

# CORRUPTION PREVENTION VILLAGE GOVERNMENT FINANCIAL MANAGEMENT THROUGH SOCIAL ACCOUNTABILITY: EVIDENCE FROM INDONESIA

**Andy Fefta Wijaya, Universitas Brawijaya**  
**Mohammad Subhan, Universitas Brawijaya**  
**Agus Suryono, Universitas Brawijaya**  
**Tjahnulin Domai, Universitas Brawijaya**

## ABSTRACT

*Law No. 6 of 2014 on Villages makes the funds managed by the village government increase, the efforts to prevent corruption in financial management based Law No. 6 of 2014 through accountability. One form of accountability in the Village Law is social accountability. Village government social accountability has a specificity because there are village deliberation forums with community involvement. It was found that the village government was still committing corruption even though all administrative procedures social accountability had been fulfilled. This study examines social accountability in village government financial management by looking at the practice gaps in village government where corruption occurs. The study used a qualitative method of the single case study approach. Data analysis is interactive with data collection developed by Miles and Huberman. However, This study found that social accountability financial ineffective by the village government. The ineffectiveness of accountability is due to regulations governing social accountability. The law does not regulate in detail two things: quality control implementation, social accountability, and second the sanctions. This study recommends improving the standard regulation social accountability starting from implementation requirements until sanctions are supported by local government supervision.*

**Keywords:** Accountability, Social accountability, Corruption.

## INTRODUCTION

Currently, the government provides a larger Village Fund Allocation (ADD) to villages by requiring at least 10% of the General Allocation Fund (DAU) received by the regency/city government. Data from the Central Statistics Agency (BPS) in 2015 was 20.67 trillion or 3.23 per cent of the regional transfer funds disbursed to 74 thousand villages spread over 434 districts/cities. Approximately every village received 280.3 million from village funds. In 2016 it increased by 125.91 per cent to 46.9 trillion, meaning that each village received 643.6 million. Until 2019 the number of transfers to villages increased to 70 trillion Rupiah. Even targeted in 2024, the number of transfers to villages reached 400 trillion Rupiah (Indonesia, 2017).

The facts compiled by the non-governmental organization (NGO) Indonesia Corruption Watch (ICW), since the existence of significant funds managed by the village government in

2015, there have been 17 cases. Corruption cases continued to increase to 41 cases in 2016, and the number continued to increase to 96 cases so that the total cases in 2015-2017 reached 154 cases. Percentage mode in the form of embezzlement (32 cases), fictitious reports (17 cases), fictitious activities/projects (15 cases), and budget inflation (14 cases). cases) of 154 monitored cases, and 82 of 154 cases were village budgets as objects of corruption (Indonesian Corruption Watch (ICW), 2018).

ICW's summary of village government corruption is also found in the Donggala regency. Corruption occurs in the financial management of the Balukang Village Government. Corruption there involved more than three village officials. Starting with the Village Head as the Budget Use Authority in the Balukang Village Government, the Balukang Village Government Secretary as the Coordinator of Budget Implementation. and Treasurer of the Balukang Village Government as cash manager (Donggala District Government, 2019).

Based on that explanation, corruption occurs when there is a lack of accountability. The statement has found the assumption that corruption is caused by the existence of power and monopoly, which is not accompanied by accountability or in generally stated "C=M+D-A" (Klitgaard, 1998), then minimum accountability is the dominant factor causing corruption (Flinders, 2017). Law 6/2014 concerning Villages in Article 24 states that accountability in the context of village government is interpreted as three forms, namely legal accountability to local governments, political accountability to the BPD (village community representative), and social accountability to the village community (Yasin et al., 2015). One of the most prominent accountability models is social accountability. The social accountability of village government financial management is unique because of the direct involvement of village communities in deliberation forums, and the scope of the village is small, so it provides a differentiator with accountability carried out by the local and central government (Sitorus et al., 2007; Sutoro, 2014). However, social accountability cannot prevent corruption in village government financial management even though it has been implemented.

