

## THE INFLUENCE OF BUDGET, SPI, AND COMPETENCE OF VILLAGE APPARATUSES ON THE ACCOUNTABILITY OF VILLAGE FUND MANAGEMENT AND THEIR IMPACT ON WELFARE

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### ABSTRACT

The Village Fund is a mandate from the law as stipulated in Article 72 Paragraph 2 of Law Number 6 of 2014. the central government is obliged to allocate Village Funds in the State Budget (APBN). Policies for allocating and distributing Village Funds by taking into account village characteristics and village performance in managing Village Funds. The purpose of this research is to look at the determination of the clarity of budget targets, the internal control system and the competency of the village apparatus in terms of accountability in managing village funds and their impact on village welfare. This research model uses Path Analysis for testing a direct and indirect effect. The results of this study prove that budget targets, internal control systems and competence of village apparatus have a direct influence on accountability. Likewise with the results of indirect influence, only the internal control system which does not have an indirect effect on village welfare. For the functioning of these variables, accountability for village fund management has a direct effect on village welfare..

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### 1. INTRODUCTION

The Village Fund is a mandate from the law as stipulated in Article 72 Paragraph 2 of Law Number 6 of 2014. the central government is obliged to allocate Village Funds in the State Budget (APBN). Policies for allocating and distributing Village Funds by taking into account village characteristics and village performance in managing Village Funds. In order for village funds to function optimally, they must be used on target, in order to develop villages, according to their respective needs and potential so that the distribution of village funds is truly effective and has a significant impact on villages, especially in accelerating a productive economy, driving industry in rural areas, and reducing village poverty. With village funds that have been allocated by the government, it is necessary to strengthen institutional capacity and human resources, both village government officials,

Details of Regency/City village funds for the 2020 FY from the web page [djpk.kemenkeu.go.id](http://djpk.kemenkeu.go.id) details of village funds for the City of Lhokseumawe in 2020 amounting to IDR 61,029,695 the number of villages is 68 and the basic allocation per village is 662,806. In 2021 the allocation of village funds for the City of Lhokseumawe has increased by IDR 61,983,149. increasing the amount of village funds means that it will increase the capacity of village interests, therefore it is necessary to have supervision regarding village funds. Village funds are still prone to being misused in a number of villages, at least every year there is a misappropriation of village funds which is included in the legal process. Many village officials do not understand the management of village funds, this has the potential to commit criminal acts of corruption and abuse of authority in the financial management of village funds. Forms of misuse include fictitious

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activities, mark-up prices, mark-up amounts, fictitious shopping, no use accountability reports, and use for personal purposes.

However, the community is smart, they demand that the leadership of the village apparatus be more transparent and accountable for the management of village funds from planning budget targets that have been made previously. That way there needs to be strict supervision so that the management of village funds is more on target. The purpose of this research is none other than to find out how much influence the budget, SPI and competence of the village apparatus have on the accountability of managing village funds and their impact on welfare. It is hoped that this research will provide input as material for comparison and evaluation of the functions of the Budget, SPI, and Village Apparatus Competence and will create transparent accountability so that it will have a real impact on people's welfare. In general, accountability has been discussed as an exogenous variable, but previous research has been limited, especially in the context of numbers. Thus, the purpose of this study was to examine the effect of the substance of these variables. Support from various parties is needed which will be the key to success in managing village funds. Hopefully what the village community hopes for, in the form of transparent and accountable financial management can soon be realized.

## 2. METHOD

Theoretical framework

**Budget target**, is a written plan regarding the activities of an organization which is stated quantitatively for a certain period of time and is generally expressed in units of money, but can also be expressed in units of goods/services. **Internal Control System**, is a complete process of ongoing actions and actions taken by management and all employees to ensure that there is sufficient security to achieve organizational goals effectively and effectively. Take effective actions to implement actions, financial reporting, maintenance of assets, status, and compliance with laws, decrees, and regulations.

**Accountability** Village Fund Management is responsible for managing resources and implementing policies entrusted to the reporting entity in achieving the objectives that have been set periodically. **Village Apparatus Competency** is the ability of human resources to carry out the duties and responsibilities given to them with adequate education, training and experience.

**Law Number 11 of 2009** regarding Social Welfare, stating that welfare is a condition of fulfilling the material, spiritual, and social needs of citizens so that they can live properly and be able to develop themselves so that they can carry out their social functions, so that it is easier for us to understand. The following is a picture of the conceptual framework relationship.

