

Transparency of Village Financial Management in Pulau Morotai Regency

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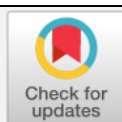
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ABSTRACT

This study aims to provide an overview of the transparency of village financial management in Pulau Morotai Regency, North Maluku Province, Indonesia. The sample in this study was taken by using a purposive sampling method, involving 440 respondents, and spread in 88 villages in Pulau Morotai Regency. Data processing techniques used descriptive statistics with a class interval approach. The results show that the indicators of clarity of roles and responsibilities, implementation of government affairs are still dominated by the head of the village who has the authority for village financial management. Indicators of budget disclosure show relatively the same as indicators of clarity of roles and responsibilities. The indicators of information availability indicate that the accessibility of public information in villages located in the subdistrict capital is relatively good. In contrast, the last indicator, integrity assurance, shows that data validity still being a problem in the village planning process. This study also discusses the implications as well as suggestions for future studies.

Keywords: Transparency; Village Financial Management; Pulau Morotai Regency

1. Introduction

Indonesia was formed based on regions in a Unitary State (article 8 of the 1945 Constitution). In its development, Indonesia experienced several changes in recognizing regional positions and substance changes since the Act of the Republic of Indonesia No. 22 of 1999 on the Local Government was ratified, with a decentralized system followed by fiscal decentralization. In principle, fiscal decentralization is an instrument to achieve one of the objectives of the state, namely primarily to provide better public services and create a more democratic public decision-making process. The impact of decentralization is that regions' financial management is entirely handed over to the regions and becomes the region's task and authority (province, regency or municipality, and village).

As a country with democracy system, Indonesia is known as an archipelago. Its governance structure includes the central government, provincial, regency, municipality, sub-district, and village governments. However, a village has extraordinary nobility and local wisdom. Villages are the pioneers of a system of autonomous and fully sovereign democracy. For a long time, villages have had systems and governance mechanisms and their respective social norms, yet the government still underestimates the village development. Government policies related to village development, especially human resource development, are very unthinkable, as stated in the Act of the Republic of Indonesia No. 23 of 2014 on the Local Government and Act of the Republic of Indonesia No. 6 of 2014 on the Village (or by other names) as an autonomous government with special privileges, including those related to financial management and allocation of village funds, the election of village heads and village development processes. Therefore, the village is provided with technical guidelines and financial planning and management guidelines.

Village financial and economic management can be used as a knowledge-based community, at least able to capture many things about village regulations, whether it is following the preferred goals, what benefits can be generated for local government, village government actors, businesses, communities, and institutions. That is what is called good governance. All the methodologies of the financial-economic management system in the village can be rolled out through its policy, through the scenario to develop a village-oriented development mechanism. Transparency in financial management guarantees improvements in government performance, taking into account participatory aspects (Mardiasmo, 2006) through the involvement of stakeholders in the management of local development, the principle of transparency is intended to affect good governance of financial governance. Transparency is the principle that guarantees access or freedom for everyone to obtain information about the administration of government, information about policies, the process of making and implementing, and the results achieved (Krina, 2003). Transparency cannot be separated from accountability. Transparency allows all stakeholders to see the structure and functions, fiscal policies, and past performance, while accountability refers to the obligation to make reports as a form of accountability (Shende & Bennett, 2004).

Transparency also means the availability of sufficient, accurate, and timely information about public policy and its formation process. With the availability of this kind of information, the community can participate and supervise so that applying public policies can provide optimal results and prevent fraud and manipulation that only disproportionately benefits one community group.

At Indonesia's smallest level of financial management, the village is in the main spotlight given the government's policy to manage state finances delegated to villages through village funds. The Government of Pulau Morotai Regency has implemented the policy of One Billion

One Village since 2014. Indeed, the biggest challenge that will be faced is how to create a good management system to achieve transparency in village financial management in Pulau Morotai Regency.

Several studies on transparency conducted at the global level, such as [United Nations \(2005\)](#), researched management of public affairs and accountability in the context of budget transparency in Africa. This research uses transparency principles issued by the IMF, namely Clarity of Roles and Responsibilities, Availability of Public Information, Open Budget Preparation, Execution and Reporting, and Assurances of Integrity. [Kitunzi \(2003\)](#) explained in the study that the four principles above play a significant role in measuring transparency in public finance.

More narrowly, research on regional finance that has been carried out in Indonesia only looks at management aspects and regional financial performance. In contrast, research on measuring regional financial transparency has never been done, so this research includes new research. For example, the [World Bank \(2007\)](#) examined the measurement of the performance of Local Governments in Aceh. [Widodo \(2001\)](#) examined the region's financial performance through financial ratio analysis in the Regional Budget of Boyolali Regency. [Dwiranda \(2008\)](#) conducted similar research that examined the financial effectiveness and independence of regencies or municipalities in Bali Province.

Based on the explanation above, this study aims to examine the transparency and accountability of village financial management in the Pulau Morotai Regency by adopting the study of [United Nations \(2005\)](#), which researched transparency and accountability in regional management in the context of budgeting in Africa. Since the research was conducted very broadly, this study focused on villages in Pulau Morotai Regency to the smallest scale.

Furthermore, [Faridah & Suryono \(2015\)](#) research measured transparency and accountability in Sido Gedung Batu Village, Sangakpura Sub-district, Gresik Regency with a qualitative descriptive method approach. The results show that transparency at the planning, implementation and reporting stages has been excellent by prioritizing the principles of participatory, responsive, and accountable. For accountability, especially financial administration is still weak due to the competency factor of human resources is still a significant obstacle.

2. Literature Review

2.1. Agency Theory

Agency theory is the theoretical basis in this study because it can explain the Implementation of Budget Implementation Documents on Public Accountability and Transparency. Accountability and transparency have different characteristics, but accountability has to do with transparency ([Shende & Bennet, 2004](#)). According to [Jensen, as cited in Shende & Bennet \(2004\)](#), agency theory explains contractual relations between principals and agents among two or more individuals, groups, or organizations. The principal is the party that makes decisions and gives mandates to other parties (agents) to carry out all activities on behalf of the principal. The essence of this theory is a work contract designed precisely to harmonize the interests between the principal and the agent. Proper contract planning to harmonize the owners' interests in terms of conflicts of interest is the core of the agency theory ([Putra et al., 2019](#)).

