

INCREASING AN ACCOUNTABILITY OF VILLAGE FINANCIAL MANAGAMENT WITH APPARATUS COMPETENCE AND GOVERNMENT'S INTERNAL CONTROL SYSTEM

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ABSTRACT

The purpose this studies to test the effect of apparatus competence, and government's internal control system on the accountability of village financial management in Rote Ndao Regency. The population of this study was all village officials in Rote Ndao Regency. Purposive sampling technique was used to select the samples. The samples of this study were 54 village officials there are village heads or village treasurers in Rote Ndao Regency. The data analysis technique used the PLS (Partial Least Square) with SmartPLS 3.0 software. The results showed that the competence of the apparatus and government's internal control system has a positive effect on the accountability of village financial management. The results of the study contributed to the policy of the Rote Ndao government as a material consideration in revising the regulation of Minister of Home Affairs number 65 year 2017 Article 21 concerning the election of prospective village heads with an education level of junior high school or equivalent.

Keyword : Accountability, Competence, Internal Control System

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ABSTRAK

Tujuan penelitian ini adalah menguji pengaruh kompetensi aparatur, dan sistem pengendalian internal pemerintah terhadap akuntabilitas pengelolaan dana desa di Kabupaten Rote Ndao. populasi penelitian adalah seluruh perangkat desa di Kabupaten Rote Ndao Regency. Teknik pengambilan sampel menggunakan purposive. Sampel penelitian ini sebanyak 54 perangkat desa terdiri dari kepala desa, dan bendahara desa di Kabupaten Rote Ndao. Analisis data menggunakan PLS (Partial Least Square) dengan SmartPLS 3.0 Software. Hasil penelitian menunjukkan bahwa kompetensi aparatur dan sistem pengendalian internal pemerintah berpengaruh positif terhadap akuntabilitas pengelolaan dana desa. Hasil penelitian ini berkontribusi pada pembuatan kebijakan oleh pemerintah Rote Ndao sebagai dasar pertimbangan dalam merevisi regulasi kementerian dalam negeri nomor 65 tahun 2017 pasal 27 tentang pemilihan kepala desa yang berpendidikan sekolah menengah pertama atau sederajat.

Kata Kunci : Akuntabilitas, Kompetensi, Sistem Pengendalian Internal

Introduction

Data from the 4th Biennial Global Economic Crime Survey in 2006 and 2007 found that 43% of companies worldwide have a downturn due to fraud in financial management. Some large countries as Argentina, Puertorico, Jamaica also was bankrupt and it was in debt due to fraud in the management of the state financials related to highest corruption (Gill and Gupta, 2009). In Indonesia has been many cases that show fraud in financial management that is disserve to the state, especially the society. There was a lack of village financial management leads to indication of fraud, as in the Indonesia Corruption Watch (ICW) report, there are cases of corruption in the village budget that increase every year (22 cases in 2015, 48 case in 2016, 96 cases in 2017, and 98 cases in 2018. It's mean during 2015-2018 had 262 case of missappropriate of financial were recorded.

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Finance is one of the main basic of an organization to achieve its goals. Therefore, an organization requires good financial management to minimize losses in the future. In Indonesia there are many cases of fraudulent management of state finances. This potential for fraud is increasingly open with the regulated by Law Number 6 of 2014. This law regulated the central government gives authority to the village government to manage village finances. Village finances are all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations (Permendagri Number. 20 of 2018). Head of the village government is the village head who is assisted by village officials in managing village finances which must be held accountable. Accountability is the basis of financial reporting in government which is based on the community's right to know and receive an explanation for the collection and use of village finances.

Accountability is important to guarantee values such as efficiency, effectiveness, reliability, and predictability. Accountability is concrete concept and must be determined by law through a very specific set of precudres regarding the problem that must be accounted for. Accountability of village's financial management must be government applies as a form of responsibility to public. It can be raise of public confidence on the activities made by the government. Permendagri Number 20 of 2018 year stated that accountability is basis that determines that every activity and the final result of the activities of implementing Village Government must be accountable to the Village community in accordance with the provisions of the legislation. The accountability mean is the financial problem contained in the Village Revenue, and Expenditue Budget (APBDs) with Village Original Income (PADes), Village Financial Allocation (ADD), and Village Financial (DD) which are guided by applicable policies. According to Asmawati et al., (2019) Accountability of financial management of regional is the process of financial management began from planning, implementation, management, accountability, and supervision must actually be reported and accountable to the public and legislatif institution regarding its failure and success as an evaluation material for the next year. Regional financial management is part of accountability financial (Zeyn, 2011).