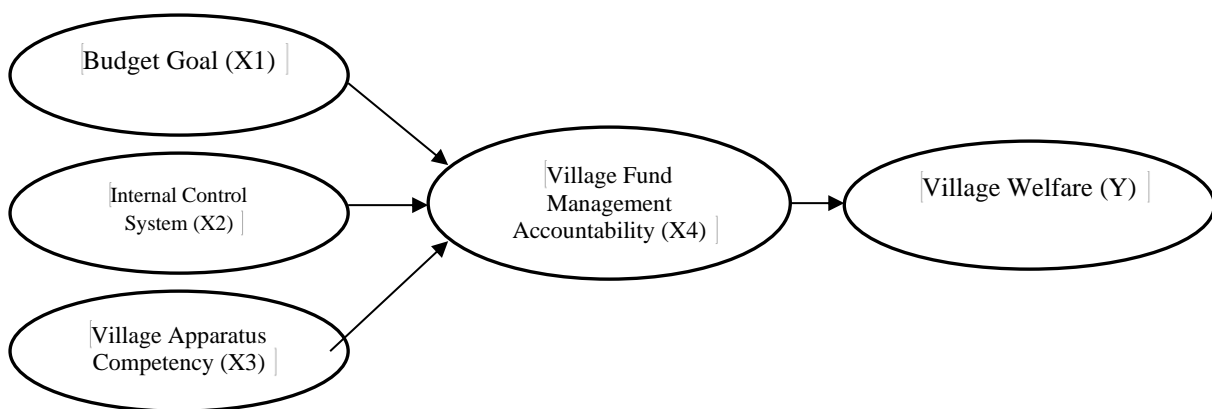
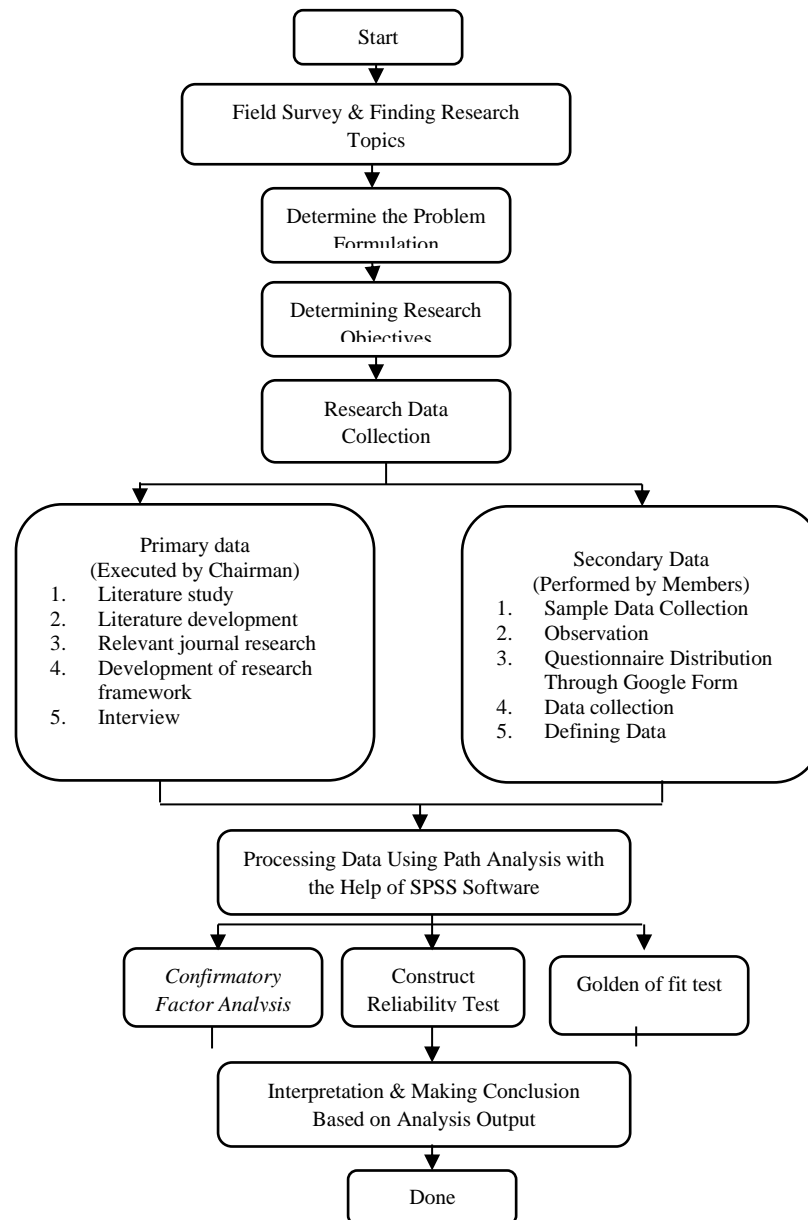


Figure 1. Conceptual Framework

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### Research design

This design was made based on the steps and stages of carrying out research in the field, starting from surveys, finding topics, determining problem formulation, objectives and data collection, data processing used and ending with interpretation and conclusions.



