



Transparency and Accountability of Village Fund Management in Mangasa Village: A Good Governance Perspective

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Abstract. The aim of this study is to analyze transparency and accountability in the management of village funds in Mangasa Village, Tamalate District, Makassar City, through a good governance perspective. This study used a descriptive qualitative research method, with data obtained through interviews, observations, and review of relevant official documents. The results indicate that transparency in village fund management has been realized through the development planning deliberation forum (Musrenbang) and budget realization reporting to formal supervisory agencies. However, public access to information is still limited, resulting in transparency tending to be procedural. Accountability emphasizes vertical accountability to the city government, the inspectorate, and the Supreme Audit Agency (BPK), while horizontal accountability to the public is not yet optimal. Supporting factors for the implementation of good governance include clear regulations, commitment from officials, involvement of local institutions, and formal oversight mechanisms. Meanwhile, inhibiting factors include low public financial literacy, minimal use of technology, and low public participation. This study concludes that the practice of managing village funds in Mangasa Village still emphasizes administrative compliance more than the substance of good governance, so it is necessary to strengthen the substantive transparency aspect and public accountability mechanisms to realize village fund management in accordance with the principles of good governance.

Keywords: Transparency, Accountability, Village Funds, Good Governance, Mangasa Village

1 Introduction

One of the fundamental pillars of good governance in Indonesia is public financial management at the smallest level of government, the village (kelurahan). In the implementation of fiscal decentralization, villages, as the frontline of public services, now have increased authority in managing budgets and development programs that directly address community needs. This aligns with the spirit of bureaucratic reform,

which emphasizes transparency, accountability, and public participation in the governance process.

Granting this authority certainly has serious consequences for the village government, namely that the village is required to be transparent and accountable in managing village funds [1]. Transparency can be defined as the government's openness in providing easy and adequate access to information to the public, which is key to preventing abuse of authority and corruption. Meanwhile, accountability, according to Mardiasmo [2], requires every party entrusted with a mandate to be accountable for every decision regarding the use of a clear and measurable budget to stakeholders.[1]

Transparency and accountability are two things that cannot be separated, both are important elements of good governance or good governance. Currently, in Indonesia, there are five main principles of good governance: transparency, accountability, community participation, effectiveness and efficiency, and law enforcement. These principles are then used as a basis for assessing the management of village funds, specifically to ensure that each budget used provides the greatest benefit to the community.

Mangasa Village is one of the villages in Tamalate District, Makassar City, which has great potential in utilizing village funds for development. The performance of the village government in managing village funds will certainly be an important focus in the community. Research on the transparency and accountability of village funds in Mangasa Village is important for several reasons. First, this research can provide an overview of how the principles of village funds are applied. Good Governance in the budget management process at the village level. Second, to identify supporting and inhibiting factors in the implementation of transparency and accountability. Third, this study can also provide recommendations on how to improve the quality of village fund management for other villages with characteristics similar to Mangasa Village.

2 Literature Review

2.1 Village Fund Concept

The fiscal instrument allocated by the central government to all urban villages across Indonesia is the urban village fund. In its management, urban village funds differ from village funds. Home Affairs Regulation No. 130 of 2018 clearly stipulates that the allocation of urban village funds is solely for the purpose of supporting infrastructure development and community empowerment in urban areas lacking adequate resources. Urban village funds are sourced from the State Budget (APBN) and then transferred to the Regency and City Regional Budgets. The budget determination takes into account certain criteria, including population, area, and the number of poor people in each urban village.

In principle, village fund management follows the regional financial management cycle: planning, budgeting, implementation, administration, accountability reporting, and oversight. During the planning stage, village funds are allocated according to the agreements reached during the regional development planning meeting (Musrenbang). This ensures that budget implementation aligns with community needs.