Hutapea and Aysa (2017) argues that the responsibility, transparency and accountability of village financial management are defined as part of a village financial management system in providing transparent and accountable information and being responsible for every government activity in order to achieve the stated goals. Thus, to achieve accountability for village financial management that is transparent and accountable, an apparatus that really understands financial management and a system that can monitor the financial management process is needed, so as to produce reliable, transparent and error-free financial reports that can lead to budget fraud. Apparatus competence is needed to ensure the implementation and achievement of a program. Regarding nominal management of large village financials, apparatus competence and strict supervision are needed (Atmadja and Saputra, 2017).

The village's apparatus competence in the accountability of village financial management is the main key to perform government activities.

Relevance with window theory (Donald, 2007). Those theories explain that human resources are the foundation in the achievements of the performance of an organization. A person with high competence will produce high performance too. Knowledge, skills, experience and attitudes are important elements of competence, so that if the competence of the village apparatus is high, then they will have the capability to work, including the ability to manage village finances transparently and accountably. The village's apparatus competence are expected to be able to understand the regulations regarding villages, and be able to manage village finances according to the guidelines and principles, and be able to avoid misuse of state finances, so that accountability of village financial management can be achieved to be transparent and accountable. Good competence can improve their work behavior which can be accounted for. Several other research results show that apparatus competence affects the accountability of village financial management (Yendrawati, 2013; Mada et al., 2017; Atmadja and Saputra, 2017; Budiana et al., 2019; Njonjie et al., 2019). Contrast to study of Widyatama et al., (2017) and Setiawan and Yuliani (2017) that apparatus competence has no effect on the accountability of village financial management. So, these studies indicate an inconsistency between competence and accountability in village financial management so that further research is needed.

It is important to maintain accountability for village financial management so that there are no misappropriation financials. An adequate control system is needed to minimize the misappropriation risk, so that the financial reports produced by the village government are credible. Internal control is defined as a process within the organization (entity) that is influenced by the board, management, and other personnel, designed to provide adequate assurance for the achievement of organizational goals (COSO, 2013). According to Government Regulation Number 60 of 2008, the internal control system is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, security of assets. State, and compliance with laws and regulations. Thus, the village government needs to apply every element of the internal control system so that it can manage village finances in a transparent and accountable manner to people who have the right to get accountability from village's apparatus.

The relationship between the internal control system and the accountability of village financial management can be explained by the Stewardship theory. The village government as the steward will mobilize all the capabilities and expertise of its human resources and implement internal control in an integral and active manner in every government activity to be able to produce accountability for village financial management that is transparent and accountable, so that the community or local government or central government (principal) believe that village government (steward) works with the interests of the organization first. An adequate internal control system can ensure that village's apparatus perform their duties in accordance with the systems and procedures so as to avoid the possibility of fraud. This shows that the village apparatus is more effective and efficient in implementing village programs,

ensures the correctness of accounting data for every village financial management process, ensures asset security, and ensures that village financial management and accountability comply with applicable laws and regulations. The studies by Widyatama et al., (2017), Budiana et al., (2019), Sari et al., (2019) showed that the village government internal control system has affected on the accountability of financial management. But, contrast with Yendrawati (2013), Widyatama et al., (2017), Mutmainah and scouts (2017), Wonar et al., (2018) showed that the village government internal control system no affects the accountability of financial management. The results of those studies still show inconsistent, so they need to be examined more deeply.

The results of the examination of village financial management Rote Ndao is one of regency of the four objects of inspection at four regional governments by the Financial Supervisory Agency (BPK). BPK's findings were poured into the LHP of the Regional government, BUMD and BLUD semester II of 2017 on the inspection of village financial management found that the Rote Ndao Regency Government has weaknesses in the Internal Control System. The village government has not fully implemented an adequate internal control system, so that the management of village financials and the development and supervision of local government activities are not fully in accordance with the provisions of the applicable laws and regulations. The main problems with internal control in accountability of village financial management in Rote Ndao Regency are that the operational system has not been developed or is incomplete, inadequate activity planning, irregularities with regulations regarding income and expenditure. The weakness in the internal control system, it opens up opportunities for misuse of village financial management which results in state losses.

