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The Effect of Transparency and Community Participation on the Management of Village Fund Allocation

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Abstract

This study aims to determine how much influence Transparency and Community Participation have on the Management of Village Fund Allocation at the Village Office in Tilamuta District. The research method used is quantitative research methods with primary data obtained from questionnaire data. The population of this study was all village governments in the village office of the Tilamuta subdistrict. The sample used in this study were 48 respondents. This study's results indicate that transparency and community participation simultaneously and partially have a significant effect on the management of village fund allocations.



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1 Introduction

In the last decade, reforms have brought changes that can be felt down to the village level (Junaid et al., 2019). Decentralization has developed hopes and dreams for rural communities. Decentralization, according to Law no. 23/2014, is the handover of Government power by the Central Government to autonomous regions based on the principle of autonomy. These changes continued until the Government of Indonesia issued a policy through Law Number 32 of 2004 concerning Regional Government, which stated regional independence and Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. Regional autonomy is the right or authority to local governments to administer and regulate their regions.

One form of government concern for the development of rural areas is that the government allocates Village Funds in the state revenue and expenditure budget for each budget year for villages that are transferred through the district/city regional revenue and expenditure budget to develop rural areas, namely in the form of Village Fund Allocation (ADD). ADD Policy and Implementation is marked by the issuance of Government Regulation Number 72 of 2005 concerning villages. Village Fund Allocation (ADD) is a financial budget provided by the government to villages.

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Initial observations made to a village assistant at the sub-district level, Mr. Roys Kango, stated that the village government experiences several obstacles in Tilamuta District at this time. Namely, the responsibility for reporting ADD through BPD has not been thoroughly carried out properly; sometimes, the village government makes the report and says it later. According to regulations, the reporting should be done in two stages or per semester. The first-semester category is from January to June for the second semester from July to December. In each semester, the BPD should ask the village government, in this case, the village head, to explain what programs have been planned and how much of the budget has been absorbed to be reported.

The local village assistant said that the implementation of the village deliberations had gone well but had not been maximized because the community was lacking in attending village meetings; this was because the village government had invited them, but the city did not come so that the planned programs were sometimes only born from the village government, not from the people. Then regarding the installation of information/infographic boards in several villages in the sub-district is still low, it has been repeatedly reminded to the village government about this if they were not the ones who ordered to install it, maybe the village government did not do it, even though the installation of the information board is critical. It is the transparency of village information, in fact, and it should be more than one.

In the implementation of ADD management, the village apparatus has an essential role in using funds effectively. However, apart from village officials, community participation also has an essential role in managing the Village Fund Allocation, such as empowerment and community. Community participation, according to Isbandi (2007), is community participation in the process of identifying problems and potentials that exist in the community, selecting and making decisions about alternative solutions to dealing with problems, implementing efforts to overcome problems, and community involvement in the process of evaluating changes that occur. This involvement is significant so that its use and management can be more targeted.

Agency is the bond of relationship between two parties where one party is often referred to as the agent, given the authority to perform acts for and on behalf of and under the supervision of the other party, namely the principal. The principal is the party that gives the agent the authority to perform specific actions and supervise the agent's actions. In contrast, the party who conducts transactions with the agent is called a third party (Budi, 2015). Financial management in public sector organizations is a concept based on agency theory. In this case, the village government (which is given authority) acts as an agent. In financial management, the village government, which acts as an agent, must be accountable for financial management, starting from planning, implementation, supervision, to accountability.

Village Fund Allocation Management is given to finance village government programs in carrying out government activities and community empowerment (Santoso, 2008). Based on the Minister of Home Affairs Regulation Number 113 of 2014 concerning village financial management, the allocation is a process in planning, implementation, supervision, and accountability functions. In this research, the management concept is activities that include planning, implementation, supervision, and accountability regarding Village Fund Allocation (ADD) in villages in the district. Tilamuta Kab. Boalemo, with the village head as the holder of power as well as the primary responsibility.

Transparency means that the provision of public services must be open, comfortable, and accessible to all parties who need it and be provided adequately and efficiently understood (Mahmudi, 2015). Budget transparency is one of every entity's obligations to avoid fraud (Sholehah and Ishak, p 2020). According to Andrianto (2007), Transparency is an openness that is carried out seriously, thoroughly. It provides a place for active participation from all levels of society in managing public resources. This is in line with the meaning of Transparency, according to Mardiasmo (2004). Transparency is the government's openness (openness) in providing information related to resource management activities to parties who need information.

Regulation of the Minister of Home Affairs of the Republic of Indonesia Article 4 Paragraph 7 No.37 of 2007, concerning Guidelines for Regional Financial Management, it is said that Transparent is the principle of openness that allows the public to know and get the broadest possible access to information about regional finances. Transparency also means the openness of an organization in providing information related to public resource management activities to stakeholders. (Mahmudi, 2016).

Bomby Theresia (2014) defines participation as an action to "take part," namely activities or statements, to participate in activities to obtain benefits. Community Participation according to Muslimin (2012), community

participation in the community involved in participating in the process of identifying problems and potentials that exist in the community, choosing and taking the most alternative solutions in dealing with problems, implementing efforts to solve problems, and being involved in the process of evaluating changes that occur.

This study's framework is about the Effect of Transparency and Community Participation on the management of Village Fund Allocation. To develop a hypothesis, this framework can be seen in Figure 1. The variables used in this study are independent, namely transparency and community participation, while the dependent variable in this study is the management of Village Fund Allocation.