2.2 Good Governance

Good governance is a concept of government that prioritizes effectiveness, efficiency, and accountability. This concept was initiated in response to the many failed bureaucratic governance practices and widespread corruption that have occurred in various countries, particularly after the Cold War. Overall, this concept aims to establish a government based on the interests of the people and the creation of optimal services. In its implementation, this concept involves not only the government but also all stakeholders, including the private sector and civil society. According to the UNDP [3], there are several main principles of good governance. good governance, that is: Participation, every citizen has the right to be involved in decision-making, either directly or through representation. This participation includes planning, implementing, and evaluating various government programs; Rule of law, fair and impartial legal certainty must be optimally upheld, particularly in the protection of human rights. Consistent and transparent law enforcement is key to creating legal certainty and justice; Accountability, Decisions and actions taken by the government must be accountable. Accountability extends not only to financial matters but also to work and moral accountability; Consensus Orientation, In decision making, we must be able to accommodate various different interests; Effectiveness and Efficiency, The resources available must be used effectively and efficiently to achieve the goals that have been formulated in order to maximize the benefits obtained by the community; Equality and Inclusivity, Society must have equal opportunities to improve its well-being. In the development process, the government is obliged to ensure that no group is left behind or discriminated against. [3]

2.3 Accountability

Accountability is a concept related to an individual's obligation to be responsible for every action or decision they have taken. Conceptually, according to Mardiasmo [4], accountability refers to the obligations of the party entrusted with a mandate. (agent)to be able to be accountable, to present[4], report and disclose all activities and results to the trustee (principal) who has the right to demand accountability. Halim [6] argues that accountability is not just about submitting formal reports, but also includes a moral obligation to act in accordance with legal rules, ethics and correct administrative principles.[6] Thus, it can be concluded that accountability is a form of responsibility that includes legal, moral, and administrative dimensions.

Mardiasmo [4] in his book states that accountability consists of two, namely: Vertical/Internal Accountability, that every public service, whether individual or group, has an obligation to provide accountability for the work and results of the implementation of activities to their direct superiors periodically or at any time when necessary; Horizontal/External Accountability, The obligation of every state institution as an institution to be able to provide accountability for all the mandates that have been obtained and implemented as well as every development to be conveyed to external parties, in this case the wider community and its environment.[4].

Krina, L. L. [4] presented several accountability indicators in government governance, namely: 1. Accuracy and completeness of information, namely program objectives and achievements; 2. Clarity of policy objectives that are communicated openly; 3. Consistency of operational targets with priority programs; 4. The existence of a public monitoring and complaints process. With these indicators, accountability is not only seen from the formal reporting aspect, but also includes public involvement in assessing the good management of public finances.[4].

Previous research by Ariyanti, D. O., Ningsih, W. F., & Sari, D. P. [7] found that accountability plays a crucial role in ensuring the quality of regional financial reports. However, in practice, the influence of transparency is often more significant. This finding suggests that financial accountability is not solely about presenting reports according to standards, but also about how those reports are understood and assessed by the public.[7] Lisnaeni, L., Handoko, A., & Lubis, I. [8] in their research on non-profit organizations stated that accountability is concrete evidence that collected funds are used for their intended purposes, reported completely, and are reliable. In this context, accountability is the primary foundation for building public trust and good organizational credibility.[8]

Accountability in financial management can be defined as the obligation to provide comprehensive reporting, encompassing planning, implementation, reporting, and evaluation of budget use. Accountability is not merely an administrative formality, but also an effort to create a transparent, efficient financial system that is grounded in the public interest.

2.4 Transparency

Transparency is one of the basic principles of good governance (good governance), especially in the process of public financial management. Transparency can be understood as the government's openness in providing the most recent and accurate information, and the public's easy access to that information, allowing for access to information and monitoring of the administration of government, particularly regarding budget management.[6] Mardiasmo [4] states that financial transparency is the public's ability to obtain information related to government administration, including information on policies, planning, and budget implementation. This transparency provides the public with the opportunity to actively participate in oversight and evaluate whether the public budget has been managed properly by the government in accordance with applicable regulations.[2].