Based on the BPK's findings and the inconsistency of the studies results, this study are motivated to conduct a study again the effect of apparatus competence and the government internal control system on the accountability of village financial management in Rote Ndao Regency. The contribution of this study there are : 1) as a material for consideration by the central government to revise Permendagri Number 65 of 2017 article 21 point d concerning the requirements for the lowest-educated village head candidate to complete first school or equivalent so that the government uses competency standards for village officials who have experience in finance, so that officials are able to be accountable for management of village finances, 2) as a material for consideration so that the local government through the community and village empowerment agency (BPMD) of Rote ndao Regency routinely provides training or BIMTEK on village financial management and the implementation of an effective government's internal control system.

Literature Review **Windows Theory**

Competence based on the theory mentioned by Donald (200) states that access to self-development is basically the introduction of human resource competencies. Every self-development in humans can be seen from the side that forms the window, it's term is knowledge, skills, expertise and attitude. This theory explains that every individual has knowledge, supported by skills, is a reliable human

resource. Human resources who have skills are supported by expertise in the field of work they are engaged in as capable human resources. Human resources who have expertise are required to be able to behave professionally, it will become human resources who have reliable and independent competence. Every self-development in humans can be seen from the side that forms the window, namely knowledge, skills, expertise and attitude. This theory explains that every individual has knowledge, supported by skills, is a reliable human resource. Human resources who have skills are supported by expertise in the field of work they are engaged in as capable human resources. Human resources with expertise are required to be professional and competent reliably.

In the scope of government, competence is defined as the work ability of Civil Servants (PNS) which includes aspects of knowledge, skills and work attitudes that are absolutely needed in perform their duties (Regulation of the Head of the State Civil Service Agency number 8 of 2013). Competence can be defined as a person's ability to apply or use innate knowledge, skills, talents or abilities, behavior and personal character to succeed in carrying out a particular task, job, function in his position. If the apparatus had a good competence, so its can affect to every process accountability of financial management such as planning and budgeting to reporting and transparency. Those can avoid misappropriation of state finances. The competency possessed by village financial managers is the main requirement so that village accountability can be achieved maximally (Widyatama et al., 2017, and Budiana et al., 2019).

Stewardship theory

Stewardship theory describes a situation where management is not motivated by individual goals, but by organizational goals (Donaldson dan Davis, 1991). This theory illustrates the relationship between the government and its goal, namely the welfare of society. Achieving the goals of public sector organizations, in this case the village government as a public trust institution to work as well as possible for the public interest, be able to accommodate the aspirations of the community, be able to carry out basic tasks and functions appropriately, be able to manage village resources economically, efficiently and effectively and can make financial accountability in accordance with the prevailing laws and regulations.

The village government (steward) is expected to release all the capabilities and expertise of its human resources and implement internal control in an integral and active manner in every government activity to produce transparent and accountable village financial management accountability. If financial management accountability is achieved in accordance with the prevailing laws and regulations, the perception or judgment by the community or local government or central government (principal) on the village government will be very satisfying. Service to the public (principal) is the main objective of the village government (steward) in improving its performance (Asmawati and Basuki, 2019).

Apparatus Competence

Mouallem and Analoui (2014) define competence as the ability of individual to succeed, identify and achieve their goals, and change when necessary for the goals

of sustainability, development and progress. According to Donald (2007) human resource competence is the foundation in an organization in achieving performance. Based on the government, the competence of the state apparatus is defined as the work ability of ASN which includes aspects of knowledge, skills and work attitudes that are absolutely necessary in perform their duties (Regulation of the Head of the State Civil Service Agency number 8 of 2013). Apparatus competence can be optimal if they were a competence that is reliable in their field. So, the accountability of village financial management is not only concerned with the availability of supporting regulation and facilities, but the most important thing is the existence of apparatus who have competency and reliable commitment.

Competence is a criterion for the apparatus to produce high performance. They are required to prepare and implementation of design a adequate of standard operational procedure for the management and supervision of village financial, and prepare Village Medium Term Development Plan (RPJMDes) and determine Village Revenue, and Expenditure Budget (APBDes) in accordance with priority programs, manage village finances in accordance with applicable laws and regulations and avoid deviations from village financial management regulations may result in losses to state finances. Apparatus competence is needed to ensure the implementation and achievement of a program from village government, so that the great's apparatus competence and strict supervision are needed (Atmadja and Saputra, 2017).

