

## Factors That Influence the Accountability of Village Fund Management with Individual Morality as a Moderating Variable

Ni Putu Wina Purnama Dewi<sup>1</sup>, I Ketut Sujana<sup>2</sup>, Gayatri<sup>3</sup>, Ni Made Dwi Ratnadi<sup>4</sup>

<sup>1,2,3,4</sup>Faculty of Economics and Business, Udayana University, Bali, Indonesia

[winapurnama24@gmail.com](mailto:winapurnama24@gmail.com)

### Abstract

*Globalization is an opportunity and a challenge that must be faced by all citizens of the world, including Indonesia. The development of increasingly advanced information and communication technology will have a positive or negative impact on the sovereignty of a nation. In addition, globalization also makes access to information easier and faster to spread throughout the country, creating global transparency where the physical boundaries of a country's sovereignty are threatened with various disturbances and obstacles. This study uses a normative juridical approach aimed at knowing more about state defense education and its urgency in the era of society 5.0, so in order to maintain the integrity and sovereignty of the Indonesian state from various bad things caused by the development of globalization, through an integrated state defense approach in learning Citizenship at various levels of education in Indonesia is expected to foster the spirit of nationality for the next generation to always maintain the integrity of the unitary state of the Republic of Indonesia, because basically the effort to defend the country is an obligation for all citizens, which is carried out with full responsibility and is willing to sacrifice in service. to the state and nation, as for several important points contained in the concept of state defense including planning, governance, training management, learning methods, enrichment and deepening as well as real practices that can be developed in real life. nation and state, while the characteristics of students in practicing the concept of defending the state are maximizing time as good students and obeying all norms and laws that apply in Indonesia, then having good morals and attitudes, and balanced with noble national insight .*

### Keywords

Competence; leadership; participation; morality; accountability



## I. Introduction

Regional autonomy gives authority to regions to manage and regulate their regions independently. One of them is in managing regional finances. Financial management is a crucial issue, the government is expected to always inform the realization of village fund management as a form of public information disclosure through transparency and accountability of village fund management. The management of village funds is regulated in the Minister of Home Affairs Regulation Number 113 of 2014 concerning the management of village funds. Every department and government agency must make financial reports and performance reports (Akinbuli, 2012 in Mahayani, 2017). An efficient, effective, and economical government accountability report (value for money) is a form of regional accountability (Binawati, 2014 in Mahayani, 2017).

Based on data from the Ministry of Finance, the allocation of village funds always increases from year to year. The data shows that the realization of absorption of village

funds in Bali in the April 2021 period is 36.76 percent or Rp. 249.65 million. Based on data from the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration, the budget allocation for village funds in the province of Bali increased 4.33 percent year on year (yoy) this year. The amount of village fund allocation for Bali Province in 2021 is Rp. 679.13 billion from the previous year, which was Rp. 650.92 billion. ([www.djkp.kemenkeu.go.id](http://www.djkp.kemenkeu.go.id)).

Minister of Finance Regulation Number 222/PMK.07/2020 concerning Village Fund Management Article 39 paragraph (1) states that the Village Government is obliged to budget and implement the Village Fund BLT. Villages where there are no BLT beneficiary families from village funds, the village head stipulates a village head regulation regarding no BLT beneficiary families. Details of the Village Fund Direct Cash Assistance for the Province of Bali in 2020 can be seen in Table 1.

**Table 1.** List of Details of BLT-DD for Bali Province in 2020

No	County/City	Number of Villages	Village Fund Budget Ceiling 2020	BLT-DD Budget Plan	Total DD for BLT	Percentage of Realized Distribution of BLT-DD (%)
1	Badung	46	55,719,888	16,754,231	16,633,500	99.28
2	Bangli	68	62,757,351	19,718,208	19,445,400	98.62
3	Buleleng	129	125,791,126	59,249,262	58,806,300	99.25
4	Gianyar	64	61,633,017	26,973,938	26,889,600	99.69
5	Jembrana	41	51,618,011	14,126,723	13,871,100	98.19
6	Karangasem	75	81,803,656	36,750,492	36,049,300	98.09
7	Klungkung	53	53,494,770	11,628,665	11,438,100	98.36
8	Tabanan	133	121,485,539	21,569,323	21,469,200	99.54
9	Denpasar	27	36,621,601	15,694,263	15,300,300	97.49

*Source* : (Department of Village Community Empowerment, Population and Civil Registry of Bali Province, 2021)

This research was conducted in Tabanan district. In table 1 it can be seen that in 2020 Tabanan district received the second largest village fund budget ceiling in Bali with a percentage of the realization of BLT-DD distribution of 99.54%. The percentage of realization of BLT-DD disbursement is greater than Buleleng Regency as the recipient of the largest village fund budget ceiling in Bali, which is 99.25%. Tabanan Regency is the regency with the largest number of villages in Bali. In 2021, there will be a significant increase in the allocation of village funds from the previous year. Tabanan Regency received village funds of Rp. 124,114,971,000 for 133 villages. The amount of this village fund is greater than in 2020, which is Rp. 121,485,539,000 (Department of Village Community Empowerment, Population and Civil Registry of Bali Province, 2021).

