resources within the village organizational setup. The effectiveness of the village apparatus is crucial in driving community engagement towards achieving village development goals.

LITERATURE REVIEW

Stewardship Theory

Donaldson & Davis (1991) propose that stewardship theory is rooted in psychology and aims to elucidate scenarios where managers, acting as stewards, prioritize the owner's interests. According to this theory, managers align their behavior with mutual interests. When the owner and steward have differing opinions, the steward tends to cooperate rather than resist, motivated by a belief in shared interests and the rational pursuit of organizational objectives.

Village Fund Management

In line with the directive outlined in Article 14, paragraph (7) The 28th regulation of 2022 concerning the State Budget for Fiscal Year 2023 requires the Minister of Finance to establish a regulation specifying the management of village funds and its particulars.This served as the basis for the issuance of PMK No. 201/PMK.07/2022 regarding village fund management.Village Funds are part of the Regional Transfers (TKD) allocated to villages with the aim of supporting funding for governance, development implementation, community empowerment, and community.

Utilization of the Village Financial System

To realize and support good governance, especially in the management of village funds, villages that receive village funds are required to use the Village Financial System (Siskeudes) application. According to Kartika (2021), the Siskeudes application is an application developed by the Financial and Development Supervisory Agency (BPKP) with the aim of improving the quality of financial governance in village governments.

Community Participation

Good development is the result of good village fund management (Medianti, 2018). The more intense community participation, the more accountable village fund management. High community participation in the management of village funds will reduce the emergence of

errors. Umaira (2019) states that community participation is the community being involved in the process of identifying problems and potentials in the community, selecting and choosing the most alternative solutions for dealing with problems, implementing efforts to solve problems, and being involved in the process of evaluating changes that occur.

Accessibility of financial statements

Puspa & Prasetyo (2020) explain that accessibility is a form of local government accountability to the public in an open and honest manner by disseminating information that is accessible to various users. Accessibility will benefit the public as the owner of financial information for consideration in decision-making. Article 103 of Law No. 33/2004 In the agreement between the Central Government and Regional Governments, it is stipulated that data stored in the Regional Financial Information System (SIKD) should be easily accessible to the public.This means village administrations must provide stakeholders or the public with access to transparently prepared financial reports.

Competence of the Village Apparatus

According to Regulation Number 108 of 2017 by the Ministry of Home Affairs, competence refers to the skills, knowledge, and behavioral attributes of a government employee necessary for effectively and efficiently performing their duties. These attributes enable employees to carry out their responsibilities professionally. Employees lacking in these attributes, particularly sufficient knowledge, may experience prolonged work processes and waste considerable time and energy (Atiningsih & Ningtyas, 2019).

Conceptual Framework And Hypothesis Development

Utilization of the Village Financial System Affects Village Fund Management

An effective financial system that promotes usage and benefits can significantly enhance accountability, including honesty, adherence to regulations, and the management of village funds. Triyono & Arfiansyah's (2019) research highlights how the Siskeudes application streamlines management tasks from planning to reporting, integrating all necessary features for village management. Regular updates and the assistance of village personnel further support the smooth implementation of Siskeudes, ensuring its effectiveness in facilitating transparent and efficient financial processes.

Through stewardship theory, the village government acts as a steward, which is a trustee who is required to present all findings that are beneficial to the organization as well as for information users, namely the public regarding village finances. The proposed research hypothesis is in accordance with the findings of Triyono & Arfiansyah (2019), indicating that the partial and significant impact of the village financial system affects village fund management, based on a synthesis of theory and prior studies:

H_1: Utilization of the Village Financial System Affects Village Fund Management

Accessibility of Financial Statements Affects Village Fund Management

Local authorities must guarantee broad availability of financial reports, which involves disseminating regional financial statements through diverse platforms such as newspapers, the web, or alternative mediums. (Permendagri No. 13 of 2006). Stewardship theory elucidates the scenario where managers prioritize the organization's interests over personal goals to achieve organizational objectives. Village government officials, acting as stewards, are entrusted with managing village funds as one of their duties. Competent individuals should oversee the administration of village funds, while the government should provide financial information for the public and other stakeholders to use in making economic, social, and political decisions.

The hypothesis for the proposed research is that the accessibility of financial statements impacts the management of village funds, consistent with findings from previous studies by Supriati (2022) and Shafira and Utami (2021):

H_3: The management of village funds can be influenced by how easily financial reports can be accessed.