### Population and Sample

Population in this study were all village officials, village assistants and parties involved in village meetings in all villages in Lhokseumawe City. The number of samples used in this study was adjusted to the analytical method used, namely Path Analysis which aims to explain the direct

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and indirect effects of a set of independent variables with a set of dependent variables. The sampling of this study was random with a sample size of 68 villages x 3 = 204 respondents.

### Data collection technique

In this study, data collection techniques were carried out by distributing questionnaires to respondents as well as documentation data related to village funds. How to get data in this study using Google forms which were distributed to all respondents, respondents only answered by giving certain marks to the alternative answers provided on the Google forms page. When the data has been collected and surveyed in the field, then the data is managed using Path Analysis for testing a direct and indirect effect.

### Data Analysis Techniques

In this study, data management uses Path Analysis (path analysis) with the partial square method using the PLS program. Analysis on pls is carried out in three stages:

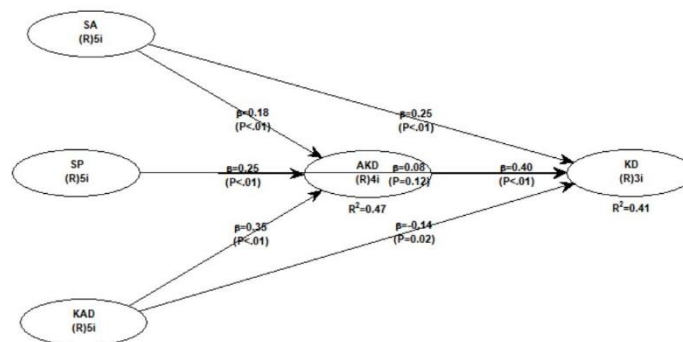
1. Outer Model Analysis.
2. Inner Model Analysis.
3. Hypothesis test.

## 3. RESULTS AND DISCUSSION

Before the data is analyzed, the data has been tested for Validity Test/Confirmatory Factory Analysis (CFA), construct reliability tests and SEM assumption tests. So that all data is late passing the test above, then the results of the analysis are displayed.

### Structural Model Path Analysis (SEM WarpPLS)

The full model SEM test aims to see to what extent the basic model formed in this study meets the goodness of fit criteria so that the model can describe research phenomena. The full SEM model can be seen in Figure 2 below:



**Figure 2 Structural Model Results and WarpPLS Calculation Results**

Next the structural equations are developed, in which the influence of distribution channels and marketing strategy on purchasing decisions. Furthermore, distribution channels and marketing strategies for purchasing decisions on consumer satisfaction are as follows:

$$AKD = P_1 0.177 + P_2 0.253 + P_3 0.346 + e_1$$

$$KD = P_1 0.248 + P_2 0.082 + P_3 0.145 + P_4 0.346 + e_1$$

So from this equation it can be explained that

1. Regression coefficient budget goals (X1) is positive (0.177) meaning it is getting better budget goal then it will increase accountability for managing village funds.

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2. Regression coefficient internal control system (X2) is positive (0.253) meaning it is getting better budget goal then it will increase accountability for Village fund management.
3. Regression coefficient competence of village apparatus (X3) is positive (0.346) meaning it is getting better budget goal then it will increase Village Fund Management Accountability.
4. Regression coefficient budget goals (X1) is positive (0.248) meaning it is getting better budget goal then it will increase village welfare.
5. Regression coefficient internal control system (X2) is positive (0.082) meaning it is getting better budget goal then it will increase village welfare.
6. Regression coefficient competence of village apparatus (X3) is positive (0.145) meaning it is getting better budget goal then it will increase village welfare.
7. Regression coefficient accountability for managing village funds (Z) is positive (0.346) meaning the better budget goal then it will increase village welfare.

