



## The Role of Participation in Budget Preparation Realizes Village Fund Accountability Towards Good Governance

Chaeranti Muldayani Dewi<sup>1\*</sup>, Santy Rahmawati<sup>2</sup>

<sup>12</sup>Faculty of Economics and Business, Universitas Abdul Aziz Lamdjido, Palu, Indonesia

Correspondence E-mail: [rantidigantara@gmail.com](mailto:rantidigantara@gmail.com)

### ABSTRACT

This study discusses the role of leadership participation in increasing the accountability of Village Funds, so that villages can move towards good governance in order to manage village finances that are accountable, and more transparent. Especially in TPada Village, Sirenja District. Qualitative Descriptive, where this study collects oral data from observed people and actors. This qualitative approach is carried out to explain and analyze individual or group phenomena, events, social dynamics, attitudes, beliefs, and perceptions in detail that occur in the research site. This found that in several villages in Sirenja sub-district there has not been maximum involvement/participation of leaders in the budget preparation process, which causes the financial statements of village funds to be not accountable and transparent. Theory and Practical Implications Agency Theory The agency theory views that the village government, namely the village head and other village officials, are agents for the village community (principals) who will act consciously for the interests of their own village. This Study Is That The Method Uses A Qualitative Approach, Which Is Different From The Previous Research Using A Quantitative Method That Uses Statistical Data. the difference from the previous research is not only in terms of methods, but data collection was carried out in 13 villages, by conducting a direct interview approach with informants and communities involved in the village fund planning process.

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## 1. INTRODUCTION

This research discusses the role of leadership participation in realizing the accountability of village funds in Sirenja District. where this study looks at the involvement of a leader/participation of leaders, village officials and village stakeholders together in the preparation of village funds, in order to realize an accountability report, so that what is expected by the central government program, where the village can go to good governance in managing the management of village financial statements with accountability and transparency. Villages have a greater opportunity to manage their own governance, with the hope that equitable distribution of development implementation can improve the welfare and quality of life of the village community. Problems such as disparities between regions, poverty, and other socio-cultural problems are expected to be minimized through policies that are more adaptive and focused on local needs. Local governments, as part of the central government, have an important role in horizontal coordination to solve problems at the regional level (Hulu & Rahim, 2022). This is in line with the research conducted (Dewi, 2021) on the effect of budget preparation participation on the performance of SKPD regional apparatus, which was carried out in the city of Palu, the results of the study explained that participation during the budgeting process is very important, in order to obtain accountable report results and reduce the risk of recording errors. This is also stated in the Constitutional Court Regulation Number 201/PMK.07/2022 regulating the management of village funds, including budgeting, allocation, distribution, administration, accountability, and reporting. PMK Number 145 of 2023 regulates the management of village funds, including the budgeting, allocation, distribution, administration, accountability, and reporting processes. From this Constitutional Court rule, it is clear that villages must manage village finances well. For good village fund management, participation from all parties is needed, especially the involvement of village leaders/heads in the budget preparation process to their accountability.

Every stage in village financial management must be accountable to the village community in accordance with applicable regulations. Village financial management includes a whole series of activities, ranging from planning, budgeting, administration, reporting, accountability, to village financial supervision (Hariani et al., 2022). In the planning and budgeting process, participation in budgeting plays an important role, which involves cooperation between the village government and the community. The concept of participation in budget preparation includes involvement between leaders and subordinates, which aims to create accountable and transparent reports, in order to realize the principles of good governance. Good governance itself is good governance, which is based on professional ethics in running a government or organization, with the aim of ensuring fairness, transparency, and accountability in every process. From the description of the explanation above, it is clear that there is a gap from several studies that have been carried out with this research, namely the participation of leaders in the process of preparing the Village Budget, this research finds that in the process of preparing the village fund budget it is important to do so, for that in this study the researcher wants to see the participation of leaders in Sirenja