Public sector organizations, especially local government agency relations, emerged between the Local government and the Local House of Representatives of the Republic of Indonesia. Local government as an agent while the Local House of Representatives of the Republic of

Indonesia as principal. If further investigated, the Local House of Representatives of the Republic of Indonesia itself is an agent of the public or citizen as the principal who gives authority to the Local House of Representatives of the Republic of Indonesia (agent) to oversee the Budget Implementation Document of the Local Government Work Unit. Accountability is a logical consequence of the relationship between agents and principals. Gray & Jenkins (1993) defined accountability as an obligation to provide accountability for management to those entrusted with responsibility. Gregory (1995), as cited in Shende & Bennet (2004), explained that accountability is defined as the need to account for one's actions.

According to Gray & Jenkins (1993), there are three assumptions regarding agency theory, 1) assumptions about human nature, human nature which prioritizes self-interest, limited rationality or thinking power towards future perception (bounded rationality), and tends to avoid risk; 2) assumptions about the organization, are conflicts among members of the organization, efficiency, and information asymmetry that occurs between principals and agents; and 3) assumptions about information, is information considered a commodity which can be traded. These problems include: 1) Moral hazard is an arising problem because the agent does not implement things that have been agreed upon according to the work contract. 2) Adverse selection is the principal who does not know that the decisions taken by the agent are decisions following the information that the principal has received, or there is negligence on duty.

2.2. Theory of Public Finance

According to Musgrave (1959), public finance studies government economic activities as a unit. Public finance is the study of the use of funds by the government to fulfill the payment of government activities. Therefore, the definition makes public finance synonymous with state finance, public economy, and the public sector economy. Rossen (2002) stated that Public finance is a branch of economics studying taxation activities and government expenditure. The crucial issues in the study of public finance are not financial problems, even though they are related to financial aspects, but the main problems related to fundamental sources. The study of public finance uses positive and normative analysis. The positive analysis emphasizes the cause and effect of something, while normative analysis focuses on ethical issues in public finance. Therefore, Rossen assessed that modern public finance is related to the micro-functions of the government economy, how the government conducts and regulates the allocation of resources and the distribution of income. In another important part, the macroeconomic function of the government is related to the use of taxes, expenditures, and monetary policy, which is at the level of completion of unemployment and price levels.

Public finance is the study of government intervention in regulating markets (marketplace). According to Continental's orientation, with a different view, public finance studies how people participate through political and fiscal institutions to achieve fiscal patterns and objectives. The definition of public finance according to Continental flow is also followed by Buchanan (1967). The term public finance for economic studies in Indonesia usually uses the term financial science. Soetrisno (1981) stated that the science of state finance is the study of or reviewing expenditures and receipts carried out by the government and the state.

In comparison, Suparmoko (2003) stated that finance is a part of economics studying government activities in the economic field, significantly its revenue and expenditure, and influence. In "Anglo Saxon" countries, public finance or state finance as science is seen as a branch of economics, while in mainland Europe, state finance is seen as a branch of political science. According to Suparmoko, in literature in "Anglo Saxon" countries, state finance is often

called “public finance”, the term “public” is often confusing and is not an appropriate term. In financial literature (public finance), the term “public” usually means “government”.

2.3. Transparency

There is no mutually agreed definition of transparency. Some definitions are used by international organizations which focus on ensuring public access to information. However, in general, transparency can be interpreted as information disclosure to the public, whose purpose is to achieve a system of good governance.

OEDC (2003) stated that “transparency” in international commercial agreements usually involves three main requirements: (1) information made must be relevant to the law, as well as other regulations and policies that must be available, (2) conveying to interested parties about change law and regulation; and (3) ensuring that the laws and regulations provided are uniforms, impartial and reasonable.

In its conceptual framework, Government Regulation No. 71 of 2010 on the Government Accounting Standards explained that transparency provides open and honest financial information to the public. It is based on the consideration that the public has the right to know openly and comprehensively the government’s accountability in managing the resources entrusted to it and its compliance with regulations legislation. Florini (1999), in a political science dictionary, stated transparency as “openness to the public gaze”.

In line with the increasingly rapid demand for transparency, transparency by some people is seen as part of human rights. There is a fundamental right to know, be told about what the government is doing and why. In a principal-agent situation, citizens have the right to know about the behavior of their agents, especially if government agents or international organizations and actors are the general public (Stiglitz, 1999). Stiglitz added that in all organizations, information imperfections give rise to what economists call agency problems. As a result, there may be differences in interests among words, manager’s actions, and the interests of shareholders. Likewise, in the case of public sector agencies, it can cause differences among words, actions of the people who regulate, and the people who should be served.

However, outside of human rights, transparency is crucial to reveal the potential of information for human development. It can increase efficiency in allocating resources and help ensure that benefits from growth are distributed and not captured by the elite. As in other institutions undergoing reform, the challenge to bring about transparency and accountability lies in incentives.

3. Research Methodology

This study used descriptive with a survey as a design. Data collection used a questionnaire developed by the International Monetary Fund (2007). The measurement scale in the questionnaire used a dummy scale, which is 0 to describe “No” and 1 to explain “Yes”. This study’s data retrieval was carried out using a cross-sectional method, collecting or retrieving data at one time (Neuman, 2006). This study also conducted interviews related to village financial management in Pulau Morotai Regency.

The study sample was taken by a non-probability sampling method, namely purposive sampling with a judgment sampling approach that involves selecting the most favorite subject in the best position to provide the necessary information (Sekaran, 2006). Purposive sampling was selected because the parties who directly feel the village’s financial management transparency are a community. Hence, within the framework of a representative sample of each village, five members represent the persona elements: Female Figure, Religious Leader,

Traditional Leader, Education Figure, and Youth Elements. This character element was chosen as the research sample, considering that they were, directly and indirectly, involved in village financial management. Thus, the total sample examined in this study amounted to 440 people spread across 88 villages in the Pulau Morotai Regency.

3.1. Operational Definition

[International Monetary Fund \(2007\)](#), in the “Manual on Fiscal Transparency” described the measurement of transparency variables in 4 (four) indicators, namely Clarity of Roles and Responsibilities, Budget Openness, Availability of Public Information, and Assurances of Integrity.

3.2. Clarity of Roles and Responsibilities

Clarity of roles and responsibilities indicators explain the principles of fiscal transparency, focusing on the scope of the government. These indicators are measured using 8 statement items by a dummy scale such as 1 = “yes” and 0 = “no”. For example: “the structure and function of the village government are portrayed and implemented”.

