The Influence of Accountability and Human Resource Quality on Village Financial Management (A Study in the Villages of Biau District, North Gorontalo Regency)

Sri Panda Mii[1], Harun Blongkod[2], Hais Dama[3]
Faculty of Economics, Gorontalo State University, Gorontalo City, Indonesia[1,2,3]
Email: indahmii2424@gmail.com, blongkod@ung.id, hais.dama@ung.id

ABSTRACT

This study aims to determine the impact of accountability and human resource quality on village financial management in the villages of Biau District, North Gorontalo Regency. The study utilizes a quantitative methodology, collecting data through in-depth interviews and questionnaires. A total of 102 samples were used for this research. The study employs SEM AMOS, which stands for Structural Equation Analysis. The findings of this study indicate that accountability and human resource quality have a positive influence on village financial management in the villages of Biau District, North Gorontalo Regency. The theoretical framework used in this study is agency theory, which provides insights into the relationship between principals (those with interests) and agents (those who act on their behalf). The study concludes that accountability and human resource quality have a positive effect on village financial management in the villages of Biau District, North Gorontalo Regency.

Keywords: Accountability, Quality of Human Resources, Village Financial Management.

INTRODUCTION

In the framework of the Unitary State of the Republic of Indonesia, a village (also known as a traditional village or by other names) is a "legal community unit" according to Law Number 20 of 2018. This unit has the authority to oversee and control regional governance, community initiatives, ancestral protection, and traditional rights. As part of the structure of the Indonesian unitary state, village government oversees the interests of the national and local community. The Village Head (or other appointed officials) and other village apparatus form the Village Government to assist in its implementation. A group known as the Village Consultative Body (or BPD) is responsible for carrying out governance functions. Members are selected through a democratic process that considers the needs of each region and the community residing there. Researchers Dasa et al. (2018).

"Village finance" consists of all monetary rights and responsibilities, as well as commodities and services offered in exchange for those rights and responsibilities, when added up. Individual accountability for village budgets, including preparation, implementation, bookkeeping, and reporting, is one element of financial management. The one-year extension of the Medium-Term Village Development Plan, known as the Village Government Work Plan (hereinafter referred to as RKP Desa), is an expansion of that plan. The annual financial strategy of the village government is called the Village Revenue and Expenditure Budget, or simply the APB Desa. Any funds disbursed from the Village account are considered expenditures.

One way for villages to obtain cash is through the General Allocation Fund (DAU) from the federal government, which is used to assist regional activities by providing funds to local governments. The second source is the Special Allocation Fund (DAK) from the Ministry of Agriculture and Rural Development, which is funds sent by the federal government to various levels of government (including villages) for specific purposes, such as funding development programs and teacher education. Third, Village Own Revenue (PAR) is the amount received by the village from various sources, including community fees and taxes. (4) The federal government provides funds to local communities through Village payments, which are distributed directly to villages. These payments are intended to promote development and meet the needs of the community. (5) Provincial or district/city governments may provide balance funds to the community. (6) Community contributions, more specifically, financial contributions given by village residents to meet their own needs and support development. Grant funds, Corporate Social Responsibility (CSR) funds from the business world, and similar sources are potential additional sources of funding for villages.

The government provides funding through the village financing scheme to help rural communities improve their quality of life. The State Budget (APBN) is a special fund used to support and advance regional communities. Part of this fund is channeled to villages. Village grant funding can be used for various development and community empowerment projects, including but not limited to: infrastructure improvements, expanding access to clean water and sanitation, individual economic empowerment, and improving health and education. Each village in Indonesia has its own village fund, and the central government uses variables such as population and land area to determine how much funding each city receives each year. In the long term, the goal of village fund allocation is to improve village life for everyone by promoting long-term economic development and community empowerment through the development of self-reliance.