District, where the participation of leaders, subordinates, and the community is still not optimal. In fact, active participation is an important factor in creating accountable and transparent financial statements as part of good governance. Not only that, the 2nd gep found by the researcher is Accountability in Village Fund Management. Although the principles of good governance emphasize accountability and transparency in village governance, this has not been seen in the planning of village fund budgets in 13 villages in Sirenja District, which has not yet fully implemented the principles of good governance. From the description of the GEP, problems that are of interest to researchers to study more deeply arise, namely: 1. What is the role of leadership participation, in the process of preparing the village fund budget, in order to realize the accountability of village funds in 13 villages in Sirenja sub-district, 2. What is the role of leadership participation in realizing the accountability of village funds in 13 villages in Sirenja sub-district towards good governance?. The purpose of this study is to see the extent to which leaders actively participate in the village budget preparation process, in order to make accountable reports, so that they can bring their villages towards good governance.

Agency theory is a contract between managers (agents) and owners (principals, The agency theory views that the village government, namely the village head and other village officials, as agents for the village community (principals) who will act with full awareness for the interests of their own village. The contractual relationship in question is the delegation of authority to agents to carry out all their work responsibly to the local government (district and province) and the central government which has stipulated provisions in the form of the Regulation of the Minister of Home Affairs (Permendagri) number 113, 2014 th concerning Village Financial Management (Shapiro, 2005).

- 1) Budget Participation, A budget is a work plan that is systematically prepared and expressed in monetary units. Usually, budget preparation is based on past experience and future estimates, so this can be a work guideline for each part of the company to carry out its activities. Participation in the budgeting process is a joint decision-making process by two or more parties where the decision will have a future impact on those who make it (Irmayati & Pramono, 2025);
- 2) Village Fund, Village financial management includes planning, implementation, administration, reporting, and accountability activities (Artika, 2025). Each activity in the stage of village financial management is described below;
- 3) Planning Stage includes the following activities: The Village Secretary (Sekdes) prepares the Raperdes (Draft Village Regulations) regarding;
- 4) the APBDes (Village Revenue and Expenditure Budget) which will be discussed and agreed between the Head of the Village (Village Head) and the BPD (Village Consultative Body);
- 5) The APBDes is submitted to the Regent/Mayor through the Sub-district Head no later than October of the current year;
- 6) The APBDes is evaluated by the Regent/Mayor for a maximum of 20 working days, and the Village Head must make improvements for 7 days, if the APBDes are declared not in accordance with the Raperdes;

- 7) The priority of using village funds is determined in village deliberations between BPD, Village Government (Village Government), and community elements;
- 8) Implementation Stage includes activities;
- 9) Expenditure and receipt of funds are carried out through the Village Treasury account or in accordance with the provisions of the district/city government with complete and valid evidence;
- 10) The Village Government is prohibited from levying other than what has been stipulated in the Village Regulation;
- 11) The Village Treasurer can keep money in the Village Treasury whose amount is determined by Perbup/Perwali (Regent Regulation/Mayor Regulation);
- 12) Procurement of goods and/or services in the village is regulated by Perbup/Perwali;
- 13) The use of unexpected expenses must be made a detailed RAB (Budget Plan) and approved by the Head of Village;
- 14) The Administration Stage includes the following activities;
- 15) This stage must be carried out by the Village Treasurer;
- 16) Recording of every cash receipt and expenditure;
- 17) Close the book at the end of every month;
- 18) Accountable for fund management through reports;
- 19) The fund management report is submitted every month to the Head of Village no later than the 10th of the following month.f. Using General Cash Book, Tax Assistant Cash Book, and Bank Book.

Governance is a new paradigm in the management order of the government. The paradigm shift in governance emphasizes collaboration in equality and balance of the three pillars of governance, namely transparency, accountability, and participatory by developing a new paradigm of public administration as good governance (Astuti et al., 2021). In order to support the realization of good governance in the implementation of village government, village financial management is carried out based on the principles of transparent, accountable, and participatory governance, and is carried out in an orderly and disciplined budget. The characteristics of good governance consist of participation, rule of law, transparency, quick response, consensus building, equality, effective and efficient, responsible, and having a strategic vision (Nurjanna et al., 2025; Indrawati, 2019).