3.3. Budget Openness

Indicators of budget openness explain the government’s implementation of the budget in the principle of budget openness. These indicators are measured using 7 statement items by a dummy scale like 1 = “yes” and 0 = “no”. For example: “the village government completely makes budget documents and other government implementation reports”.

3.4. Availability of Public Information

The availability of public information is one of the characteristics of budget transparency. This indicator explains information about the activities and objectives of the government in presenting information related to how the budget is allocated appropriately in each policy taken. These indicators are measured using 6 statement items by a dummy scale such as 1 = “yes” and 0 = “no”. For example: “the budget plan reflects trends in income and expenditure based on logical economic conditions”.

3.5. Assurances of Integrity

The essence of budget openness is how the government reports the budget data to fulfill the essential criteria that all allocated activities and budgets are of quality following applicable standards and mechanisms. These indicators are measured using 6 statement items by a dummy scale such as 1 = “yes” and 0 = “no”. For example: “the budget plan reflects trends in income and expenditure based on logical economic conditions”.

3.6. Data Analysis

Data analysis was conducted by collecting questionnaires to take an assessment and generalization of the answers given. The generalization process used the class interval approach to know the grade level that occurs as the basis for this study’s decision-making. The class interval formula used in this study aims to make intervals between 1 and 5 (very poor to excellent) and use the average total score of the answers, respondents’ perception. In general, it can be determined by looking at the location of the average answer score in the class intervals determined by the following formula ([Pudjiastuti & Nurdhiana, 2010](#)):

$$\text{Class Interval} = \frac{\text{Maximum} - \text{Minimum}}{\text{Class}}$$

Then it is ranked according to the results of the tabulation of respondents' answer scores for each village for each indicator based on subdistrict and regency. The ranking was conducted by sorting each village's highest score to the lowest score to form a village ranking based on the subdistrict and regency levels.

4. Results and Discussions

4.1. Questionnaire Distribution Results and Characteristics of Respondents

The questionnaire distributed was 440 questionnaires, and all returned and fulfilled the requirements for analysis. The results of the questionnaire distribution are shown in Table 1. Data shows that based on gender, male respondents are 75.23% or 331 respondents and female as many as 24.77% or 109 respondents. Based on age, 44.77% of the respondents are less than 30 years, while the remaining 55.23% are over 30 years. Based on education level, the percentage of respondents at the level of high school education with 79.09% or 348 respondents and the level of undergraduate education with 20.91% or 92 respondents. Meanwhile, based on the percentage of respondents at the occupation level, the farmer is 55.00 %, followed by fishermen and civil servants with 24.19% and 20.91%, respectively.

Table 1. Questionnaire Distribution Results

Information	Total	Percentage
Distributed Questionnaire	440	100%
Processed Questionnaire	440	100%

Source: Data processed (2018)

Table 2. Characteristics of Respondents

Characteristics	Total	Percentage
Gender		
- Male	331	75.23
- Female	109	24.77
Age		
- ≤ 30	197	44.77
- > 30	243	55.23
Level of Education		
- Undergraduate	92	20.91
- High School	348	79.09
Occupation		
- Civil Servants	92	20.91
- Farmer	242	55.00
- Fisherman	106	24.19

Source: Data processed (2018)

4.2. Discussions

4.2.1. Clarity of Roles and Responsibilities

The results of the calculation of village criteria based on the clarity of roles and responsibilities indicators, from the total of 88 villages in Pulau Morotai Regency, most of the villages are in average condition, 54 villages (61.36%). There are seven villages (7.95%) that are in good condition, while the remaining 26 villages (29.55%) are in poor condition, and one village (1.14%) is in very poor condition. However, if it is viewed from the average indicator clarity of roles for each sub-district, overall, the criteria are average. The results of the indicator calculation are shown in Table 3 and Table 4.

Table 3. Criteria for Class Intervals of Clarity of Roles and Responsibilities Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Criteria	Interval	South Morotai		South West Morotai		East Morotai		North Morotai		Morotai Jaya		Total	
		F	%	F	%	F	%	F	%	F	%	FT	%
Excelent	33 - 40	0	0	0	0	0	0	0	0	0	0	0	0.00
Good	25 - 32	2	8	2	10	1	7	1	7	1	7	7	7.95
Average	17 - 24	16	64	11	55	9	60	8	57	10	71	54	61.36
Poor	9 - 16	6	24	7	35	5	33	5	36	3	21	26	29.55
Very Poor	1 - 8	1	4	0	0	0	0	0	0	0	0	1	1.14
Total		25	100	20	100	15	100	14	100	14	100	88	100

Source: Data processed (2018)

Table 4. Average Value of Clarity of Roles and Responsibilities Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Sub-district	Average Value	Criteria
South Morotai	19	Average
South West Morotai	19	Average
East Morotai	17	Average
North Morotai	18	Average
Morotai Jaya	19	Average

Source: Data processed (2018)

Table 3 and Table 4 describe the calculation results based on the number of respondents' answer scores in each village. The calculation results show that the sub-district capitals are meet good criteria, namely Daruba Village, Wayabula Village, Bere-Bere Village, Sopi Village, and Sangowo Village. Meanwhile, the other two villages that met the good criteria were Cucumare Village, South West Morotai Sub-district, and Aha Village, South Morotai Sub-district. Details of the ranking calculation of the villages of Pulau Morotai Regency can be seen in Table 5 below.

The clarity of roles and responsibilities is an indicator of fiscal policy transparency that focuses on the scope of government starting from the highest level, namely the central government, to the smallest level of government, the village. The dominance of village heads in implementing government activities reduces the duties and responsibilities of other village government officials. For example, in the expenditure function, the village head directly carries out treasurer functions carrying out treasury duties. Besides, the Village Consultative Body in

regulation has one of the functions as supervisor of village head performance, and regulatory functions are only interpreted as knowledge without any actual application. This condition exacerbates the misunderstanding of the functions of both the village head and the Village Consultative Body. Subsequent findings indicate that the government and the Village Consultative Body's function is not maximized due to the high intervention of the village head towards village officials. The intervention is closely related to the village government budget politics. Besides, the factor of political closeness also caused the Village Consultative Body to appear apathetic about its duties and functions. Norton & Elson (2002) stated that the limited budget causes the political commodity budget between executive power and legislative power.