Previous research such as Ankamah (2016); Susan & Budirahayu (2018), and Meixi (2020) show an increase in research on social accountability focusing on preventing corruption. This topic still covers the Indonesian context in that previous research focused more on determining social accountability as a prevention of corruption. This study thus examines how social accountability in village government financial management cannot work as an alarm for preventing corruption by focusing on disaggregating social accountability practices and seeing them as part of community involvement and village community representative institutions. This kind of conceptualization is expected to advance the understanding of social accountability practices that impact preventing corruption in village government financial management. In connection with the previous explanation, this study wants to examine the concept of social accountability with the prevention of corruption. The difference in findings from previous researchers then becomes a critical gap. It needs to be a consistent concept of the ability of social accountability to prevent corruption, especially in village government financial management, which requires concrete improvements to run well.

## LITERATURE REVIEW

The problem with abuse of power that leads to corruption in the implementation of village government financial management is caused by the interaction between three components, namely Monopoly (M), Discretion (D), and Accountability (A) which are

formulated as  $C=D+M-A$  (Klitgaard, 1998). CDMA Theory (Klitgaard et al., 2000) corruption occurs because of discretion and monopoly factors not accompanied by accountability. Discretion and monopoly in the absence of accountability will lead to irregularities. The authority possessed by officials can monopolize anything and do not care about the quality of work. Furthermore, adds that efforts to create accountability can prevent abuse of power that leads to corruption so that strengthening accountability in the form of increasing more democratic supervision and examination is one of the dominant factors that will reduce corruption (Flinders, 2017).

Accountability is one of the elements in good governance, as the prevention of corruption in government, which has a variety of rules, procedures, and standards, reporting mechanisms (Bovens et al., 2014). Implementation of accountability, in general, requires a face-to-face forum between principals and agents that complements accountability more heavily on written reports with an additional question and answer mechanism (Behn, 2001; Bovens et al., 2014). In the practice of accountability, there are several important questions that must be asked regarding accountability that need to be answered. These dimensions revolve around essential questions to be asked about accountability "*who is accountable to whom, for what, by which standards*" (Bovens et al., 2014).

Besides that, the form of accountability in the village government itself has advantages in direct community involvement in social accountability. Social accountability depends on civil engagement or village community organizations participating directly or indirectly to demand accountability in policy-making forums. Social accountability in the village law and its technical regulations focus on involving the community to oversee the financial management of the village government jointly (Sitorus et al., 2007; Sutoro, 2014). When reviewing the explanation of social accountability presented by Malena et al. (2004) explain that social accountability cannot be separated from the basic meaning of accountability itself, namely the obligation of power holders to be responsible for their actions. Social accountability represents the practice of democracy by involving community control to produce a more transparent public budgeting system to reduce corrupt behavior (Ackerman, 2005; Malena et al., 2004). However, social accountability depends on civil engagement or village community organizations participating directly or indirectly to demand accountability in policy-making forums (Bovens et al., 2014).

The definition presented by Malena et al. (2004) and Ackerman (2005) regarding social accountability shows the similarity of the substance in general. Only the difference lies in "to whom" accountability is addressed and how accountability is carried out. Accountability has different mechanisms and media, for social accountability it is aimed at citizens in a horizontal form through forums or other media that allow the public to participate (Klijn & Koppenjan, 2014).

The academic text of Law Number 6 of 2014 concerning Villages emphasizes the accountability dimension of government time by citing Schmitter (2004) explanation that accountability is divided into three dimensions of time, namely before, during and after (Sitorus et al., 2007). Schmitter (2005) explained how the role of the community in participating in the context of accountability before implementing the mandate in the form of government policies, then the public paying attention to the policymaking process, and the government must be consistent in carrying out the agreed guidelines. In mapping the typology of accountability that links actors, time and process are divided into two categories. Namely, time (before, during, and after) and three main actors (citizens, parliament, and authorities).

Previous research Naher et al. (2020) Social accountability can work if it increases community participation because social accountability is based on general public participation in assessing. Taufiq (2018) also conveyed the same research finding that social accountability can be successful if it increases public participation in assessing officials' performance and then develops strategies to improve officials' performance, rather than blaming local officials. However, Susan & Budirahayu (2018) revealed that social accountability in the context of village government in Indonesia in terms of regulations has deviations in application due to differences in perception. So it is necessary to synchronize perceptions of the rules used and apply good village governance principles standards, especially village government officials.