The management of village funds cannot be separated from the important role of facilitators and village officials. In general, the phenomenon of irregularities (corruption) is identical to the role of village assistants and officials, as an example of a deviation case carried out by the treasurer of Akah Village, Tabanan Regency who could not account for

village finances of Rp. 250,000,000 by doing data engineering. The funds are taken from activities in the village and projects in the village whose sources come from village funds and APBDes (Pupsaswati, 2018). This case shows that there is a relationship between the quality of human resources and the effectiveness of village fund management. Researches on the effect of apparatus competence on financial accountability and performance have been carried out. Aziiz & Prastiti (2019), Pramayoga & Wayan (2019), Mada et al. (2017), Julianto & Dewi (2019), Mahayani (2017), Atiningsih & Ningtyas (2019), Babulu (2020), and Pahlawan et al. (2020) found the results that the competence of village officials had a positive influence on the accountability of the management of village funds. Different results were obtained from research by Luthfiani & Asmony (2020) which found that the competence of village officials did not affect the accountability of village fund management.

The differences (inconsistencies) in the results of this study indicate that there are contingent factors that affect the relationship between apparatus competence, leadership, and community participation in village fund management accountability. Morality or morality is the good or bad attitude or behavior possessed by a person (Junia et al., 2016). Rahima et al. (2018) explains that individuals who have a high moral level will be able to prevent fraud because individuals who have high morals will obey the rules in accordance with universal ethical principles, and vice versa. Manossoh (2016) also explains that officials who have good behavior will make financial management run well.

## **II. Review of Literature**

### **2.1 Agency Theory**

The theory that underlies and strengthens this research is agency theory. Agency theory is explained as a relationship contained in a contract. Agency theory describes one or more people (principal) ordering another person (agent) to perform a service on behalf of the principal and authorizing the agent to make the best decision for the principal. The implication of agency theory is that in the accountability of village fund management, the party entrusted with managing village funds is the village government apparatus while the village community acts as the principal.

### **2.2 Compliance Theory**

Compliance shows whether the parties involved have carried out their duties in accordance with the standards that have been set. An individual tends to obey the law which they consider appropriate and consistent with their internal norms (Ganesha & Kiswara, 2015). Compliance theory is applied to village government in carrying out village laws starting from planning to the management stage, it must comply with the rules that have been set, so that village governments can realize good governance (Muchlis & Rabb, 2016).

### **2.3 Contingency Leadership Theory**

This theory was proposed by Fielder (1987), this theory explains that the effectiveness of leadership depends on the match between personality, task, power, attitude and perception. The contingency model assumes that the leader's contribution to the effectiveness of group performance depends on the leadership style and the suitability of the situation (the favorableness of the situation) it faces.

## 2.4 Moral Reasoning Theory

The theory of moral development proposed by Kohlberg (1969), this theory describes that moral attitudes are not the result of socialization or lessons learned from habits and other matters related to cultural values (Sunarto, 2013). This theory holds that moral reasoning is the basis of ethical behavior. This theory is implied for the morality variable as a moderating variable.

## 2.5 Village Fund Management Accountability

Accountability is the principle of public accountability which means that the budgeting process from planning, preparation, and implementation must truly be reported and accountable to the public. The accountability media of accountability is not limited to accountability reports, but also includes aspects of the ease with which the mandate giver gets information, either directly or indirectly orally or in writing, so that accountability can grow in an environment that prioritizes openness as a basis (Mahayani, 2017).

## III. Research Method

This research was conducted in a village located in Tabanan Regency, Bali Province. The research location was conducted in 36 villages in Tabanan Regency which had been determined as samples, namely Angseri Village, Bangli Village, Baturiti Village, Kaba-Kaba Village, Abiantuwung Village, Pandak Gede Village, Nyitdah Village, Kelating Village, Penarukan Village, Kerambitan Village, Meliling Village, Kuwum Village, Cau Belayu Village, Payangan Village, Kukuh Village, Senganan Village, Buruan Village, Mengesta Village, Wongaya Gede Village, Sangketan Village, Belimbing Village, Pujungan Village, Bantiran Village, Sai Village, Wanagiri Village, Selemadeg Village, Antap Village, Mundeh Kangin Village, Lalang Linggah Village, Lumbung Village, Mambang Village, Tegal Mengkeb Village, Gadungan Village, Sudimara Village, Tunjuk Village, and Dajan Peken Village.

