

CHAPTER II

LITERATURE REVIEW

2.1. Theoretical Foundation

2.1.1. Stewardship Theory

Stewardship theory defines a situation where the main goal of management is not for personal gain, but for the benefit of the organization (Donaldson and Davis, 1991). Stewardship theory assumes that humans are essentially able to act responsibly, can be trusted, have high integrity and have honesty. This theory views the steward (government) as a party capable of carrying out the best possible actions aimed at meeting the needs of the principal (society). The concept of this theory is based on the principle of trust in the party given the authority, where management in an organization is reflected as a good steward who carries out the tasks assigned by his superiors with full responsibility (Alfasadun et al, 2018).

The role of the steward (Pemdes) as an institution that can be trusted to carry out and function properly and in accordance with the public interest, makes financial accountability to the principal (community) in order to achieve maximum economic goals, public services and community welfare. To carry out this responsibility, the steward can carry out internal control to be able to produce quality financial information reports (Wahidah, 2015 in Alfasadun et al, 2018).

The implication of the stewardship theory in this study is that it can explain the existence of the village government (steward) as an institution that can be trusted and acts according to its function for the interests and welfare of the community (principal). In this case, the village government is expected to be able to explain its duties by fulfilling responsibilities related to village financial management in an accountable and transparent manner in accordance with village financial management rules, and the accountability information presented should be easy to

understand by the community. This is done as a consideration for the assessment of the performance of the village government.

2.1.2 Accountability

Accountability is a condition for the creation of good, democratic and trustworthy governance. Government institutions with public accountability mean that these institutions are always willing to account for all activities mandated by the people. Likewise, the community in exercising control has a great sense of responsibility for the common good. Not only for the interests of groups or groups only. The responsibility of the community to exercise control over government institutions is a form of community participation. This is very important to get our mutual attention, because accountability itself is not only needed for the government but also for the community (Raba, 2020)

Accountability for managing village funds is the responsibility of the village government in managing village funds, which is carried out based on procedures, policies, and regulations. applicable laws and regulations and in accordance with the principles of village financial management. With an accountable village government, a good governance system will be achieved (Supadmi & Saputra, 2018)

Village financial management accountability has the aim of providing detailed, accurate, and accurate information that is used for the sake of accountability to be given to the community, as well as reference material to assess the implementation of finances that are too long and as a basis for financial management for the coming year so that they can be carried out optimally. Village financial management accountability can be a forum for the need for transparency, because accountability is a supporting factor for creating transparency through the form of information disclosure provided by the village government in terms of managing public resources.

2.1.3. Transparency

Permendagri No. 13 of 2006 concerning Guidelines for Regional Financial Management, states that "Transparency is the principle of openness that allows the public to know and have access to as much information as possible about regional finances". Transparency is a form of openness to honest and detailed public resource management information, the information is expected to be easily accessible and understood by the public, so that in practice its implementation can be judged to have high transparency. on the other hand, if the information is in the process of being closed, the information will be difficult to access by users who need it. Transparency guarantees access or freedom for everyone to obtain information about the administration of government, namely information about policies, the process of making and implementing them as well as the results achieved (Wahyu, 2018).

High transparency will encourage the creation of horizontal accountability between the village government and the community. With high transparency, it will create a government that is clean, accountable, effective, and responsive to the needs of the community. The principle of transparency guarantees the freedom for the public to be able to obtain information about the management of the resources they have entrusted and can find out information related to the administration of government, which includes information on the policy making process and its implementation as well as the results to be achieved (Iznillah & Mutia, 2018)

2.1.4. Village and Village Government

Based on Permendagri No. 20 of 2018 concerning Villages which states that "Desa merupakan kesatuan hukum yang memiliki batas wilayah yang mempunyai wewenang untuk mengatur dan mengurus urusan penyelenggaraan pemerintah, pembangunan, dan kepentingan masyarakat setempat berdasarkan prakarsa masyarakat, hak asal usul, dan/ atau hak tradisional yang diakui dan dihormati dalam sistem pemerintahan Negara Kesatuan Republik Indonesia (NKRI)".

