

Analysis of Village Government Financial Management Performance in Aceh

Sufitrayati¹, Mirna Indriani², Mukhlis³, Syukriy Abdullah⁴

^{1,2} Serambi Mekkah Kuala University, Banda Aceh, Indonesia, ^{3,4} Syiah Kuala University, Banda Aceh, Indonesia
¹sufitrayati@serambimekkah.ac.id, ²mirna_indriani@unsyiah.ac.id, ³mukhlis.feusk@unsyiah.ac.id, ⁴syukriyabdullah@unsyiah.ac.id
* corresponding author

ARTICLE INFO

Article history:
Received 12 Apr 2022
Revised 6 May 2022
Accepted 13 June 2022

Keywords:

Competence of Human Resources,
Infrastructure,
Sources of Revenue,
Accountability of Financial
Statements,
Performance of Financial
Management.

ABSTRACT

The purpose of this research is to find out how the influence of the independent variable (Human Resource Competence Variable, Infrastructure Variable and Income Source Variable) on the dependent variable (Financial Management Performance) through the mediating variable (organizational commitment). This research is located in Aceh Province. The population in this study are individuals who are involved in preparing village financial accountability reports, these individuals are spread across 23 districts/cities in the Aceh Province government, these individuals consist of the Treasurer, Secretary, and Village Head. The sampling technique used in this study is the proportional sample technique. The number of samples involved in this study were 87 respondents. The results of this study indicate that; (1) Human Resources Competence has an effect on Financial Report Accountability. (2) Infrastructure affects the Accountability of Financial Statements. (3) Sources of Income affect the Accountability of Financial Statements. (4) Human Resource Competence has an effect on Financial Management Performance. (5) Infrastructure has no effect on Financial Management Performance. (6) Source of Income has an effect on Financial Management Performance. (7) Financial Statement Accountability has an effect on Financial Management Performance. (8) Financial Statement Accountability has no influence in mediating Human Resource Competence on Financial Manager Performance. (9) Financial Report Accountability has an influence in mediating Infrastructure on the Performance of Financial Managers. (10) Accountability of Financial Statements has an influence in mediating sources of income on the performance of financial managers..

Copyright © 2017 International Journal of Artificial Intelligence Research.
All rights reserved.

I. Introduction

In the 2016 APBN report, the ADD budget was allocated Rp. 46.9 trillion, this figure was almost double the ADD in the 2015 APBN, which was Rp. 20.7 trillion. As time goes by in 2017, the government plans to increase ADD to Rp 89 trillion or more than Rp 1 billion for each village, this large fund is expected to accelerate the improvement of the welfare of rural communities through empowerment and sustainable development [22], as in the Aceh Region, from 2015 to 2020, Aceh has received funds, with details in 2015 Rp 1.70 trillion, 2016 Rp 3.82 trillion, 2017 Rp 4.89 trillion, 2018 4.45 trillion, 2019 Rp 4.95 trillion, and 2020 Rp 4.98 trillion, (<https://dpmg.acehprov.go.id/>).

In the Aceh Region, the amount of village funds disbursed by the central government to villages in Aceh for the last 4 years (2015 - 2020) reached Rp 24.8 trillion, which ranks third nationally, after East Java and Central Java. Meanwhile, Aceh's current population reaches 5.2 million people, far below the population of East Java and Central Java which reaches 40-45 million people. With the large village funds, it should be able to reduce the number of poor people in Aceh significantly below 15.50 percent and provide welfare and prosperity to craftsmen, micro and small businesses, farmers, traditional fishermen, and others. But in reality, despite the large amount of funds that go into Aceh, this province still ranks at the top in terms of poverty (<http://aceh.tribunnews.com/>).

On the other hand, the problem of inefficient and effective management of village or regional funds has become a public spotlight. This is due to the many cases of misappropriation and corruption of village or regional funds that have spread on social media. Such as the case of village fund

management in North Aceh where a number of residents of Gampong Buket Geulumpang, Syamtalira Bayu District, North Aceh Regency, reported cases of alleged misuse of village funds to the North Aceh District Attorney (<https://www.kompas.com>).