Utilization of the Village Financial System Affects Village Fund Management with Village Apparatus Competence as a Moderating Variable

Ningsih (2021) Improving the financial system within a village and having capable village officials can significantly enhance the quality of financial management at the village level. According to stewardship theory, competent village officials are entrusted with ensuring financial accountability, thereby helping achieve economic objectives and maximizing community welfare. The village apparatus, as a steward, directs all its abilities and qualities toward optimizing the village financial system to produce quality village fund management accountability reports.

H_4: The effectiveness of the village administration influences how the use of the village financial system impacts the management of village funds.

Community Participation Affects Village Fund Management with Village Apparatus Competence as a Moderating Variable

The competence of the village apparatus is one of the factors that influence the implementation of accountable village governance and financial management. Thus, members of organizations and communities who have a sense of sympathy for participating, Improving both the management of village funds and the proficiency of village officials will enhance the adherence to regulations governing fund management. According to stewardship theory, local governments, entrusted to represent community interests, can deliver quality services. This theory implies that effective village fund management requires community involvement, where all voices are heard, and contributions shape the management process.

H_5: The Competence of the Village Apparatus Moderates the Relationship between the Community Participation on Village Fund Management

Accessibility of Financial Statements Affects Village Fund Management with Village Apparatus Competence as a Moderating Variable

Supriati (2002) states that the competence of village officials in carrying out activities related to the accessibility of financial reports is so that the wider community in general and users of financial reports in particular can easily access information related to the management of village funds. This has been proven to improve the optimal management of village funds. Based on stewardship theory, it explains the situation of managers who do not have motivation for individual goals, but managers prioritize the interests of the organization to achieve organizational goals. This theory is more suitable for use in government agencies, one of which is the village government. The village administration is responsible for overseeing village funds. This requires capable individuals and transparency in financial reporting to aid public and stakeholder decision-making in economic, social, and political matters.

H_6: The effectiveness of the village administration influences how the accessibility of financial reports on village fund management impacts outcomes.

Based on the description above, the research model can be seen in the following figure:

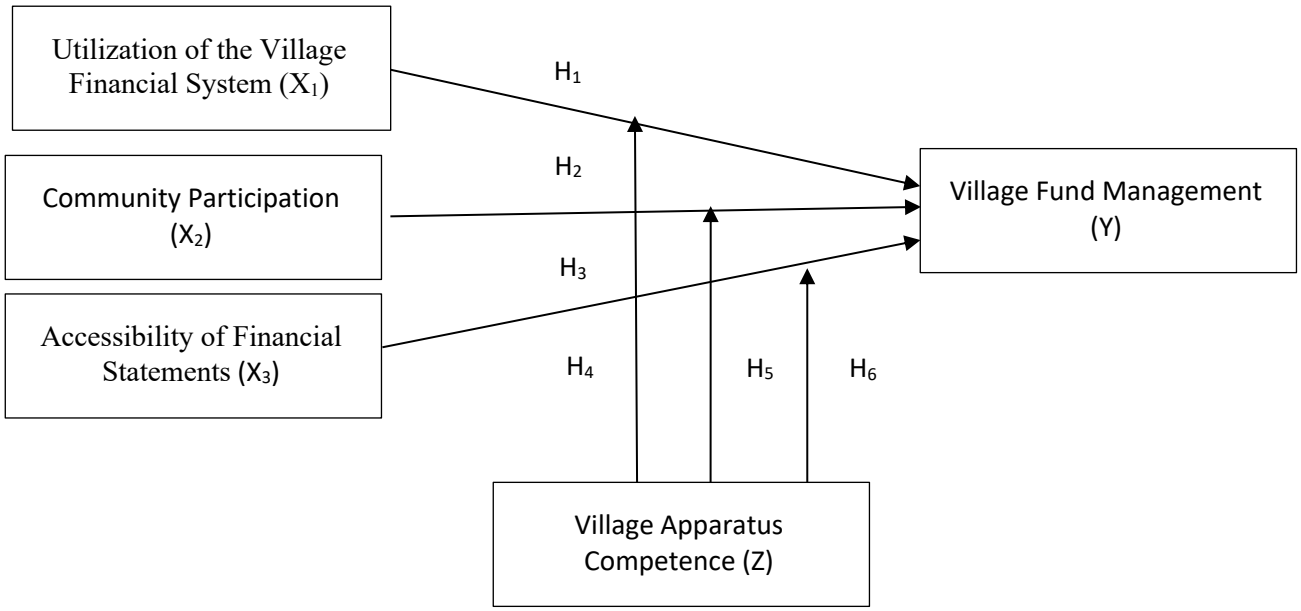

Figure 1 Research Model

METHODS

Variable Definition and Measurement

Village Fund Management (Y)The entire A sequence of tasks, spanning from planning and execution to management, documentation, and oversight, occurred within a single fiscal year, commencing on January 1 and concluding on December 31 (Lubis, 2020). The assessment tool for the variable under scrutiny in this research drew from Lubis (2020), encompassing five key metrics: planning, execution, management, reporting, and oversight.

Utilization of the Village Financial System (X_1)

Local authorities are required to provide access to The Village Financial System (SISKEUDES), a software developed by the Financial and Development Supervisory Agency (BPKP) to improve financial management practices in village administrations (Utami, 2021). The adoption of this system, as detailed by Utami (2021), focuses on three key aspects: financial integrity, transparency, and adherence to regulations

Community Participation (X_2)

Community Participation is a collaboration Collaboration between citizens and the government in strategizing, executing, safeguarding, and enhancing developmental outcomes (Ani, 2020). The instrument for measuring the community participation variable was adopted from (Ani, 2020) with 3 (three) indicators, namely decision making, budget preparation and budget implementation.

Accessibility of Financial Statements (X_3)

Accessibility of financial reports refers to the capacity to enable stakeholders to access and acquire financial reports as a component of stakeholder engagement. (Purwaningrum, 2018). The instrument for measuring the variable accessibility of financial statements was adopted from Purwaningrum (2018) with three indicators, namely openness in the mass media, ease of access, and availability of information.

Village Apparatus Competence (Z)

The village administration's effectiveness is a capability held by a component of the village government, aside from the village chief, to execute duties related to managing the village government, facilitating village development, nurturing village society, and empowering village communities (Budiarto et al., 2020). The assessment tool for gauging Village Apparatus Competency was derived from Budiarto et al. (2020) and includes three aspects: knowledge, capability, skill, and attitude.

RESULT

Model Measurement (Outer Model)

Validity Testing

Local authorities must ensure that indicators used in the calculation of convergent validity have loading factor values exceeding 0.7, indicating their validity. The average extracted value (AVE) of village financial management (Y), utilization of village financial systems (X1), and community participation (X2) should also be considered, accessibility of financial statements (X3), and competence of village officials (Z) from each construct variable has a value above 0.50 (50%), meaning that village financial management, utilization of village financial systems, community participation, accessibility of financial statements, and competence of village officials from indicators can be explained and fulfill the requirements of convergent validity. The convergent validity calculation results indicate that both the construct cross-loading value and the square root of AVE surpass the loading of indicators to other variables. This suggests that all indicators in the study demonstrate strong discriminant validity against each other.

Reliability Testing

Table 2: Cronbach's Alpha and Composite Reliability Results

No.	Variable	*Cronbach's Alpha*	*Composite Reliability*
1	Village Fund Management (Y)	0.868	0.891
2	Utilization of the Village Financial System (X_1)	0.889	0.909
3	Community Participation (X_2)	0.848	0.883
4	Accessibility of Financial Statement (X_3)	0.707	0.837
5	Village Apparatus Competence (Z)	0.886	0.906

Source: Processed Data, Warp PLS, 7.0 (2023)

The results from table 2 demonstrate that all variables meet the reliability criteria, With both Cronbach's Alpha and Composite Reliability values exceeding 0.7 for every variable.

Structural Model Evaluation (Inner Model)

Coefficient of Determination

Table 3: Coefficient of Determination

Variable Latents	Village Fund Management (Y)
Nilai *R-squared*	0.546

Source: Processed Data, Warp PLS, 7.0 (2023)

Meanwhile, the results of interviews with parents illustrate that they are also responsible for determining children's behavior towards smartphone use. This is due to the direct communication factor in the family which plays an important role. In addition, by providing understanding and literacy about the use of smartphones and the "flood of information" in cyberspace, as well as about the vulnerability of data security which is

considered important to explain to children from middle to high school. This is so that when they go to college, they will become skilled at using smartphones and other electronic devices to study and socialize.