2.1.5. Village Financial Management

Based on Permendagri No. 20 of 2018 concerning village financial management, namely " Keuangan desa merupakan semua hak dan kewajiban desa yang dapat dinilai dengan uang serta segala sesuatu berupa uang dan barang yang berhubungan dengan pelaksanaan hak dan kewajiban desa ".

According to Permendagri No. 20 of 2018 village financial management includes planning, implementation, administration, reporting, and accountability.

2.1.5.1. Planning

At this stage the village government prepares a village development plan that is in accordance with the needs of the village with reference to the district or city development planning. In the preparation of village development planning, it is carried out in a periodic manner starting from the village Medium Term Development Plan (RPJM), the village Government Work Plan (RKP), and a list of village RKP proposals.

2.1.5.2. Implementation

In the implementation stage, all village revenues and expenditures in the context of implementing village authority are carried out through cash and village accounts. All village revenues and expenditures must be supported by complete and valid evidence.

2.1.5.3. Administration

Financial administration is carried out by the finance department as the executor of the treasury function. Administration is done by recording every receipt and disbursement in the general cash book. Recording in the general ledger is closed at the end of each month. The financial officer is required to make general cash subsidiary ledger which consists of:

- a. Bank subsidiary book

b. Tax subsidiary book

c. Book help

2.1.5.4. Reporting

According to Permendagri Number 20 of 2018 in carrying out the duties, authorities, rights and obligations of the village head:

1. The village head is obliged to submit a report on the implementation of the first semester APBDes to the Regent/Mayor through the sub-district head. The report submitted is in the form of a APBDes implementation report and a report on the realization of activities.
2. The village head prepares a report by combining all reports no later than the second week of July of the current year.

2.1.5.5. Accountability

Based on Permendagri No. 20 of 2018 accountability consists of:

1. The village head submits an accountability report on the realization of the APBDes to the Regent/Mayor through the sub-district head at the end of each budget.
2. The accountability report is submitted no later than 3 (three) months after the end of the fiscal year with respect to those stipulated by village regulations accompanied by:
 - a. Financial Report, Consists of:
 1. APBDes realization report
 2. Notes on Financial Statements
 - b. Activity realization report

- c. List of sectoral programs, regional programs and other programs that enter the village.
3. The accountability report is informed to the public through information media. Information should at least contain:
- a. APBDes realization report
 - b. Activity realization report
 - c. Unfinished activities
 - d. Remaining budget
 - e. Complaint Address

2.1.6. Village Revenue and Expenditure Budget (APBDes)

According to Permendagri Number 20 of 2018 APBDes is the village government's annual financial plan. Where the source of village funds is obtained from transfers originating from the APBDes which are intended to finance village development needs. APBDes consists of village income, village expenditure, and village financing. Village income is classified by group, type and object of income. Village expenditures are grouped according to sector, sub-sector, activity, type of shopping, shopping object, and details of shopping object. Financing is classified according to the type and object of financing.

2.1.6.1. Village Budget Functions

According to Sujarweni (2015). The village budget has several main functions, namely as follows:

1. Planning Tool

Budget is a planning tool in village management that is used to formulate policy goals and objectives to be in line with the vision and mission that has been set and is used to plan village programs along with details of the costs

involved. needed to determine the performance indicators for the achievement of the strategy.

2. Control Tool

Budget is a control tool containing detailed information on village income and expenditure, so that the activities carried out by the village government in using the budget can be accounted for to the community.

3. Fiscal Policy Tool

Budget is a village fiscal tool used to predict and estimate village economic activity, so that it can encourage, facilitate, and coordinate community economic activities and can accelerate economic growth.

4. Coordination and Communication Tool

Budget is a coordination tool carried out between sections in the village government to create communication in budget management to all village apparatus. A budget that is prepared with good coordination and communication will reduce fraud in financial management.

5. Performance Appraisal Tool

Budget is a performance appraisal tool based on the achievement of budget targets and the implementation of budget efficiency. An effective budget is carried out as an effort to control and evaluate performance.

6. Motivation Tool

Budget is a motivational tool used to encourage the performance of the village government so that it can work effectively and efficiently to achieve the targets and goals that have been planned.

