Correlation accountability, transparency and community participation in financial management of development

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Abstract. The purpose of this research was to analyse of financial management on transparency, accountability and community participation in development. The method used quantitative research, the independent variables consisting of transparency (X1), accountability (X2) and community participation (X3), and the dependent variable is development (Y), the follow up data analysis used is multiple regression which begins with testing validity and reliability and performs tests of normality, multicollinearity, autocorrelation and heterokedacity. The results showed that the three independent variables consisting of Transparency (X1), Accountability (X2) and Community Participation (X3) towards the dependent variable namely Development (Y) had a positive effect, based on the decision making test is greater than t table with sig. equal to 0.05 then Ho is declared accepted. Thus, financial management carried out through transparency, accountability and support through community participation can influence development and make an area develop more independently.

1. Introduction

The equitable development of each region in Indonesia is currently maximized by the central government, especially villages, which is marked by the issuance of Law No. 06 of 2014 concerning Villages. In this Law financial management is regulated for development. In addition, financial management is emphasized by the issuance of Minister of Home Affairs Regulation No.113 concerning Village Financial Management article 2 paragraph (1) which states that village finance is managed based on transparent, accountable and participatory principles, and is carried out in an orderly and budgetary discipline that is expected to encourage accelerated development independently.

In order to optimize development, financial management will be the main thing to note, starting from budgeting, implementation, accountability and reporting carried out in a transparent, accountable and
community participation manner based on the principles of Good Governance. Financial management begins with will be carried out from the taking of community aspirations and development priorities both infrastructure and non-infrastructures in an area can be optimized so that the planned development both at the central and regional levels can be realized.

Transparency and participation have strong normative foundations, in general people often believe that more is better [1]. In public administration, transparency is often linked to more trustworthy, accountable and open government [2,3]. Similarly, government decisions are expected to reflect the interests and needs of stakeholders, and participation is an important component of that process [4].

From the phenomena that have been described, to see the acceleration of development which is the dependent variable (Y) can be influenced by three aspects of development management which are independent variables (X) consisting of Transparency (X1), Accountability (X2) and Community participation (X3). Then the formulation of the research problem is whether Transparency, Accountability and community participation in financial management have a positive effect on development, with the aim of seeing how much the impact of financial management is transparency, accountability and community participation in development.

2. Research methods

2.1. Type of data source
This type of research is quantitative with multiple regression models. The data sources used are primary data in the form of questionnaires to respondents as many as 45 questionnaires and 30 questionnaires that can be processed, as well as secondary data in the form of related documents in the village such as village financial reports for 2017 and 2018.

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2.2. Research sites
This research was conducted in a village located in Dedai sub-district, Sintang District, West Kalimantan, Indonesia. Where the village in the sub-district based on the calculation of the Village Build Index (IDM) issued by the Ministry of Village states that development has the highest index with an average of 0.6360 and is above the national average in 2017.

2.3. Data collection technique
Data collection techniques carried out were observation, interviews and questionnaires to respondents who were directly or indirectly involved in financial management, such as village chiefs, village secretaries, treasurers and communities.

2.4. Data analysis technique
Processing and data analysis techniques carried out are data quality test consisting of validity and reliability tests. Regarding the validity of the data so there is no deviation, a classic assumption test is carried out consisting of normality, multicollinearity and heterokedacity tests.

3. Results and discussion
Based on the test results the quality of data from the distribution of questionnaires that can be processed as many as 30 questionnaires found the results of the validity test with a correlation coefficient equal to the critical correlation coefficient (r table = 0.361) or more, then the instrument item is declared valid, so that the research questionnaire can be continued and the reliability test results found that Cronbach Alpha 0.908> 0.60, it can be concluded that all research instruments were declared reliable.
The next analysis is the classic assumption test, which consists of a normality test with the result of Significance of 0.534 > 0.05 so it can be concluded that the data is normally distributed. Second, do the multicollinearity test, the VIF value for all variables has a value smaller than 10 and the tolerance value is greater than 0.10, it can be concluded that there are no symptoms of multicollinearity between independent variables. Whereas for the Heteroscedacity Test does not occur so the regression model is feasible to use.