## **Aim**

This study aims to provide empirical evidence and analyze social accountability in preventing village government financial management corruption. These specific objectives include the following:

1. Tracing and reviewing the focus of the social accountability mechanism for village government financial management.
2. To evaluate social accountability sanctions as a signal of corruption prevention village financial management.
3. Reviewing recommendations and implications for social accountability village government financial management.

## **METHOD**

The research used a qualitative approach method. Qualitative methods are based on McNabb (2017) view, defining qualitative research as a series of non-statistical research techniques and processes used to collect data about social phenomena. The use of qualitative methods is because the data collected by descriptive data and the focus of this research is more dominant related to the meaning of the implementation process of social accountability in village government financial management than quantitative measurements of accountability.

Since this study seeks to examine gaps in the implementation of social accountability in financial management in village governments affected by corruption cases, there is a need to adopt a descriptive research design so that the phenomenon is better explained. Primary data collection in this study used the interview method. Data collection techniques use the interview method, which involves various parties expecting a verbal response (Kothari et al., 2019). This interview method can be used through personal interviews and may also use telephone interviews. Personal interviews were conducted face-to-face with research informants as a form of direct investigation by writing and recording all information or data obtained. The form of questions in this personal interview is carried out openly so that the informant can explore the answers to each question asked.

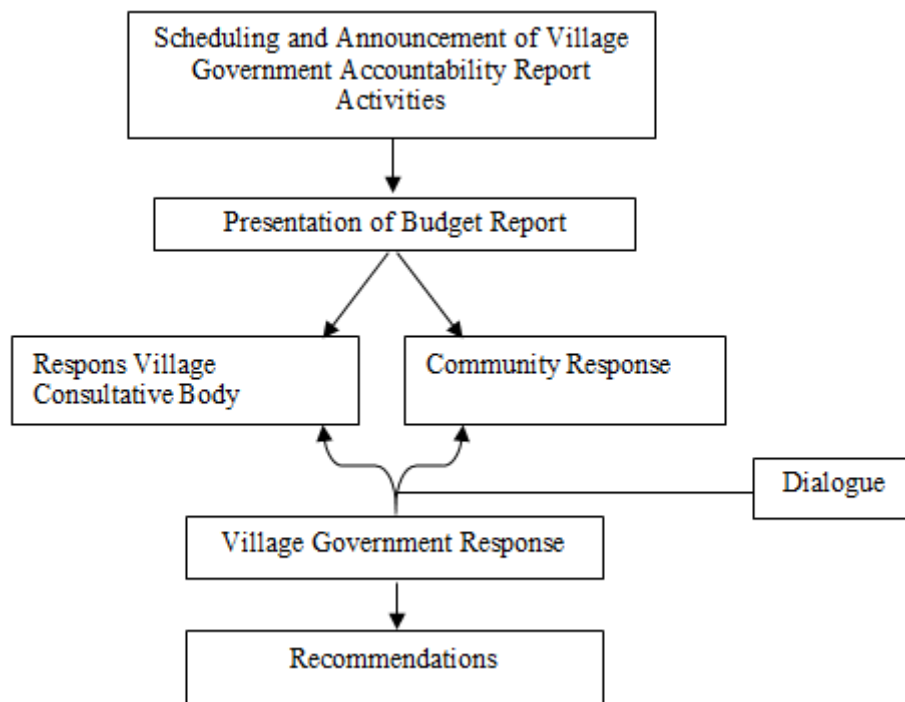
Meanwhile, secondary data sources are court judgment for village officials determined as convicts and inspection reports for three consecutive years from 2015 to 2017. The data collected from interviews and document data from research informants will be analyzed using analysis from (Miles et al., 2014), which is an analysis carried out continuously during data collection in the field to comprehensive data collection. This data compaction refers to the process of selecting, focusing, simplifying, abstracting, and converting data from field notes, interview transcripts, documents, and other empirical documents. Data collected from interviews and

document data from research informants will be summarized and displayed. This data compaction refers to the process of selecting, focusing, simplifying, abstracting, and converting data from field notes, interview transcripts, documents, and other empirical documents. The following activity flow displays data, collecting information and systematically displaying it. The collection of data collected, selected, and displayed in a systematic and organized manner is beneficial for further activities in data analysis, namely verifying and describing data with interpretation based on the focus and theory used. Finally, the researcher concludes the stages that have been passed.