Planning, implementing, managing, reporting, and being accountable for the financial condition of the village are components of financial management. Every year, the village government is responsible for preparing the Village Budget (APB Desa), which requires careful financial management. The village government budget must be in line with the needs of community welfare, and there must be a report on the use of the budget to promote accountability and transparency.

Spending money. In this case, the village government must provide two reports detailing the implementation and realization of the Village Budget (APB), one of which must include accountability measures used to ensure that allocated funds have been spent correctly. Starting from planning and budgeting, then implementation and operation, until finally achieving accountability, is the final level in the management and reporting of a village's finances.

Accountability is one of the factors that affect the implementation of village funds. Proper tax administration is an example of public accountability measures. The government must ensure public accountability by effectively managing local funds and by clearly communicating and reporting all actions. This program takes care of all community obligations. According to Latif and Savitri (2021),.

The ability of village governments to address evolving issues depends on their understanding of the factors that influence financial management accountability. If financial data is not credible, it can affect the transparency of village budgets. In order to achieve the intended goals, financial reports must adhere to certain qualitative standards. Factors such as similarity, relevance, ease of understanding, and dependency are some of them. Accountability and the quality of human resources significantly influence the success of village budget implementation, according to research conducted by Abdul Latif, Enni Savitri, and Susilatri (2021).

Accountability in village governance means having a sense of ownership over the results of local financial management initiatives, which are closely related to development goals. There are obligations to address budget difficulties related to PADes, ADD, and DD, as well as their respective components.

Village governments are responsible for safeguarding village finances, and the Financial and Development Supervisory Agency, which is one of the branches of the central government, has established an accounting information system called SISKEUDES to assist with this. Village governments will find it easier to allocate funds with the help of SISKEUDES, according to its developers. According to Dewi and Julianto (2020), SISKEUDES has ensured customer satisfaction in financial reporting through the provision of information and best services. Saying that information technology has made our lives easier is an understatement.

Now, more and more villages in Biau District are able to manage their own finances thanks to the SISKEUDES application. As a result, the outcomes of development improvements and better village quality may be more easily reported in accountability reports. This program can provide responsible financial reports, and the results are in line with the timeline (Dewi & Julianto, 2020). Accountability and the quality of human resources are two of the many aspects that influence the effectiveness of village financial governance. The breadth of human resource expertise is demonstrated by the quality of human resources.

The funds entering the village can be considered quite large, which potentially leads to a high level of abuse of authority. In addition, there are still several villages that have not been able to maximize their finances, related to accountability and the quality of their resources. Therefore, studying this phenomenon needs to be done. Community members play an important role in supervising village budgets. In addition, the lack of transparency by village officials in managing village finances is a major problem in modern society. Another factor is technology, which is still a problem in many villages that have not fully utilized the tools provided by the federal government to assist in financial management.

Accountability

Being accountable means being able or obligated to take responsibility for one's actions, choices, and outcomes. Taking full ownership of one's work and making oneself and their assessments and consequences known to others who have an interest in the outcomes is important. Many people believe that holding individuals or organizations accountable is the best way to improve their quality and success. (Machfiroh, 2019) When it comes to accountability, it is important to look at the Village Revenue and Expenditure Budget (APBDes), Village Funds (DD), Village Allocation Funds (ADD), and Village Original Revenue (PADes). A wise and organized way to handle village finances is through

transparency, accountability, and involvement. Budget issues are regulated in the Ministry of Home Affairs Regulation (Pemendagri) Number 20 of 2018. In the fiscal year (January 1 - December 31), APB Desa functions as the foundation for fiscal management.

The responsibility of the community should be recorded as a form of accountability for the budget spent, starting from planning, preparation, and implementation. Accountability refers to the duties that individuals or organizations must bear to those responsible for everything they do. The term "accountability" describes the process of instilling a sense of collective responsibility among owners, decision-makers in the public and commercial sectors, and community groups. Aimed at transparency in financial management, procurement, accounting, and resource mobilization, accountability is an effort to build a system to monitor and manage quality performance, inefficiency, and resource destruction, particularly within the bureaucracy.