According to Mardiasmo [4], transparency has indicators that must be met, namely: Informative, Providing information, news, explanations of procedures, data, facts to interested parties who need clear and accurate information; Openness, Providing freedom to the general public to obtain the widest possible information, except information excluded by law; Disclosure, Public disclosure of financial activities and performance[2].

Previous research conducted by Ariyanti, D. O., Ningsih, W. F., & Sari, D. P. [1] found that the crucial role of transparency has a positive influence on the quality of regional government financial reports.[7] These findings indicate that information

transparency can increase public trust and strengthen the legitimacy of local governments in budget management. Consistent with this research, a study by Lisnaeni, L., Handoko, A., & Lubis, I. [8] on the financial management of religious organizations showed that transparency positively impacts public trust.[8]Financial reports that are presented to the public in an open, detailed, and easily accessible manner can enhance an organization's credibility and prevent misappropriation in financial management. However, challenges often arise, including limited technology and staff capacity. In his research on evaluating village fund management in Makassar, Saharuddin [9] found that digital media for budget publication was still lacking, hampering transparency, which in turn led to a lack of public participation in oversight.[9].

3 Research methods

This research was conducted to understand more deeply about transparency and accountability in the management of village funds, especially in Mangasa Village, Tamalate District, Makassar City, from a good governance perspective. The approach used in this research is adapted to the exploratory and deeper nature of the problem, so that the method used is the one considered most suitable for describing the phenomenon in detail.

The type of research used was descriptive qualitative research. This type of research is considered appropriate because it can provide an in-depth picture of social phenomena based on the perspectives and experiences of the informants. Descriptive research aims to describe the facts and relationships under study in a more systematic, factual, and accurate manner.[10]Therefore, this research focuses on transparency and accountability in the management of village funds which are then analyzed through a perspective good governance. This research was conducted in Mangasa Village, Tamalate District, Makassar City. This area was chosen because it allows for in-depth analysis of the context of village budget management in an urban environment with diverse community characteristics.

The data sources for this study are: 1. Primary data, namely data obtained from interviews conducted with village officials, community leaders, and community representatives. This primary data is crucial for obtaining information on how transparency and accountability are implemented in the management of village funds.[11]; 2. Secondary data, namely data obtained from official documents, namely reports on the realization of village fund budgets, related regulations, and academic literature related to the concepts of transparency, accountability and good governance [12]. As for analyzing the data that has been obtained using interactive analysis which consists of three stages, namely: 1. Data reduction, namely filtering important data according to the focus of the research; 2. Data presentation, namely compiling the information obtained into a descriptive narrative; 3. Drawing conclusions, namely concluding how the practice of transparency and accountability in the perspective of good governance [13].

4 Results

As part of the presentation of the research results, the following table outlines the main observations obtained from field interviews and document analysis concerning transparency and accountability practices. This table is intended to present a structured summary of the examined aspects, supporting data sources, and preliminary conclusions drawn from the findings.

Table 1. Research Findings Table

Aspect	Main Findings	Conclusion
Transparency – Planning	Musrenbang conducted with multi-stakeholder participation	Transparency in planning is implemented
Transparency – Budget Reporting	Reports submitted to Bappeda, Inspectorate, BPK	Administrative transparency is present but not accessible
Public Access to Information	Reports rarely shared; residents rely on observation	Transparency does not yet meet public information needs
Administrative Accountability	Reports verified by inspectorate; signatures by authorities	Administrative accountability runs effectively
Social Accountability	Residents struggle to understand technical reports	Social accountability remains weak