The realization of good governance in village financial management, which is part of the state financial management sub-system, cannot be separated from the quality of Human Resources as the spearhead in managing village finance. HR improvement can be made through education and training. The better the education level and the more often it takes financial management training, the better the village government's performance in realizing transparency in village financial management. Training is conducted in a systematic process of changing employee behavior to achieve organizational goals. Training relates to the ability of employees to carry out work, have current orientation, and help employees achieve certain skills and abilities to be successful in their work. Azhar (2007) stated that human resources are the unity of human labor in the organization and not just the sum of the existing employees. Human resources must be considered a system in which each employee functions to achieve organizational goals.

4.2.2. Budget Openness

Indicators of openness explain the government's implementation of the budget in the principle of budget transparency. The calculation results (Table 6) show there is not much difference in the clarity of roles. A total of 52 villages (59.09%) are in average criteria, seven villages (7.95%) are in good criteria, and 27 villages (30.68%) are in poor criteria, while the remaining two villages (2.27%) are in very poor criteria. This is certainly different from the clarity of roles and responsibilities indicators that there is only one village in the very poor criteria (Table 5). However, suppose it is viewed from the average value of the budget openness indicator for each sub-district. In that case, there are three subdistricts: South Morotai Subdistrict, East Morotai Subdistrict, and North Morotai Sub-district, with average scores, while the remaining two subdistricts, namely South West Morotai Subdistrict and Morotai Jaya Subdistricts, are in poor criteria.

Table 6 and Table 7 describe the calculation results based on the number of respondents' answer scores in each village. The result is still relatively the same as the calculation of the clarity of roles and responsibilities indicators. The subdistrict capital is still in good criteria except for North Morotai, Bere-Bere Village, which is categorized as poor criteria. Other villages in the good criteria of this indicator are Galo-Galo Village, Kenari Village, and Libano Village. The calculation results of budget openness indicators for each village can be seen in the following Table 8.

Budget openness processes and information presented in budget documents are the most important things in fiscal transparency. Without exception, the annual report is the government's main instrument in regulating fiscal policy (International Monetary Fund, 2007). The large percentage of villages with unfavorable criteria indicates that the village government cannot implement the community's needs for the budget openness process. The clarity of

budget targets cannot be understood by the people who are the main targets of government budget policies.

Table 5. Village Ranking Based on Clarity of Roles and Responsibilities Indicators of Pulau Morotai Regency in 2018

No	Village	Subdistrict	Score	Criteria
1	Daruba	South Morotai	28	Good
2	Wayabula	South West Morotai	28	Good
3	Cucumare	South West Morotai	27	Good
4	Bere-Bere	North Morotai	27	Good
5	Sopi	Morotai Jaya	27	Good
6	Aha	South Morotai	26	Good
7	Sangowo	East Morotai	26	Good
8	Mandiri	South Morotai	24	Average
9	Galo-Galo	South Morotai	24	Average
10	Leo-Leo	South West Morotai	24	Average
11	Totodoku	South Morotai	23	Average
12	Tiley Pante	South West Morotai	23	Average
13	Bobula	South West Morotai	23	Average
14	Leleo Jaya	North Morotai	23	Average
15	Momojiu	South Morotai	22	Average
16	Daao	South Morotai	22	Average
17	Usbar Pantai	South West Morotai	22	Average
18	Yayasan	South Morotai	21	Average
19	Joubela	South Morotai	21	Average
20	Sabatai Baru	South Morotai	21	Average
21	Sabatai Tua	South Morotai	21	Average
22	Pilowo	South Morotai	21	Average
23	Aru Burung	South West Morotai	21	Average
24	Maba	North Morotai	21	Average
25	Titigoli	Morotai Jaya	21	Average
26	Aru	Morotai Jaya	21	Average
27	Juanga	South Morotai	20	Average
28	Hapo	Morotai Jaya	20	Average
29	Towara	Morotai Jaya	20	Average
30	Wawama	South Morotai	19	Average
31	Dehegila	South Morotai	19	Average
32	Waringin	South West Morotai	19	Average
33	Tutuhu	South West Morotai	19	Average
34	Loumadoro	South West Morotai	19	Average
35	Cio Dalam	South West Morotai	19	Average
36	Rahmat	East Morotai	19	Average
37	Buho-buho	East Morotai	19	Average
38	Cempaka	Morotai Jaya	19	Average

No	Village	Subdistrict	Score	Criteria
39	Gotalamo	South Morotai	18	Average
40	Pandanga	South Morotai	18	Average
41	Sabala	South Morotai	18	Average
42	Cio Gerong	South West Morotai	18	Average
43	Cio Maloleo	South West Morotai	18	Average
44	Gamlamo	East Morotai	18	Average
45	Doku Mira	East Morotai	18	Average
46	Bido	North Morotai	18	Average
47	Yao	North Morotai	18	Average
48	Tawakali	North Morotai	18	Average
49	Sakita	North Morotai	18	Average
50	Cendana	Morotai Jaya	18	Average
51	Pangeo	Morotai Jaya	18	Average
52	Sopi Majiko	Morotai Jaya	18	Average
53	Wewemo	East Morotai	17	Average
54	Lifao	East Morotai	17	Average
55	East Sangowo	East Morotai	17	Average
56	Seseli Jaya	East Morotai	17	Average
57	Hino	East Morotai	17	Average
58	Kenari	North Morotai	17	Average
59	Gorua	North Morotai	17	Average
60	Libano	Morotai Jaya	17	Average
61	Bere Bere Kecil	Morotai Jaya	17	Average
62	Raja	South West Morotai	16	Poor
63	Posi-Posi	South West Morotai	16	Poor
64	Sambiki	East Morotai	16	Poor
65	Mira	East Morotai	16	Poor
66	Gorugo	Morotai Jaya	16	Poor
67	Muhajirin	South Morotai	15	Poor
68	Darame	South Morotai	15	Poor
69	Daeo Majiko	South Morotai	15	Poor
70	Morodadi	South Morotai	15	Poor
71	Tiley	South West Morotai	15	Poor
72	Korago	North Morotai	15	Poor
73	Losuo	North Morotai	15	Poor
74	Goa Hira	North Morotai	15	Poor
75	South Gorua	North Morotai	15	Poor
76	Loleo	Morotai Jaya	15	Poor
77	Podimor Padange	Morotai Jaya	15	Poor
78	Falila	South Morotai	14	Poor
79	Saminyamau	South West Morotai	14	Poor
80	Aru Irian	South West Morotai	13	Poor
81	Ngele-Ngele Besar	South West Morotai	13	Poor