## IV. Result and Discussion

### 4.1 Results of Respondents' Description

No.	Characteristics	Classification	Amount	Percentage (%)
1	Gender	Man	103	71.5
		Woman	41	28.5
<b>Amount</b>			<b>144</b>	<b>100.00</b>
2	Position	Village head	36	25
		Secretary	36	25
		treasurer	36	25
		BPD	36	25
<b>Amount</b>			<b>144</b>	<b>100.00</b>
3	Last education	senior High School	46	31.9
		Diploma III	23	16
		Bachelor	70	48.6
		Etc	5	3.5
<b>Amount</b>			<b>144</b>	<b>100.00</b>

No.	Characteristics	Classification	Amount	Percentage (%)
3	Length of work	1-5 years	83	57.6
		6-10 years	33	23
		11-15 years old	12	8.3
		16-20 years old	11	7.6
		>20 years	5	3.5
<b>Amount</b>			<b>144</b>	<b>100.00</b>

Source: Primary Data Processed, 2022

The characteristics of the respondents presented in Table 5.2 show that the distribution of respondents by gender has the highest percentage of 71.5%, which is found in male respondents. The grouping of respondents by position shows the same percentage of 25% from each position of village head, village secretary, village treasurer, and BPD. The grouping of respondents based on their last education shows the highest percentage is 48.6%, namely at the undergraduate level of final education, which is 70 people. This means that most of the respondents, consisting of village heads, village secretaries, and village treasurers, already have a bachelor's degree in education. The distribution of respondents based on length of work shows that the majority of respondents who worked for 1 to 5 years were 83 people (57.6%).

## 4.2 Instrument Test Results

### a. Validity Test Results

The results of the validity of the research instrument are as shown in Table 2.

**Table 2.** Instrument Validity Test Results

Variable	Indicator	Correlation coefficient	Sig. (2-tailed)	Note.
Apparatus competence (X1)	X1.1	0.861	0.000	Valid
	X1.2	0.739	0.000	Valid
	X1.3	0.809	0.000	Valid
	X1.4	0.837	0.000	Valid
	X1.5	0.607	0.000	Valid
	X1.6	0.816	0.000	Valid
	X1.7	0.784	0.000	Valid
	X1.8	0.791	0.000	Valid
	X1.9	0.783	0.000	Valid
	X1.10	0.667	0.000	Valid
Leadership (X2)	X2.1	0.775	0.000	Valid
	X2.2	0.736	0.000	Valid
	X2.3	0.773	0.000	Valid
	X2.4	0.671	0.000	Valid
	X2.5	0.736	0.000	Valid
	X2.6	0.809	0.000	Valid
	X2.7	0.731	0.000	Valid
	X2.8	0.816	0.000	Valid
	X2.9	0.739	0.000	Valid
	X2.10	0.802	0.000	Valid
	X2.11	0.720	0.000	Valid
	X2.12	0.599	0.000	Valid
	X2.13	0.838	0.000	Valid
	X2.14	0.712	0.000	Valid

Variable	Indicator	Correlation coefficient	Sig. (2-tailed)	Note.
Society participation (X3)	X2.15	0.667	0.000	Valid
	X2.16	0.638	0.000	Valid
	X2.17	0.779	0.000	Valid
	X2.18	0.654	0.000	Valid
	X3.1	0.479	0.000	Valid
	X3.2	0.674	0.000	Valid
	X3.3	0.745	0.000	Valid
	X3.4	0.793	0.000	Valid
	X3.5	0.580	0.000	Valid
	X3.6	0.618	0.000	Valid
Individual Morality (M)	X3.7	0.650	0.000	Valid
	X3.8	0.815	0.000	Valid
	X3.9	0.762	0.000	Valid
	X3.10	0.680	0.000	Valid
	M1	0.808	0.000	Valid
	M2	0.667	0.000	Valid
Individual Performance (Y)	M3	0.579	0.000	Valid
	M4	0.716	0.000	Valid
	M5	0.786	0.000	Valid
	M6	0.784	0.000	Valid
	Y.1	0.730	0.000	Valid
	Y.2	0.752	0.000	Valid
	Y.3	0.673	0.000	Valid
	Y.4	0.810	0.000	Valid
	Y.5	0.592	0.000	Valid
	Y.6	0.704	0.000	Valid
Y.7	0.840	0.000	Valid	
Y.8	0.750	0.000	Valid	
Y.9	0.842	0.000	Valid	
Y.10	0.756	0.000	Valid	

Source: Data Processing Results, 2022

The results of the validity test show that all research instruments have a correlation coefficient value with a total score of all statement items greater than 0.30 ( $\alpha = 5\%$ ). This shows that the statement items in the research instrument are valid and feasible to be used as research instruments.

### b. Instrument Reliability Test Results

The reliability test of this research instrument uses Cronbach's Alpha value, the results of the reliability test are as shown in Table 3.

**Table 3.** Recapitulation of Research Instruments Reliability Test Results

No.	Variable	Cronbach's Alpha	Information
1	Apparatus Competence (X1)	0.779	Reliable
2	Leadership (X2)	0.764	Reliable
3	Community participation (X1)	0.765	Reliable
4	Individual Morality (M)	0.781	Reliable
5	Village fund management accountability (Y)	0.775	Reliable

Source: Data Processing Results, 2022



The results of the reliability test showed that all research instruments had a Cronbach's Alpha coefficient of more than 0.60. So it can be stated that all variables are declared to have reliability or have met the reliability requirements.

