



Analysis of Accountability and Transparency of Village Fund Allocation in Katoi Village, North Kolaka Regency

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ARTICLE INFO

Keywords: Accountability, Transparency, Village Fund Allocation (ADD)

Received: 15, September

Revised: 18, October

Accepted: 21, November

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ABSTRACT

This study aims to evaluate the accountability and transparency levels in the Village Fund Allocation (ADD) administration at Katoi Village, North Kolaka Regency. The primary focus is on how the village administration administers the funds in compliance with the accountability and transparency guidelines outlined in the Minister of Home Affairs of the Republic of Indonesia's Regulation Number 113 of 2014. This study uses a qualitative method with a descriptive approach. Data were collected through interviews with related parties and documentation studies of village fund management reports. The study's findings show that Katoi Village's village fund management has been transparent and accountable, in compliance with the laws that are in place. However, there are still certain challenges with public information dissemination and the creation of more thorough financial reports.

INTRODUCTION

Villages are currently the main focus of government development priorities. Villages are developing in various aspects, and to achieve these goals, villages must be given support so that they can transform into independent, advanced, and resilient villages. This aims to create a just, prosperous, and prosperous society. Villages have the right to manage their own areas independently based on the capacity and potential of the community, in order to achieve economic prosperity and balance of capabilities. The village is the smallest government unit in Indonesia that has existed since ancient times. The formation of the village began through the formation of community groups, which emerged because of the character of humans as social beings, natural instincts, and collective needs. There are three important elements in the village, namely the village head, village officials, and village meetings. The village head has a role as the main leader in village government, is responsible for carrying out village tasks and needs to pay attention to the village's sources of income.

The village has the legal authority to carry out its duties in accordance with the instructions of the village head and other village officials under the supervision of the Village Consultative Body (BPD). In preparing the development plan, the city government makes a plan according to its area and refers to the district/city plan. In order to identify goals, projects, and development requirements, the community is consulted as part of this process. The village, municipal, and regional budgets provide funding for these initiatives. In Undang-Undang Republik Indonesia Nomor 3 Tahun 2024, villages have basic rights and customary obligations to meet the needs of local communities and play a role in implementing the principle of independence stated in the 1945 Constitution to control, develop, and strengthen communities and are required to cooperate between village communities.

Village finance management is one of the phases that needs to be held responsible, along with planning, execution, and reporting. As the person in charge of the village's finances, the head of the village has complete authority. In the meanwhile, the village apparatus helps with financial management tasks by acting as a technical implementer. They are directly chosen by the village head to handle management duties, and they need to be competent enough to do so. Village finances must be managed in an accountable, systematic, and cost-effective manner, adhering to the accountability principle. In the research of Deisi et al., (2022) it is explained that the Village Fund Allocation (ADD) program is a concern in the field of government accounting, especially in the field of regional financial accounting. ADD is an assistance fund provided by the government to each district/city for the use of central and regional funds received by each district. The form of accountability and transparency of the village government towards ADD is stated in the reports made by the village (Saputra & Fitriwati, 2023) .

Accountability is every action of the village government in the form of responsibility towards the entire community (Garung & Ga, 2020). Accountability is defined as responsibility for resources and activities related to reporting, development, and budgeting through routine implementation (Sari & Widyawati, 2019). Transparency can reduce uncertainty in decision-making related to the management of village fund allocations, because previously only the government had access to information. With transparency, the community is given the opportunity to participate in decision-making through deliberation (Dewi & Sapari, 2020). Transparency ensures that every citizen has equal rights and opportunities to know the budget process related to their interests and aspirations, especially in meeting the needs of the wider community in managing village funds (Making & Handayani, 2021).

In research Damayanti, (2018) explained that North Kolaka Regency, located in Southeast Sulawesi Province, consists of 15 sub-districts, 133 villages/sub-districts (BPS North Kolaka Regency, 2023). Since the 2014 Village Law was enacted, villages in this area began receiving Village Funds from the APBN in 2015. In 2022, the Village Fund allocation reached IDR 111.3 billion. Each village receives around IDR 600-700 million, depending on the population, and can receive up to IDR 1 billion per year with additional funds from the Provincial and Regency APBDs Katoi Village in Katoi District, North Kolaka Regency, is one of the recipients of village funds, with the hope of optimizing community participation in managing the funds. However, the management of village funds in Katoi Village also has the potential to face various risks, both related to administrative and substantive aspects, which could lead to legal problems if not managed properly.

In practice, there are obstacles in the management of ADD, especially related to transparency. The information board that should display budget data does not function properly, so that the public does not know the amount of budget allocated. In addition, accountability problems also arise due to the low ability of village officials to prepare accountability reports. This can be seen from the ADD accountability report prepared by village officials which is not fully in accordance with applicable government instructions and regulations. ADD must be able to meet the needs of the community and encourage active participation of residents in being responsible for the development and progress of life together in the village (Nuraeni & Kusuma, 2021). These elements undoubtedly have an impact on the village government's attempts to fulfill the legal mission, which seeks to enhance the welfare of the Katoi Village community, by achieving accountability and openness in the information presented about local money distributions. The purpose of this study is to evaluate the degree of accountability and openness in the administration of village fund distributions in Katoi Village, Katoi District, North Kolaka Regency.