The research results indicate that transparency in the use of village funds in Mangasa Village is achieved through several steps. First, the village government holds a Development Planning Meeting (Musrenbang) to formulate priorities for fund use. This meeting involves village officials, heads of neighborhood associations (RT/RW), community leaders, community leaders (LPM), and representatives from community organizations. Through this forum, the community can learn about the planned use of village funds and provide input regarding needs in their area. Second, the village has prepared a budget realization report, which is then submitted to the city government, specifically the Development Planning Agency (Bappeda) and the Inspectorate, as the internal oversight agency of the Makassar City Government. This report has also been submitted to the Supreme Audit Agency (BPK), also an external oversight agency, as a form of transparent accountability for the use of village funds. However, interviews with the village head indicate that this report is rarely distributed directly to the wider community. This is in line with interviews with several residents who stated that they only learned that the programs proposed in the Musrenbang were implemented based on direct observations in the area, not the budget realization report prepared by the village. The lack of public understanding of financial reports is also a barrier, resulting in the reports not being widely disseminated to the public, particularly the Mangasa

sub-district community. This situation can be concluded that the principle of transparency in sub-district budget implementation is in place, but it has not yet reached the level of public access to information. Transparency remains top-down, not based on the public's information needs.

Accountability for village funds is achieved through the preparation of financial reports, which are then submitted to the inspectorate for verification. This process aims to ensure that village funds are used in accordance with existing regulations. Furthermore, the village head and community groups (Pokmas), as the responsible parties, as well as budget implementers, sign the administrative responsibility. From the community's perspective, this form of accountability has not been fully accepted as social accountability. Many residents still feel they lack sufficient understanding to understand the contents of financial reports based on numbers and consider them too technical. Based on interviews with several residents, most of them stated that it is easier to understand directly visible results, such as physical development, than written reports prepared by the village.

5 Discussions

The results of this study indicate that transparency in the use of village funds in Mangasa Village is implemented through several key mechanisms. First, the village government organizes the Development Planning Meeting (Musrenbang), which serves as the initial forum for transparency and involves various community elements, including village officials, RT/RW leaders, community leaders, LPM, and community organizations. Through this forum, residents gain access to information regarding planned fund allocations and are able to provide input based on local needs. Second, the village government prepares a budget realization report that is subsequently submitted to Bappeda, the Inspectorate, and the Supreme Audit Agency (BPK) as a form of formal administrative accountability. This reporting process reflects the implementation of transparency through internal and external oversight channels.

However, the study also found that these reports are rarely distributed directly to the community. Many residents learn about program implementation not from official reports, but through direct observation of physical development activities in the neighborhood. Limited financial literacy among residents becomes a major barrier, as most community members find it difficult to understand financial reports that use numerical and technical terms. As a result, transparency is carried out procedurally but has not yet achieved meaningful public access. In other words, transparency remains top-down and does not fully reflect the community's information needs.

Additionally, accountability is implemented through the preparation of responsibility reports verified by the inspectorate and signed by the village head and community groups (Pokmas). Although this demonstrates that administrative accountability is properly carried out according to regulations, the community does not perceive this process as social accountability, as the reports remain too technical and inaccessible for them to understand.

5.1 Supporting and Inhibiting Factors

Based on the results of interviews and observations in the field with the sub-district, LPM and the community, there are several factors supporting transparency and accountability in budget management in Mangasa Sub-district, namely: Clear regulations,

The existence of clear regulations, namely Home Affairs Ministerial Regulation No. 130 of 2018, further reinforced by technical guidelines for the use of village funds from the Makassar City Government, provides a strong legal basis. This regulation mandates that the use of every village fund budget must be transparent and accountable; Commitment of village officials, Interviews with the village head and staff handling village funds indicate that the village is committed to managing village funds in accordance with applicable regulations. This is clarified by the reporting of the realization of the budget utilization that has been prepared, which has then been verified by the Inspectorate and the Supreme Audit Agency (BPK). This commitment is crucial because Good Governance highly dependent on the integrity of government officials.[14]; Involvement of Local Institutions, Local institutions in this case the Community Empowerment Institute (LPM), and the participation of neighborhood associations (RT/RW) are key supporting factors. The involvement of LPM and RT/RW serves as a bridge connecting the community with the sub-district. Their involvement serves to gather input from the community and ensure the program meets its needs; Formal Oversight Mechanism, Oversight by the Inspectorate and the Supreme Audit Agency (BPK) also supports accountability in the Mangasa sub-district. These audits provide administrative control over the management of sub-district funds.