### 4.3 PLS Analysis Results

The results of the analysis of the Structural Model using the Partial Least Square (PLS) method with the SmartPLS 2.0 M3 program tool. The results of the PLS analysis in this study are as follows:

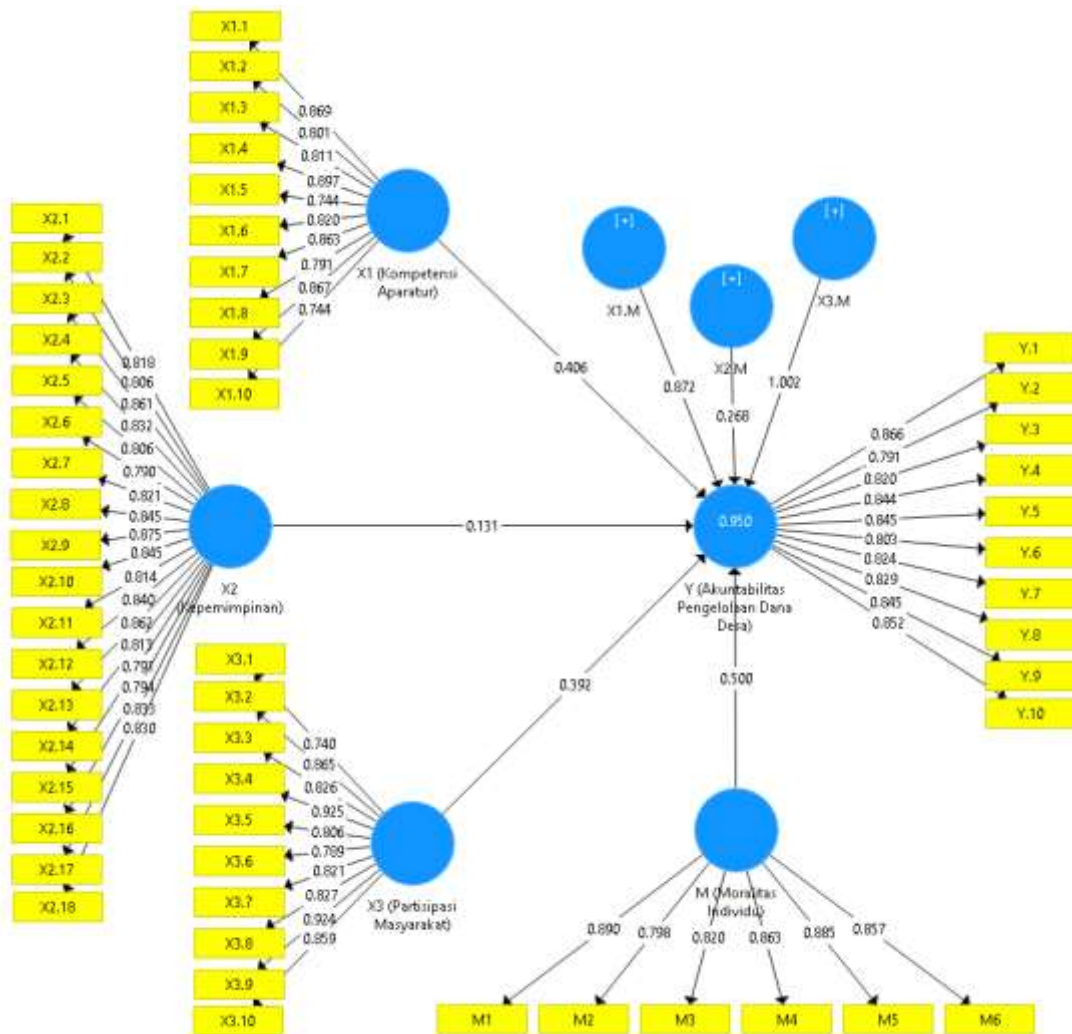


Figure 2. PLS output (loading factor)

#### a) Convergent Validity Test Results

Figure 2 shows that all values of the outer loading indicator variables of competence, leadership, community participation, individual morality and management and village accountability have values greater than 0.50. Thus, it can be concluded that all indicators have met the convergent validity requirements.

**b) Discriminant Validity Test Results**

Discriminant validity is carried out in two stages, namely by looking at the value of the cross loading factor and comparing the roots of AVE (Average Variance Extracted) with the correlation between latent constructs/variables. The results of the Discriminant Validity test are as follows:

**Table 4.** Fornell-Larcker Calculation Results

Variable Name	M (Morality Individual)	X1 (Competence apparatus)	X1.M	X2 (Leadership)	X2.M	X3 (Participation Public)	X3.M	Y (Management Accountability Village Fund)
Individual Morality (M)	0.853							
Apparatus Competence (X1)		0.822						
Competence. Individual Morality (X1.M)			1,000					
Leadership (X2)				0.827				
Leadership.Individual Morality (X2.M)					1,000			
Society participation (X3)						0.840		
Community Participation.Individual Morality (X3.M)							1,000	
Village Fund Management Accountability (Y)								0.832

Source: Data Processing Results, 2021

Another discriminant validity test is to assess the validity of the variables from the average variance extracted (AVE) value. The model is said to be good if the AVE of each variable is greater than 0.50. The output results can be seen in Table 5.