## RESULTS AND DISCUSSION

### Practice of Social Accountability in Managing Village Government Finances

Law number 6 of 2014 concerning villages provide technical authority related to accountability arrangements to be regulated in a ministerial regulation and then regulated for matters deemed necessary in more detail into district/city government regulations. There are two regulations governing accountability at the ministerial level, namely Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Finance, Minister of Home Affairs Regulation number 114 concerning Village Development Guidelines, and then Ministry of Village regulations, Development of Disadvantaged Regions, and Transmigration number 2 of 2015 About Guidelines for Rules and Mechanisms for Village Deliberation Decision Making. Regulations originating from the Ministry of Home Affairs regulate the duties of the village government to the imposition of sanctions in temporary accountability from the Ministry of Village regulations, Development of Disadvantaged Regions, and Transmigration regulates procedures in the accountability forum process the form of village meetings.



**FIGURE 1**  
**SOCIAL ACCOUNTABILITY PROCESS**

The Minister of Home Affairs Regulation mandates that district and city governments regulate technical matters as needed. Therefore, the Donggala Regency Government regulates the Regent's Regulation Number 15 of 2015. Based on the Donggala Regent's Regulation Number 17 of 2015, the village government must provide accountability in the Budget Realization report document. This report is submitted to the public only once a year, namely in January, after implementing the current fiscal year. To deliver information on budget implementation to village communities, the community can reach out through bulletin boards, local newspapers, or other media. Access to information on village income and expenditure budget planning by the people of Balukang Village is obtained through formal and informal channels. A formal submission through village government bulletin boards and in the form of invitations. Informal delivery through oral communication at community gathering places such as spreading messages via short messages to village communities, places of worship informed by the village council implementing committee from village government staff. This method is used to complement the previous delivery method in order to reach the community. The form of accountability stages start from the schedule for implementing social accountability, how to provide information dissemination, and recommendations for the social accountability process results, as shown in Figure 1.

Figure 1 shows that the dialogue on social responsibility for budget implementation occurs when the village government communicates with the community. In the dialogue process, questions from the community were limited so that the questions asked represented other village communities. However, if the village government cannot answer questions from the community, it will not impose sanctions. The consequences of this will only lead to recommendations for improving budget execution, even though it does not solve the real problem. Based on court judgment and field findings, corruption is hard to monitor by village communities with corrupted funds is far different because the community can only monitor physical development and direct assistance to the community, while other activities are difficult to monitor. In turn, social accountability functions as a deterrent to corruption in financial management at the village level can be found in three practices: markups for physical development, provision of assistance, and violations of administrative services. The role of the Balukang village community as part of the supervisory role can carry out their duties properly due to their involvement from the beginning of budget planning in village deliberations. However, the lack of regulatory support and sub-district parties who can provide recommendations for sanctions to village governments who heed the recommendations resulting from social accountability deliberation causes cannot prevent prevention immediately. The absence of sanctions in carrying out the recommendations causes the Village Head of Balukang Village to have more freedom to act without any control from the community. Unfortunately, the Donggala Regency Government cannot immediately resolve the problem directly.

In general, the social accountability of the Balukang village government is a representation of the direct supervision of the village community. The ability of the community to analyze deviations is only done by simply comparing the budget value with the results of development. The village community escapes the budget, such as purchasing consumables or payments using cash whose form cannot be monitored directly by the community.

## Recommendations and Its Implications On Social Accountability

Analysis of the application of social accountability in financial management to village governments regarding deliberative forum activities revealed that community recommendations were given on deviations from physical development and activities in direct contact with the village community. This recommendation responds to village community inspection questions issued regarding various financial and operational irregularities. In addition, the audit recommendations are general because they can be seen with the naked eye the contrast between the amount of the budget and the results of the development. Most of the recommendations were given verbally without any follow-up in an official letter from the community. That is because the procedures and procedures for the regulations governing the delivery of financial management information are not given and how the response from the public will be. This form does not yet contain the technical problem from the regulations to date.