Government's Internal Control System

Internal control is defined as a process within the organization (entity) that is influenced by the board, management, and other personnel, designed to provide adequate assurance for the achievement of organizational goals (COSO IC, 2013). According to COSO (2013) achieving organizational goals includes operations, reporting, and compliance. Government Regulation Number 60 of 2008, the internal control system is an integral process of actions and activities conducted continuously by the leadership and all employees to provide reasonable assurance in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Governmental implementation is quite complex, starting from planning, implementation, accountability, monitoring and evaluation which must be accountable to the community as principal. In addition, it also stated that financial management more accountable and transparent can be achieved if all levels of leadership in the area execute controlling activities on the overall activities of planning, implementation, monitoring, until the liability in an orderly, controlled, effective and efficient.

Accountability of Village Financial Management

Accountability financial of regional is accountability for the integrity of regional finances, disclosure and compliance with laws and regulations. Accountability is a form of the financial reporting of regional (LAN, BPKP, 2000). Accountability financial is a form of local government accountability related to financial management to the public in an open and honestly through the

presentation and disclosure of financial reports that can be accessed by various interested parties with the assumption that the public has the right to know this information (Wahida, 2015). The village government must be responsible for Village Revenue, and Expenditure Budget (APBDes) with Village Original Income (PADes), Village Financial Allocation (ADD), and Village Financial (DD) which are guided by the applicable laws and regulations. Thus, the accountability of village financial management is the obligation of village government to provide accountability, present, report, and disclose all activities related to village financial management which includes planning, implementation, administration, accountability, and supervision to the public as the principal. The community not only has the right to know financial management but has the right to prosecute accountability for the implementation of regional financial management, because governments activities are in the context of perform the people's mandate (Halim, 2007).

Apparatus Competence and Accountability of Village Financial Management

Based on the window theory, competence is the ability a person has in performs his duties and responsibilities. Mouallem and Analoui (2014) define competence as the human ability to make success, identify and achieve goals, and change when needed for the goals of sustainability, development and progress. The good competence is expressed as a good of intelligent actions full of responsibilities that someone has. As a condition to be considered capable by the community in carrying out tasks in a particular field of work then he must have a good knowledge, skills and expertise related to his work. Based on the context of village apparatus competence, apparatus competence in managing village finances is the main basic needs to be possessed. Apparatus competence can be obtained from knowledge both formally and informally. The formally are education, and informal from seminars, and workshops. Informally are experience in the field financial management.

The apparatus must have competence in village financial management caused they will plan, implement, organize, monitor, and evaluate the implementation of village development. bility of the apparatus to manage village financials is transparent and reliable its impact to accountability for village financial management and it's expected free from errors which can lead to potential misuse of financials which results in state financial losses. In other words, good apparatus competence use their knowledge and skills in reliable, transparent and accountable village financial management. Empirical results from Mada et al., (2017), Budiana et al, (2019), and Atmadja and Saputra (2017) provide evidence that apparatus competence has impact on accountability of village financial management. Based on the description above, the first hypothesis is formulated as follows:

H₁ : Apparatus competence has impact on accountability of village financial management in Rote Ndao Regency.

Government's Internal Control System and Accountability of Village Financial Management

Internal control is defined as a process within the organization (entity) that is influenced by the board, management, and other personnel, designed to provide adequate assurance for the achievement of organizational goals (COSO IC, 2013). The internal control system is a series of processes designed to provide confidence that the activities of village government activities have been carried out effectively and efficiently. An adequate internal control system can provide confidence in the accountability of financial management in accordance with the guidelines and principles of transparent and accountable financial management.

Government Regulation No. 60 of 2008 explains that the Internal control system is an integral process of actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. The internal control system is an important factor in creating a transparent and accountable village financial management accountability. The village government as the authority that uses village financials must be able to make financial accountability in accordance with the applicable laws and regulations.