**Table 5.** Average Variance Extracted (AVE) Calculation Results

Variable Name	Average Variance Extracted (AVE)
Individual Morality (M)	0.697
Apparatus Competence (X1)	0.672
Apparatus Competence. Individual Morality (X1.M)	1,000
Leadership (X2)	0.636
Leadership.Individual Morality (X2.M)	1,000
Community Participation (X3)	0.697
Community Participation. Individual Morality (X3.M)	1,000
Village Fund Management Accountability (Y)	0.660

Source: Data Processing Results, 2021



Table 4 shows that the Fornell-Larcker value for all constructs has a value  $> 0.50$ , meaning that all variables have met the feasibility of the Fornell-Larcker evaluation model. Table 5 shows that the Average Variance Extracted (AVE) value in this study has good results in each indicator value, which is above 0.5. Thus the value of Average Variance Extracted (AVE) meets the criteria. The results of all validity tests in the outer model by assessing convergent validity, discriminant validity, and AVE values show that all indicators are valid.

### c) Composite reliability test results

Variables are declared reliable if the value of composite reliability and Cronbach's alpha is above 0.70. The output results can be seen in Table 6 below.

**Table 6.** Instrument Reliability Research Results

Variable Name	Cronbach's Alpha	Composite Reliability
Individual Morality (M)	0.925	0.941
Apparatus Competence (X1)	0.946	0.954
Apparatus Competence. Individual Morality (X1.M)	1,000	1,000
Leadership (X2)	0.973	0.975
Leadership.Individual Morality (X2.M)	1,000	1,000
Community Participation (X3)	0.953	0.960
Community Participation.Individual Morality (X3.M)	1,000	1,000
Village Fund Management Accountability (Y)	0.951	0.957

The output results of composite reliability and cronbach's alpha variable Competence of apparatus, leadership, community participation, individual morality and accountability of village fund management are all above 0.70. Thus, it can be explained that all variables have good reliability.

### d) R-Square (R2) Test Results

In this structural model, there are two dependent variables, namely: village fund management accountability (Y). The coefficient of determination (R2) of each variable is as shown in Table 7 below.

**Table 7.** Results of the R-Square (R2) Coefficient of Determination

	R Square	R Square Adjusted
<b>Y (Accountability for village fund management)</b>	0.950	0.947

*Source: Data Processing Results, 2021*

Table 7 shows the influence model of Apparatus Competence (X1), Leadership (X2), Community Participation (X3), Individual Morality (M), X1.M interaction, X2.M interaction and Community Participation and Individual Morality (X3.M) interactions on accountability for village fund management gives an R-square value of 0.992 which can be interpreted that the variability of the accountability variable for village fund management can be explained by the variability of the variables of Apparatus Competence (X1), Leadership (X2), community participation (X3), Individual Morality (M), interaction

X1.M, X2.M and X3.M interactions are 99.2 percent, while 0.8 percent are explained by other variables outside of the research.

To measure how well the observed values are generated by the model as well as its parameter estimates, it is necessary to calculate Q-square (Q2) as follows:

$$\begin{aligned} Q2 &= 1-(1 - R_{12}) \\ &= 1-(1 - 0.950) \\ &= 1-(0.050) \\ &= 0.950 \end{aligned}$$

The value of Q2 has a value with a range of  $0 < Q2 < 1$ , where the closer to 1, the better the model. The results of these calculations obtained the value of Q2 is 0.950, so it can be concluded that the model has very good predictive relevance.

**e) Test Results f - Square (f2)**

**Table 8.** Output f Square

Relationship Between Variables	Y (Village Fund Management Accountability)	Conclusi on
Individual Morality (M)	0.569	Strong
Apparatus Competence (X1)	0.362	Strong
Apparatus Competence. Individual Morality (X1.M)	0.237	Moderate
Leadership (X2)	0.108	Weak
Leadership.Individual Morality (X2.M)	0.070	Weak
Society participation (X3)	0.305	Moderate
Community Participation.Individual Morality (X3.M)	0.373	Strong

*Source: Data Processing Results, 2021 (Appendix 6)*

Based on table 5.18 it can be concluded that the results of the effect test are as follows:

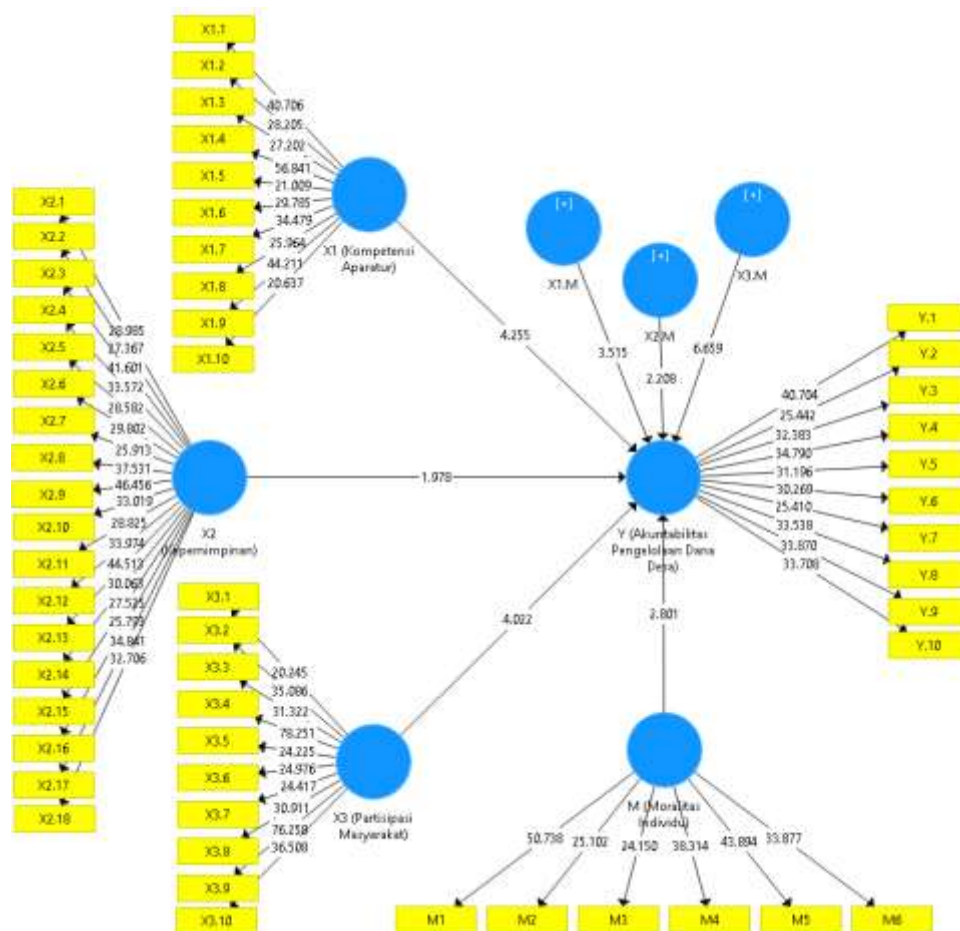
- 1) The individual morality variable has a large impact on the F Square value of the village fund management accountability variable, which is 0.569, meaning that individual morality has a strong influence on village fund management accountability.
- 2) The apparatus competency variable has a large impact on the F Square value of the village fund management accountability variable, which is 0.362, meaning that competence has a strong influence on village fund management accountability.
- 3) The interaction variable of apparatus competence and individual morality (X1.M) has a large impact on the F Square value of the accountability variable for village fund management, which is 0.237, meaning that the interaction of individual competence and morality on village fund management accountability is moderate.
- 4) The leadership variable has a moderate impact on the F Square value of the village fund management accountability variable, which is 0.108, meaning that the interaction of leadership on village fund management accountability is weak.
- 5) The interaction variable between leadership and individual morality (X2.M) has a moderate impact on the F Square value of the accountability variable for village fund

management, which is 0.070. The interaction between leadership and individual morality on village fund management accountability is weak.

- 6) The community participation variable has a large impact on the F Square value of the village fund management accountability variable, which is 0.305, meaning that community participation has a moderate interaction with village fund management accountability.
- 7) The interaction variable of community participation with individual morality (X3.M) has a large impact on the F Square value of the accountability variable for village fund management, which is 0.373, meaning that the interaction of community participation with individual morality on village fund management is strong.

### e) Hypothesis Testing Results

The results of the research bootstrapping analysis using Partial Least Square (PLS) analysis can be seen in Figure 2 below.



**Figure 3.** Research Empirical Model

Testing the direct influence between variables can also be seen from the results of the path coefficient validation test on each path for the direct effect in Table 6 below:

**Table 9.**Path Coefficients

Relationship Between Variables	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Information
Individual Morality -> Village Fund Management Accountability (M->Y)	0.500	2.801	0.005	Significant Positive
Apparatus Competence) -> Village Fund Management Accountability (X1->Y)	0.406	4.255	0.000	Significant Positive
Apparatus Competence. Individual Morality -> Village Fund Management Accountability (X1.M->Y)	0.872	3.515	0.000	Significant Positive
Leadership-> Village Fund Management Accountability (X2->Y)	0.131	1.978	0.049	Significant Positive
Leadership.Individual Morality -> Accountability of Village Fund Management (X2.M -> Y)	0.268	2.208	0.028	Significant Positive
Community Participation) Village Fund Management Accountability (X3->Y)	0.392	4.022	0.000	Significant Positive
Community Participation. Individual Morality -> Village Fund Management Accountability (X3.M -> Y)	1.002	6.659	0.000	Significant Positive

*Source: Data Processing Results, 2021 (Appendix 7)*

**1) The influence of apparatus competence on village fund management accountability**

Table 9 shows the correlation coefficient (Original Sample) of 0.406. The value of t Statistics is 4.255 (> t-critical 1.96), so the influence of apparatus competence on village fund management accountability is significant. Thus, hypothesis 1 (H1) which states that the competence of the apparatus has a positive and significant effect on the accountability of village fund management is accepted.