Hypothesis testing is done to analyze multiple linear regression, with the Determination Coefficient test (R²) in the following table 1:

| Model Summary | Durbin-Watson |
|---------------|---------------|
| R Square      | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1             | .816           | .787     | .816 | 38.405 | 3 | 26 | .000 | 1.706 |

a. Predictors: (Constant), Community Participation, Accountability, Transparency
b. Dependent Variable: Development

Based on table 1, the value of R² is 0.816 or (81.6%). This shows that the percentage of the effect of transparency, accountability and community participation in financial management of development is 81.6%, and the remaining 18.4% is influenced by other variables not tested in this model. While the t test to see the regression equation can be seen in table 2 below:

| Coefficients | Collinearity Statistics |
|--------------|-------------------------|
| B            | Std. Error | Beta | t | Sig. |
| (Constant)   | -.830    | 2.087 | -.398 | .694 |
| Transparency | .349    | .165 | .283 | 2.112 | .044 | .394 | 2.537 |
| Accountability | .721    | .177 | .441 | 4.071 | .000 | .604 | 1.656 |
| Community Participation | .284    | .127 | .311 | 2.235 | .034 | .365 | 2.740 |

a. Dependent Variable: Development

From table 2, the regression equation is formed as follows:

\[ Y = 2.087 + 0.283X_1 + 0.441X_2 + 0.311X_3 + e \]

From this equation it can be interpreted that:

- The constant is 2.087 which means that the Development dependent variable will be 2.087 which is assumed that the variable Transparency, Accountability and Community Participation is zero.
- The Transparency Variable Coefficient shows a positive value of 0.283 which means that transparency increases by one unit followed by an increase in development of 0.283 units assuming other independent variables are of fixed value.
- The Accountability Variable Coefficient shows a positive value of 0.441 which means that Accountability increases by one unit followed by an increase in development of 0.441 units assuming other independent variables are fixed value.
- The Variable Coefficient of Community Participation shows a positive value of 0.311 which means that Community Participation increases by one unit followed by an increase in development of 0.311 units assuming other independent variables are of fixed value.
Based on the results of the first hypothesis test (H1): transparency in financial management has an effect on development, the test results are accepted as evidenced by $t$ count is 2.112 > $t$ table 2.056 so $H_0$ is rejected, meaning transparency in financial management has a positive effect on development. Second hypothesis (H2): accountability in financial management has an effect on development, it is proven that $t$ count is 4.071 > $t$ table 2.056 so $H_0$ is rejected, it means that accountability in managing village finance has a positive effect on development. Whereas the Third Hypothesis (H3): community participation in financial management affects development.

The results showed that the three independent variables consisting of Transparency ($X_1$), Accountability ($X_2$) and Community Participation ($X_3$) towards the dependent variable namely Development ($Y$) had a positive effect with the regression equation $Y = 2,087 + 0,283X_1 + 0,441X_2 + 0,311X_3 + e$, and sig value $X_1= 0,044$, $X_2= 0,000$ and $X_3= 0,034$. Thus, financial management carried out through transparency, accountability and support through community participation can influence development and make an area develop more independently.

The first hypothesis proposed in the study based on the results of the analysis shows that transparency has a positive effect on Village Development. The principle of good governance states need for transparency in management so more transparency in financial management will further enhance development. The second hypothesis proposed in this study proves that accountability in financial management has a positive effect on development so that better accountability in village financial management will also increase development, which means that accountability plays an important role in the implementation of financial management. The third hypothesis is that community participation in financial management affects development. Community participation plays an important role in the development of a region because the aspirations of the community will increasingly support the planning and implementation of development.

4. Conclusion

Based on the results of the analysis presented, the researchers concluded that:

- Transparency has a positive effect on Development. Positive influence shows that Transparency has a significant/important role in increasing development.
- Accountability has a positive effect on Development. Positive influence shows that Accountability has a significant/important role in increasing development.
- Community Participation has a positive effect on Development. Positive influence shows that Community Participation has a significant/important role in increasing development.

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