This study relevan with stewardship theory for explain of government's internal control system relate to accountability of village financial management. The common interests are basis for the actions of a manager who is motivated by the target results or the interests of the organization, not motivated by his personal interests. In order to performs it's responsibilities, the village government (steward) is expected to mobilize all the capabilities and expertise of its human resources and implement internal control in an integral and active manner in every government activity to be able to produce accountability for village financial management that is transparent and accountable. The empirical results by Widyatama et al., (2017), Sari et al., (2019), Budiana et al., (2019) showed evidence that government's internal control system has a positive impact on the accountability of village financial allocation management. The implementation of adequate internal controls can increase accountability in village financial management. Based on the description above, the second hypothesis is formulated as follows:

H₂ : Government's internal control systems has impact on accountability of village financial management in Rote Ndao Regency.

Research Method

Research type

This study is an explanatory study, which is for testing hypotheses and explaining the relationship or influence between independent and dependent variables. This study has two independent variables and one dependent variable. The independent variable is the apparatus competence and the government's internal control system and dependent variable is the accountability of village financial management.

Data types and source

This study uses quantitative data types. The data source uses primary data. Primary data sources were obtained directly by providing a list of open interviews in the form of questionnaires to village officials who are directly related to village financial management in Rote Ndao Regency.

Population and Sample

The population in this study were all village officials in Rote Ndao Regency. Sampling in this study using purposive sampling with the following criteria: 1) village head, 2) village treasurer. The sample in this study was 54 village officials in Rote Ndao Regency.

Collecting Data Methods

Collecting data in this study using a questionnaire method. The questionnaire was distributed to respondents who were directly related to village financial management, namely the village apparatus (village head or treasurer) in Rote Ndao Regency. The questionnaire that has been filled in and answered completely is a questionnaire that will be used for further analysis..

Operational Definition Variable and Measurements

Apparatus competence

Apparatus competence is the ability of village officials to use knowledge, skills and attitudes to complete a predetermined job or task. The apparatus competency variable indicator refers to the Decree of the Head of the State Personnel Agency number 46A of 2013 in Widyatama et al., (2017), namely knowledge, skills and attitudes that have been modified by this study. This variable measurement scale uses a 5-point Likert scale.

The government internal control system

The government internal control system is a process designed by village officials to provide adequate assurance about the achievement of objectives related to operations, reporting and compliance. Indicators of government internal control system variables refer to Widyatama et al., (2017) which is based on Government Regulation No. 60 of 2008 including control environment, risk assessment, control activities, information and communication, monitoring of internal control systems that have been modified and adapted to the research objectives. This variable measurement scale uses a 5-point Likert scale.

Accountability of village financial management

Accountability of village financial management is the responsibility of the village government for the management of economic resources and the implementation of policies mandated by the people. The indicator of village financial management accountability variables refers to Zeyn's (2011) research consisting of planning, implementation, evaluation and reporting which have been modified by this study. This variable measurement scale uses a 5-point Likert scale.

Teknik Analisis Data

Data analysis in this study using the Partial Least Square (PLS) method with the help of the smartPLS3 application. PLS can be used to analyze constructs made based on two indicators, namely reflective and formative. To find out the linear equation used in forming the variables used in the study, the following is a regression equation that can be formed:

$$Y = b_1X_1 + b_2X_2 + e \dots\dots\dots (1)$$

Information :

- Y = Accountability of village financial management
- b₁ – b₂ = The path coefficient of the independent variable on the dependent
- X₁ = Apparatus competence
- X₂ = Government internal control system
- e = Degree of error

The path analysis method used to analyze the relationship between latent variables and indicators in PLS consists of two stages:

a. Outer Model or Measurement Model is the relationship between latent variables and their indicators. The outer model is measured by:

Convergent Validity. Convergent validity is seen from the value of outer loading, if the value of outer loadings is greater than 0.5 and the value of t-statistic > t table is considered to be good correlated. Discriminant Validity (AVE). Construct can be considered good if the AVE value is above 0.5. Composite Reliability. The value of composite reliability is good if it has a value of ≥ 0.70.

b. Inner Model / Structural Model is the relationship between latent variables. The structural model is tested by:

Path analysis. The path analysis values are known from the results of the path coefficients and t-values for the significance of the prediction model. Goodness of fit, the value of goodness of fit is obtained from the coefficient of determination (R²).

Results

Statistik Deskriptif

Descriptive statistics provide an overview of the characteristics of the variables in this study. The results of descriptive statistical analysis are shown in the table 1.