**2) The influence of leadership on village fund management accountability**

Table 9 shows the value of the correlation coefficient (Original Sample) of 0.131. The value of t Statistics is 1.978 (> t-critical 1.96), so the influence of leadership on village fund management accountability is significant. Thus, hypothesis 2 (H2) which states that leadership has a positive and significant effect on fund management accountability is accepted.

**3) The effect of community participation on village fund management accountability**

Table 9 shows the correlation coefficient (Original Sample) of 0.392. The value of t-Statistics is 4.022 ( $>$  t-critical 1.96), so the effect of community participation on village fund management accountability is significant. Thus, hypothesis 3 (H3) which states that community participation has a positive and significant effect on the accountability of village fund management is accepted.

**4) Interaction of Apparatus Competence with individual morality (X1.M) on village fund management accountability**

Table 9 shows the correlation coefficient (Original Sample) of 0.872. The value of t-Statistics was obtained at 3.515 ( $>$  t-critical 1.96), then the effect of the interaction variable of apparatus competence with individual morality (X1.M) on village fund management accountability was significant. Thus, hypothesis 4 (H4) which states that individual morality strengthens the influence of apparatus competence on village fund management accountability is accepted.

**5) Leadership Interaction with individual morality (X2.M) on village fund management accountability**

Table 9 shows the value of the correlation coefficient (Original Sample) of 0.268. The value of t Statistics is 2.208 ( $>$  t-critical 1.96), then the influence of the interaction variable between Leadership and individual morality (X2.M) on village fund management accountability is significant. Thus, hypothesis 5 (H5) which states that individual morality strengthens the influence of leadership on village fund management accountability is accepted.

**6) Interaction of community participation with individual morality (X3.M) on village fund management accountability**

Table 9 shows the correlation coefficient (Original Sample) of 1.002. The value of t Statistics is 6.659 ( $>$  t-critical 1.96), then the effect of the interaction variable between community participation and individual morality (X3.M) on village fund management accountability is significant. Thus, hypothesis 6 (H6) which states that individual morality strengthens the influence of community participation on village fund management accountability is accepted.

## **4.4 Discussion**

### **a. The Effect of Apparatus Competence on Village Fund Management Accountability**

The results of the regression analysis show that the competence of the apparatus positive and significant effect on Village Fund Management Accountability (H1 is accepted). This means that the higher the competence possessed by the village apparatus in Tabanan Regency, it will have an impact on increasing Village Fund Management Accountability in Tabanan Regency.

The results of this study are in accordance with agency theory, which states that accountability is a logical consequence of the relationship between agent and principal. Therefore, accountability must be balanced with the ability or competence of village officials in managing the budget. The results of this study are also in accordance with the theory of compliance, namely from a normative perspective. According to this theory, the normative perspective gives rise to the perception that people tend to obey laws that are in accordance with their internal norms and against their personal interests. One's compliance with applicable rules and norms reflects one's competence. The expertise or competence of the agent will determine the output. The understanding of village government officials in the applicable laws and regulations reflects the competencies possessed by individuals in village government organizations. Individual competence such as management skills in all

organizations is an absolute must-have for the apparatus. Individual competence is also formed by expertise, namely things that are intellectual and physical. The village government as an agent must be able to comply with the rules related to the management of village funds.

This research supports research result (Roshida, 2019); Aziiz & Prastiti (2019), (Mada et al., 2017), Julianto & Dewi (2019), Mahayani (2017), Atiningsih & Ningtyas (2019), Hero et al. (2020), and Babulu (2020) Babulu (2020), (Ardianti and Suartana, 2020), (Pramayoga and Ramantha, 2020) and Heroes et al. (2020), (Nafsiah and Diana, 2020), (Goddess and Gayatri, 2019) who found the results that the competence of the village apparatus had a positive influence on the accountability of the management of village funds.

#### **b. The Effect of Leadership on Village Fund Management Accountability**

The results of the regression analysis show that Leadership has a positive and significant effect on Village Fund Management Accountability (H<sub>2</sub> is accepted). This means that the higher or better the leadership felt by the village apparatus in Tabanan Regency, the greater the Accountability of Village Fund Management.

