

The Effect of Transparency and Accountability on Village Financial Management in Simeulue Tengah District, Simeulue Regency**Zulkifli Umar^{1*}, Hendri Mauliansyah¹, Dandi Agus Taruna¹, Fajar Riski¹, Liani Gusfinur¹**¹Universitas Muhammadiyah Aceh, Faculty of Economics, Departement of Accounting
Jl. Muhammadiyah No.91, Batoh, Kec. Lueng Bata, Kota Banda Aceh, Aceh 23123, Indonesia***Email:** zulkifli.umar@unmuha.ac.id**ABSTRACT**

In Simeulue Tengah District, Simeulue Regency, this study set out to investigate the impact of accountability and transparency on village financial management, either separately or concurrently. Through the use of questionnaires and an examination of the supporting documents, research data were gathered. The purpose of hypothesis testing with multiple linear regression analysis, simultaneous testing, and partial testing is to ascertain simultaneously and partially the impact of the independent variable on the dependent variable at the 95% confidence level ($= 0.05$). This study's focus is on village financial management as well as transparency and accountability (Central Simeulue District, Simeulue Regency). 64 participants made up the study's sample size. According to the study's findings, Simeulue Tengah District's village financial management is simultaneously impacted by transparency and accountability. Village financial management in Simeulue Tengah District, Simeulue Regency, is somewhat impacted by transparency. Village Financial Management in Simeulue Tengah District, Simeulue Regency, is somewhat impacted by accountability.

Keywords: Transparency, Accountability, and Village Financial Management.

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

"Entrepreneurship on Global Economics Development in the Era of Society 5.0"

INTRODUCTION

Making public policy and service program is a major responsibility of the government. The improvement of public services for village communities is one of the objectives of village rules, as stated in Law No. 6/2014 (Village Law). Determining whether these programs and policies are in line with the public's aspirations and do not restrict people's ability to be creative and productive is therefore more essential than simply creating and managing programs that have economic worth. Based on established government policies and effective government performance, the quality of life for the people is anticipated to increase. Based on the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management, it states that village finances are all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations, besides that village finances must be managed based on transparent, accountable, participatory principles and carried out in an orderly and budgetary manner. According to the notion of public accountability, which is one way to define accountability, the budgeting process—from planning to preparation to implementation—must really be reportable to and accountable to the community. Financial accountability is anticipated to develop a method that may monitor the performance of government employees while they carry out their duties. When assessing the performance accountability of government entities, financial accountability comes first. Government agencies are typically thought to have high performance accountability as well as good financial accountability. The implementation of financial accountability will undoubtedly have an impact on how accountable government organizations are for their performance. As part of the performance accountability for government agencies, which also includes input, output, benefit, and effect, financial accountability (input and output). Government financial statements should provide data that readers of financial statements can use to judge the government's responsibility for making economic, social, and political decisions. Accountability is described as the relationship between individuals who run an organization and those who formally have authority over it. In this situation, it is also necessary for a responsible third party to give a justification or explanation for all actions taken and outcomes of efforts made in connection with the accomplishment of a certain job or objective. It is envisaged that the village financial management government will be able to manage the village funds effectively. Ability is the capacity of a person to carry out different responsibilities in a job. Ability demonstrates a person's potential to complete a task or piece of labor. An indication of an employee's knowledge and skills is how well they can do their job obligations.

The importance of community involvement in the management of village finances cannot be overstated given that the community is both the target and the subject of the development that village funds are prioritized for. The community's involvement in the management of village funds will help lessen conflict brought on by the public's lack of confidence in that management. The community must receive accurate information while village funds are being appropriately managed. It is intended that through financial accountability, a framework may be established to track the conduct, performance, and accomplishments of public servants as they carry out the duties delegated to them. When evaluating the effectiveness of government entities, financial responsibility takes the top spot. Government agencies are typically thought to have high performance accountability as well as good financial accountability. Performance accountability will undoubtedly be impacted by the establishment of financial accountability. Since the performance

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accountability of government organizations, which includes inputs, outputs, benefits, and impacts, includes financial accountability (inputs and outputs).

METHOD

The analytical method used in this study is multiple linear regression, which aims to test and analyze the joint and individual effects of transparency and accountability on village financial management at the Aceh Finance Office, using the Statistical Package for Social Science (SPSS) program.

Regression analysis is a statistical method used to examine the relationship between one or more independent variables and a single dependent variable (Ghozali, 2018). In this study, the independent variables are transparency and accountability, while the dependent variable is village financial management. Therefore, multiple linear regression analysis was used to test the effect of these independent variables on the dependent variable. The regression equation used in this study is as follows

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

Description :

Y = Village financial management

 α = Constant β_1, β_2 = Regression Coefficient X_1 = Transparency X_2 = Akuntability e = Epsilon (*Error Term*)**RESULT AND DISCUSSION****Data Testing Results****Instrument Validity Test**

1. Testing the validity of the data in this study was carried out statistically, namely by using the Pearson product-moment coefficient of correlation test with the help of SPSS. This sentence could be written more concisely as: The validity of the data was tested using the Pearson product-moment coefficient of correlation test in SPSS
2. Based on the table below, it can be explained that all the variables used in this study are declared all valid, because they have a correlation coefficient above the critical value of the product moment correlation, which is 0.254 so that all questions contained in this research questionnaire are declared valid to continue with more in-depth research. This sentence could be rewritten as: "All variables in the study are considered valid because their correlation coefficients exceed the critical value of 0.254, indicating that the questions in the research questionnaire are reliable for further analysis.
3. All statements have a correlation value above the 5% critical value, which is above 0.254, so these statements are significant and have validity." This sentence could be rewritten as: All statements have a significant correlation value above the critical value of 0.254, indicating their validity.