## 2. METHODS

The type of research used in this study is descriptive-qualitative. Qualitative research is research that intends to understand the phenomena of what the research subject experiences, such as behavior, perception, motivation, action, etc., holistically and describe it in the form of words and language in a special natural context by utilizing various natural methods (Moleong & Surjaman, 2014). This research was conducted in 13 villages in Sirenja District. The data collection technique carried out was first the researcher conducted field observations to 13 villages where interviews would be conducted, then the researcher

conducted direct interviews with parties who were considered interested in the management of village funds as informants. Direct interviews were conducted in a semi-structured method by having a direct dialogue with the informant based on the protocol questions that had been prepared. The informants consist of those who are chosen, because they are believed to have sufficient knowledge about the management of village funds. This study determined the empa of informants, namely the Village Head, Village Secretary, Village Treasurer, and Village Community. This research is a qualitative RANA research with a phenomenon method about what the informant experiences and encrypts with words.

### 3. RESULTS AND DISCUSSION

#### *Analysis of Potential and Problem*

Sirenja District is located in Donggala Regency, in the Central Sulawesi Province. Sirenja District has 13 villages, namely Ombo Village, Tondo Village, Jonooge Village, Dampal Village, Sipi Village, Tanjung Padang Village, Balintuma Village, Sibado Village, Tompe Village, Lompio Village, Lende Village, Lende Tovea Village, and Ujombou Village. The journey to Sirenja District covers the distance from Palu City to Sirenja District, which takes approximately 3 to 4 hours by road using a four-wheeled vehicle, while traveling from Sirenja District to the 13 villages that are the subjects of research is done using two-wheeled transportation (motorcycle). In this qualitative research, four informants were interviewed to obtain primary data analyzed. Representatives of several informants in the 13 villages include the Village Head, Village Secretary, Village Treasurer, and the village community (taken randomly). The random collection of informants is directly involved in the preparation of programs in the management of village funds and their implementation reports. The general identification of the informants of this study is presented in Table 1.

Table 1. Informant Identification

No.	NAMA (INISIAL)	GENDER	JABATAN	USIA	PENDIDIKAN	MASA KERJA	NAMA DESA
1)	NN	L	Kades	64	S1	5thn	Desa ombo
2)	ST	L	sekdes	45	SMA	3thn	Desa Tondo
3)	IR	L	bendahara	47	S1	4thn	Desa Jonooge
4)	-	-	-	-	-	-	Desa Dampal
5)	IL	L	kades	50	S1	4thn	Desa Sipi
6)	AH	L	kades	59	S1	6thn	Desa Tanjung Padang
7)	An	L	kades	52	S1	5thn	Desa Balintuma
8)	MR	L	sekdes	28	S1	3thn	Desa Sibado
9)	-	-	-	-	-	-	Desa Tompe
10)	AM	L	kades	52	S1	3thn	Desa Lompio
11)	RN	L	bendahara	46	S1	4thn	Desa Lende
12)	-	-	-	-	-	-	Desa Lende Tovea
13)	AR	L	bendahara	52	S1	3thn	Desa Ujombou

### *The Role of Leadership Participation in the Budgeting Process*

Leadership participation in the budgeting process is a process of involvement between leaders and subordinates, to prepare financial statements, starting from the planning process to financial report accountability. The leadership is actively involved in every process. Good management of village funds will be seen from the results of the budget whether the budget can be realized properly, or not. Made Pidarta in (Yaniangga, 2024) defines that participation is the involvement of one or several people in an activity Involvement can be in the form of mental and emotional and physical involvement in using all the abilities they have (taking the initiative) in all activities carried out and supporting the achievement of goals and responsibilities for all involvement.

To find out the participation of the leadership in the budget preparation process, the researcher conducted interviews with several informants representing 10 villages, namely by asking the question *"According to you, have you as a leader/village head been involved or participated in the preparation of the village fund budget? Yes, I have participated in preparing the village fund budget, from the planning process to reporting. Not only participating, but I also participated directly in the planning process to the implementation of activities funded by village funds."*

In the question that asked about involvement/participation in the preparation of the village fund, not all respondents were active, there were respondents who answered that the village head was only involved in the accountability process, but the preparation process was not directly involved. This happened in 2 villages. Sibado Village and Tanjung Padang Village gave different answers. They stated that they only play a role in the monitoring stage, while the preparation of the budget is mostly done by the village planning department.