The phenomenon of the low performance of village financial management which is still commonly found in the Aceh region where Aceh Province is the third largest recipient of village funds but there are still many problems in managing village finances. Therefore, the performance of financial management will determine whether or not the objectives of the fund are achieved, in view of poor village financial management performance with inconsistent and standardized recording and management can make the process of evaluating the use of funds difficult [34].

According to the article (bandaaceh.bpk.go.id) that so far, village or regional financial management has not been carried out optimally. This is evidenced by the fact that there are still many villages or regions that have never received the title Unqualified (WTP) from the BPK. Furthermore, according to the article (<https://www.kanalaceh.com/>) that the Auditor of the Supreme Audit Agency (BPK) RI representative of Aceh to conduct village financial audits and financial accountability reports. However, the obstacles that often occur in the accountability of financial statements are that there are obstacles or problems, namely they still do not have a commitment in recording errors in the general cash book (BKU) and are often not recorded on time according to applicable regulations, there is still manual recording in the financial statements.

II. Methods

The population of this research is individuals who are involved in the preparation of village financial accountability reports, which are located in 23 districts/cities in the Aceh Provincial government, consisting of the Treasurer, Secretary, and Village Head. The sampling technique used in this research is proportional sample. According to [8] Sampling technique is a technique of selecting individual members or parts of the population to make statistical conclusions from them and estimate the characteristics of the entire population. To determine the size of the sample in each class, a proportional allocation is carried out so that the sample taken is more proportional by: The number of samples for each type of latest general education = x the number of each level, so that the number of samples in this study is 87 respondents.

The data analysis equipment used in this research is Partial Least Square (PLS) which assumes that the research data is distribution free, meaning that the research data does not refer to one particular distribution. Partial Least Square (PLS) is an alternative method of Structural Equation Modeling (SEM) that can be used to overcome the problem of the relationship between complex variables, but the minimum sample size is 100 [11]. Partial Least Square (PLS) is also used to measure the relationship between each indicator and its construct..

III. Result and Discussion

Examination of the significance of the path relationship, to assess the significance of the path coefficient can be seen from the value of the t test (critical ratio) obtained from the bootstrapping process (resampling method) as follows.

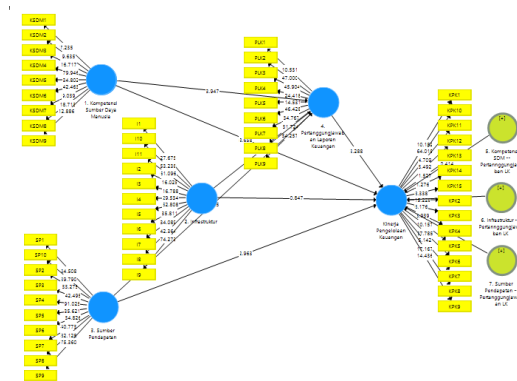


Figure 1 Bootstrapping Process

The results of the path analysis coefficients can be seen in the output of Standardized Direct Effects, Standardized Indirect Effects, and Standardized Total Effects as follows

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (O/...	P Values
1. Kompetensi Sumber Daya Manusia -> 4. Pertanggungjawaban Laporan Keuangan	0.185	0.189	0.047	3.947	0.000
1. Kompetensi Sumber Daya Manusia -> Kinerja Pengelolaan Keuangan	0.700	0.706	0.081	8.658	0.000
2. Infrastruktur -> 4. Pertanggungjawaban Laporan Keuangan	0.305	0.310	0.064	4.776	0.000
2. Infrastruktur -> Kinerja Pengelolaan Keuangan	-0.064	-0.064	0.075	0.847	0.397
3. Sumber Pendapatan -> 4. Pertanggungjawaban Laporan Keuangan	0.426	0.419	0.060	7.055	0.000
3. Sumber Pendapatan -> Kinerja Pengelolaan Keuangan	-0.322	-0.321	0.109	2.963	0.003
4. Pertanggungjawaban Laporan Keuangan -> Kinerja Pengelolaan Keuangan	0.298	0.292	0.091	3.288	0.001
5. Kompetensi SDM -- Pertanggungjawaban LK -> Kinerja Pengelolaan Keuangan	0.031	0.029	0.075	0.414	0.679
6. Infrastruktur -- Pertanggungjawaban LK -> Kinerja Pengelolaan Keuangan	0.271	0.266	0.072	3.777	0.000
7. Sumber Pendapatan -- Pertanggungjawaban LK -> Kinerja Pengelolaan Keuangan	-0.274	-0.274	0.099	2.779	0.006