The role of the community as a supervisor is not optimal because providing information on access to budget information is less flexible in assessing the truth, especially for non-development activities. The lack of community access is due to a lack of support in providing regulations on social accountability and community understanding that is not optimal on financial management procedures by the village government. This lack of optimality has resulted in the Balukang Village Head being more flexible to act without any control from the community.

The position of the people by Ackerman (2005) and Malena et al. (2004) is seen as a strong potential force to strengthen government accountability. However, this power does not live automatically, so it always needs to be shaped to function. In line with this explanation, looking at the phenomenon in Balukang Village shows a gap in social accountability related to the role of the community in ensuring that power can be accounted for. In short, social accountability relates to a set of approaches and tools that raise the community's voice and articulate the community's needs and perspectives to the government to ensure the management of funds is following its objectives. The participation of group representatives provides input on the planning process until it is completed at the end of financial management implementation. Third, the village government is open to planning (before) but closed in the process (during) of budget implementation and less open at the time of reporting, which is summarized as follows:

<b>Balukang Village Actor</b>	<b>Before</b>	<b>During</b>	<b>After</b>
Community	Participation	Attention	Obligation
village council	Mobilization (for deliberation forum)	Competition	Compliance
Village Government	Accessibility	Collusion	Imposition

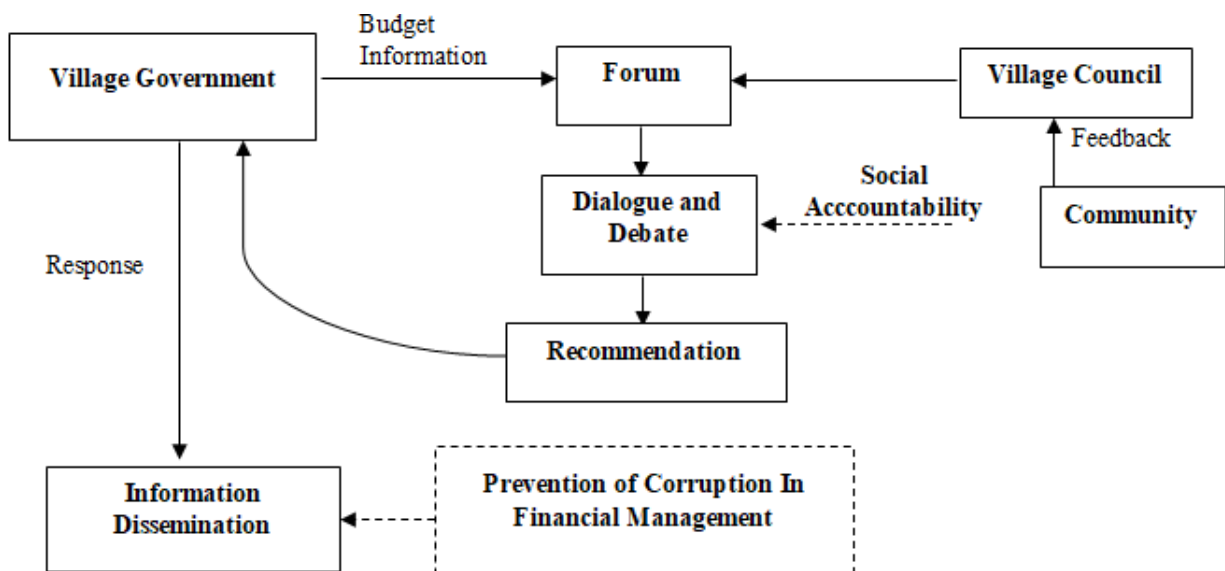
Source: Data processed.

Table 1 shows that the community (balukang village actors) participated in village financial planning (before) in the form of attending the Village Musrebang due to monitoring from the local government of the Donggala Regency. The village community pays attention to implementing financial management then the community carries out obligations for the consequences of the results of the planning process. For village councils (community representative actors) participate in community mobilization as a form of criticism of the village

government, play competitions in implementing village finances, and work hard to fulfill budget execution. Due to regulatory demands, the village government opens access for the community and community organizations and holds deliberation in planning (village development meetings). However, implementation is not following what was planned and is not transparent to follow-up recommendations on the consequences of mandated accountability.