Quality of Human Resources

To achieve good governance in village financial management, the quality of human resources is crucial. Village governments cannot efficiently manage their finances without competent staff who have relevant work experience and strong academic qualifications. To ensure that HR fully understands how accounting systems are practiced, accountability for village budgeting is directly proportional to the quality of its human resources. Statistical evidence shows that if HR is improved, village budgets will increase (Latif & Savitri, 2021). The success of a system heavily relies on the accessibility of capable human resources. A strong understanding of accounting and computer technology is required of village treasurers who are responsible for preparing financial reports. This is because every village that receives village funds is required to use the Siskeudes program, which is an information system operated with computers. Therefore, the Siskeudes application will become a tool for reporting the accountability of community funds that is better and more effective. The quality of human resources in the village determines how well the budget system operates. According to Nurhayati et al. (2021), there are three metrics that can be used to evaluate the quality of HR:

1. **Knowledge**
   Employee knowledge is largely focused on intelligence, cognitive capacity, and their extensive information mastery.
2. **Skills**
   The level of knowledge, skills, and technical operational experience of employees in a specific field.
3. **Abilities**
   The competencies of a worker, which include qualities such as accountability, discipline, collaboration, and loyalty, are combined to produce their talent.

Village Financial Management

All matters regarding the monetary foundation of the village budget are regulated in Government Regulation Number 20 of 2018 as stated in Article 29. Every time money is received or disbursed from the Village account as referred to in paragraph (1), it is recorded using a cash basis. Village financial management can utilize the information system of the Ministry of Home Affairs.

To effectively manage village finances, it is necessary to use various sources of information and actively involve the community. Everyone involved must truly adhere to the standards of village financial management, which include transparency, accountability, involvement, and systematic and economical strategies. Accessible information can be

trusted and relied upon thanks to the accountability of village financial management; this ensures that it is not deceptive and can be utilized appropriately. This is important because decision-making in the political, social, and economic fields depends on this data. (Afriansyah et al., 2022).

METHOD

This research uses a quantitative approach. Ten villages in Biau Subdistrict, North Gorontalo Regency—Topi, Windu, Luhuto, Biau, Omuto, Bualo, Didingga, Sembihingan, Bohulo, and Potanga—become the locations of this investigation. This research uses Purposive sampling as the sampling strategy. There are several factors that need to be considered when using the sampling method known as Purposive sampling. The sample of this research is 122 respondents of village officials in Lolayan Subdistrict, Bolaang Mongondow Regency.

This investigation uses the Structural Equation Modeling (SEM) approach as its analytical instrument. As stated by Ghozali (2017), the broad statistical modeling approach, Structural Equation Modeling (SEM), has been widely used in the field of behavioral research. SEM combines elements of path analysis, factor analysis, and regression analysis. One useful way to explain the principles and concepts of SEM models is through path diagrams, also known as path diagrams.

RESULTS AND DISCUSSION

The factors of accountability, human resource quality, and village financial management are presented in the table below. There are five statement items that are used to test the validity of the accountability variable. The table displaying the correlation calculation results between the overall score and the score of each statement item is presented in the following row.

Table 1. Validity Test Results of the Accountability Variable X1

No.	Research Variable	Research Indicator	Loading Factor	Critical r	Item Status
1		X1.2	0,657	> 0.5	Valid
2		X1.4	0,543	> 0.5	Valid
3	X1	X1.6	0,558	> 0.5	Valid
4		X1.7	0,575	> 0.5	Valid
5		X1.8	0,601	> 0.5	Valid

Source: Research Data Analysis

The loading factor values of all questions related to the accountability variable are above 0.5 as seen in Table 1. These values are considered appropriate for the research questionnaire items. Therefore, the variables being studied can be accurately measured using the implementation variable questionnaire.