Figure 2 Path Coefficients

The results of hypothesis testing on the Human Resources Competence variable on Financial Statement Accountability obtained p-values = 0.000 = 0.000 < 0.05 so H1 is accepted. This means that Human Resource Competence has an effect on Financial Statement Accountability.

The results of hypothesis testing on the Infrastructure variable on Financial Statement Accountability obtained p-values = 0.000 = 0.000 < 0.05 so H2 is accepted. This means that Infrastructure affects the Accountability of Financial Statements.

The results of hypothesis testing on the Income Source variable on Financial Statement Accountability obtained p-values = 0.000 = 0.000 < 0.05 so H3 is accepted. This means that the source of income affects the accountability of the financial statements.

The results of hypothesis testing on the Human Resource Competence variable on Financial Manager Performance obtained p-values = 0.000 = 0.000 < 0.05 so H4 is accepted. This means that Human Resource Competence has an effect on Financial Management Performance.

The results of hypothesis testing on the Infrastructure variable on Financial Manager Performance obtained p-values = 0.397 = 0.397 > 0.05 so H5 is rejected. This means that Infrastructure has no effect on Financial Management Performance.

The results of hypothesis testing on the Income Source variable on the Performance of Financial Managers obtained p-values = 0.003 = 0.003 < 0.05 so H6 is accepted. This means that the source of income affects the performance of financial management.

The results of hypothesis testing on the Financial Statements Accountability variable on the Performance of Financial Managers obtained p-values = 0.001 = 0.001 < 0.05 so H7 is accepted. This means that Financial Statement Accountability has an effect on Financial Management Performance.

The results of hypothesis testing on the Human Resource Competence variable on Financial Manager Performance mediated by the Financial Statements Accountability variable obtained p-values = 0.679 = 0.679 > 0.05 so H8 is rejected. This means that Financial Statement Accountability has no influence in mediating Human Resource Competence on the Performance of Financial Managers.

The results of hypothesis testing on the Infrastructure variable on Financial Manager Performance mediated by the Financial Statements Accountability variable obtained p-values = 0.000 = 0.000 < 0.05 so H9 is accepted. This means that Financial Statement Accountability has an influence in mediating infrastructure on the performance of financial managers.

The results of hypothesis testing on the Income Source variable on the Performance of Financial Managers mediated by the Financial Statements Accountability variable obtained p-values = 0.006 = 0.006 < 0.05 so H10 is accepted. This means that Financial Report Accountability has an influence in mediating the Source of Revenue on the Performance of Financial Managers

IV. Conclusion

Based on the research that has been done previously, the results show that the Human Resources Competency Variable has an effect on the Financial Statements Accountability Variable. Furthermore, the Infrastructure Variable has an effect on the Financial Statements Accountability Variable. Then, the Income Source Variable has an effect on the Financial Statements Accountability Variable. Furthermore, the Human Resources Competence Variable has an effect on the Financial Management Performance Variable. Then, the Infrastructure Variable has no effect on the Financial Management Performance Variable.

Furthermore, the Income Source Variable has an effect on the Financial Management Performance Variable. Then, the Financial Statement Accountability Variable has an effect on the Financial Management Performance Variable. Furthermore, the Financial Statement Accountability Variable has no influence in mediating the Human Resources Competency Variable on the Financial Manager Performance Variable. Then, the Financial Statement Accountability Variable has an influence in mediating the Infrastructure Variable on the Financial Manager Performance Variable. And the Financial Statement Accountability Variable has an influence in mediating the Income Source Variable on the Financial Manager Performance Variable