No	Village	Subdistrict	Score	Criteria
82	West Sangowo	East Morotai	13	Poor
83	Gosoma Maluku	East Morotai	13	Poor
84	Ngele-Ngele Kecil	South West Morotai	12	Poor
85	Sambiki Baru	East Morotai	12	Poor
86	Nakamura	South Morotai	9	Poor
87	Tanjung Saleh	North Morotai	9	Poor
88	Koloray	South Morotai	8	Very Poor

Source: Data processed (2018)

Table 6. Criteria for Class Intervals of Budget Openness Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Criteria	Interval	South Morotai		South West Morotai		East Morotai		North Morotai		Morotai Jaya		Total	
		F	%	F	%	F	%	F	%	F	%	FT	%
Excelent	29 - 35	0	0	0	0	0	0	0	0	0	0	0	0.00
Good	22 - 28	2	8	1	5	1	7	1	7	2	14	7	7.95
Average	15 - 21	15	60	9	45	13	87	9	64	6	43	52	59.09
Poor	8 - 14	7	28	10	50	1	7	4	29	5	36	27	30.68
Very Poor	1 - 7	1	4	0	0	0	0	0	0	1	7	2	2.27
Total		25	100	20	100	15	100	14	100	14	100	88	100

Source: Data processed (2018)

Table 7. Average Value of Budget Openness Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Sub-district	Average Value	Criteria
South Morotai	16	Average
South West Morotai	15	Poor
East Morotai	18	Average
North Morotai	17	Average
Morotai Jaya	15	Poor

The issuance of the One Billion One Village policy by the Government of Pulau Morotai Regency in 2014 stimulated the village development efforts. The observation results show that most village governments still tend to ignore the open and participatory budget implementation process that should involve community elements from this policy. Every citizen has a voice in making decisions, both directly and through the intermediation of legitimate institutions that represent their interests. This participation is built based on freedom of association and speech and constructive participation. Participation uses participatory words in Regulation of the Minister of Home Affairs of the Republic of Indonesia No. 113 of 2014 concerning Village Financial Management. It is the active participation and involvement of the community in the development process. Community participation in determining public policy has become a driving force to accelerate the fulfillment of the principle of accountability of government officials in the village.

At the implementation stage, the budget allocated through village programs tends to be only known by some people who tend to have emotional closeness with the village government. At the reporting stage, the annual report as a result of the implementation of the village government budget is only an internal consumption of the village government apparatus.

4.2.3. Availability of Public Information

The availability of public information is one of the characteristics of budget transparency. This indicator explains the government's activities and objectives in presenting how the budget is allocated appropriately in each policy taken. The calculation of indicators for the availability of public information shows the same number as the calculation of the previous two indicators, namely as many as seven villages categorized in good criteria. However, this indicator still shows better results than the previous two indicators. The number of villages grouped in the average criteria is 62 villages (70.45%), and decreases in the poor criteria are 19.32% (17 villages). However, it is still the same that budget openness indicators in the very poor criteria are two villages (2.27%). This indicator's average score or value is in the poor criteria if it is sorted by subdistrict.

Table 11 shows the ranking of villages in the indicator of the availability of public information. The calculation results show that as many as nine villages are in good criteria, 60 villages are in the average criteria, 18 villages are in the poor criteria, and only one village is in very poor criteria. The subdistrict capital is still relatively constant in the good criteria, followed by other villages, namely Daao Majiko Village, Aha Village, Muajirin Village, and Sambiki Village.

The availability of public information is one of the characteristics of budget transparency. This indicator explains the government's activities and objectives in presenting how the budget is allocated appropriately in each policy taken. Referring to the calculations on this indicator, the sub-district capital is still relatively constant in the good category, followed by other villages, namely Daao Majiko Village, Aha Village, Muajirin Village, and Sambiki Village. Like the previous indicators, public education is also a factor that can inhibit the creation of available information from the village government to the community. The high level of community participation with adequate education will pressure the village government to provide information to the public. This is in line with the research results conducted by Saputra (2007), which found a positive relationship between community attitudes and community participation, level of education with community participation, and community attitudes to the level of education.

The data of BPS-Statistics of Pulau Morotai Regency in 2017 shows that the percentage of people with no education is 13.71% (8,203 people), Primary School is 50.40% (30,160 people), Junior High School is 15.20% (9,095 people), Senior High School is 16, 82% (10,068 people), and college students is 3.87% (2,314 people). This data explains that the level of public education at the undergraduate level is still very low, which has implications for the understanding of the community about transparent village financial management is also very low.

Table 8. Village Ranking Based on Budget Openness Indicators of Pulau Morotai Regency in 2018

No	Village	Subdistrict	Score	Criteria
1	Daruba	South Morotai	26	Good
2	Wayabula	South West Morotai	24	Good
3	Sangowo	East Morotai	23	Good
4	Sopi	Morotai Jaya	23	Good
5	Galo-Galo	South Morotai	22	Good
6	Kenari	North Morotai	22	Good
7	Libano	Morotai Jaya	22	Good
8	Mandiri	South Morotai	21	Average
9	Cucumare	South West Morotai	21	Average
10	Totodoku	South Morotai	20	Average
11	Sabatai Tua	South Morotai	20	Average
12	Sambiki	East Morotai	20	Average
13	Gamlamo	East Morotai	20	Average
14	Doku Mira	East Morotai	20	Average
15	Leleo Jaya	North Morotai	20	Average
16	Bere-Bere	North Morotai	20	Average
17	Tanjung Saleh	North Morotai	20	Average
18	Yayasan	South Morotai	19	Average
19	Juanga	South Morotai	19	Average
20	Aha	South Morotai	19	Average
21	Tiley	South West Morotai	19	Average
22	Wewemo	East Morotai	19	Average
23	Goa Hira	North Morotai	19	Average
24	Aru	Morotai Jaya	19	Average
25	Muhajirin	South Morotai	18	Average
26	Momojiu	South Morotai	18	Average
27	Sambiki Baru	East Morotai	18	Average
28	Rahmat	East Morotai	18	Average
29	Lifao	East Morotai	18	Average
30	East Sangowo	East Morotai	18	Average
31	Bido	North Morotai	18	Average
32	Maba	North Morotai	18	Average
33	Leo-Leo	South West Morotai	17	Average
34	West Sangowo	East Morotai	17	Average
35	Tawakali	North Morotai	17	Average
36	Pangeo	Morotai Jaya	17	Average
37	Towara	Morotai Jaya	17	Average
38	Gotalamo	South Morotai	16	Average
39	Wawama	South Morotai	16	Average
40	Daao	South Morotai	16	Average