LITERATURE REVIEW

Legitimacy Theory

Legitimacy theory, introduced by Dowling and Pfeffer, highlights the importance of legitimacy for an organization. Legitimacy is the boundaries set by social norms and values and the organization's response to them, which influence the organization's behavior in its environment. This theory is based on a social contract between social institutions and society, emphasizing that companies need to demonstrate their social activities to support their survival.

Accountability

According to (Peraturan Pemerintah Republik Indonesia Nomor 71 Tahun 2010) Accountability is the process of managing resources and implementing policies given to reporting entities in order to achieve predetermined goals and reported periodically. As a form of accountability, Widyanti, (2018) states that accountability is the process of managing resources and implementing policies given to reporting entities in order to achieve predetermined goals and reported periodically. The party given the mandate (agent) has the task of supervising, communicating, documenting, and disclosing all resources to the principal, the party issuing the mandate.

From the definition above, it can be concluded that accountability is the obligation to be responsible for the management of resources and the implementation of policies to the party that gives the mandate. This involves the presentation, reporting, and disclosure of information periodically by the entity that is trusted to achieve the goals that have been set.

Transparency

According to (Peraturan Pemerintah Republik Indonesia Nomor 71 Tahun 2010) transparency means providing open and honest financial information to the public, on the basis that the public has the right to know clearly and comprehensively how the government is responsible for managing the resources entrusted to it and its compliance with applicable regulations. According to Kumalasari, (2016) transparency in the budget process ensures that the public has the same rights and access to know the allocation of funds. This is important to strengthen public participation, increase accountability, and enable the public to voice their needs and aspirations, so that resources are used effectively for the common good. According to Damayanti, (2018) with transparency, the public is guaranteed to have access to information regarding the implementation of government, including policies, the process of making them, implementation, and the results achieved.

From the above definitions, it can be concluded that transparency in the management of government finances and resources refers to the delivery of clear, open, and accountable information to the public. This includes the entire process, from policy formulation to implementation and supervision, so that the public has the right to know and monitor government activities. Transparency also emphasizes the importance of adequate accessibility of information so that it can be understood and used by all parties who need it.

Village Fund Allocation (ADD)

ADD is basically a General Allocation Fund (DAU) formula with several assumptions added. The main objectives of ADD include fairness in fund transfers, encouraging a spirit of decentralization, being non-discriminatory, transparent, simple, and supporting village progress. ADD aims to finance village government programs in carrying out activities related to community interests (Butar & Purba, 2022). According to Ningsih et al., (2020) ADD is a fund allocated to support equal distribution of financial capacity between villages, originating from the district APBD. This fund is used for governance, development implementation, and community services in the village. The village government, with increasing regional autonomy, is encouraged to maximize existing resources both from within and outside the village and to empower the community more actively. In research (Sujarweni, 2015) based on Law Number 6 of 2014 concerning Villages, Article 72 Paragraph (3), Directly, the village will receive a large amount of funds that can be managed and utilized for community progress. Based on the law, at least 10% of the balancing funds received by the Regency/City must be distributed directly to villages as ADD.

To ensure justice and equality, ADD as a balancing fund received by the district government, is allocated to villages. Each village receives a different amount of funds according to its needs and characteristics. The central and regional governments may not control the village's income sources.

METHODOLOGY

Researchers performed study in Katoi community, North Kolaka Regency, with the goal of improving openness and accountability in community finance allocation. The research method employed was qualitative, employing a descriptive analytic technique. Data sources in this study include: (1) Primary Data, obtained directly from the original source through interviews with related parties in the transparency and accountability of village fund allocation. (2) Secondary Data, obtained from reports and documentation related to village fund management, such as a list of proposed activities, village APBD, village monographs, and village organizational structures. The data analysis process is carried out by comparing the implementation of transparency and accountability in Katoi Village with the provisions contained in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014.

RESEARCH RESULTS

Accountability

Accountability is responsible for managing resources and implementing procurement practices. This involves the presentation, reporting, and disclosure of information periodically by trusted entities to achieve established goals. Accountability indicators according to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Village Financial Management, Articles 20-38, include: (1) Planning, (2) Implementation, (3) Administration, and (4) Reporting and Accountability.