2.1.6.2. Village Budget Benefits

According to Sujarweni (2015) . The village budget that has been prepared has a purpose, namely to meet development financing and its sources of funds for village development. The benefits of preparing the village budget are as follows:

1. As a reference for the village government to determine the strategy for operational activities, taking into account the needs and availability of village resources.
2. As a parameter to determine the amount of service costs that will be charged to the community.
3. To give authority to the village government in the administration of village administration.
4. As a direction for the village government in the process of administering and supervising the village government.

2.1.6.3. Village Budgeting Principles

According to Permendagri Number 20 of 2018, Finance is managed based on the following principles:

1. **Transparency**
Transparency or openness means that all activities and information related to village financial management can be known and monitored by other authorized parties and there is no element of confidentiality in the management of the APBDes.
2. **Accountability**
Accountability is a government action or performance that can be accounted for to parties who have the right or authority to request information on accountability, in the implementation of the use of the budget starting from the planning process to accountability.
3. **Participatory**
In the village financial management process, which starts from the planning, implementation, administration, reporting, and accountability stages, the community, village stakeholders, and the wider community are primarily beneficiaries of development programs in the village.

4. Budgetary Order and Discipline

This means that the budget must be implemented consistently by recording its use in accordance with financial accounting principles in the village, with the aim that village financial management is in accordance with applicable laws and regulations.

2.1.6.4. The Role of the Community in Village Financial Management

The role or involvement of the community in the management of village finances are as follows:

Table 2.1
Community Role and Involvement

Stage Activity	Role and Involvement	Related to Principle
Planning	Provide input on the APBDes design to village heads and/or BPD	Participatory
Implementation	<ol style="list-style-type: none"> 1. Together with the Head of Section, prepare the RAB, facilitate the process of procuring goods and services, manage or carry out work related to activities that have been stipulated in the Perdes concerning APBDes. 2. Provide input related to APBDes changes. 	Participatory Transparent
Administration	Requesting information, providing input, conducting participatory audits	Transparent Accountable, Orderly and Disciplined Budget
Reporting and	Requesting information, observing LPJ materials, asking/asking for explanations	Participatory Transparent

Accountability	related to LPJ in village meetings	Accountable
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Source: Ahrori (2011)

Table 2.1 above explains the role or involvement of the community in village financial management. At the planning process stage, the community has an active role to participate in participating in village deliberations and providing input on the APBDes preparation process, this is done so that the budget prepared has received legitimacy from the community (Suaparno, 2020). At the implementation stage, community involvement is carried out by participating with the cation, preparing RAB, facilitating the process of procuring goods and services, managing or carrying out work related to activities that have been stipulated in the Perdes on APBDes. At the administrative stage, community involvement is shown by asking for information, participating in providing input, conducting participatory audits and supervising the implementation of village expenditures (Ramdan et al. 2015). At the reporting and accountability stage, community involvement is shown by asking for information, looking at LPJ materials, asking/asking for explanations related to LPJ in village meetings.

2.1.6.5. Village Income

Based on Permendagri No. 20 of 2018 article 11, the first part on income explains that "Village Pendapatan desa yaitu semua penerimaan desa dalam 1 (Satu) tahun anggaran yang menjadi hak desa dan tidak perlu dikembalikan oleh desa ". Village income is grouped into three, namely:

- a. Village Income
- b. Transfers
- c. Other income

The village original income group consists of four types of income, namely:

- a. Business results

Such as: BUMN results

b. Asset yield

Such as: Village treasury land, additional boats, village markets, public toilets, and other assets that are in accordance with authority based on origin rights and village-scale local authority.

c. Self-help, participation, and mutual cooperation

Such as: Revenues from

d. Other village original income

Such as: Receipts from community donations

Village transfer groups consist of five types of transfers, namely:

a. Village funds

b. The results of regional taxes and regional levies for districts/cities

c. Village fund allocation

d. Financial assistance from the Provincial APBD

e. Financial assistance from the Regency/City APBD

In receiving financial assistance from the Provincial APBD and Regency/Municipal APBD, it can be general and specific. Where financial assistance is specifically managed by the village but is not stipulated in the terms of use of at least 70% (seventy percent) and at most 30% (thirty percent).