The results of this study are in accordance with agency theory which states that the basis for influencing the relationship between the principal and the agent is the power of the institution/organization. This research is also in line with the contingency leadership theory which states that the effectiveness of leadership depends on the match between personality, task, power, attitude and perception. Leaders need to adapt their style to the cultural aspects. Activities carried out in an institution or organization will not be separated from the role of the leader because the leader is responsible for all operational activities of the organization. Therefore, the leadership of the village head is influential in motivating and encouraging employee performance in carrying out village government duties, including the management of village funds. This study supports the results of the State study, (2021),

#### **c. Influence Community Participation in Village Fund Management Accountability**

The results of the regression analysis show that Community Participation has a positive and significant effect on Village Fund Management Accountability (H<sub>3</sub> accepted). This means that the higher the participation of rural communities in Tabanan Regency, the higher the Accountability of Village Fund Management.

The results of this study are in accordance with agency theory which states that the community as the principal in agency relations has the right to obtain accountability from the management of public funds carried out by agents. In managing village finances, community participation can improve village development. Village community development is a development movement based on community participation. On that basis, public awareness and participation need to be increased, so that community participation in development is felt as a shared obligation.

#### **d. Individual morality strengthens the influence of apparatus competence on village fund management accountability**

The results of the regression analysis show that interaction variable The competence of the apparatus with individual morality (X<sub>1.M</sub>) on the accountability of village fund management is significant. Thus, the hypothesis which states that individual morality strengthens the influence of apparatus competence on village fund management accountability is accepted (H<sub>4</sub> is accepted). This means that the higher the competence of



the village apparatus, which is then strengthened by the high morality of the individual village apparatus, the higher the accountability for managing village funds will be.

The results of this study are in accordance with agency theory, which states that the village government as an agent must carry out the tasks entrusted by the principal. The Village Government must comply with applicable laws and regulations. In moral reasoning theory it is explained that individuals who have high moral levels will be able to prevent fraud because individuals who have high morals will obey the rules in accordance with universal ethical principles, and vice versa, individuals who have low morals tend to make decisions based on rights. what he wants and does not comply with applicable regulations and obligations.

**e. Individual morality strengthens the influence of leadership on village fund management accountability**

The results of the regression analysis show that interaction variable Leadership with individual morality (X2.M) on village fund management accountability is significant. Thus, the hypothesis which states that individual morality strengthens the influence of leadership on village fund management accountability is accepted (H5 is accepted). This means that the higher the leadership possessed by the village apparatus and then strengthened by the high morality of the individual village apparatus, the higher the accountability for managing village funds will be.

The results of this study are in accordance with the theory of moral reasoning, which states that a leader who has good ethics and has high morality will be able to influence the organization he leads to be able to achieve its goals and increase its accountability. In contingency leadership theory, a leader is someone who has the power to influence others or his subordinates. Leadership is the way a leader influences the behavior of subordinates so that they can work together and work productively to achieve organizational goals. In order for village management to be carried out properly, there must be good cooperation between the leader and the community he leads. This result is also in accordance with agency theory, which states that the village head as an agent has an important role in village development.

**f. Individual morality strengthens the influence of community participation on village fund management accountability**

The results of the regression analysis show that interaction variable Community participation with individual morality (X3.M) on village fund management accountability is significant. Thus, the hypothesis which states that individual morality strengthens the influence of community participation on village fund management accountability is accepted (H6 is accepted). This means that the higher the participation of the village community and then strengthened by the high morality of the individual village apparatus, the higher the accountability of village fund management will be.

The results of this study are in accordance with agency theory, the community as the principal demands the government (agent) to account for the management of the resources entrusted to it through periodic financial reporting mechanisms in order to align the objectives between the principal and the agent. Participation is an act of involvement and various influences in the decision-making process. Participation in the preparation of the budget will improve the quality of the prepared budget. In addition to the accountability of the government organization itself, the community must also take an active role in overcoming existing problems by actively participating in activities organized by local governments in the context of development that will be carried out in the region.

Increasing community participation both qualitatively and quantitatively is one manifestation of the change in attitudes and behavior. Village officials who have high morality will carry out their duties according to their responsibilities so as to increase community participation.

## V. Conclusion

Based on the results of the study, it can be concluded that:

- 1) Apparatus competence has a positive and significant effect on Village Fund Management Accountability.
- 2) Leadership has a positive and significant effect on Village Fund Management Accountability.
- 3) Community participation has a positive and significant effect on Village Fund Management Accountability.
- 4) Individual morality strengthens the influence of apparatus competence on village fund management accountability. This means that the higher the competence of the village apparatus, which is then strengthened by the high morality of the individual village apparatus, the higher the accountability for managing village funds will be.
- 5) Individual morality strengthens the influence of leadership on the accountability of village fund management. This means that the higher the leadership possessed by the village apparatus and then strengthened by the high morality of the individual village apparatus, the higher the accountability for managing village funds will be.
- 6) Individual morality strengthens the influence of community participation on village fund management accountability. This means that the higher the participation of the village community and then strengthened by the high morality of the individual village apparatus, the higher the accountability of village fund management will be.

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