

# Transparency Triumphs: Unraveling the Impact of Village Fund Management Accountability and Policies on Rural Prosperity

Jeje Abdul Rojak, Fayola Issalillah

Universitas Islam Negeri Sunan Ampel Surabaya,  
Universitas Islam Negeri Maulana Malik Ibrahim Malang

Email: [fayola.issalillah@gmail.com](mailto:fayola.issalillah@gmail.com)

**ABSTRACT** – With the existence of the Village Fund Allocation, the village has the authority to regulate and manage its household in accordance with the authority given, which involves the role of the village government as the organizer of public services in the village and as a goal in the process of planning and implementing regional development involving the community at the village level. In carrying out this authority, the village government has revenue resources that are used to finance activities carried out in the village, and this is also based on village policy. This study aims to determine the role of accountability in the management of village fund allocations and village policies for the welfare of villagers. This type of research is quantitative, involving a total of 180 respondents taken according to the purposive sampling technique. The type of data includes primary data obtained through the distribution of questionnaires. This research uses quantitative descriptive analysis, instrument tests, classical assumption tests, multiple linear regression tests, and hypothesis testing. This research was assisted by the SPSS 26 program to process the data. The results of the analysis of 180 people as respondents using multiple linear regression analysis. The results showed that the accountability variable of village fund allocation management played a significant role in the welfare of villagers, and the village policy variable played a significant role in the welfare of villagers. For this reason, all hypotheses in the study were accepted.

**Keywords:** village fund allocation management accountability, village policy, villagers' welfare.

## A. INTRODUCTION

In the era of rapidly increasing globalization, local governments are required to improve competitiveness and create effective governance to improve the welfare of the community. To

achieve these goals, the government emphasizes the importance of policies that focus on development at the regional and village levels. Development efforts in all regions of Indonesia, including cities and villages, are prioritized by the government. However, in its implementation, there are problems such as the development gap between villages and cities, which is influenced by the economic inequality of Indonesian society (Darmawan, 2018). In facing these challenges, the government has initiated a strategy by paying special attention to village development. Villages are considered an important element in the overall development process of the Indonesian Nation and State, considering that every region in Indonesia consists of villages. Villages are used as a locus to organize and facilitate all aspects that contribute to meeting the needs of the community (Nafidah & Suryaningtyas, 2015). The level of welfare of village communities is an important indicator in assessing development progress. The quality of village infrastructure also plays a role in improving community welfare because community participation and village institutions participate in efforts to advance the village.

The level of success in achieving community welfare can be measured by the extent of government transparency and the responsibility of development implementers in using village funds to improve people's lives. The concept of welfare in the modern world includes the fulfillment of basic needs such as food, clothing, shelter, clean water, education, and decent work to achieve a social status equal to other citizens. Community welfare also involves aspects of the fulfillment of basic needs, such as decent housing, clothing, food, access to education, and affordable and quality health services. In addition, each individual can also maximize their utility with certain budget constraints, so that physical and spiritual needs

are met (Ekasari, 2020). The level of community welfare is reflected in the standard of living they enjoy. It is important to remember that community welfare is inseparable from accountability in the management of village funds and responsible village policies. By maintaining transparency in the use of village funds and implementing appropriate policies, the government can be more effective in improving the overall welfare of the community. The success of village fund management is highly dependent on several factors, including the readiness of village government officials as implementers in the field and the increased implementation of the Accounting and Financial Reporting System (SAP) at the village level. Therefore, an accountability system for the management of village funds that is truly transparent and accountable in terms of local finance is required. Most of the village funds are allocated to the community; from planning to reporting, it must be in accordance with applicable procedures. With well-managed village funds, it is expected that development can run smoothly and provide benefits to village communities. As the spearhead in providing services to the community, the role of village government officials is very important. For this reason, they must have reliable qualifications and be supported by adequate facilities and infrastructure so that the implementation of village fund management can be directed in accordance with good governance. However, there are challenges in providing information to the community regarding the management of village funds. Many people do not understand the information available, resulting in a lack of trust in the management of village funds. Village governments need to implement accountability by providing announcements of village budget policies, providing budget documents that are easily accessible to the public, submitting accountability reports in a timely manner, accommodating community voices and suggestions, and providing information systems to village communities. Thus, community involvement in the process of managing village funds can increase, so that transparency and accountability can be properly maintained.

