

CHAPTER I

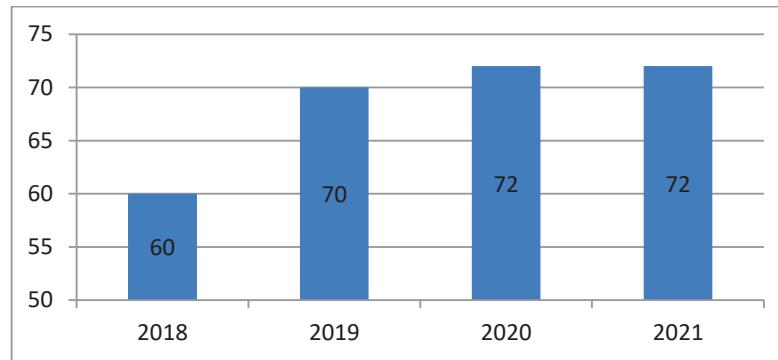
INTRODUCTION

1.1 Background

One of the fields of accounting that is currently growing rapidly along with the times is government accounting. Demands from the community in terms of transparency and public accountability for financial management managed by the government are the cause of the rapid development of government accounting, so that the use of accounting in recording and reporting government performance is needed (Widiyanti, 2017).

The village financial management process from planning, implementation, administration, accountability, as well as supervision can truly be accounted and reported as evaluation material for the coming year, which forms the basis of transparency and village financial management. The community not only has the right to know the village financial management owned by the community, but the community also has the right to demand accountability for the application and implementation of village financial management (Mokalu *et al*, 2018).

In recent years, with the enactment of a policy to increase village funds, there has been an increase in village funds sourced from the Regional Revenue and Expenditure Budget (APBN), so that this is expected to encourage community economic empowerment in order to achieve economic growth and village infrastructure development.



**Figure 1.1 Increase in The Amount of Village Funds
2018-2020 in Indonesia (Trillion Rupiah)
(Source: bpkp.go.id & setkab.go.id)**

Figure 1.1 above illustrates the increase in village funds. In 2018, a village fund of Rp 60 trillion was budgeted by the central government and the realization of village funds that had been disbursed reached Rp 59.86 trillion or 98.77%. In 2019, there was an increase in the village fund budget of IDR 70 trillion with the realization of village funds that had been issued until August 2019 reaching IDR 42.22 trillion or 60.29%. In 2020, there was an increase IDR 72 trillion. There are 434 Regency Regional Governments in 33 Provinces that have received village funds from the central government, with the number of villages reaching 74 thousand. In 2020, IDR 72 trillion of village funds have been allocated for 74,953 villages and these funds will be channeled through 169 State Treasury Service Offices (KPPN) (bpk.go.id). In 2021, the total Village Fund Ceiling is IDR 72 trillion, which is distributed to 74,961 villages with the realization as of January 10 2022 of IDR 71.85 trillion in 74,961 villages. With this data, it can be seen that there is an increase in village funds from year to year (Setkab.go.id).

Based on Permendagri Number 113 of 2014 article 1 paragraph (9) it is stated that “Dana desa adalah dana yang bersumber dari APBN yang diperuntukan bagi desa yang ditransfer melalui APBD Kabupaten/Kota yang digunakan untuk membiayai penyelenggaraan pemerintahan, pelaksanaan pembangunan,

pembinaan kemasyarakatan, dan pemberdayaan masyarakat”. So that village accounting principles are needed to achieve the goals of managing village funds from the central government, especially in village finances.

A clean, responsible, and transparent government with respect to the accountability of government financial management has always been a demand of society in today's democratic era and it is increasing along with the times. However, there are still some government organizations that are still unable to realize transparency in managing government finances properly, especially in managing village fund allocations (Kurniawati, 2019). Therefore, district or city governments are required to conduct training related to village financial management, especially for the sub-district head and village officials.