No	Village	Subdistrict	Score	Criteria
41	Falila	South Morotai	16	Average
42	Usbar Pantai	South West Morotai	16	Average
43	Aru Burung	South West Morotai	16	Average
44	Cio Gerong	South West Morotai	16	Average
45	Tiley Pante	South West Morotai	16	Average
46	Cio Maloleo	South West Morotai	16	Average
47	Seseli Jaya	East Morotai	16	Average
48	Hino	East Morotai	16	Average
49	Gorua	North Morotai	16	Average
50	Darame	South Morotai	15	Average
51	Pandanga	South Morotai	15	Average
52	Daeo Majiko	South Morotai	15	Average
53	Cio Dalam	South West Morotai	15	Average
54	Mira	East Morotai	15	Average
55	Buho-Buho	East Morotai	15	Average
56	Yao	North Morotai	15	Average
57	Bere Bere Kecil	Morotai Jaya	15	Average
58	Sopi Majiko	Morotai Jaya	15	Average
59	Cempaka	Morotai Jaya	15	Average
60	Dehegila	South Morotai	14	Poor
61	Morodadi	South Morotai	14	Poor
62	Ngele-Ngele Kecil	South West Morotai	14	Poor
63	Sakita	North Morotai	14	Poor
64	Losuo	North Morotai	14	Poor
65	South Gorua	North Morotai	14	Poor
66	Gorugo	Morotai Jaya	14	Poor
67	Joubela	South Morotai	13	Poor
68	Sabatai Baru	South Morotai	13	Poor
69	Pilowo	South Morotai	13	Poor
70	Posi-Posi	South West Morotai	13	Poor
71	Tutuhu	South West Morotai	13	Poor
72	Bobula	South West Morotai	13	Poor
73	Gosoma Maluku	East Morotai	13	Poor
74	Hapo	Morotai Jaya	13	Poor
75	Titigoli	Morotai Jaya	13	Poor
76	Loleo	Morotai Jaya	13	Poor
77	Nakamura	South Morotai	12	Poor
78	Raja	South West Morotai	12	Poor
79	Loumadoro	South West Morotai	12	Poor
80	Korago	North Morotai	12	Poor
81	Sabala	South Morotai	11	Poor
82	Ngele-Ngele Besar	South West Morotai	11	Poor
83	Saminyamau	South West Morotai	11	Poor

No	Village	Subdistrict	Score	Criteria
84	Cendana	Morotai Jaya	11	Poor
85	Waringin	South West Morotai	10	Poor
86	Aru Irian	South West Morotai	8	Poor
87	Koloray	South Morotai	7	Very Poor
88	Podimor Padange	Morotai Jaya	2	Very Poor

Source: Data processed (2018)

Table 9. Criteria for Class Intervals of Availability of Public Information Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Criteria	Interval	South Morotai		South West Morotai		East Morotai		North Morotai		Morotai Jaya		Total	
		F	%	F	%	F	%	F	%	F	%	FT	%
Excelent	25 - 30	0	0	0	0	0	0	0	0	0	0	0	0.00
Good	19 - 24	2	8	1	5	2	13	1	7	1	7	7	7.95
Average	13 - 18	15	60	17	85	9	60	11	79	10	71	62	70.45
Poor	7 - 12	7	28	2	10	4	27	2	14	2	14	17	19.32
Very Poor	1 - 6	1	4	0	0	0	0	0	0	1	7	2	2.27
Total		25	100	20	100	15	100	14	100	14	100	88	100

Source: Data processed (2018)

Table 10. Average Value of Availability of Public Information Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Sub-district	Average Value	Criteria
South Morotai	15	Average
South West Morotai	16	Average
East Morotai	15	Average
North Morotai	15	Average
Morotai Jaya	14	Average

Source: Data processed (2018)

In addition, the results of observations in the field show that there are changes in the pattern of community behavior before and after implementing the One Billion One Village Policy and the issuance of the Village Fund program in almost all villages in Pulau Morotai Regency. Some people have a strong desire to participate in village development. However, some people have made this policy a political commodity after the implementation of village head elections. Saputra (2007) stated that the size of the government budget revolving into the village influences changes in behavior patterns of some people from “apathetic” attitudes to “caring” about the budget (Saputra, 2007). This has resulted in the village government is reluctant to provide some information about teaching excellence financial management.

4.2.4. Assurances of Integrity

The point of budget transparency is how the budget data reported by the government fulfill the basic criteria that all allocated activities and budgets are of quality following

applicable standards and mechanisms. The assurance of integrity indicators shows the calculation results of 6 villages (6.82%) in the good criteria. The average criteria are 62 villages (70.45%), 18 villages (20.45%) in the poor criteria, and two villages (2.27%) in the very poor criteria. Furthermore, it can be seen in Table 12 and Table 13.

Table 14 shows the ranking of villages in the availability of public information indicators. The calculation results show that as many as six villages are in good criteria, 62 villages are in the average criteria, 18 villages are in the poor criteria, and only one village is in very poor criteria. The sub-district capital is still relatively constant in the good criteria except for Sopi Village, which is in the average criteria.

A budget becomes a major issue in this indicator. Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Village Financial Management provides a sign that a good budget resulted from the accuracy of supporting data (e.g., the realization of implementation of the previous year's budget, village potential, accounting standards, and macroeconomic conditions). Thus, a good budget is a budget that can provide up-to-date data and can reflect future conditions (Norton & Elson, 2002). The study results show several things related to village financial management, planning, implementation, administration, and reporting.

At the planning stage, the income trend still tends to be unmeasured, especially for village income and other income, excluding transfer income that is not the domain of the village government. This condition is caused by a weak database of village income sources. Also, no regulation can be made by the village government in favor of collecting original village income.

At the stage of implementation and administration, the capacity of the village government apparatus is still the main obstacle that still needs to be addressed. Regulations issued by the government as a reference for the implementation and administration process cannot be carried out maximally. For example, in taxation, village governments still spend their budgets on providers of goods that are not classified yet as Taxable Entrepreneurs. The impact is that the village still has to spend its budget to pay Value Added Tax (VAT).

At the reporting stage, the village government has not prepared its accountability report, such as the Budget Realization Report. Every year, the village government must hire experts to prepare accountability reports on implementing the village budget. From 2016 and 2017, the village government has spent its budget to attend training to prepare accountability reports. However, the training was considered not effective enough to boost the capacity of village government officials to compile their reports independently.