Good governance is one of the important guidelines that society must fulfill. In this governance context, accountability plays a key role. Therefore, it is necessary to provide guidance and counseling to the community to help them understand the applicable procedures and rules so that their horizons can

be broadened. Good accountability in financial management and the implementation of village policies will build community trust in the local government and eliminate suspicion among fellow citizens towards the village government. If the allocation of village funds is managed efficiently and village policies focus on addressing economic problems and fulfilling community interests, such as health, education, and income, then rural development will run better and villages will achieve higher levels of welfare. Effective use of village funds, especially in developing the village economy for community empowerment, will encourage community self-reliance and better productivity. The active role of the village government in managing empowerment and financing community needs is also important in utilizing existing resources. The ease of disbursement of funds and community service to meet needs in accordance with applicable regulations will strengthen the relationship between the village government and the community and achieve common goals in improving welfare. The results of research by Kurniawati and Pangayow (2017) show that accountability in the management of village funds affects the welfare of villagers. Thus, accountability and good governance are key to achieving better village community welfare.

Village policies have a significant influence on the welfare of villagers. The village government plays a role in providing services and participating in the empowerment of village communities to achieve better welfare. It also plays an important role in policy-making for infrastructure development and the implementation of village plans. The government grants autonomy to villages by giving them the authority to formulate and manage policies at the village level. This includes providing services, increasing community participation, and empowering village communities to improve their own welfare (Sengaji & Asyik, 2018). Research by Dura (2016) shows that village policies have a positive impact on community welfare through annual routine activities carried out by village agencies. The implementation of village policies is carried out by the government or by government or private groups that aim to achieve the objectives set out in previous policy decisions (Van Meter & Van Horn, 1975). Village policies include obligations and programs contained in village regulations that apply in the village area (Kurniawati & Pangayow, 2017).

Based on the phenomena previously described, this study will examine the role of accountability in village fund management and village policies in improving the welfare of villagers. Through this research, it is expected to better understand how the management of village funds and village policies can positively contribute to the welfare of village communities.

## B. METHOD

This research uses a quantitative research approach, where the data collected is in the form of numbers and processed using statistical analysis methods to test hypotheses and look for relationships between the variables studied. The population in this study were all people from Ganting village in Sidoarjo Regency.

The characteristics of this research sample were that Ganting villagers were aged between 21 and 50, able to answer the researcher's questions, and considered to have knowledge about village fund management accountability, village policies, and villagers' welfare. The research sample consisted of 180 respondents who met these criteria. In this quantitative research, data will be collected using research instruments in the form of questionnaires distributed to respondents. Once the data is collected, statistical analysis will be conducted to identify relationships and patterns between village fund management accountability, village policies, and villagers' welfare. The results of this study are expected to provide more quantitative and comprehensive information on how village fund management accountability and village policies contribute to villagers' welfare in Ganting village.

The accountability of managing village funds includes transparency, accountability, and participation (Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Village Financial Management, Article 2, Paragraph 1). Village policies consist of the villagers' welfare, resources, disposition, and bureaucratic structure (Coryanata, 2016). The welfare of villagers includes a sense of security, the availability of public facilities, income, and easy access to community information (Dura, 2016).

To process the data obtained by quantitative analysis, respondents' answers to the questionnaire were measured using a Likert scale with five alternative answers ranging from strongly agree (5), agree (4), neutral (3), disagree (2), and strongly disagree (1). The stages of data analysis start with the validity and reliability

tests of the answers given by respondents in the questionnaire. The classical assumption test was carried out to conclude the multiple regression equation in this study. Then hypothesis testing is carried out, which consists of the f test, the t test, and the coefficient of determination

## C. RESULTS AND DISCUSSION

Based on data from 180 respondents, the questionnaire results show that all questions have been answered completely and can be analyzed further. This data provides an overview of the profiles of the respondents who participated in the study.

In terms of gender distribution, there were 90 female and 90 male respondents. This balanced number indicates that the participation of women and men in this study is relatively equal, so the results can be considered representative of both gender groups.

In terms of the age of the respondents, there were 55 respondents aged between 21 and 30 years old, 62 respondents aged between 31 and 40 years old, and 53 respondents aged between 41 and 50 years old. This data reflects a fairly representative age variation among the research respondents.

In terms of education, there were 85 respondents who graduated from junior high school, 52 respondents graduated from high school, and 43 respondents graduated from D3. The presence of respondents from different levels of education allows for a more comprehensive analysis of their views and perceptions regarding the accountability of village fund management and village policies.