Model Fit and Quality Indices

Table 4 Indicator Value of Model Fit and Quality Indices

	Result	Criteria	Information
Average path coefficient (APC)	0.275, P<0.001	<0,05	Accepted
Average R-squared (ARS)	0.565, P<0.001	<0,05	Accepted
Average adjusted R-squared (AARS)	0.562, P<0.001	<0,05	Accepted
Average block VIF (AVIF)	2,227	< 3,3	Accepted
Average full collinearity VIF (AFVIF)	2,241	< 3,3	Accepted
Tenenhaus GoF (GoF)	0,528	> 0,36	Accepted
Sympson's paradox ratio (SPR)	1,000	> 0,7	Accepted
R-squared contribution ratio (RSCR)	1,000	> 0,9	Accepted
Statistical suppression ratio (SSR)	1,000	> 0,7	Accepted
Nonlinear bivariate causality direction ratio NLBCDR)	1,000	> 0,7	Accepted

Source: Processed Data, Warp PLS, 7.0 (2023)

The effectiveness of the research framework is affirmed by the results outlined in table 4. Critical metrics such as the Average Path Coefficient (APC) and Average Block VIF (AVIF) provide substantial support demonstrate favorable values, meeting the predetermined standards effectively. This suggests a strong alignment between the model and the data.

Hypothesis Testing Results

The structural equation model findings are depicted in Figure 2, illustrating the research results.

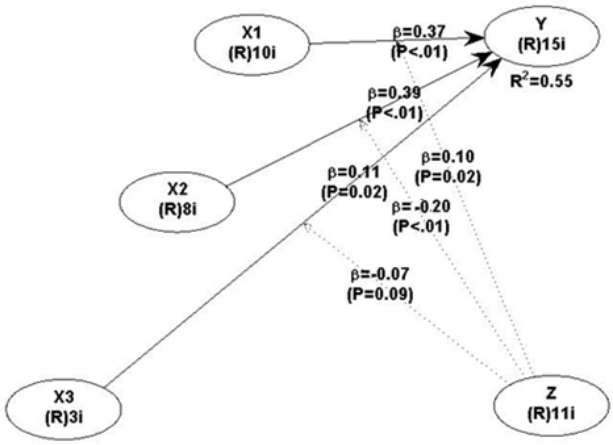

Figure 2 Structural Equation Model with Path Coefficients and P-value

Description:
X_1 = Utilization of Village Financial System
X_2 = Community Participation
X_3 = Accessibility of financial statements
Z = Village Apparatus Competence
Y = Village fund management
ß = coefficient value
P = p-value
R = Number of statement items

Based on the picture above, the results of hypothesis testing in this study are as follows.

Table 5 Hypothesis Test Results

Hypothesis	***Path Coef***	***P-value***	**Information**
Hypothesis 1	0,37	P<0,01	Hypothesis Accepted
Hypothesis 2	0,39	P<0,01	Hypothesis Accepted
Hypothesis 3	0,11	0,02	Hypothesis Accepted
Hypothesis 4	0,10	0,02	Hypothesis Accepted
Hypothesis 5	-0,20	P<0,01	Hypothesis Accepted
Hypothesis 6	-0,07	0,09	Hypothesis rejected

Based on Table 5, each hypothesis can be explained as follows:

Hypothesis 1 Testing Results

The findings indicate strong support for the first hypothesis, suggesting that using the village financial system has a significant impact on managing village funds, as demonstrated by p-values of less than 0.01 and 0.05 at a 5% alpha level. Moreover, the positive path coefficient value of 0.37 implies that as the utilization of the village financial system rises, the management of village funds also improves.

Hypothesis 2 Testing Results

The table indicates that the p-value is less than both 0.01 and 0.05 (at a 5% alpha level). Thus, the second hypothesis is supported, suggesting that accessibility does impact village fund management. Analyzing the path coefficient value reveals a positive correlation of 0.39, indicating that higher community participation leads to improved village fund management.

Hypothesis 3 Testing Results

The data indicates that with a p-value less than 0.02, which is below the 5% alpha level, we can accept the third hypothesis, suggesting that community participation impacts village fund management. Analyzing the path coefficient, with a positive value of 0.11, reveals that increased accessibility to financial reports correlates with improved village fundmanagement.

Hypothesis 4 Testing Results

The analysis reveals that the interaction between village financial system utilization and village apparatus competence has a significant p-value of 0.02, indicating a positive coefficient of 0.10. This suggests that the competence of the village apparatus enhances the impact of utilizing the village financial system on fund management. Therefore, improving the village apparatus's competence, particularly in utilizing the financial system, is crucial for more effective village fund management.