Tabel 1. Statistik Deskriptif

	N	Min	Max	Mean	Std. Deviation
Apparatus Competence (X1)	54	20	39	32,54	6,062
Government's Internal Control Systems (X2)	54	23	45	36,06	7,532
Accountability of village finance management (Y)	54	24	45	36,59	7,285
Valid N (listwise)	54				

Source: Primary data processed in 2019

Table 1 show that the standard deviation of all variables is smaller average value. It's means the data is good distribution on each variable such as competency, government internal control system, and accountability of village financial management. The average value for competence were 32.54, its means the average competency for village officials is high. Competence for village officials is the main

foundation in performs their main duties and functions in achieving organizational goals. So that the apparatus views that increasing individual competence will have an impact on improving performance.

The average value for the government's internal control system was 36,06, its mean the village government internal control system is effective. Village officials see that an adequate internal control system can clarify any financial management accountability process that is in accordance with regulations and can have implications for the accountability of transparent and accountable village financial management. The average value of accountability of village financial management was 36, 59, its mean the degree of accountability in village financial management is good. The awareness of village officials regarding the use of village financials is evidence that the realization of accountability of village financial management is on of the village government's strategy in increasing confident public. Accountability of village management must be prepared based on applicable regulations.

Outer Model (Measurement Model)

Convergent Validity Test

The study variable indicator to be valid if the *outer loading* value is above 0.5 (original sample value), and the probability value (P value) is below 0.05. The results of the outer loading test can be seen in tables 2.

Table2. Outer loading test results

Variable	Indicator	Outer loading
Apparatus Competence (X ₁)	X ₁ 1	0.761
	X ₁ 2	0.874
	X ₁ 3	0.788
	X ₁ 4	0.826
	X ₁ 5	0.851
	X ₁ 6	0.715
	X ₁ 7	0.825
	X ₁ 8	0.786
Government Control System (X ₂)	X ₂ 1	0.784
	X ₂ 2	0.812
	X ₂ 3	0.929
	X ₂ 4	0.829
	X ₂ 5	0.864
	X ₂ 6	0.848
	X ₂ 7	0.877
	X ₂ 8	0.893
	X ₂ 9	0.727
Accountability of Village Financial Management (Y)	Y1	0.891
	Y2	0.822
	Y3	0.849
	Y4	0.843
	Y5	0.858
	Y6	0.784
	Y7	0.893
	Y8	0.873
	Y9	0.883

Source: Primary data processed in 2019

From table 2 show that all items have the loading factor value above 0.5. Thus, these indicators are declared feasible or valid to be used for further analysis.

Discriminant Validity

Discriminant validity is measured by looking at the AVE value used to determine the validity of the construct used in the study. The construct model can be considered good if the AVE value is above 0.5. AVE results can be seen in table 3 below.

Table 3. Discriminant Validity (AVE) Results

	AVE
Apparatus Competence (X1)	0,801
Government Internal Control System (X2)	0,842
Accountability of Village Financial Management (Y)	0,856

Source: Primary data processed in 2019

Based on the results of the discriminant validity test of the research model shown in table 3, it can be seen that the AVE value of the four variables has sufficient discriminant validity because it has a value above 0.5 so it can be said to be valid.

Composite Reliability

The value of composite reliability is good if it has a value of ≥ 0.70 . The results of the composite reliability model in this study can be seen in table 4.

Table 4. Composite Reliability Results

	AVE
Competence (X1)	0,874
Government Internal Control System (X2)	0,812
Accountability of Village Financial Management (Y)	0,891

Source: Primary data processed in 2019

Based on the results of the composite reliability research model shown in table 4, it is known that all constructs show a value above 0.70, this indicates that all the constructs of the research model are feasible for the inner model test.

Inner Model (Structural Model)

Path Analysis

The results of path analysis can be seen from the magnitude of the structural path coefficients and the t-values for the significance of the prediction model. The results of the path coefficients of the research model can be seen in table 5 below.