Based on respondents' occupations, the data shows that there are 75 respondents who work as private employees, 63 respondents who are housewives, 19 respondents as casual daily laborers, 10 respondents as peddlers, 8 respondents as drivers, and 5 respondents who are unemployed. This variety of occupations will enable a better understanding of the roles and views of people with different occupational backgrounds in the context of this study.

The large and diverse respondent profile data will provide in-depth information on their views and attitudes towards village fund management accountability and village policies, and how these may impact villagers' welfare. Further analysis of this data will allow the researcher to draw more robust and relevant conclusions from this study.

Validity testing in this study was conducted by referring to the corrected item total correlation value, which is considered valid if it reaches a number above 0.30. The results of data processing show that the question items representing the variables of village fund management accountability, village policies, and villagers' welfare have been considered valid because the corrected item total correlation value meets these requirements, which is above 0.30. Data reliability was also tested using Cronbach's alpha value, which is considered adequate if it is greater than 0.60. Based on the test results, the reliability of the data also meets the provisions because Cronbach's alpha value has reached a number above 0.60. Qualified validity and reliability results are shown based on SPSS output. This confirms that the data collected in this study are reliable and can be used as the basis for further analysis related to the accountability of village fund management, village policies, and villagers' welfare. With the validity and reliability of the data met, this study has a strong basis and can provide accurate and reliable results on the relationship and influence of the variables studied on the welfare of villagers.

**Table 1. Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.983	4.669		4.066	.000
	X.1	7.039	.708	.526	9.944	.000
	X.2	5.270	.718	.388	7.339	.000

From table 1, it can be written that the regression equation model formed is  $Y = 18.983 + 7.039X.1 + 5.270X.2$ . It is known that the sig value for the effect of village fund management accountability on the welfare of villagers is  $0.000 < 0.05$ . Likewise for village policy on the welfare of villagers, which produces a sig value of  $0.000 < 0.05$ . According to the sig value generated by each independent variable, it can be explained that the proposed hypothesis can be accepted. This means that there is indeed a positive role with significant results given by the accountability of village fund management and village policies for the welfare of villagers.

**Table 2. ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22305.571	2	11152.786	106.119	.000 <sup>b</sup>
	Residual	18602.090	177	105.097		
	Total	40907.661	179			

Based on the output according to Table 2, it can be seen that the sig value is  $0.000 < 0.05$  and the F-count value reaches 106.119. So it can be concluded that the accountability of village fund

management and village policies simultaneously play a significant positive role in the welfare of villagers

**Table 3. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.738 <sup>a</sup>	.545	.540	10.252	1.924

From the output in Table 3, a value of 54.5% is obtained, which means that the ability to explain the influence of the accountability variables of village fund management and village policies on the welfare of villagers has reached 54.5%. The remaining 45.5% is influenced by other variables that are not part of the research that the researchers are currently doing.

Accountability in village fund management has a significant effect on the welfare of villagers (Kurniawati & Pangayow, 2017; Nurohman et al., 2019; Ardelia & Handayani, 2022). This shows that the more actively the accountability of village fund allocation management is applied, the higher and better maintained the level of community welfare will be. In addition, it can be said that both technically and administratively. Good financial management and accountability can be seen in the financial management that can be accounted for by the use of the village fund budget, which is used for various activities in the field of village administration and in other fields. Even the management of all village funds is able to be accounted for in detailed financial reports, starting with planning, implementation, supervision, and accountability. Interested parties must be committed to realizing village funds that focus on the needs of the community because community welfare is very important as the goal of the long-term and medium-term government work plan programs (Bachrach & Baratz, 1970). Implementing development from village funds as well as possible so that village funds are directly beneficial to the level of community welfare. There needs to be an increase in village support development facilities for the needs of the village community as well as community empowerment activities in the form of training activities, health operations, and the environment, which is considered good by the community.

Village policies have a significant effect on the welfare of villagers (Dura, 2016; Sari & Midalwati, 2019). This shows that the more orderly the village policy is implemented, the higher and better maintained the level of community welfare will be in carrying out village activities. The local government gives authority to the village government to manage the village, especially in

terms of providing services, increasing community participation and self-help, and encouraging initiative, innovation, and empowerment of village communities in order to realize community welfare. The village government provides autonomy to the village by giving it the authority to make and regulate policies about the village, especially in providing services, increasing participation, initiative, and empowerment of the village community to realize the welfare of its own community (Odior, 2014). The implementation of village policies must be carried out in accordance with the guidelines set by the village government and the village community. The principle of implementing village policies is a way for a village policy to realize the goals that have been set.