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4. In statistical language there is consistency (internal consistency) which means that these statements measure the same aspects. This sentence could be rewritten as: In statistical terms, this indicates internal consistency, meaning that the statements measure the same concept.
5. This means that the data obtained is valid and can be used for research. This sentence is already clear and concise

Instrument Reliability Test

The reliability of the data was tested using the internal consistency method, which measures the degree of accuracy of the responses. This was done using the Statistical Packaged for Social Sciences (SPSS) program. The SPSS program was used to determine the consistency of the results by analyzing the responses of the participants.

It's worth noting that the reliability of a study refers to the consistency and stability of the results over time and across different groups of participants. There are several methods for testing reliability, including using SPSS to calculate internal consistency as you described. It's also important to consider external validity, which refers to the generalizability of the results to other populations and settings.

Table 1. Reliability Test Results

No	Variabel	Variable Items	Alpha Value	Reliability
1.	Village Financial Management (Y)	5	0,885	Reliable
2.	Transparency (X ₁)	6	0,860	Reliable
3.	Accountability (X ₂)	6	0,911	Reliable

Source: Data processed (2021)

Yes, the Cronbach's alpha coefficient is a commonly used measure of internal consistency reliability, which indicates the extent to which the items in a scale measure the same concept. A Cronbach's alpha value of 0.80 or above is generally considered to indicate good reliability, while a value less than 0.60 is considered poor. It's worth noting that a high Cronbach's alpha value does not guarantee that the scale is measuring a unidimensional concept, and it may be necessary to use additional methods such as factor analysis to confirm the dimensionality of the scale. Additionally, it's important to consider other factors that may affect the reliability of a scale, such as the wording of the items and the response options

Classical Assumption Test

Normality Test

In this study, the normality of the data was assessed using a graphical method, such as a normal probability plot, generated through regression calculations in SPSS. The results showed that the data are approximately normally distributed, as indicated by the points on the plot spreading symmetrically around the diagonal line and following its direction. This suggests that the assumptions of normality are satisfied, and therefore the regression model is appropriate for predicting purchase intention based on the independent variables.

Multicollinearity Test

The multicollinearity test is used to determine whether the regression model discovered a relationship between the independent variables. There is a multicollinearity

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problem if there is a correlation. There is no correlation between the independent variables in a good regression model. In this study, the Variance Inflation Factor (VIF) value is used to test for multicollinearity. Table 4.4 displays the results of the multicollinearity test: Table 4.4

Table 2. Multicollinearity Test Results

Independent Variable	Tolerance	VIF	Description
Transparency (X ₁)	0,283	4,986	Non Multicollinearity
Akuntability (X ₂)	0,283	4,986	Non Multicollinearity

Source: Research Results, 2021 (Data processed)

Table 4.4 shows that none of the independent variables have a Tolerance value less than 0.10, indicating that there is no correlation between the independent variables. The results of the Variance Inflation Factor (VIF) calculation show the same thing: no independent variable has a VIF value greater than 10. As a result, there is no multicollinearity between the independent variables in the regression model in this study. 4.5

Hypothesis Testing Results and Discussion

Hypothesis Testing

The hypothesis states that the factors of transparency (X₁), accountability (X₂) and have an effect on village financial management in the Central Simeulue sub-district of Simeulue Regency. The model used to estimate the effect :

Table 3. Effect of independent variables on village financial management

Variable name	B	Std Error	tvalue	t _{table}	Sig.
Constant	2,022	0,645	3,135	2,000	0,000
Transparency (X ₁)	0,289	0,042	6,785	2,000	0,000
Accountability (X ₂)	0,425	0,040	10,128	2,000	0,000

Source: Research Results, 2021 (Data processed)

Based on the results of the multiple regression analysis using SPSS, a regression equation was derived as follows: $Y = 2,022 + 0,289X_1 + 0,425X_2$

This equation represents the relationship between village financial management (Y) in the Central Simeulue sub-district of Simeulue Regency and two independent variables: transparency (X₁) and accountability (X₂).

The constant value of 2,022 in the equation suggests that if transparency and accountability are held constant, village financial management in the Central Simeulue sub-district is 2,022 on a Likert scale unit.

The regression coefficient for transparency (X₁) is 0.289, which means that a 100% change in transparency would lead to a 28.9% decrease in village financial management, assuming accountability is held constant. Similarly, the regression coefficient for accountability (X₂) is 0.425, indicating that a 100% change in accountability would result in a 42.5% increase in village financial management, assuming transparency is held constant.