Table 5. Hasil Path Coefficients (Uji Hipotesis)

	Coefficients beta	Standard Error	T Statistics	T Statistics > 1,96	Decision
Apparatus Competence (X1) → Accountability of village financial management (Y)	0,403	0,090	2,802	Significant	H1 = Accepted
Government's Internal Control System (X2) → Accountability of village financial management (Y)	0,562	0,087	4,006	Significant	H2 = Accepted

Source: Primary data processed in 2019

Table 5 show that the variable of apparatus competence has an effect on the accountability of village financial management. The output obtained Path Coefficient value $t > t$ table ($2,802 > 1.96$) and coefficient beta were 0,403, so that H1 was accepted. Likewise, Government internal control system variables has an effect on the accountability of village financial management. The output obtained path coefficient value $> t$ table ($4.006 > 1.96$) and coefficient beta were 0,562, so that H2 was accepted.

Goodness of Fit

The value of goodness of fit is obtained from the coefficient of determination (R²). The results of the coefficient of determination (R²) can be seen in table 6 below.

Table 6. Determinant Coefficient Results (R²)

	<i>R Square Adjusted</i>
accountability of village financial management (Y)	0,879

Source: Primary data processed in 2019

Based on table 6, it shows that the R Square Adjusted value is 0.879. These results indicate that the variability of accountability of village financial management (Y) can be explained by the variability of apparatus competence (X1), Government internal control system (X2) of 87.9%. While the remaining 12.1% is explained by other variability that is not found in this research model.

Discussion

Apparatus Competence and Accountability of Village Financial Management

Village officials who have sufficient competence are able to increase the accountability of village financial management. Competence is referred to knowledge, practical skills and behavior, and mindset that distinguishes an individual from another individual, especially in terms of work achievement. Good apparatus competence will prioritize their knowledge, skills and attitudes to do the best their duties as well as possible such as managing village finances that are transparent and accountable. Every effort they make is based on their knowledge, skills and experience to succeed in performs their duties.

Apparatus who have an understanding of village financial management by their good knowlede, skill, and attitueds they have will be able to provide accountability for all stages of financial magement implementation which includes the preparation of the Village RPJM, Village RKP, APBDes, RAB, record all financial transactions and be accountable for reports on the realization of the APBDes correctly and in accordance with applicable regulations. Officer who have high competence or ability in village financial management especially village funds have an impact on the high quality and correctness of village fund management practices. So, this study are evidence the greats's apparatus competent will be able to show an accountable attitude in village financial management. For example, officer are able to make the right decisions on village financial management which have implications for achieving accountability for

village financial management that is transparent and accountable. Village financial accountability will reduce the risk of errors or diversions that harm state finances.

This study support the study of Yendrawati (2013), Mada et al (2017), Atmadja and Saputra, (2017), Budiana et al., (2019), Njonjie et al., (2019) showed that apparatus competence has impact on accountability of village financial management. The village financial management process includes several activities where parties are needed to know and understand this. Knowledge and understanding can be achieved from the training process, further studies, and the experience they have. With good competence in human resources, in this case, village officials, it leads results in good village financial management, and a high accountability of village management is achieve.

This study support the window theory, namely competence is the main foundation in an organization to achieve performance. To form an excellent apparatus competence, each officer must commit to the organization. Apparatus competence is a personal aspect of a worker that enables a person to achieve excellent performance. These individual aspects include the nature, motives, value systems, attitudes, knowledge and skills where competence will direct the behavior, then the behavior will produce performance. Apparatus competency becomes a vital factor considering capability is an internal factor and expresses in performance. Thus the village financial management requires the skills of its managers so that the accountability of the village finances management is in accordance with the mandate and trust given to it. Being responsible means managing finances well, honestly, not misusing.

The three elements in competence must be owned in a balanced manner. It is not enough for the village apparatus to be accountable for every stage of village financial management with only knowledge and skills. Knowledge is very important because it will provide information to direct appropriate actions in carrying out tasks, useful skills for completing tasks technically. The higher the technical skills the apparatus has, the easier it will be for the apparatus to complete their tasks. The attitude that officials must have in being accountable for financial management is caution in acting because in the process of being accountable for the management of village finances, which are large in nominal terms, there is a big possibility of misuse of village financials. Competency enhancement can be reached through various activities including training, work experience and responsibilities in order to foster knowledge, attitudes, and skills in managing the state budget based on applicable regulations.

This study do not support the study of Widayatama et al., (2017) and Setiawan and Yuliani (2017) showed that the competence of local government officials does not significantly impact on accountability of village financial management alocations. The competence of the apparatus in charge of assisting village financial management accountability on average lacks experience and not really understand in the field of village financial management.