As for the findings in the field, there are also several factors inhibiting the implementation of accountability and transparency, namely: Low public literacy regarding public finance, most residents of Mangasa Village still have a low level of understanding of financial reports. This is because Mangasa Village has very diverse characteristics. Most residents are still in the lower-middle class, resulting in very low awareness of education, especially financial literacy. This aligns with research by Widianingsih [15], which states that low literacy levels among village/sub-district residents make transparency merely a formality, not a substantive one.[15]; Limitations of Technology Utilization, The results of field observations were strengthened by interviews with village officials who stated that there was no digital system such as online media that could be accessed by the public to monitor the implementation of village fund management at any time; Public participation is still low, Observations in Mangasa Village revealed that not all residents in attendance actively participated in village deliberations, conveying their proposals; in fact, most simply passively listened to the discussion. This low level of participation hampers social accountability in village fund management, as community control over the village government is suboptimal.

5.2 Analysis in Perspective Good Governance

The principles of openness, accountability, participation, effectiveness, justice and the rule of law are highly prioritized in good governance (good governance).[3]The results of research in Mangasa Village show that accountability and transparency in the village fund management process have been implemented but still face several challenges in their substantial implementation.

Transparency is the main requirement for creating accountable and participatory governance, because transparency provides the opportunity for the public to obtain relevant, accurate and timely information.[16]Findings in Mangasa Village indicate that the village's efforts to achieve transparency are carried out through Village Deliberations, specifically the Village Development Planning Deliberation or Musrenbang. This is in accordance with the principle of openness in good governance. However, the transparency found is still formal, with budget implementation reports only submitted to formal oversight bodies, namely the Inspectorate and the Supreme Audit Agency (BPK), to be accounted for administratively for each budget use. The public still cannot access these reports openly. This is due to limited public knowledge regarding financial reports, which, in turn, limits the dissemination of financial reports to the public. Furthermore, the use of information technology as a medium for delivering budget realization reports is still very minimal, which certainly limits public access to information on the extent to which the budget is managed by the local government. In fact, in the current digital era, where information is easily accessible via the internet, information transparency should be possible. Therefore, from a government perspective, good governance Transparency in Mangasa Village has not been fully met in principle.

Accountability in good governance not only limited to administrative reports, but also requires accountability to the public[1] This study shows that in Mangasa Village, accountability is more oriented towards accountability to formal supervisory agencies, namely the Inspectorate as the internal supervisory agency of the Makassar City Government and the Supreme Audit Agency (BPK) as the external supervisory agency. Meanwhile, accountability to the community is still considered less than optimal. The community still does not have sufficient space to access information to evaluate the use of village funds. Deliberation forums organized by the village are still focused on planning, while the evaluation of budget implementation has not involved the community much. This results in the principle of good governance related responsibility and answerability still not achieved[2].

6 Conclusion

This research shows that transparency and accountability in the use of village funds in Mangasa Village have been implemented, but are still limited to fulfilling formal and administrative aspects. Transparency is realized through village meetings and the dissemination of budget information through bulletin boards, but this openness is still procedural and not yet fully accessible and understood by the general public. This

indicates that the principle of openness in good governance has not been implemented substantially.

Meanwhile, accountability in the management of village funds places more emphasis on vertical accountability, namely accountability to the city government and the inspectorate, rather than horizontal accountability to the community. Deliberative forums focus more on the planning stage, while evaluation mechanisms and public accountability for activity implementation are still minimal. This situation indicates that the principle of answerability and responsibility in good governance not yet fully realized.

Overall, village fund management practices in Mangasa Village still tend to emphasize procedural compliance over achieving the substance of good governance. The implication is that the implementation of village fund management principles is less than optimal. good governance such as openness, participation, accountability, and effectiveness. Therefore, strengthening substantive transparency and public accountability mechanisms is necessary to ensure that village fund governance is more in line with principles. good governance and able to increase public trust and participation.

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