References

- [1] Aziz, N. L. L. (2016). Otonomi Desa dan Efektivitas Dana Desa. *Jurnal Penelitian Politik*, 13(2), 193–211.
- [2] Azman, T. (2015). Analisis Komitmen Organisasi, Kesiapan Sumberdaya Manusia, Infrastruktur Serta Sistem Informasi Dalam Menerapkan Standar Akuntansi Pemerintah Berbasis Akrua (Studi Pada Pemerintah Kabupaten Kepulauan Meranti). *Jurnal Sorot*, 10(1), 1–142.
- [3] Bloch, R. I., Marlowe, J., & Mead, D. M. (2016). Infrastructure asset reporting and Pricing Uncertainty in the Municipal Bond Market. *Journal of Governmental & Nonprofit Accounting*, 5(1), 53–70. <https://doi.org/doi.org/10.2308/ogna-51726>
- [4] Chi-Chi, O. A., & Ebimobowei, A. (2014). Accountability and public sector financial management in Nigeria. *Oman Chapter of Arabian Journal of Business and Management Review*, 1(6), 1–17. <https://doi.org/doi.org/10.12816/0002105>
- [5] de Haan, J., & Sturm, J.-E. (2017). Finance and income inequality: A review and new evidence. *European Journal of Political Economy*, 50, 171–195. <https://doi.org/doi.org/10.1016/j.ejpoleco.2017.04.007>
- [6] Dewi, R. A. (2016). Faktor-Faktor yang Berpengaruh terhadap Kinerja Keuangan Pemerintah Desa Pasca Penerapan Undang-Undang Nomor 6 Tahun 2014. *Jurnal Akuntansi Aktual*, 3(6), 311–327.
- [7] Fajri, R. (2015). Akuntabilitas Pemerintah Desa pada Pengelolaan Alokasi Dana Desa (ADD) (Studi pada Kantor Desa Ketindan, Kecamatan Lawang, Kabupaten Malang). *Jurnal Administrasi Publik (JAP)*, 3(7), 1099–1104.
- [8] Ferina, I. S. (2016). Tinjauan Kesiapan Pemerintah Desa dalam Implementasi Peraturan Menteri Dalam Negeri Nomor 113 tentang Pengelolaan Keuangan Desa (Studi Kasus pada Pemerintah Desa di Kabupaten Ogan Hir). *Jurnal Manajemen Dan Bisnis Sriwijaya*, 14(3), 321–336.
- [9] Gadenne, L. (2017). Tax Me, but Spend Wisely? Sources of public finance and Government Accountability. *American Economic Journal: Applied Economics*, 9(1), 274–314. <https://doi.org/doi.org/10.1257/app.20150509>
- [10] Hadisantoso, E., Sudarma, I. M., & Rura, Y. (2017). Volume V, Issue I. *Scientific Research Journal (SCIRJ)*, 10. www.scirj.org
- [11] Imam Ghozali, & Hengky Latan. (2012). Partial least squares konsep, teknik dan aplikasi menggunakan program SmartPLS 3.0 untuk penelitian empiris. *Badan Penerbit Universitas Diponegoro*.
- [12] Irma, A. (2015). Akuntabilitas Pengelolaan Alokasi Dana Desa (ADD) di Kecamatan Dolo Selatan Kabupaten Sigi. *E-Jurnal Katalogis*, 3(1), 121–137.
- [13] Iyoha, F. O., & Oyerinde, D. (2010). Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria. *Critical Perspectives on Accounting*, 21(5), 361–373. <https://doi.org/doi.org/10.1016/j.cpa.2009.06.002>