Table 2. Validity Test Results of the Human Resource Quality Variable X2

No.	Research Variable	Research Indicator	Loading Factor	Critical r	Item Status
1		X2.2	0,603	> 0.5	Valid
2		X2.3	0,67	> 0.5	Valid
3	X2	X2.5	0,52	> 0.5	Valid
4		X2.6	0,549	> 0.5	Valid
5		X2.7	0,614	> 0.5	Valid
6		X2.9	0,533	> 0.5	Valid

Source: Research Data Analysis

The research questionnaire is allowed to have factor loading values above 0.5, and all items in the statement of the human resource quality variable have such values (Table 2). Therefore, the questions in the implementation variable questionnaire are appropriate and can be used for the intended purpose of examining the factors.

Table 3. Validity Test Results of Village Financial Management (Y)

No.	Research Variable	Research Indicator	Loading Factor	Critical r	Item Status
1		Y1	0,511	> 0.5	Valid
2		Y2	0,71	> 0.5	Valid
3	Y	Y4	0,601	> 0.5	Valid
4		Y6	0,57	> 0.5	Valid
5		Y8	0,651	> 0.5	Valid
6		Y10	0,624	> 0.5	Valid

Source: Research Data Analysis

A loading factor value greater than 0.5 is considered suitable for research questionnaire inquiries, and all statement items in the village financial management variable meet this standard (table 3). Therefore, survey questions assessing factors related to implementation are valid and can be used for this purpose. One method to measure the significance of variables in a study is reliability testing. If respondents' responses remain consistent over time, we can say that the questionnaire is reliable. Cronbach's Alpha value is used to test the reliability of this research. The following information was obtained from the reliability test conducted on each variable:

Table 4. Reliability Test Results

No.	Research Variable	Cronbach's Alpha	Tolerance Alpha	Item Status
1	Accountability (X1)	0,744	0,6	*Reliable*

2	Human Resource Quality (X2)	0,760	0,6	*Reliable*
3	Village Financial Management (Y)	0,795	0,6	*Reliable*

Source: Research Data Analysis

Research questionnaires with Cronbach's Alpha value of 0.6 or higher ($\alpha \geq 0.6$) have met reliability standards as seen in the table above. In addition, this finding provides above-average consistency, allowing us to use Sunyoto's (2009) evaluation of the questioned variables.

Structural Equation Modeling (SEM) Analysis

Using the Structural Equation Modeling (SEM) technique, this study will examine the impact of implementation and administration on village financial performance. The steps in the process include assessing the requirements for structural equation modeling (SEM), as well as measurement and structural modeling. Determining whether the research distribution of each variable follows a normal distribution is the goal of the Structural Equation Modeling (SEM) Normality Test. According to Ghozali (2016), data is considered normally distributed if the critical skewness ratio is below 2.58. Meanwhile, according to Hariyono (2016), if the multivariate c.r. value is less than 8, and all indicators have cr values, then the research can proceed. The range of vulnerability (z < 2.58) includes kurtosis values less than 2.58. The following are the results of the normality test conducted on all research variables.

Table 5. Normality Test Results

Variable	Normality Limit Value	P
Accountability (X1)	2,58	
		0,243
Human Resource Quality (X2)	2,58	
		0,019
Village Financial Management (Y)	2,58	
		0,049

Source: Research Data Analysis

Based on the normality test results, the research data for the Accountability Variable (X1) and the Human Resource Quality Variable (X2) in the Balanced Scorecard both follow a normal distribution. This is because, according to Bollem Stine Bootstrap, these variables fall within the interval 0.243 < z < 2.58. The Balanced Scorecard question items for the Village Financial Management Variable (Y) also follow a normal distribution according to Bollen Stine Bootstrap, with all falling within the interval 0.019 < z < 2.58, and all falling within the interval 0.049 < z < 2.58, according to the same method. This proves that, both univariate and multivariate, the considered data follows a normal distribution.