Hypothesis 5 Testing Results

The analysis indicates that with a p-value of 0.01 for the interaction between community participation and village apparatus competence (X2*Z), which is lower than the standard alpha level of 0.05, and a negative coefficient of 0.20, the fifth hypothesis is supported. This implies that increasing the competence of the village government will lead to less community participation in the management of village funds. Basically, increasing the ability of the village government can reduce the effectiveness of village fund management if it is not supported by community participation.

Hypothesis 6 Testing Results

The findings suggest that there isn’t sufficient proof to back the sixth hypothesis, indicating that the effectiveness of the village administration does not amplify the influence of financial report accessibility on village fund management.

The Effect of Utilization of the Village Financial System on the Management of Village Funds

The results of hypothesis testing suggest that using the village financial system significantly affects how village funds are managed. A positive path coefficient suggests that higher utilization of the system is associated with improved fund management, while lower utilization leads to less effective management of funds.A well-designed financial system that promotes ease of use and utility tends to enhance accountability, including honesty, adherence to regulations, and the fund management process.

This can be seen from the overall response of respondents, which is classified as very good, be it financial integrity, disclosure, or compliance with regulations. However, of all these aspects, the integrity of financial statements is the most important. This shows that the village government already considers that utilizing the village financial system provides benefits because it can reduce fraud in village fund reports, increase transparency in village fund reports, produce evidence such as invoices, notes, and so on in village fund reports, and facilitate village officials in the process of classifying each transaction compared to using a manual system. This has an influence on the village financial planning process, namely in making transparent and accountable planning reports. At the implementation stage, it will create honesty, which is the main capital carried out by the village government in carrying out the people's trust to achieve people's welfare. At the reporting stage, the village government can make and provide good, correct, and timely reports on all village fund management activities. Furthermore, the utilization of the village financial system can also have an influence on the accountability stage, namely that accountability for the management of village funds has been carried out accountably.

The impact of implementing the village financial system on managing village funds is largely attributed to its significant benefits in transparency. This is evident as the utilization of this system enables easier dissemination of financial reports through the official website, enhancing disclosure practices (Savitri et al, 2019). The implementation of the village financial system ensures the generation of precise, pertinent, and current report formats. Moreover, it guarantees the production of village fund reports that are easily comprehensible to the public. This significantly impacts the accountability of village finances, demonstrating the village government's capability to manage funds transparently for the community through the village fund realization report.

Adhering to regulations also plays a role in managing village finances, but it appears to be the least emphasized aspect in the utilization of the village financial system. This indicates that there's room for improvement, as both respondents and village officials haven't fully prioritized compliance with village expenditures, tax payments, and accurate reporting of village funds in line with government accounting standards.This is believed to be due to the fact that in the village government, most of the village apparatus are not people who have expertise in finance. This will have an influence on the implementation stage where the village government does not make levies other than those stipulated in the PERDES. Furthermore, it can also have an influence on the administration stage, namely that the village government has been able to record receipts and expenditures with valid evidence as a village fund accountability report. You can gauge regulatory compliance through the accountability phase, which involves submitting the implementation report of the village budget by the end of July each year.

Utilizing the village financial system significantly improves the efficiency of managing village funds, as outlined previously.Triyono & Afriansyah (2019) emphasized that employing the Siskeudes application streamlines various tasks, including planning and reporting, thanks to its comprehensive integration and user-friendly features tailored to village needs. Continuous updates and the assistance of village facilitators further contribute to the successful implementation of the Siskeudes application.

The Effect of Community Participation on Village Fund Management

The results of hypothesis testing indicate that community involvement has a positive impact on village fund management, as indicated by the positive path coefficient. Essentially, increased community participation correlates with better fund management in the village. Conversely, inadequate community participation leads to less effective fund management. Additionally, community participation in budget implementation plays a significant role, as the village community is engaged in planning, implementing, and monitoring fund management activities. Although their role is not as prominent as in decision-making, it shows that the community is not fully integrated into budget implementation processes.This implies that to obtain financial accountability, the village government must fully involve the community in both decision-making and budget implementation. Umaira and Adnan (2019) argue that effective management of village funds hinges on community participation, where residents express their desires and contribute to fund management. This approach adheres to principles of participatory, accountable, well-organized, and disciplined budget management, necessitating community involvement.