The correlation coefficient (R) and determination are measures of the strength of the linear relationship between the variables. A perfect correlation would indicate that all the values of the variables fit the equation perfectly. The SPSS output provides information about the level of relationship between the independent and dependent variables

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Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,896 ^a	,792	,791	,07661

Source: Data processed (2021)

The results of the analysis show that there is a strong relationship between transparency, accountability, and village financial management in the Central Simeulue sub-district of Simeulue Regency, with a correlation coefficient of 0.896. This suggests that transparency and accountability are important factors in determining village financial management in this region.

The coefficient of determination, which is 0.791, indicates that 79.1% of the changes in village financial management in the Central Simeulue sub-district can be explained by changes in transparency and accountability. This means that these two factors are significant predictors of village financial management in the region.

However, it is important to note that the remaining 20.9% of the changes in village financial management may be influenced by other factors, such as the competence of the administrative apparatus, community participation, and supervision.

Simultaneous Test (F Test)

To assess the impact of transparency, accountability, and village financial management in Simeulue Regency's Central Simeulue sub-district. F Statistical test was used (F test). If the Fcount value is greater than the Ftable value, Ho is rejected and Ha is accepted. If the Fcount value is greater than the Ftalel value, then Ho is accepted and Ha is rejected. The following table shows partial test results:

Table 5. ANOVA

Model		Sum of Squares	df	Mean Square	F _{hitung}	F _{tabel}	Sig.
1	Regression	42,921	2	21,461	56,034	3,150	,000 ^b
	Residual	23,358	61	,383			
	Total	43,279	63				

Source: Data processed (2021)

According to the calculation results, Fcount is 56.034 with a significance of 0.000, and Ftable is 3.150 with a confidence interval of 95% or = 0.05. When the Fcount value is compared to the Ftable value, the Fcount (56.034) is greater than the Ftable (3.150). The decision is H0 rejected and Ha accepted, indicating that the variables of transparency (X1) and accountability (X2) have a very real (high significant) effect on village financial management in the Simeulue Regency's Central Simeulue sub-district.

DISCUSSION

The Effect of Transparency on Village Financial Management

The results showed that transparency affects village financial management in the Central Simeulue sub-district of Simeulue Regency. This means that the results of this study are in line with previous research, namely research from Nurodin (2017) which states that transparency affects village financial management. The principle of transparency has two aspects in realizing a government that is open to information about policies carried out by

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local governments, namely public communication by the government and the public's right to access information. Both will be very difficult to do if the government does not handle its performance well. Good performance management is the starting point of transparency. Transparency must be balanced with the need for institutional confidentiality and information that affects individual privacy. Local governments should prepare clear policies on how to obtain information.

The Effect of Accountability on Village Financial Management

The findings of this study indicate that accountability impacts village financial management in the Central Simeulue sub-district of the Simeulue Regency. This aligns with previous research, such as Nurodin's study in 2017 and Prayudi's study in 2017, which found that accountability has an effect on village financial management. In a political context, accountability refers to the expectations or assumptions about the behavior of the relationship between those who give mandates and those who receive them. On a broader level, accountability allows for negative feedback after decisions or actions have been taken, which helps prevent the abuse of resources, facilities, and public budgets by institutions. Accountability is not only understood from a political context. In a policy context, it can also be seen how mandates are implemented to achieve the political goals of the community. This includes how policy decisions are made, how policies are implemented and delegated, how authority is given, and how programs are carried out, all of which are based on political contexts. When viewed in this way, accountability is simply the political consequence of these actions.

IMPLICATIONS

The results showed that transparency and accountability had an effect on village financial management in the Central Simeulue sub-district of Simeulue Regency. This means that the results of this study are in line with previous research, namely research from Nurodin (2017) which states that transparency and accountability affect village financial management. Accountability is a term inherent in the study of governance. Accountability has several meanings whose terminology is often associated with several concepts such as answerability, responsibility, liability and other terminology related to the expectations of the mandate giver and the mandate implementer.

Another important factor as a stimulus that can change and accelerate the wheels of peripheral economic development in the village is the existence and utilization of village funds. Village programs will run according to the target time and as expected if supported by village funds that will expedite the development process in the village. Village funds are prioritized to finance development and community empowerment to improve the welfare of rural communities, the quality of human life, and poverty reduction, as outlined in the Village Government Work Plan.

CONCLUSION

Based on the results of data testing, processing, and analysis, the following conclusions can be made:

1. Both transparency and accountability have an impact on village financial management in the Central Simeulue sub-district of the Simeulue Regency.
2. Transparency influences village financial management in the Central Simeulue sub-district of the Simeulue Regency.

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3. Accountability impacts village financial management in the Central Simeulue sub-district of the Simeulue Regency.

ACKNOWLEDGEMENT

My Deepest gratitude for Universitas Muhammdiyah Aceh, Faculty of Economics, Departement of Accounting.

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