*"As the village head, I have participated by monitoring. However, in the planning stage, it is the task of the planning section that carries out village development planning deliberations (musrenbang) by involving the community or appointed representatives. Nevertheless, I continue to monitor the results".*

### *The Role of Leadership Participation in Planing*

Village Funds are state budget funds intended for villages that are transferred through the district/city budget and are prioritized for the implementation of development and empowerment of village communities (Indrawati, 2019)(Nurjanna et al., 2025). Therefore, the planning program and its activities are prepared through the Village Development Planning Deliberation forum (Musrenbangdes). Musrenbangdes is a deliberative forum that discusses proposals for village development activity plans that are guided by the principles of Village Community Participation Development Planning (P3MD). The principle of participation is the involvement of citizens in decision-making either directly or through institutions that represent their interests (Wijaksono et al., 2025). The implementation of the principle of participation has also been proven by the results of the following interviews

*"As the Village Head, have you actively participated in the process of planning the village fund budget in the BPK Village".*

*"As the village head, I have participated by monitoring. However, in the planning stage, it is the task of the planning section that carries out village development planning deliberations (musrenbang) by involving the community or appointed representatives. Nevertheless, I continue to monitor the results".*

In this village planning process, the process of leadership participation must be paid to the process, because the active participation of this leader must really accommodate the wishes of the village community in this Sirenja sub-district. Therefore, the plan to use village funds is also the main ingredient in the preparation of the Regional Budget, which is deliberated at the village level and agreed upon by the village government.

### *The Role of Leadership Participation in the Implementation of the Village Fund*

Based on the regional regulations of Sirenja sub-district, it refers to the Minister of Finance Regulation (PMK) Number 145 of 2023 and PMK 146 of 2023 which regulates the management and allocation of Village Funds for the 2024 fiscal year. Uphold participation in the implementation process. This can be seen from the answer from the informant, namely.

*"We have participated and are directly involved in the budget implementation process, including in the process of planning and preparing the PAGU for the village fund budget. In this preparation, the community is involved through village deliberations (musrenbang), because in the early stages of the PAGU the village budget is not yet available. For this reason, we formed Team 9 or Team 11, which consists of village heads, community representatives, women's representatives, and representatives of traditional heads. This team is tasked with preparing the Village Government Work Plan (RKPDES). In addition, we also ensure transparency by installing a village budget information board that includes the village budget ceiling as a form of public accountability, and in the implementation process we have been very transparent and accountable, this is because we want our village to be able to go to good governance, as directed by the Donggala Regency Government".*

The implementation of village funds in Sirenja sub-district has been very good, but of the 13 villages in Sirenja sub-district, there are only 5 villages whose village fund management has been accountable and transparent. This can be seen in these 5 villages that have been installed billboards for the village fund budget that are displayed, which show how much is budgeted and how much is realized, here is a picture of the billboard.



Figure 1. Realization of Village Fund Budget in Sirenja District

From the picture above, it is explained that the management of village funds in the Sirenja sub-district has illustrated accountability and transparency, which is a form of the implementation of good governance. However, this is only seen in a few villages, and not comprehensively, in this study it is important to explore information on the importance of the management of these funds in 13 villages in Sirenja District, so that these 13 villages can jointly realize good governance, where each village is required for accountability and transparency

Every year the government budgets village funds of 2 billion in each village, but the funds are different which are distributed to the 13 villages in the Sirenja sub-district, according to the village budget for the needs of the village, along with village funds from 13 villages in the Sirenja sub-district.