### Result of Direct Effect (Direct Effect)

The following is a table of research results from the effect size that has been obtained based on data processing:

**Table 2**  
**Effect of Exogenous Variables on Endogenous Variables**

	Variable	Coefficients	P
budget goals	--> accountability for fund management	0.177	0.005
internal control system	--> accountability for fund management	0.253	0.001
competence of village apparatus	--> accountability for fund management	0.346	0.001
budget goals	--> village welfare	0.248	0.001
internal control system	--> village welfare	0.082	0.118
competence of village apparatus	--> village welfare	0.145	0.018
accountability for fund management	--> village welfare	0.387	0.001

Based on the results of data analysis as shown in Table 2 it can be explained that:

### Discussion

#### **Influence budget goal effect on accountability for managing village funds**

Influence budget goals (X1) has a positive and significant effect on accountability for managing village funds with a coefficients value of 0.177 and a significant value of 0.005 is smaller than 0.05. The analysis carried out by the results of this study proves that budget targets have a direct effect on accountability. Budget performance will lead to accountability for the implementation carried out by budget users which will show that the implementation is carried out in accordance with the plans written in the budget. The budget is a detailed process regarding the allocation of expenditure and receipt of existing resources to meet unlimited needs.

#### **Influence internal control system effect on accountability for managing village funds**

Influence internal control system (X2) has a positive and significant effect on accountability for managing village funds with a coefficients value of 0.253 and a significant value of 0.001 is smaller than 0.05. Every implementation that has been carried out will certainly require a control carried out internally so that the implementation carried out is in line with what has been planned. The internal control system is also useful as a monitoring tool for all activities that have an interest in managing village funds, therefore this is very related to accountability reporting.

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### **Influence competence of village apparatus effect on accountability for managing village funds**

Influence competence of village apparatus (X3) positive and significant effect on accountability for managing village funds with a coefficient value of 0.346 and a significant value of 0.001 is smaller than 0.05. Village apparatus competence is an important element in terms of accountability for managing village funds because competence includes knowledge, attitudes and skills related to decentralization policies, central and regional government relations. General administration and regional financial management. Therefore it is very important to think about the competencies that must be owned by each element of the village apparatus, because this is related to accountability for the welfare of the community.

### **Influence budget goals effect on village welfare**

Influence budget goals (X1) has a positive and significant effect on village welfare with a coefficient value of 0.248 and a significant value of 0.001 is smaller than 0.05. In terms of its relation to welfare, it demands clarity on the budget that has been planned to create an atmosphere that is expected to lead to prosperity through detailed process regarding the allocation of expenditure and receipt of existing resources to meet unlimited needs.

### **Influence internal control system no effect on village welfare**

Influence internal control system (X2) has no positive and significant effect on village welfare with a coefficient value of 0.082 and a significant value of 0.118 greater than 0.05. However, the internal control system shows results that do not affect welfare. When viewed from its function internal control carries out a number of procedures to protect the assets or wealth of an organization from all forms of misuse, ensures the availability of accurate organizational accounting information, and ensures that all legal provisions and management policies have been complied with and carried out properly.

### **Influence competence of village apparatus effect on village welfare**

Influence competence of village apparatus (X3) positive and significant effect on village welfare with a coefficient value of 0.146 and a significant value of 0.018 which is less than 0.05. Each apparatus understands more about the importance of the tasks they carry out, each task carried out will produce good results and full of hope will create prosperity. However, if the apparatus is incompetent and unprofessional in carrying out their duties, it will have a negative impact on the real gap in people's lives.

### **Influence accountability for managing village fund effect on village welfare**

Influence village fund management accountability (Z) positive and significant effect on village welfare with a coefficient value of 0.146 and a significant value of 0.001 is smaller than 0.05. Effort accountability to be accountable for the management of village fund resources in achieving goals will create a just and equitable social welfare. Accountability for village fund management and resource management and implementation will make a policy entrusted to the reporting entity in achieving the stated goals.

## **4. Conclusion**

From the analysis conducted, the results of this study prove that budget targets, internal control systems and village apparatus competencies have a direct influence on accountability. Likewise with the results of indirect influence, only the internal control system which does not have an indirect effect on village welfare. For the functioning of these variables, accountability for village fund management has a direct effect on village welfare. In order for village funds to function optimally, they must be used on target, in order to develop villages, according to their respective needs and potential so that the distribution of village funds is truly effective and has a significant impact on villages, especially in accelerating a productive economy, driving industry in rural areas, and reducing village poverty. With village funds that have been allocated by the

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government, it is necessary to strengthen institutional capacity and human resources, both village government officials, the community and village assistance staff and what is no less important is clarity of budget targets, implementation of an internal control system, and improvement of transparency in the reporting system in village financial management in which there is a Village Fund. The results of this study were made on the basis of both theoretical and practical studies, therefore there are still limitations that need additional improvement in the future. It is hoped that researchers will be able to examine more deeply both qualitatively and also in terms of more original data.

### Acknowledge

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