Multicollinearity Test

To determine the degree of correlation between independent variables, the researcher used a multicollinearity test. Correlation values below 0.9 for external variables indicate the absence of multicollinearity. With a correlation value of 0.520 for the external

variables, the SEM model being studied does not show any multicollinearity, as shown in Table 6 of the research findings.

Table 6. Multicollinearity Test Results

	Estimate
X1 <--> X2	0,520

Source: Research Data Analysis

We classified the variables examined in this first model as endogenous or exogenous variables depending on how they are used to obtain their values. The relationship model cannot account for exogenous variables, which are variables whose values are influenced by factors outside the model. In this study, accountability (X1) and human resource quality are exogenous factors. However, Village Financial Management (Y) is an endogenous variable.

If there is theoretical support from empirical evidence for the construction of the hypothesis model, then the model is considered very good. The complete findings from the first step of SEM analysis can be seen in the image below:

Figure 1. Initial Stage of Structure Equation Modeling Analysis Results
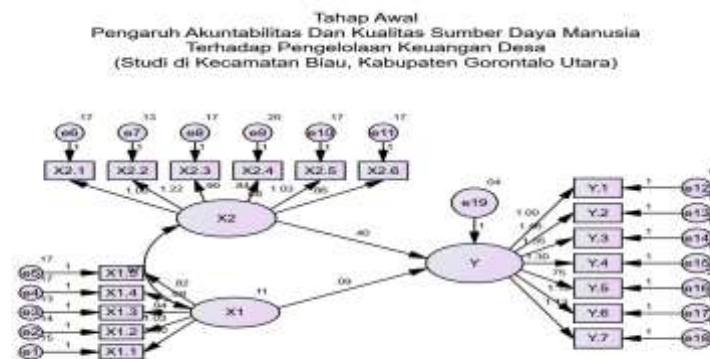
Source: Amos-SEM Processed Data.

The results of the model creation test using GFI, model criteria, and critical values are presented in the following table. These findings are consistent with the data:

Table 7. GFI Overall Model Evaluation (Initial Test)

Criteria	Cut-off Value	Model Results	Model Evaluation
Chi-Square	Expected Small	180,439	Good
Probability	<0.05	0,003	Good
CMIN/DF	>3.00	1,367	Good
GFI	>0.90	0,843	Not Good
AGFI	>0.90	0,797	Not Good
TLI	>0.90	0,879	Not Good
RMSEA	<0.08	0,06	Good

Source: Researcher's data analysis

Tahap Akhir
Pengaruh Akuntabilitas Dan Kualitas Sumber Daya Manusia
Terhadap Pengelolaan Keuangan Desa
(Studi di Kecamatan Biau, Kabupaten Gorontalo Utara)
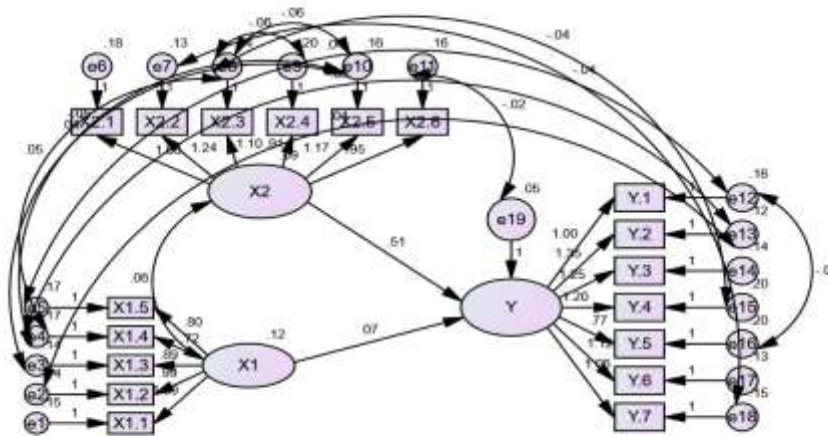
The model is not suitable for its purpose, as seen in Table 7 above. The data in the table shows that although all requirements have been considered, there are still some that do not qualify as GFI. Modification indices are used as guidance to improve the model to be more suitable for hypothesis testing. Iteratively improving the model by focusing on item error correlations is the only way to achieve the final structural model.