2.1.6.6. Village Expenditures

According to Permendagri No. 20 of 2018 article 15, the second part on expenditures explains that "Village expenditures are all expenditures which are village obligations in 1 (one) fiscal year which will not be refunded by the village".

Village expenditures are classified into five areas, including:

a. Implementation of village government

- b. Implementation of village development
- c. Village community development
- d. Empowerment of rural communities
- e. Management of disasters, emergencies, and urging villages.

2.1.6.7. Village Financing

According to Permendagri No. 20 of 2018 article 25, the third part concerning financing "Village financing is all receipts that need to be repaid or expenses that are received back, both in the relevant fiscal year and in the following fiscal year". Financing is divided into financing receipts and financing expenditures. financing receipts are divided into three types of receipts, namely:

- a. SiLPA of the previous year
- b. Disbursement of reserve funds
- c. The proceeds from the sale of village assets except land and buildings.

Financing expenditures are divided into the formation of reserve funds which are carried out to fund activities that provide funds that are not directly charged within one fiscal year and equity participation used to budget for village government assets invested in BUMDes to increase village income or services to the community.

2.2. Empirical Study

Previous research conducted by Jumari, Wahyudi, and Jibrail (2020) regarding akuntabilitas dan transparansi pengelolaan keuangan Desa Langam Kecamatan Lopok Kabupaten Sumbawa. The results of the research conducted are that in general, village financial management is said to be accountable, because it has compiled a musrembang, implementation, administration, reporting, and accountability. Transparency in Langam Village has been going well but there are things that are still lacking, namely the absence of an Information and

Documentation Management Officer and the absence of a public information list form provided by the Langam Village government to make it easier for the public to get information and get complete funds.

Previous research conducted by Wardani (2021) regarding Akuntabilitas dan Transparansi dalam Pengelolaan Dana Desa (studi kasus Desa Kademangan Kabupaten Jombang). The results of this study are that the financial management of village funds is in accordance with applicable laws. The transparency process is demonstrated by using information media in the form of a banner detailing the funds placed at the village office.

Previous research conducted by Nurcahya (2021) regarding Akuntabilitas pengelolaan Anggaran Pendapatan dan Belanja Desa (APBDes) di Desa Mangkonjaya Kecamatan Bojoneggambar Kabupaten Tasikmalaya. The results of the research conducted are that the accountability of APBDes management in Mangkonjaya Village, Bojoneggambar District, Tasikmalaya Regency has not run 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. Public.

Comparison with previous research can be seen in the table below:

Table 2.2
Previous Research

No	Author (Year)	Problem	Method	Result
1	Wardani, (2021)	How is the accountability and transparency mechanism to support good	Descriptive qualitative method based on field studies.	The results of this study are that the financial management of village funds is in accordance with

		governance carried out by the village government in managing village funds in Kademangan Village .		applicable laws. The transparency process is shown by using information media in the form of a banner detailing the funds placed at the village office.
2	Nurchaya, (2021)	How is APBDes used and how effective it is used .	Qualitative research with purposive sampling technique	Accountability of APBDes management in Mangkonjaya Village, Bojonggambir District, Tasikmalaya Regency has not been running effectively because the accountability report for village fund allocation is still only a general description.
3	Kanter, Lengkong, and Tulusan, (2021)	The village government has not implemented the rules relating to village financial management.	Qualitative descriptive	The village government has disclosed information to the APBDes as indicated by the installation of billboards containing the APBDes report for the current year.

4	Ngakil, and Kaukab (2020)	How is the transparency and accountability of village financial management in Wonosobo Regency.	Qualitative descriptive.	The results of the research conducted are that village financial management has been running optimally by prioritizing the principles of transparency and accountability. This is evidenced by the ease of access to financial information both offline and online.
5	Jumari, Wahyudi and Jibrail (2020)	There are cases of abuse in financial management in several villages.	Descriptive qualitative method.	The results of the research conducted, namely in general, village financial management is said to be accountable, because it has compiled a musrembang, implementation, administration, reporting, and accountability. Transparency in Langam Village has been going well but there are things that

				are still lacking, namely information management officials and public information list forms .
6	Dewi and Adi (2019)	How to apply transparency, accountability, and community participation in managing village funds for the development of Candirejo Village, Pringapus District , Semarang district.	Qualitative descriptive	The implementation of accountability in Candirejo Village has succeeded in achieving the goals set by looking at the development of community empowerment roads. Transparency is shown by periodic reports on the management of village funds and publications in the form of banners or announcements during deliberation. Community participation can be seen from the cooperation of village development and empowerment programs.