This study suggests that when the village local government acts as a trusted steward, it can effectively meet the community's needs. It aligns with Sari and Padnyawati's findings that community involvement positively impacts village fund management. However, Supriati, Putri, Mujiyati, Indraswari, and Yuliastuti's research contradicts this, indicating no significant impact of community participation on village fund management.

The Effect of the Accessibility of Financial Statements on Village Fund Management

The findings from the test results indicate that the accessibility of financial statements significantly influences the management of village funds. A positive path coefficient value suggests that increased accessibility of financial reports correlates with improved fund management. Conversely, poor accessibility of financial reports is associated with less effective management of village funds.

The village government in Rokan Hulu Regency benefits from improved access to financial statements, which positively impacts their operations.This can be seen from the results of the respondents' responses, which overall agreed and had good criteria. These results indicate that the accessibility of financial statements, which the village has published openly through the media, is very good. The financial statements are also easily accessible, making it easy for users to obtain information about financial reports (Savitri et al, 2023). The accessibility of financial statements plays an important role in the management of village funds, especially at the reporting stage, namely with transparency so that the village government can make and provide good, correct, and timely reports on all village fund management activities. The village administration consistently shares updates on how village funds are utilized, beginning with the receipt report and extending to the village fund realization report. By the end of July each year, the government publishes a report detailing the implementation of the village budget. This transparent approach ensures accountability as the government communicates effectively with the community regarding the management of village funds.

Financial reports in Rokan Hulu Regency villages are easily obtainable, allowing for quicker access to information regarding village finances.This demonstrates the village government's commitment to transparency by providing stakeholders with easy access to financial reports as outlined in Permendagri No. 13 of 2006. The availability of these reports through various channels reflects the village government's transparency in its operations, enabling stakeholders to assess the proper execution of their duties in managing village funds. Effective accountability hinges on the public's ability to access and comprehend accountability reports and findings.Law No. 33/2004 regarding Fiscal Balance between the Central and Local Governments, Article 103, mandates that the data within the regional financial information system (SIKD) is publicly accessible. This implies that local administrations are obliged to provide stakeholders with access to the financial reports they generate. These reports can be disseminated through various channels such as newspapers, notice boards, the internet, or other means.

The effect of the accessibility of financial statements on the management of village funds is also due to the availability of good information. Although, in its implementation, it is not fully optimized according to respondents' responses. This illustrates that the availability of information, especially the public can access financial reports via the internet (website), is still not fully optimized because not all villages have the capability to upload their financial reports via the internet. The results of this study can provide implications that, in order to more effectively manage village funds, village governments can increase the availability of information, especially via the internet, for villages that have low capabilities. The study suggests that according to stewardship theory, village government officials are responsible for managing village funds, and this task should be carried out by competent individuals. The government is also obligated to provide financial information for public and interested parties' decision-making. This aligns with previous studies by Shafira and Utami (2021) and Supriati (2022), indicating that the accessibility of financial statements influences fund management. However, contrary to findings by Putri and Mujiyati (2021), Puspa and Prasetyo (2020), and Triyono & Afriansyah (2019), some research suggests no significant impact of financial statement accessibility on village fund management.

The Effect of the Utilization of the Village Financial System on the Management of Village Funds is Moderated by the Competence of the Village Apparatus

The ability of village officials who are already well established will increase their ability to utilize the village financial system, especially in making disclosures. The utilization of the village financial system can facilitate the submission of information regarding financial reports on the official website, which will affect the process of reporting and accountability of village funds. An honest attitude, when associated with the utilization of the village financial system, will be able to increase its benefits, especially in reducing fraud in village fund reports, and ultimately can affect the implementation stage of village management, where honesty is the main capital carried out by the village government in carrying out the people's mandate to achieve people's welfare.But in terms of knowledge, the village apparatus is still not fully optimal, especially in understanding the accounting cycle well. This is understandable because not all village officials have an accounting background. The lack of village officials who have competence and an educational background in accounting is a weakness of the government in managing village finances appropriately. Therefore, competent human resources are needed to produce quality financial reports and valuable information.

In theory, human resource competence is the key for an organization to carry out activities to realize the goals that the government organization is trying to achieve. The village government, as a financial management apparatus, functions to realize effective and efficient fund management practices. The stewardship theory describes the financial manager as a steward entrusted by the community who has the expertise and skills synchronized between the field of expertise and the field of work. The findings of this study align with those of Puspasari & Purnama (2018), indicating that employing the village financial system enhances the efficiency and effectiveness of village government in preparing financial reports, with the potential for siskeudes to enhance the quality of these reports. Similarly, the study supports Bangun et al.'s (2022) research, Emphasizing that the proficiency of human resources plays a crucial role in moderating the influence of village financial system implementations on the financial transparency of the village administration in the Bayung Lencir District.