Table 11. Village Ranking Based on Availability of Public Information Indicators of Pulau Morotai Regency in 2018

No	Village	Subdistrict	Score	Criteria
1	Wayabula	South West Morotai	24	Good
2	Daeo Majiko	South Morotai	23	Good
3	Aha	South Morotai	22	Good
4	Sangowo	East Morotai	22	Good
5	Sopi	Morotai Jaya	22	Good
6	Daruba	South Morotai	21	Good
7	Bere-Bere	North Morotai	20	Good
8	Muhajirin	South Morotai	19	Good
9	Sambiki	East Morotai	19	Good

No	Village	Subdistrict	Score	Criteria
10	Sabala	South Morotai	18	Average
11	Morodadi	South Morotai	18	Average
12	Posi-Posi	South West Morotai	18	Average
13	Sambiki Baru	East Morotai	18	Average
14	Kenari	North Morotai	18	Average
15	Tanjung Saleh	North Morotai	18	Average
16	Maba	North Morotai	18	Average
17	Bere Bere Kecil	Morotai Jaya	18	Average
18	Mandiri	South Morotai	17	Average
19	Ngele-Ngele Kecil	South West Morotai	17	Average
20	Ngele-Ngele Besar	South West Morotai	17	Average
21	Raja	South West Morotai	17	Average
22	Aru Burung	South West Morotai	17	Average
23	Cio Dalam	South West Morotai	17	Average
24	Tiley Pante	South West Morotai	17	Average
25	Cio Maloleo	South West Morotai	17	Average
26	Gamlamo	East Morotai	17	Average
27	Leleo Jaya	North Morotai	17	Average
28	Totodoku	South Morotai	16	Average
29	Sabatai Tua	South Morotai	16	Average
30	Falila	South Morotai	16	Average
31	Nakamura	South Morotai	16	Average
32	Cucumare	South West Morotai	16	Average
33	Bobula	South West Morotai	16	Average
34	Mira	East Morotai	16	Average
35	Rahmat	East Morotai	16	Average
36	Yao	North Morotai	16	Average
37	Korago	North Morotai	16	Average
38	Libano	Morotai Jaya	16	Average
39	Hapo	Morotai Jaya	16	Average
40	Pangeo	Morotai Jaya	16	Average
41	Towara	Morotai Jaya	16	Average
42	Wawama	South Morotai	15	Average
43	Momojiu	South Morotai	15	Average
44	Galo-Galo	South Morotai	15	Average
45	Tiley	South West Morotai	15	Average
46	Loumadoro	South West Morotai	15	Average
47	Tawakali	North Morotai	15	Average
48	Cempaka	Morotai Jaya	15	Average
49	Pandangan	South Morotai	14	Average
50	Juanga	South Morotai	14	Average
51	Dehegila	South Morotai	14	Average
52	Saminyamau	South West Morotai	14	Average

No	Village	Subdistrict	Score	Criteria
53	Tutuhu	South West Morotai	14	Average
54	Cio Gerong	South West Morotai	14	Average
55	East Sangowo	East Morotai	14	Average
56	West Sangowo	East Morotai	14	Average
57	Gosoma Maluku	East Morotai	14	Average
58	Hino	East Morotai	14	Average
59	Sakita	North Morotai	14	Average
60	Gorua	North Morotai	14	Average
61	Titigoli	Morotai Jaya	14	Average
62	Cendana	Morotai Jaya	14	Average
63	Waringin	South West Morotai	13	Average
64	Leo-Leo	South West Morotai	13	Average
65	Lifao	East Morotai	13	Average
66	Losuo	North Morotai	13	Average
67	Goa Hira	North Morotai	13	Average
68	Aru	Morotai Jaya	13	Average
69	Sopi Majiko	Morotai Jaya	13	Average
70	Darama	South Morotai	12	Poor
71	Joubela	South Morotai	12	Poor
72	Sabatai Baru	South Morotai	12	Poor
73	Pilowo	South Morotai	12	Poor
74	Aru Irian	South West Morotai	12	Poor
75	Usbar Pantai	South West Morotai	12	Poor
76	Wewemo	East Morotai	12	Poor
77	Doku Mira	East Morotai	12	Poor
78	Daao	South Morotai	11	Poor
79	Buho-buho	East Morotai	11	Poor
80	Loleo	Morotai Jaya	11	Poor
81	Bido	North Morotai	10	Poor
82	South Gorua	North Morotai	10	Poor
83	Yayasan	South Morotai	9	Poor
84	Koloray	South Morotai	9	Poor
85	Seseli Jaya	East Morotai	8	Poor
86	Gorugo	Morotai Jaya	8	Poor
87	Gotalamo	South Morotai	7	Poor
88	Podimor Padange	Morotai Jaya	6	Very Poor

Source: Data processed (2018)

Table 12. Average Value of Assurance of Integrity Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Criteria	Interval	South Morotai		South West Morotai		East Morotai		North Morotai		Morotai Jaya		Total	
		F	%	F	%	F	%	F	%	F	%	FT	%
Excelent	29 - 35	0	0	0	0	0	0	0	0	0	0	0	0.00
Good	22 - 28	2	8	1	5	1	7	1	7	1	7	6	6.82
Average	15 - 21	19	76	15	75	10	67	10	71	8	57	62	70.45
Poor	8 - 14	4	16	4	20	4	27	3	21	3	21	18	20.45
Very Poor	1 - 7	0	0	0	0	0	0	0	0	2	14	2	2.27
Total		25	100	20	100	15	100	14	100	14	100	88	100

Source: Data processed (2018)

Table 13. Average Value of Assurance of Integrity Indicators Based on Sub-districts of Pulau Morotai Regency in 2018

Sub-district	Average Value	Criteria
South Morotai	17	Average
South West Morotai	17	Average
East Morotai	17	Average
North Morotai	17	Average
Morotai Jaya	15	Average

Source: Data processed (2018)

Table 14. Village Ranking Based on Assurance of Integrity Indicators of Pulau Morotai Regency in 2018