#### D. CONCLUSION

Based on the results of the research and the previous discussion, it can be concluded that the accountability of village fund management has a positive and significant impact on the welfare of the villagers. The open accountability of village funds makes villagers understand the goals and objectives of the village programs that are carried out. There is a positive and significant role that village policies play in the welfare of villagers. Policy-making by village government officials has a positive impact on the community's economy, such as fulfilling basic family needs, reducing poverty, and accelerating the improvement of community welfare. For this reason, it is necessary to improve from year to year for better planning, management, and reporting of village funds and efforts to improve the welfare of the community. It also requires the ability and honesty of the village government regarding how to manage and allocate village funds for the purpose of community welfare. This can be started by conducting social, economic, political, cultural, and even environmental development, such as building BUMdes, building health facilities and infrastructure, promoting and counseling public health programs, and continuing to strive for transparency, especially in terms of planning, development, and allocation of village funds. For future researchers, before conducting research, they should conduct socialization, especially when questionnaires are distributed, so that residents in the village can understand the questions given. The addition of other independent variables should also be done in the hope that new findings relevant to this study can be further developed.

#### REFERENCES

- Ardelia, S. N., & N. Handayani. 2022. Pengaruh Akuntabilitas dan Transparansi Pengelolaan Keuangan Desa Serta Partisipasi Masyarakat Terhadap Kesejahteraan Masyarakat. *Jurnal Ilmu dan Riset Akuntansi*, 11(4), 1-16.
- Bachrach, P., & M. Baratz. 1970. *Power and poverty: theory and practice*, Oxford University Press, New York.
- Coryanata, I. 2016. Akuntabilitas, Partisipasi Masyarakat dan Transparansi Kebijakan Publik Sebagai Pemoderasi Hubungan Pengetahuan Dewan Tentang Anggaran dan Pengawasan Keuangan Daerah. *Jurnal Akuntansi dan Investasi*, 12(2), 110-125.
- Darmawan, D. 2018. *Pengantar Ekonomi Makro*. Revka Prima Media, Surabaya.
- Dura, J. 2016. Pengaruh Akuntabilitas Pengelolaan Keuangan Alokasi Dana Desa, Kebijakan Desa, dan Kelembagaan Desa terhadap Kesejahteraan Masyarakat. *Jurnal Ilmiah Bisnis dan Ekonomi Asia*, 10(2), 26-32.
- Ekasari, R. 2020. *Model Efektivitas Dana Desa untuk Menilai Kinerja Desa Melalui Pemberdayaan Ekonomi*. AE Publishing.
- Kurniawati, Y., & B.J. Pangayow. 2017. Pengaruh Akuntabilitas Pengelolaan Keuangan Alokasi Dana Kampung, Kebijakan Kampung dan Kelembagaan Kampung terhadap Kesejahteraan Masyarakat. *Jurnal Akuntansi dan Keuangan Daerah*, 12(2), 77-87.
- Nafidah, L. N., & M. Suryaningtyas. 2015. Accountability of Village Fund Allocation Management in an Effort to Improve Community Development and Empowerment. *BUSINESS: Journal of Islamic Business and Management*, 3(1), 214-239.
- Nurohman, Y. A., R.S. Qurniawati, & F. Hasyim. 2019. Dana Desa Dalam Peningkatan Kesejahteraan Masyarakat Pada Desa Wisata menggoro. *Magisma: Jurnal Ilmiah Ekonomi Dan Bisnis*, 7(1), 35-43.
- Odior, E. S. O. 2014. Government Expenditure on Education and Poverty Reduction: Implications For Achieving the MDGs in Nigeria A Computable General Equilibrium Micro-Simulation Analysis. *Asian Economic and Financial Review*, 4(2), 150-172.
- Sari, M. T., & T. Mildawati. 2019. Pengaruh Akuntabilitas Pengelolaan Keuangan Desa, Transparansi, dan Kebijakan Desa Terhadap Kesejahteraan Masyarakat. *Jurnal Ilmu dan Riset Akuntansi*, 8(12), 1-17.
- Sengaji, I., & N.F. Asyik. 2018. Pengaruh Akuntabilitas Pengelolaan Keuangan Alokasi Dana Desa dan Kebijakan Desa terhadap Pembangunan Desa. *Jurnal Ilmu dan Riset Akuntansi*, 7(3), 1-19.
- Van Meter, D. S., & C.E. Van Horn. 1975. *The Policy Implementation Process: A conceptual framework*. *Administration & society*, 6(4), 445-488.