Table 1. Deetails of the Allocation of Village Funds in Sirenja Sub-district

No.	Nama Desa	ADD (Rp)	Dana Desa (Rp)	Ket
1)	Desa ombo	953.911.000	1.443.872.267	
2)	Desa Tondo	-	-	
3)	Desa Jonoooge	765.712.000	487.253.000	
4)	Desa Dampal	-	-	-
5)	Desa Sipi	-	-	
6)	Desa Tanjung Padang	806.516.000	494.359.000	
7)	Desa Balintuma	754.287.000	490.135.000	
8)	Desa Sibado	-	-	
9)	Desa Tompe	-	-	-
10)	Desa Lompio	834.621.000	495.667.000	
11)	Desa Lende	-	-	
12)	Desa Lende Tovea	-	-	-
13)	Desa Ujombou	916.690.000	513.549.000	

Source: Processing data (2024)

From the table above, it illustrates that there are several villages in Sirenja sub-district that have not displayed billboards, which show the transparency of their village funds. This is in accordance with the question posed by the researcher to several informants to the treasurer and planning section, "What is the role of leadership in the village fund budget planning process?"

*"From interviews conducted in eight villages, the planning department stated that the village heads in their villages have actively participated in the budget planning process. One of the statements given was".*

*"Yes, our village head participated directly in the field, sat in musrenbang meetings with the community, and prepared a village activity plan that would use village funds. The village head also often asks about what activities will be carried out with this village fund. After he final planning, we will prepare a budget planning report".*

Every year, 8 villages out of 13 villages that researchers seek information from informants that these 8 villages have participated in the preparation of the budget, but there are some villages that have not been transparent in displaying reports on the allocation of village funds and village funds. Good management of village funds where there is active participation in



the management of village funds and village funds can be accountable and transparent in the results of financial statements.

#### *The Role of Leadership Participation in Realizing Village Fund Accountability*

Accountability is a fund management system designed as an effort to realize good governance. Village funds must be implemented openly through village deliberations and the results are outlined in the form of Village Regulations (Perdes). This provision shows the commitment of stakeholders/decision-makers that the management of village funds must meet the principles of good governance that must be implemented by village fund managers as well as the community. In this increase in accountability, the role of leadership participation is very important. As explored by the researcher in conducting interviews with informants, and the following information was obtained: "Have you as a leader/village head been involved or participated in the preparation of the village fund budget?."

*"Yes, I have participated in preparing the village fund budget, from the planning process to reporting. Not only participated, but I also participated directly in the planning process to the implementation of activities funded by village funds"*

From the opinion of the informant above, it is explained that in fostering a sense of participation in the spirit of leadership, especially in the process of preparing the village fund budget, it must be carried out jointly by the stakeholders involved from the leadership to the subordinates. However, of the 8 villages in Sirenja sub-district, the participation of this leader has not been well realized. This can be seen from the explanation of several informants who are in 2 other villages, let's call them villages A & B. with the same questions conveyed to the informant. The informant provides an informational review.

As the village head, I have participated by monitoring. However, in the planning stage, it is the task of the planning section that carries out village development planning deliberations (musrenbang) by involving the community or appointed representatives. Nevertheless, I continue to monitor the results. From the explanation of this informant, the researcher drew information that, in the process of managing the village fund budget, not all village heads actively participate in the process of preparing or managing this village fund. This is in line with research conducted by (Dewi & Irianto, 2016). That if during the budget preparation process it is necessary to have the active role of the involvement of all stakeholders, the involvement of this stockholder will reduce the risk of budget gaps. So that the budget prepared is well structured and can be realized properly.

#### **4. CONCLUSION**

The results of the research examined from the role of leadership participation in budget preparation realize accountability of village funds in sirenja district towards good governance. empirically found that:

- 1) The role of leadership participation in the budget preparation process is important, active leadership participation starts from the planning process to the implementation of the village fund budget. Of the 8 villages that were observed, it was seen that only 6 villages had very high leadership participation in the process of managing their village funds, so it was seen that the village

had led to good governance. Meanwhile, the other 2 villages still do not lead to good governance, because the involvement of leaders is still very lacking in active participation;

- 2) Participation in the process of preparing the village fund budget is certainly very important, the village fund report can be accountability and transparency because of the high participation of all stakeholders in it. Starting from the leadership to the village community. Only then will the creation of good quality of village fund financial statements, which are accountable, and transparent in accordance with good governance guidelines;

This research provides a practical contribution to village leaders in Sirenja sub-district, that in managing village funds, active participation from various stakeholders is needed, starting from leaders to subordinates, so that village fund reports can be compiled in an accountable and transparent manner, so that they can create a village based on good governance.

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