The practice in the community is the lack of understanding of the technical flow of the village financial management process so that they cannot use social accountability channels through deliberation forums for alleged irregularities in village financial management. Even so, deviations can be detected by looking at the progress of physical development that can be seen immediately. These results follow the findings of previous studies. For example, the findings with Susan & Budirahayu (2018) who put pressure on community understanding regarding village government supervision, need to improve in the deliberation forums that are carried out. Naher et al. (2020) and Taufiq (2018) findings contribute that forums for deliberation or public hearings are practiced as a means of empowering citizens with information about public services and increasing corruption prevention. Involves public officials and residents in the same area and supports residents to directly ask relevant parties about irregularities in the mandate. Both studies pay attention to increasing public understanding through hearings. However, this study adds that there is a need for regulations that bind government officials to the consistency of transparency with the performance of recommendations that impact changing officials in carrying out their mandates.

Based on the analysis of the results of social accountability research on the financial management of the Balukang village government, this study provides recommendations which are described as follows:



**FIGURE 2**  
**RECOMMENDATIONS FOR SOCIAL ACCOUNTABILITY OF VILLAGE**  
**GOVERNMENT FINANCIAL MANAGEMENT**

Figure 2 provides a recommendation that the social accountability of village government financial management starts from providing information on village government financial



management to the BPD and village communities through a deliberation forum. The role of the community in the legal form is still unclear because the space for relations between the community and the advertising agency needs to be maximized due to the constitutional provisions that the representative agency has the duty and obligation to supervise the village government. However, the community can participate in supervision during deliberation forums. In the end, the recommendations are given in the form of improvements that the village government will follow with evidence of information dissemination on the implementation of the recommendations

## CONCLUSION

Social accountability needs to be improved from the understanding of the community and clear procedures in implementing deliberation forums as a forum for implementing social accountability in village government financial management. Recommendations from social accountability cannot be continued to prevent corruption, and in the end, corruption prevention is neglected. Community initiatives in the village did not develop in line with the response of the village government in carrying out recommendations from community supervision. It can be seen that accountability involving the community does not prevent corruption as expected in the concept of accountability itself if the understanding of the community and the outputs of social accountability are not regulated.

Social accountability strategies and tools help empower rural communities to exercise their right to hold the government accountable for using public funds and managing finances. Regulation is an emphasis that needs to be focused on implementing social accountability. Related regulations must contain mechanisms and recommendations, but what needs to be started is the dissemination of knowledge of village communities about the procedures for government financial performance to understand the substance of good government financial management.

## ACKNOWLEDGEMENTS

Conceptualization: Andy Fefta Wijaya.

Data curation: Andy Fefta Wijaya, Mohammad Subhan, Agus suryono, Tjahnulin Domai

Formal analysis: Andy Fefta Wijaya, Mohammad Subhan, Tjahnulin Domai.

Funding acquisition: Mohammad Subhan, Andy Fefta Wijaya.

Investigation: Mohammad Subhan, Andy Fefta Wijaya.

Methodology: Andy Fefta Wijaya, Mohammad Subhan, Agus suryono.

Project administration: Mohammad Subhan, Tjahnulin Domai.

Resources: Mohammad Subhan, Andy Fefta Wijaya, Agus suryono, Tjahnulin Domai

Software: Mohammad Subhan, Agus Suryono, Tjahnulin Domai.

Supervision: Andy Fefta Wijaya, Agus suryono, Tjahnulin Domai.

Validation: Mohammad Subhan, Tjahnulin Domai.

Visualization: Andy Fefta Wijaya, Mohammad Subhan, Agus Suryono.

Writing – original draft: Andy Fefta Wijaya, Mohammad Subhan.

Writing – reviewing & editing: Andy Fefta Wijaya, Mohammad Subhan.