Government's Internal Control System and Accountability of Village Financial Management

The realization accountability of village financial management cannot be separated from an adequate control system. Implementing every element of internal village government control can prevent village financial management problems such as incomplete or incomplete prosedure operational standard, inadequate activity planning,

deviation from regulations regarding village income and expenditure that can harm state finances. Internal control is designed as best as possible to help the village government achieve its goals such as effectiveness and efficiency of activities, reliability of financial reports, and compliance with applicable regulations. The government's internal control system has a function as a guideline for the implementation and a benchmark for testing the effectiveness of the implementation of accountability of village financial management.

This study support a previous study from Widyatama et al., (2017), Sari et al ., (2019), Budiana et al ., (2019) showed that the government's internal control system has a positive impact on the accountability of village financial alocations management. The implementation of integral and active internal control will guide and direct village officials to carry out activities in accordance with village objectives and programs so that effective and efficient activities are achieved, ensure the correctness of accounting data for each village financial management process, ensure asset security and ensure management and accountability of village finances has complied with the prevailing laws and regulations. The internal control system is a strong foundation for achieving accountability in village financial management that is transparent and accountable and is able to detect potential fraud early.

The application of every element of internal control such as the creation of a conducive control environment can support the implementation of the accountability process for village financial management. In addition to the control environment, a risk assessment must also be carried out by the village government with the aim that the village government can identify risks that can hinder the achievement of accountability for village financial management. Village officials can make decisions that minimize the risk of misuse of the village budget. The control policies and procedures made are able to provide direction to the village government in the process of accountability for village financial management as well as the importance of information and communication during the accountability process which is realized by building communication with other parties, both related to operations and finance. Furthermore, if the village government actively monitors and evaluates the accountability process for village financial management, this will result in financial management accountability.

The role of the village government in managing village finances is a form of service to the village community by presenting accountable financial reports, providing open financial information and providing supervision in the financial management process in order to produce accountable financial management. So the village government carries out its duties for the interests and welfare of the village community. This is in accordance with the stewardship theory, namely the task of the government in presenting financial reports, providing accessibility to financial reports and the internal control system is a form of service to the village community.

This study did not line with study by Yendrawati (2013) shown the government's internal control system has no effect on the quality of financial reports, nor the study by Widyatama et al ., (2017), Mutmainah and Pramuka (2017) shown government 's internal control system has no impact on accountability of village financial management . Furthermore, research by Wonar et al .,(2018) provides evidence that the internal control system has no effect on fraud prevention in financial management. Adequate internal control is not necessarily able to increase the

accountability of village financial management, because it depends on the commitment of village officials to be able to properly account for village funds, so often unaccountable village financial have the potential for material misstatement and fraud.

Conclusion

Based on the results of the analysis and discussion, it can be concluded as follows:

1. Apparatus competence has impact on accountability of village financial management in Rote Ndao Regency
2. The government's internal control system has impact on accountability of village financial management in Rote Ndao Regency

Limitation

This study has limitation, there are :

1. Giving answers to the questionnaire which was deemed inaccurate because the officers had no financial education background and had no experience in financial management. The subjectivity problem of the respondents may result in the results of this study being susceptible to bias in respondent's answers.
2. The research location is carried out using sea transportation and the distance between one village and another is far away, making it difficult for researchers to obtain data. The number of respondents obtained was only 54, of course it is still insufficient to describe the real situation.

Suggestion

This study given suggestion for further research is expected to select research objects that are easier to reach in order not to experience technical problems in obtaining data that can affect the number of research respondents. It is necessary to conduct interviews in obtaining data and adding informants, namely the village community in data collection through interviews to measure the accountability of village financial management. It is necessary to add other variables that may have more influence on financial management accountability such as morality, organizational commitment and organizational culture. In addition, further research is expected to simplify the sentence formulation in the questionnaire used to facilitate understanding of village officials regarding the statements submitted.

Implications

This study has implication, there are

1. It is taken into consideration in the policy of the village government of Rote ndao Regency in the selection of village officials whose duties are directly related to financial management to have a financial education background or who have experience and are skilled in financial management.
2. It is a material for consideration for the government of Rote ndao Regency in increasing the competence of village officials whose duties are directly related to village financial management by increasing the implementation of training activities and assistance in village financial management.
3. It is a material consideration for the Rote Ndao Regency government to carry out guidance on the application of an internal control system in managing village finances.

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