The Village Fund Allocation (ADD) must be implemented with the principles of transparency and accountability as a form of accountability to the public. There needs to be the principle of transparency and accountability in the management and implementation of village government activities. This shows that village finances must be managed in an open, accountable and in accordance with existing regulations (Tunay et al, 2021). To anticipate fraud in the village financial management process, it is necessary to apply the principles of transparency and accountability. It is necessary to apply these principles in order to achieve good village governance related to the management of ADD, so that the community can clearly know about the planning, implementation, accountability, administration, and reporting of the allocation of village funds. For this reason, it is necessary for the community to be involved in the planning process and then implement the plan in accordance with participatory principles (Alfasadun *et al*, 2018).

The principles of accountability and transparency are indispensable in managing the Village Revenue and Expenditure Budget (APBDes) with the aim of making it more transparent and accountable in the financial management of a village. According to the Minister of Home Affairs Number 20 of 2018, the stages

of village financial management include planning, implementation, administration, reporting, and accountability which are carried out with reference to the principles of village financial management. In article 2 paragraph (1) which states that "Keuangan desa dikelola berdasarkan asas transparansi, Akuntabel, partisipatif serta dilakukan dengan tertib dan disiplin anggaran".

Similar research on accountability and transparency of village financial management has been carried out by several previous researchers. Hidayah and Sayidah (2019) stated that accountability in the management of village funds in the village of Penompo was good as evidenced by the planning stage having implemented the participatory concept of the village community, the implementation stage of the village fund program having followed the regent's regulations which were implemented with self-management, and the accountability of the village fund program, both technical and administrative, is good. Utami (2019) stated that in general the accountability of village financial management in Artificial Village II at the administrative, reporting, and accountability stages was in accordance with Permendagri No. 113 of 2014. However, in the transparency stage it was not fully in accordance with Permendagri No. 113 of 2014 because there is no information on the bulletin board or information board regarding the amount of expenditure and income in carrying out village financial management activities. Previous research conducted by Nurcahya (2021) regarding accountability in the management of the Village Revenue and Expenditure Budget (APBDes) in Mangkonjaya Village, Bojonegara District, Tasikmalaya Regency. The results of the research carried out are that the accountability of APBDes management in Mangkonjaya Village, Bojonegara District, Tasikmalaya Regency has not been running effectively because the accountability report for village fund allocation is still in the form of a general description and the accountability of the village head towards the allocation of village funds is felt by the community to be lacking due to the absence of information disclosure to the public. .

In the principle of transparency, the community has the right to know, observe, and the right to participate in terms of expressing opinions in the APBDes preparation process. However, in reality this condition is still not fully in accordance with the area to be researched, namely in Nanga Taman Village, Sekadau Regency, where there are still some problems in the principle of transparency related to village financial management rules. The community in Nanga Taman Village, Sekadau Regency is still less involved in the APBDes planning process. So that the phenomenon that occurred in Nanga Taman Village, Sekadau Regency, was not in line with applicable regulations related to the principle of transparency in village financial management.

Based on the description above, this research was conducted to describe the accountability and transparency of the village government in the management of the APBDes. The regulations used in this research are based on Permendagri Number 20 of 2018. The difference between this study and previous research is the difference in the location of the study.

1.2. Problem Formulation

Based on the description of the background of the problem, the formulation of the problem in this study is:

- a) How is the accountability of the Nanga Taman Village government, Sekadau Regency in financial management based on the Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018.
- b) How is the transparency of the Nanga Taman Village government, Sekadau Regency in financial management based on the Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018.
- c) How is community participation in APBDes planning of the Nanga Taman Village government, Sekadau Regency in financial management based on the Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018.

1.3 Research Purpose

The purpose of this research is based on the formulation The problem above is to describe and determine the accountability and transparency of the Nanga Taman Village government, Sekadau Regency in financial management based on the Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018.

1.4 Research Contribution

The results of this research can be useful input for various interested parties asfollowing:

1.4.1 Theoretical Contributions

The results of this study can provide understanding and theory development for similar research related to accountability and transparency in the management of the Village Revenue and Expenditure Budget.

1.4.2 Practical Contributions

- a. For the Village Government, This research can provide an understanding and description of the importance of accountability and transparency in the management of the Village Revenue and Expenditure Budget for the sake of creating good financial governance.
- b. For the Village Community, this research can provide an understanding and description of the level of accountability and transparency of village government
- c. For the accounting profession, this research can be a reference to improve the performance of accountants in accountability and transparency