Figure 2. Results of Final Stage Structural Equation Modeling Analysis
Source: Amos-SEM Processed Data.

The following are the results of the overall CFA model test after revision by connecting X1, X2, and Y, and then e1 to e23. Table 8 below shows the GFI findings obtained from the overall model:

Table 7. GFI Overall Model Evaluation (Final Test)

Criteria	Cut-off Value	Model Results	Model Evaluation
Chi-Square	Expected Small	308,280	Good
Probability	<0.05	0,000	Good
CMIN/DF	<3.00	1,017	Good
GFI	>0.90	0,835	Good
AGFI	>0.90	0,779	Marginal
TLI	>0.90	0,990	Good
RMSEA	<0.08	0,013	Good

Source: Researcher's data analysis

All requirements for fit indices have been met, as shown in the table displaying the model variables. The significance ratio and regression coefficients for each variable will be displayed once all requirements are met.

The next step is to test the research hypothesis. Currently, we are testing one hypothesis. The hypothesis is tested using the t-value at a significance level of 0.05. Based on the Critical Ratio (C.R.) in Regression Weight: (Group number 1 - Default model), the t-value in AMOS 24 is determined after the model is fitted (Full Model 4). If the critical ratio (C.R.) is higher than 1.660 or the probability value (P) is lower than 0.05, then we reject H0

and accept the research hypothesis. The first group representing the default model processes the regression weight values using AMOS 24 Full Model 2. The results are shown in Table 11:

Table 8. Partial Test

			Estimate	S.E.	C.R.	P	Level	Conclusion
Y	<---	X1	0,074	0,123	0,6	0,549	par_16	Not Significant
Y	<---	X2	0,507	0,17	2,982	0,003	par_21	Significant

Source: Researcher's data analysis

H1 is rejected because the t-Value or C.R. is 0.6 > 1.660 or the P value is 0.549 < 0.05 in Table 8, indicating that accountability benefits do not have a significant effect on Village Financial Management. The research results show that Resource Quality has a positive effect on Village Financial Performance supported by the null hypothesis with a t-Value or C.R. value of 2.982 > 1.660 or a P value of 0.003 < 0.05. The condition of human resources in Biau District and North Gorontalo District is improving, as evidenced.

Table 9. Simultaneous Test

	Estimate
Village Financial Management	0,906

Substantially significant R-squared value is defined as AGFI of 0.90 or higher, and the table data shows that this variable has an R-squared value of 0.906, or 90.6%.

Using data from the overall analysis of model 2 and information in table 4.9, we can create a coefficient t-value diagram, as shown in the image below:

Coefficient t-value full model_2
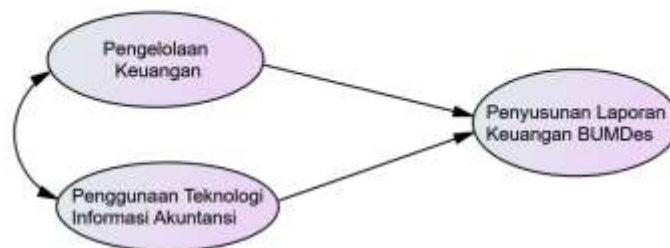
CONCLUSION