2 Research Method

The research method used is quantitative. According to Sugiyono (2010), quantitative research methods can be interpreted as research based on the philosophy of positivism, used to examine specific populations or samples, research methods in the form of numbers, and analysis using statistics. While the approach used in this research survey where research survey is used to explain causal relationships and test hypotheses. This study took a sample from the village government and used a questionnaire as a primary or main data collection tool. Based on the research background and framework, as described in the previous chapter, this research's object is the Village Government. This research aims to measure the influence of transparency and community participation on the management of village fund allocations.

3 Result and Discussion

Result

The hypothesis testing results and the magnitude of the influence of the independent variables on the dependent variable can be explained below :

Table 1. F Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.968	2	2.484	11.305	.000 ^b
	Residual	9.887	45	.220		
	Total	14.855	47			

Source: Data processed, (2020)

Table 1 shows that in the F test ANOVA the sig value is 0.000, which means that simultaneously the transparency and community participation variables significantly affect the management variable of village fund allocation. Thus, the model used in this study can be used to explain the effect of transparency and community participation on Village Fund Allocation Management at the Village Office of the Tilamuta District.

Table 2. Model Summary

Model Summary ^a				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605 ^a	.366	.338	.29560

Source: Data processed, (2020)

The results of the analysis show that the contribution of the Transparency (X1) and Community Participation (X2) variables simultaneously has a significant effect on the Village Fund Allocation Management (Y) at the Village Office of the District of Tilamuta by 36.6%. In comparison, the remaining 63.4% is influenced by other variables not contained in this study (external variables that also influence variable Y), such as accountability and effectiveness. The magnitude of this influence shows that transparency and community participation are the two components that are integrated into the principles of village financial management were; to create sound financial management in village governance, the village government is also required to be transparent to the

community and involve the community in managing the Village Fund Allocation so that management of village fund allocations starting from planning, implementation, supervision, and accountability can be carried out correctly.

This study supports agency theory, namely a work contract between village (agent) and village communities (principal) officials in the village government, the village head as the agent, and the community as the principal. The transparency variable explains the village apparatus acting as an agent while the community participation variable explains the village community's role as the principal. Agency theory explains the relationship between two parties in which one party is often called an agent (who is given authority). In financial management, the village government, which acts as an agent, must be accountable for financial management, starting from planning, implementation, supervision, to accountability, hoping that the agent will act or do the job as desired by the principal. The principal is the community (which gives authority) to the agent to take specific actions and supervise the agent's actions

Table 3. Analysis of Multiple Linear Regretions

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	1.038	.651		1.595	.118
	Transparency	.308	.132	.299	2.328	.024
	Society participation	.481	.146	.424	3.300	.002

Source: Data processed, (2020)

Based on Table 3, the results of testing the hypothesis partially show that the transparency variable (X1) has a significant effect on the management of village fund allocation (Y). Based on this, the second hypothesis "Partially transparency has a positive and significant effect on the management of Village Fund Allocation at the Village Office of Tilamuta District," is accepted. The transparency variable coefficient shows a positive direction towards Village Fund Allocation Management with a significant 30.8% value.

The partial results of hypothesis testing indicate that the community participation variable (X2) has a significant effect on village fund allocation (Y). Based on this, the third hypothesis "Partial Community Participation has a positive and significant effect on the management of Village Fund Allocation at the Village Office of the District of Tilamuta," is accepted. The coefficient of the Community Participation variable shows a positive direction towards the Village Fund Allocation Management with a significant value of 48.1%.

Discussion

The results of the first test show that the higher the village government's transparency at the Village Office of the Tilamuta Sub-district, the better the management of village fund allocations will be so that it can improve the management of village fund allocations in the village government sector. There is transparency regarding the village government's budget so that the general public can know in detail about the APBDes. Even transparency will positively impact village governance and openness of the government in making policies that are known to the public. The high level of transparency in the form of socialization of various matters concerning village government policies will make village fund allocations well and correctly managed. Through transparency, mutual trust will be created between the village government and the community because it knows what the village government is doing. The community's trust in the village government is an essential asset for the running of a good government.

The results of the second test show that the higher the community participation in the Village Office of the Tilamuta Sub-district, the management of village fund allocations can run well because in managing the allocation of village funds, a commitment from the village government is needed and must be carried out hand in hand in completing the implementation of fund allocation management. Village. This study's results indicate that community participation has a direct effect on the management of village fund allocations. This is evidenced by the number of agreed answers in the questionnaire. Community participation in village

management will encourage positive relationships between village communities and the village government because this will make the village government more often interact with the community. The community participation efforts carried out by the village government are such as community participation in village planning, community participation in socialization and training organized by the village, community participation in village development and preservation, and cooperation, and so on. Therefore, it is hoped that community participation in the management of village funds can be increased again so that community empowerment to improve people's lives can be realized immediately.

4 Conclusions

The results of this study indicate that the higher the village government's transparency at the Village Office of the Tilamuta Sub-district, the better the management of village fund allocations will be so that it can improve the management of village fund allocations in the village government sector. The higher the community participation in the Village Office of the Tilamuta Sub-district, the management of village fund allocations can run well because in regulating the management of village fund allocations require a commitment from the village government and must be carried out hand in hand in completing the implementation of village fund allocation management.

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