7	Hidayah and Sayidah (2019)	How is accountability and transparency of Penompo village both vertically and horizontally.	Qualitative descriptive	The accountability of village fund management in Penompo village vertically is good but what must be improved is horizontal accountability and transparency of village funds, in the planning stage the lack of community participation In the village development planning process, the implementation stage has followed Perbup No.1 of 2017 by means of self-management, the reporting and accountability stages need to be improved.
8	Utami (2019)	How is the accountability and transparency of village financial management in Artificial Village II in Koto Gasib	Qualitative Descriptive	The stages of administration, reporting and accountability for village financial management are in accordance with

		District, Siak Regency based on Permendagri No. 113 of 2014?.		Permendagri No. 113 of 2014. However, the stage of village transparency is not 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.
9	Rizal, Fitri, dan Rantika (2018)	The report on the realization of the Nagari APB has not been published in writing to the people of Nagari Balimbing.	Qualitative descriptive	The government of Nagari Balimbing, Rambatan District, Tanah Datar Regency has implemented the principles of accountability and transparency in the management of the Nagari APB.
10	Karlinayani dan Ningsih (2018)	How accountability of village government	Qualitative descriptive	Overall, village government accountability in

		in Gayo Lues Regency in managing village revenue and expenditure budgets.		managing APBDes in Gayo Lues Regency has gone well and is in accordance with what is stated in Law Number 6 of 2014 concerning villages. Of the eleven villages studied, only one village was not ready for the accountability process for village funds
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Sumber : Penelitian Terdahulu (2018-2021)

Based on the summary table of previous research, the author will explain the similarities and differences to the research that the author will do related to the research title, namely "ACCOUNTABILITY AND TRANSPARENCY FINANCIAL MANAGEMENT IN NANGA TAMAN VILLAGE SEKADAU REGENCY" where the research concentration focuses more on Accountability and transparency of village government in managing village finances in Nanga Taman Village, is it in accordance with Permendagri Number 20 of 2018. The similarity of this research with previous research is to describe village government accountability and transparency in financial management. Meanwhile, the difference between this research and previous research lies in the place of research and the regulation of the Minister of Home Affairs used.

2.3. Conceptual Framework

To create a government that is clean, accountable, effective, and responsive to the aspirations of the community, the village government needs to apply the

principles of accountability and transparency in village financial management. In good village financial management, it must be in accordance with applicable regulations and related to the preparation of village financial management contained in Permendagri Number 20 of 2018. The process of preparing village financial management includes planning, implementation, administration, reporting and accountability.

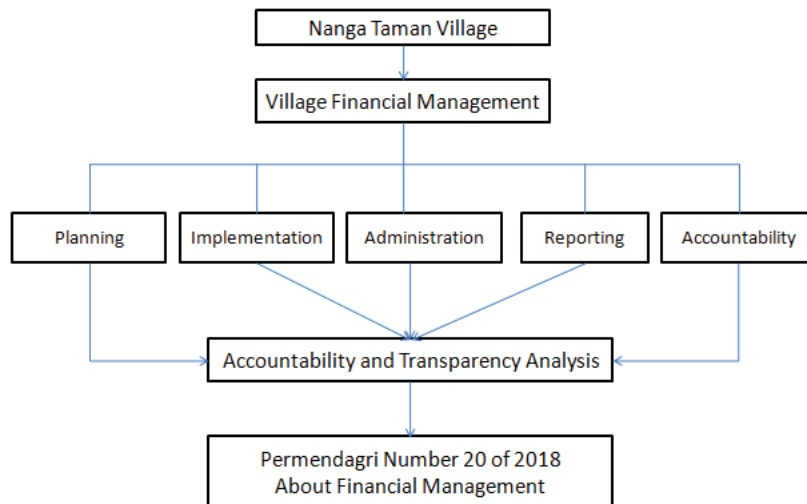


Figure 2.1 Conceptual Framework