Transparency

Transparency in the administration of government finances and resources means providing the public with clear, transparent, and accountable information. This encompasses the entire process, from policy formation to implementation and monitoring, ensuring that the public has the right to know and supervise government operations. The provision of information that is easy to understand and use by all parties who need it is the main focus of transparency. Indicators of Compliance and Transparency in the Management of Village Fund Allocations According to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014, specifically the first the notice board is continuously updated with information about ongoing operations, and the community has easy access to the tracking of arriving and departing financial flows. According to the interview findings, the village's entering and departing cash has been recorded in such a way that the community may quickly access it. In addition, there is a notice board with information on the use of funds, which enables openness in the allocation and usage of local financial resources.

Second, the community has access to written presentations of the accountability and implementation reports for the village budget. The Village Budget activity report has been given in a transparent manner, namely through the provision of an information board, in accordance with the findings of the interview. This information board functions as a medium to provide access to villagers, so that they can know and understand the details and results of the budget management that has been carried out, as well as the accountability of the village government in using the funds for the benefit of the community.

Third, through the sub-district head, the report on the realization and accountability of ADD implementation is submitted to the Regent or Mayor. The implementation report is prepared and submitted to the Regent or Mayor through the Village Deliberation Activity Report or Accountability Report. This process aims to ensure that all activities and use of funds carried out in the village can be officially accounted for to the local government, thus creating transparency and accountability in the management of the village budget.

DISCUSSION

Based on the analysis results obtained above, research on accountability and transparency of ADD management in Katoi Village can be concluded as follows:

First, Village Fund Allocation Management Accountability: This measures how well the village government is performing its duties and obligations in compliance with relevant laws and regulations. By making sure the tasks are carried out, accountability seeks to enhance the village government's performance and provide better services to the community. All procedures in ADD management have been implemented, and the planning, implementation, administration, reporting, and accountability stages of ADD management in Katoi Village have been done in compliance with the Minister of Home Affairs of the Republic of Indonesia's Regulation Number 113 of 2014. The Realization Report is created and turned in twice a year or every semester as a measure of responsibility for ADD.

Second, considering that village funds belong to the people or are public assets originating from the state budget, their management must be carried out professionally, accountably, and transparently so that the community can participate in monitoring and understand their use properly. Transparency, in this context, means that the village government has an obligation to convey information related to village financial management openly, clearly, and easily understood by the entire community. This includes various aspects, from planning the use of funds, implementing programs funded by village funds, to reporting and evaluating the results of these activities. This information must be conveyed to the community in a form that can be accessed by all parties, either through community meetings, village information boards, or through other communication channels that allow the community to know in detail how village funds are allocated, used, and the impacts resulting from their use.

Transparency in the management of village funds is very important because it can encourage active community participation in village development, where residents are not only beneficiaries, but are also involved in the decision-making process, monitoring, and evaluation of the programs implemented. With openness in the management of village finances, the community will have a greater sense of ownership of village programs, and at the same time, trust in the village government will increase. This transparency is also an effort to prevent potential misuse of funds that can harm the community and the village as a whole.

In Katoi Village, the implementation of the principle of transparency in the management of Village Fund Allocation (ADD) is clearly regulated in the Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 113 Tahun 2014, which regulates general village financial management. The regulation emphasizes that every stage of village financial management, from planning, implementation, administration, reporting, to accountability, must be carried out openly and involve the community. This transparency is not only important to maintain the accountability of the village government, but also to ensure that the funds allocated are truly used for the common good and have a positive impact on the welfare of the village community. Thus, it is hoped that with transparency, the relationship between the village government and the community will be more harmonious, and a clean, responsive, and responsible government will be created.

CONCLUSION AND RECOMMENDATIONS

The investigation on the accountability and transparency of the village administration in controlling ADD in Katoi Village, Regency in 2023 produced the following conclusions, which can be drawn from the data presented in the analysis and discussion: Regarding accountability, the provisions have been followed in the development, execution, administration, reporting, and accountability of ADD. Every phase of ADD management include discussion with the Village Consultative Body (BPD) and the community, along with compliant implementation strategies. Input from the community is also welcomed by the village council, and financial reports are made in a way that

complies with legislation and covers all the necessary elements to guarantee responsible management of ADD. To increase the level of accountability and openness going forward, a number of issues with information presentation and the preparation of more thorough reports must be resolved.

The village finance manager's recommendations for the Kato Village Government demonstrate how successfully they have carried out the financial accountability procedure. Still, there is a need for improvement in the reporting and financial management of rural areas. Finding fresh information in villages outside of Kato Village through comparative studies targeted at improving the community's knowledge and comprehension of the use of financial management and accountability is one method to accomplish this goal. Furthermore, it is advised to periodically offer educational and training sessions on financial responsibility and rural financial management.

ADVANCED RESEARCH

Every research has limitations; therefore, the researcher hopes that further research can discuss the components of village financial management in more detail, including the stages of coaching and supervision, as well as assessing government performance and the details of the nominal amount of money listed.

ACKNOWLEDGMENT

During this research, I would like to thank my mother and sister who have continuously supported me and to all my friends who have helped me by providing input and suggestions so that this research can run smoothly until the end.

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