The Effect of Community Participation on the Management of Village Funds is Moderated by the Competence of the Village Apparatus.

The competence of the village apparatus is able to weaken the influence of community participation on village financial management, believed to be due to the competence of the village apparatus is very good both in terms of knowledge, ability and attitude. The good competence is believed to cause a decrease in community participation in the management of village funds. This can also be caused by the fact that the village apparatus feels capable of managing village funds without fully involving the community. The good competence of the village apparatus will reduce the participation of the community to be involved in decision-

making, give the community the freedom to submit suggestions related to the management of village funds that are constructive, and the village apparatus accepts suggestions related to the management of village funds from the community that are constructive. This is proven to have an influence on the planning stage, where the village apparatus as the village government apparatus prioritizes the use of village funds set in the village deliberation. And as evidence at the accountability stage, the village government is accountable for the management of village funds to the community through reports on the realization of village funds and has carried out developments whose benefits have been felt by the community.

One of the main factors that determines whether or not the government is running well is human resources. This can be seen in how humans, as a workforce, use their physical and psychological potential to the maximum in achieving organizational (institutional) goals. The government and the structures under it should be able to realize people's dreams through regional development because the government, which has the position and power as a financial manager, has an important role in realizing people's hopes. Based on stewardship theory, Success in government organizations can be attained through effectively utilizing the principles and management strategies.

The Effect of the Accessibility of Financial Statements on the Management of Village Funds is Moderated by the Competence of the Village Apparatus.

The findings from the hypothesis testing suggest that the effectiveness of village officials does not amplify the impact of accessible financial reports on managing village funds. Specifically, the study reveals that as the competence of village officials improves, the influence of accessible financial statements on fund management diminishes. This trend may be attributed to incomplete accessibility of financial reports, particularly due to internet limitations in certain villages. Moreover, reliance solely on billboards for disseminating fund management information further restricts access. Therefore, despite competent village officials, these limitations hinder their ability to bolster the relationship between accessibility and fund management effectiveness.

Stewardship theory, as applied in this study, elucidates the role of the village government as a trustworthy public sector entity. It highlights their responsibility to fulfill the community's needs, deliver quality services, and ensure transparent management of village funds. This fosters accountability and facilitates the realization of the village's vision and mission effectively.However, in practice, village officials (stewards) still have limitations in carrying out their duties and responsibilities, namely providing information, especially financial reports, that can be accessed by the community.

Furthermore, the lack of effect of the results of this study is also due to the fact that financial reports are the basic right of the government to convey to the public. Kanisius (2013) explains that accessibility theory states that a goal that is easy to achieve directly, continuously, and meaningfully is a goal that is more likely to be followed up. The community (the public) basically has basic rights towards the government, including the right to obtain and be given information related to the welfare of the people. Government financial reports are one form of public right that must be provided by the government.

This proves that there is still a lack of accessibility in presenting village financial management to its users. If an organization or government Providing convenient access to financial statements enables effective monitoring of accountability for village asset usage and oversight of financial policies implemented by the village government. Enhanced control through easy access is anticipated to bolster village financial management practices.

CONCLUSIONS AND SUGGESTIONS

Conclusion

The implementation of stewardship theory within the village financial system greatly influences the management of village funds. Enhanced utilization of this system correlates with improved fund management. Similarly, increased community involvement positively impacts fund

management. Additionally, easy access to financial statements correlates with better fund management. The effectiveness of the village apparatus plays a pivotal role in moderating the impact of utilizing the financial system and community participation on fund management. Despite the village apparatus demonstrating good competence, there is still room for improvement in effectively managing village funds, particularly regarding the accessibility of financial reports.

Suggestion

The results of this study describe the conditions regarding the utilization of the village financial system, community participation, accessibility of financial statements on the management of village funds, and village apparatus competence as moderating variables; therefore, village leaders should pay more attention to these factors so that management and villages experience continuous improvement in the future. The selection of variables used as predictors of village fund management needs to be more rigorously selected through the study of theory and the results of previous research so that the factors studied can contribute more meaningfully to the problem of village fund management.

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