- [14] Jabbouri, N. I., Siron, R., Zahari, I., & Khalid, M. (2016). Impact of Information Technology Infrastructure on Innovation Performance: An Empirical Study on Private Universities In Iraq. *Procedia Economics and Finance*, 39, 861–869. [https://doi.org/10.1016/s2212-5671\(16\)30250-7](https://doi.org/10.1016/s2212-5671(16)30250-7)
- [15] Krzysztof Surówka. (2017). Sources of Income and Financial Autonomy of Local Self-government. *Economics World*, 6(1). <https://doi.org/10.17265/2328-7144/2018.01.003>
- [16] Lemus, D. E. (2016). The Importance of CSR in Financial Reporting Standards. *Global Journal of Management and Business Research: Accounting and Auditing*, 16(2), 9.
- [17] Makalalag, A. J. (2017). Akuntabilitas Pengelolaan Dana Desa di Kecamatan Kotamobagu Selatan Kota Kotamobagu. *Jurnal Riset Akuntansi Dan Auditing "Goodwill,"* Vol. 8, No. 1, 149–158.
- [18] Mardalena, S. (2017). Pengaruh kompetensi pegawai negeri sipil terhadap Kinerja komisi pemilihan umum provinsi Sumatera Selatan. *SDM Binadarma, Palembang*. <Http://Resumemti.Blogspot.Com/2017/04/Angket-Pengaruh-Kompetensi-Pns-Terhadap.Html>, 1(1).
- [19] Mardiasmo. (2009). Akuntansi Sektor Publik. ANDI.
- [20] Mccordic, C. (2016). Urban Infrastructure and Household Vulnerability to Food Insecurity in Maputo, Mozambique.
- [21] McWilliams, J. M., Hatfield, L. A., Chernew, M. E., Landon, B. E., & Schwartz, A. L. (2016). Early performance of accountable care organizations in Medicare. *New England Journal of Medicine*, 374(24), 2357–2366. <https://doi.org/doi.org/10.1056/NEJMsa1600142>
- [22] Munti, F., & Fahlevi, H. (2017). Determinan Kinerja Pengelolaan Keuangan Desa: Studi pada Kecamatan Gandapura Kabupaten Bireuen Aceh. *Jurnal Akuntansi Dan Investasi*, 18(2). <https://doi.org/10.18196/jai.180281>
- [23] Nikpour, A. (2017). The Impact Of Organizational Culture On Organizational Performance: The Mediating Role Of Employee'S Organizational Commitment. *International Journal of Organizational Leadership*, 6(1), 65–72.
- [24] Nurzianti, R., & Anita. (n.d.). Pengaruh_Karakteristik_Tujuan_Anggaran_Terhadap_Ki.
- [25] Putri, K. D. C., Sari, M. M. R., Ramantha, I. W., & Budiasih, I. G. A. N. (2019). Effect of self-efficacy, competence and compensation in performance of financial manager on motivation as moderation. *International Research Journal of Management, IT and Social Sciences*, 6(3), 83–93. <https://doi.org/10.21744/irjmis.v6n3.635>
- [26] Ronchi, S., Arcidiacono, A., & Pogliani, L. (2020). Integrating green infrastructure into spatial planning regulations to improve the performance of urban ecosystems. Insights from an Italian case study. *Sustainable Cities and Society*, 53. <https://doi.org/10.1016/j.scs.2019.101907>
- [27] Sharma, S., & Anand, A. (2018). Income diversification and bank performance: evidence from BRICS nations. *International Journal of Productivity and Performance Management*, 67(9), 1625–1639. <https://doi.org/10.1108/IJPPM-01-2018-0013>
- [28] Simon, Y., Mas'ud, M., & Su'un, M. (2016). The role of apparatus competence, internal control system on good governance and the quality of financial statement information. *Researches World*, 7(4), 123.
- [29] Subroto, A. (2009). Akuntabilitas Pengelolaan Dana Desa (Studi Kasus Pengelolaan Alokasi Dana Desa di Desa-Desa dalam Wilayah Kecamatan Tlogomulyo Kabupaten Temanggung Tahun 2008). Universitas Diponegoro.
- [30] Undang-Undang Nomor 5 Tahun 2014 tentang Aparatur Sipil Negara.
- [31] Undang-Undang Nomor 6 Tahun 2014 tentang Pemerintah Desa.
- [32] Undang-Undang Nomor 32 Tahun 2004 tentang sumber pendapatan desa.
- [33] Peraturan Kementrian Dalam Negeri (Permendagri) Nomor 20 tahun 2018 tentang pengelolaan keuangan desa.
- [34] Zhang, S., & Zheng, G. (2019). Gating or de-gating? The rise of the gated village in Beijing. *Habitat International*, 85, 1–13. <https://doi.org/10.1016/j.habitatint.2019.01.006>