## REFERENCES

- Ackerman, J.M. (2005). *Social accountability in the public sector: A conceptual discussion* (No. 35733, p. 1). The World Bank.
- Ankamah, S.S. (2016). Toward a framework of improving horizontal and social accountability mechanisms: Case studies in Asia. *Asian Education and Development Studies*, 5(3), 288-304.
- Behn, R.D. (2001). *Rethinking democratic accountability*. Brookings Institution Press.
- Bovens, M., Goodin, R.E., & Schillemans, T. (Eds.). (2014). *The Oxford handbook public accountability*. Oxford University Press.
- Bovens, M., Goodin, R.E., Schillemans, T., & Uhr, J. (2014). Accountable civil servants. In *The Oxford Handbook of Public Accountability*. Oxford University Press.
- Bovens, M., Schillemans, T., & Goodin, R.E. (2014). Public accountability. *The Oxford Handbook of Public Accountability*, 1(1), 1-22.
- Donggala District Government. (2019). *Village government Financial Assistance and Verification Implementation Report*.
- Flinders, M. (2017). The politics of accountability in the modern state. In *The Politics of Accountability in the Modern State*.
- Indonesia, K.K.R. (2017). *Village fund pocket book*. Ministry of Finance of the Republic of Indonesia, 1-103.
- Indonesian Corruption Watch (ICW). (2018). Village fund outlook 2018 potential misuse of village budgets in the political year. Retrieved from <https://antikorupsi.org/id/article/outlook-dana-desa-2018-potensi-penyalahgunaan-anggaran-desa-di-tahun-politik>
- Klijn, E.H., & Koppenjan, J.F.M. (2014). Accountability networks. In B. Mark, R. E. Goodin, & T. Schillemans (Eds.), *The Oxford Handbook Public Accountability* (1st ed., pp. 242–257). Oxford university press.
- Klitgaard, R. (1998). International cooperation against combating corruption is such a difficult and sensitive issue that many national political leaders who support such efforts in principle are hesitant to undertake them in practice. How can international cooperation help b. *Journal of Finance and Development*, 35(March), 3-6.
- Klitgaard, R.E., Abaroa, R.M., & Parris, H.L. (2000). *Corrupt cities: a practical guide to cure and prevention*. World Bank Publications.
- Kothari, C.R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Malena, C., & Forster, R. (2004). *Social Accountability An introduction to the concept and emerging practice*.
- McNabb, D.E. (2017). *Research methods in public administration and nonprofit management*. Routledge.
- Meixi, Z. (2020). Social accountability under authoritarianism: Public supervision of local governments in China. *China Information*, 34(1), 3-23.
- Miles, M.B., Huberman, A.M., & Saldana, J. (2014). *Qualitative data analysis: A methods sourcebook*.
- Naher, N., Balabanova, D., Hutchinson, E., Marten, R., Hoque, R., Tune, S.N.B.K., Islam, B.Z., & Ahmed, S.M. (2020). Do social accountability approaches work? A review of the literature from selected low-and middle-income countries in the WHO South-East Asia region. *Health policy and planning*, 35(Supplement\_1), i76-i96.
- Schmitter, P.C. (2004). The ambiguous virtues of accountability. *Journal of Democracy*, 15(4), 47-60.
- Schmitter, P.C. (2005). The quality of democracy: The ambiguous virtues of accountability. In L. J. D. L. Morlino (Ed.), *Assessing the quality of democracy* (pp. 18-31). The Johns Hopkins University Press.
- Sitorus, E.B., Tan, A., Suprayitno, Prasetyanto, E., Tarigan, C.R., Eko, S., Dwipayana, A.G.A., Rapp, E., Rahardjo, D.Y., Husbani, F., Sefsani, R., Habirono, H., Sujito, A., Hari, W., Dewi, R., & Hidayana, B. (2007). Naskah Akademik Rancangan Undang-Undang Tentang Desa. In *Naskah Akademik Rancangan Undang-Undang*.
- Susan, N., & Budirahayu, T. (2018). Village government capacity in the implementation of village law No. 6 of 2015 in Indonesia. In *Sustainable Future for Human Security* (pp. 17-27). Springer, Singapore.
- Sutoro, E. (2014). Desa Membangun Indonesia. In *Academia.Edu*.
- Taufiq, H.A. (2018). Towards an enabling environment for social accountability in Bangladesh. *SSRN Electronic Journal*, 186-197.
- Yasin, M., Rofi, A., Fachurrahman, Untung, B., Rostanty, M., Dwihewanto, S., Saharudin, I., & Muslih, F. (2015). Annotation to law number 6 of 2014 concerning villages. Regional Information and Study Center (PATTIRO).