Research conducted on the community in Biau District, North Gorontalo Regency, shows that accountability is completely ignored and has no impact on village financial management. Accountability is not a foundation in village financial management, as evidenced by the facts seen in the tables and figures in the study. This is indicated by the t-Value or C.R value of 0.6, which is greater than 1.660 or the P value of 0.549, so hypothesis H1 cannot be accepted. On the other hand, the quality of human resources in a village has been proven to have a significant influence on its financial management capabilities. Based on the tables and figures, it can be seen that the quality of human resources significantly

affects village financial management with a t-Value or C.R value of 2.982 > 1.660 or a P value of 0.003 < 0.05, so the second hypothesis is accepted. This research provides evidence that village financial management is positively and significantly influenced by accountability and the quality of human resources. The R-squared value of 0.909 or 90.6% for the dependent variable indicates high statistical significance, where 90.6% of the variation in village financial management is explained by accountability and the quality of human resources. The remaining 9.4% is influenced by other variables not included in this study, indicating that other factors also play a role in the fiscal administration of villages in Biau District, North Gorontalo Regency.

REFERENCES

Azima, F., Putri, A. M., & Azhari, I. P. (2022). Accountability, Transparency, and Supervision on Village Fund Allocation Management. Balance: Journal of Accounting and Business, 7(2), 105. https://doi.org/10.32502/jab.v7i2.5380

Village, P. K., State, T. L., Sheet, T., Republic, N., & Number, I. (2018). STATE NEWS. 611.

Dewi, P., & Julianto, I. P. (2020). The Influence of Village Financial Information System Implementation and Internal Control on Village Fund Accountability. Journal of Professional Accounting, 11(2), 281-292.

Ghozali, I. (2018). Multivariate Analysis Application with IBM SPSS 25 Program (9th ed.).

Hasanah, S., Nurhayati, E., & Purnama, D. (2020). Accountability of Village Financial Management: A Study on Village Governments in Cibeureum Sub-District, Kuningan Regency. Indonesian Journal of Accounting and Business Review, 4(1), 17-27. https://doi.org/10.18196/rab.040149

Kristina Dua Goan, Antonius Philipus Kurniawan, & Elisabet Luju. (2023). The Influence of Village Fund Management on the Improvement of Welfare in Meken Detung Village, Kangae Sub-District, Sikka Regency. Journal of Entrepreneurship and Business Management: Cuan, 1(2), 160-170. https://doi.org/10.59603/cuan.vl i2.24

Hariyono, S. (2016). SEM Method for Management Research AMOS LiSREL PLS. In PT IPU.

Latif, A., & Savitri, E. (2021). The Effect of Accountability, Transparency, and Quality of Human Resources on Village Financial Management (Empirical Study on Village Government in Solok Regency, West Sumatra). Bilancia: Journal of Accounting, 5(2), 183–192.

Machfiroh, I. S. (2019). Accountability of Village Financial Management in Benua Tengah Village. Politala Accounting Research Journal, 1(1), 14–21. https://doi.org/10.34128/jra.v1i1.5

Masruhin, A., & Kaukab, M. E. (2019). The Influence of Apparatus Competence, Organizational Commitment, Community Participation, and Clarity of Budget Targets on Village Fund Management (Empirical Study on Village Officials in Mojotengah Sub-District, Wonosobo Regency). Journal of Economic, Business and Engineering, 1(1), 118–130.

Olson, D. L., & Wu, D. D. (2015). The Accounting Perspective. Enterprise Risk Management, 31–41. https://doi.org/10.1142/9789814632775_0003

Situmorang, Y. B. (2018). The Influence of Accountability, Transparency, and Human Resource Quality on Village Financial Management. Riau University.

Sugiyono. (2012). Quantitative Research Methods. 218–219.

Sugiyono. (2022). Quantitative, Qualitative, and R&D Research Methodology.

Sunyoto, D. (2009). Regression Analysis and Hypothesis Testing. MedPress Publisher.

Umami, Raisya, and Idang Nurodin. 2017. The Influence of Transparency and Accountability on Village Financial Management. Scientific Journal of Economics, Volume 6 Edition 11.

Sukmawati, F., & Nurfitriani, A. (2019). The Influence of Transparency and Accountability on Village Financial Management. Scientific Journal of Business, Capital Markets, and SMEs, 02(01).

Pemdagri Regulation No. 20 of 2018 Regarding Village Financial Management.