No	Village	Subdistrict	Score	Criteria
1	Wayabula	South West Morotai	26	Good
2	Daruba	South Morotai	24	Good
3	Sangowo	East Morotai	24	Good
4	Titigoli	Morotai Jaya	23	Good
5	Aha	South Morotai	22	Good
6	Bere-Bere	North Morotai	22	Good
7	Saminyamau	South West Morotai	21	Average
8	Cio Maloleo	South West Morotai	21	Average
9	Sambiki Baru	East Morotai	21	Average
10	Mira	East Morotai	21	Average
11	Sopi	Morotai Jaya	21	Average
12	Wawama	South Morotai	20	Average
13	Daeo Majiko	South Morotai	20	Average
14	Nakamura	South Morotai	20	Average
15	Ngele-Ngele Besar	South West Morotai	20	Average
16	Gamlamo	East Morotai	20	Average
17	Maba	North Morotai	20	Average

No	Village	Subdistrict	Score	Criteria
18	Gorua Selatan	North Morotai	20	Average
19	Bere Bere Kecil	Morotai Jaya	20	Average
20	Falila	South Morotai	19	Average
21	Leo-Leo	South West Morotai	19	Average
22	Loumadoro	South West Morotai	19	Average
23	Cio Gerong	South West Morotai	19	Average
24	Gosoma Maluku	East Morotai	19	Average
25	Korago	North Morotai	19	Average
26	Libano	Morotai Jaya	19	Average
27	Hapo	Morotai Jaya	19	Average
28	Yayasan	South Morotai	18	Average
29	Gotalamo	South Morotai	18	Average
30	Juanga	South Morotai	18	Average
31	Totodoku	South Morotai	18	Average
32	Daeo	South Morotai	18	Average
33	Morodadi	South Morotai	18	Average
34	Cucumare	South West Morotai	18	Average
35	Ngele-Ngele Kecil	South West Morotai	18	Average
36	Posi-Posi	South West Morotai	18	Average
37	West Sangowo	East Morotai	18	Average
38	Hino	East Morotai	18	Average
39	Yao	North Morotai	18	Average
40	Towara	Morotai Jaya	18	Average
41	Momojiu	South Morotai	17	Average
42	Sabatai Tua	South Morotai	17	Average
43	Raja	South West Morotai	17	Average
44	Tiley Pante	South West Morotai	17	Average
45	Seseli Jaya	East Morotai	17	Average
46	Leleo Jaya	North Morotai	17	Average
47	Tanjung Saleh	North Morotai	17	Average
48	Muhajirin	South Morotai	16	Average
49	Galo-Galo	South Morotai	16	Average
50	Sabala	South Morotai	16	Average
51	Cio Dalam	South West Morotai	16	Average
52	Sambiki	East Morotai	16	Average
53	Buho-buho	East Morotai	16	Average
54	Tawakali	North Morotai	16	Average
55	Cendana	Morotai Jaya	16	Average
56	Sopi Majiko	Morotai Jaya	16	Average
57	Joubela	South Morotai	15	Average
58	Mandiri	South Morotai	15	Average
59	Sabatai Baru	South Morotai	15	Average
60	Pilowo	South Morotai	15	Average

No	Village	Subdistrict	Score	Criteria
61	Usbar Pantai	South West Morotai	15	Average
62	Tutuhu	South West Morotai	15	Average
63	Aru Burung	South West Morotai	15	Average
64	Lifao	East Morotai	15	Average
65	Bido	North Morotai	15	Average
66	Sakita	North Morotai	15	Average
67	Kenari	North Morotai	15	Average
68	Pangeo	Morotai Jaya	15	Average
69	Darama	South Morotai	14	Poor
70	Pandanga	South Morotai	14	Poor
71	Dehegila	South Morotai	14	Poor
72	Waringin	South West Morotai	14	Poor
73	Rahmat	East Morotai	14	Poor
74	Wewemo	East Morotai	14	Poor
75	East Sangowo	East Morotai	14	Poor
76	Doku Mira	East Morotai	14	Poor
77	Cempaka	Morotai Jaya	14	Poor
78	Tiley	South West Morotai	13	Poor
79	Gorua	North Morotai	13	Poor
80	Losuo	North Morotai	13	Poor
81	Aru	Morotai Jaya	13	Poor
82	Aru Irian	South West Morotai	12	Poor
83	Koloray	South Morotai	11	Poor
84	Bobula	South West Morotai	11	Poor
85	Goa Hira	North Morotai	11	Poor
86	Podimor Padange	Morotai Jaya	9	Poor
87	Gorugo	Morotai Jaya	7	Very Poor
88	Loleo	Morotai Jaya	4	Very Poor

Source: Data processed (2018)

5. Conclusion

This study provides an overview of the transparency ranking of village financial management of Pulau Morotai Regency in 2018. This study shows that overall, based on the measurement indicators used, namely clarity of roles and responsibilities, budget openness, availability of public information, and assurance of integrity, subdistrict capital in Pulau Morotai Regency generally exists ranked first out of 5 (five) subdistricts.

This study provides results that on the indicators of clarity of roles and responsibilities, the implementation of government affairs is still dominated by village heads as holders of village financial management. The main reasons for each regional apparatus's roles, functions, and responsibilities not to run optimally are low human resources and the high level of intervention by the village head to the government apparatus and the Village Consultative Body. Indicators of budget openness show relatively the same as indicators of clarity of roles and responsibilities. In this indicator, community participation is still very low. Budget as an instrument of

development is only the internal consumption of the local government, and only a small proportion of the community can access the data.

Indicators of the availability of public information indicate that the accessibility of public information in the village is relatively good in villages with subdistrict capitals. The community's level of education that differs from other villages can create distinctive pressure on the village government to be more open in terms of the public information provided to the community. Meanwhile, in the last indicator, the assurance of integrity, this study shows that data validity still becomes a problem in the planning process in the village. Budgeting, for example, income trends, especially village income, tend to be unmeasured due to weak databases village income and the absence of a regulation relating to collecting village income in the village. The administration of village finance also has not run optimally, especially in matters relating to taxation.

The limitations and suggestions of this study for future research are as follows:

- a) This study used non-probability sampling techniques so that not all populations have the same opportunity to be sampled. It will be more if future research uses a larger number of samples to be generalized.
- b) Common method bias, this study is possible to occur common method bias, the respondent answers the statement with self-reporting. It means, in answering the statements, respondents only rely on subjective judgments so that respondents' answers can be perceptual biased. However, in this study, the weakness has been reduced by not mentioning the measured variable name in the questionnaire and randomized statements sequence.
- c) The results of this study are only limited to the sample and transparency settings of village finance in the Pulau Morotai Regency. For this reason, in future studies, generalizations on different subjects must be considered, so it is externally valid in different settings.

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7. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article,

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