

IT-Based Financial Management and Governance Training Role Toward Village Government Employee Understanding on Financial Management

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ABSTRACT

This research aims to test the information technology-based financial management and governance of village government to optimize the village financial management in local government of Indragiri. The research method is done by giving survey questionnaires to 100 of village government employees. A paired sample t-test is used to test the capability of the employees in managing the financial before and after the training. The result shows that there is an increase in capacity in financial management and governance by all the village government employees. The theoretical maximum score from the respondents is 50, and the minimum is 10, so the average score is 30. Based on the data above, before the training, the employee's understanding scores are below the average score, i.e., 24, 15. After the training, the employee's understanding increases above the average score, i.e. 38, 77.

Keywords: Village Government Employees; Training; Financial Governance.

Pengaruh Pelatihan Manajemen Keuangan Desa Berbasis Teknologi Informasi Terhadap Pemahaman Pegawai Pemerintah Desa tentang Manajemen keuangan

ABSTRAK

Penelitian ini bertujuan untuk menguji pelatihan sistem informasi yang didukung oleh teknologi informasi untuk mengoptimalkan pengelolaan keuangan desa di pemerintah daerah Indragiri. Metode penelitian dilakukan dengan mendistribusikan kuesioner kepada 100 aparat pemerintah desa. Paired sample t-test digunakan untuk menguji kemampuan aparat dalam mengelola keuangan sebelum dan sesudah pelatihan. Hasilnya menunjukkan bahwa ada peningkatan kapasitas dalam pengelolaan dan tata kelola keuangan oleh semua aparat pemerintah desa. Skor maksimum teoretis dari responden adalah 50, dan minimum adalah 10, sehingga skor rata-rata adalah 30. Berdasarkan data di atas, sebelum pelatihan, skor pemahaman aparat pemerintah desa berada di bawah skor rata-rata, yaitu 24, 15. Setelah pelatihan, pemahaman aparat pemerintah desa meningkat di atas skor rata-rata, yaitu 38, 77.

Kata Kunci: Aparat Pemerintah Desa; Pelatihan; Tata Kelola Keuangan



E-JA
e-Jurnal Akuntansi
e-ISSN 2302-8556

Vol. 30 No. 4
Denpasar, April 2020
Hal. 851-860

Artikel Masuk:
20 Januari 2020

Tanggal Diterima:
25 April 2020

INTRODUCTION

The amendment of village act in 2014 has changed village governance in Indonesia. The act gives the village a full autonomous region. This indicates that all Indonesian villages have a right to regulate and manage their government affairs. As a new autonomous region, villages that have met requirements have a right to receive a certain budget from central government that is around one billion rupiahs (equivalent to about 71,439 US dollars) per year. Ministry of Finance of Republic of Indonesia reported that village funds allocated are increased every year from IDR 20.67 trillion (2015), IDR 46.98 trillion (2016), IDR 60 trillion (2017), IDR 60 trillion (2018), and IDR 70 trillion (2019). That amount is around 3 to 3.3% of Indonesia total state revenue budget.

However, some scholars and politicians argue that human resource of the village government still has not developed well (Sofyani, Suryanto, Wibowo, & Widiastuti, 2018). This condition may not bring advantages in the village development, but instead, the new additional budget received by the village government would be managed inefficiently and eventually would be a source of waste in the use of state finance at the village level. To overcome this problem, human resource quality improvement in the village government, especially related to the ability to manage village finance is very significant.

Several studies have found evidence that training is an important determinant for improving employee performance in preparing financial reporting with good quality in the public sector (Budiono, Muchlis, & Masri, 2018), (Muzahid, 2014), (Sofyani & Akbar, 2013), (Wungow, Lambey, & Pontoh, 2016). However, there is a research gap that examines how the training model was carried out. This research has tested the village government financial management training model in the Indragiri regency. This village government's financial management training is conducted on a digital basis. Specifically, this research examines the understanding of village government employees before and after participating in the training.

Nurkhamid (2008) contend that training can be a means for employees to understand about the innovations that are present, and reduce the pressure or confusion of employees over the demands of the process of implementing an innovation that is present. For example, training in preparing Government Agency Accountability and Performance Reports, Government Strategic Plans, and Working Plans (Bastian, 2017). Thus, training conducted by the government is pivotal and has a positive impact on civil servants in implementing a particular policy, particularly related to village government financial management (Sofyani & Akbar, 2013).

This is in line with the institutional theory proposed by DiMaggio and Powell (2000). Based on their point of view, institutionalization process of good governance in organizations, including the public sector, requires professionalism and adequate quality human resources. This can be obtained from formal education and training. The presence of qualified employees will make the organization successfully carry out certain policies in accordance with normative objectives (Sofyani, Akbar, & Ferrer, 2018).

The research conducted by Herlin & Effendi (2017) suggested that there is a need to increase the quality of the human resource to gain performance. Halen & Astuti (2013) argued that the level of understanding, training, and guiding of local government employee significantly affect the accrual basis of the local financial governance. The knowledge-based on government accounting standards with transparency strengthens the influence of transparency in the budget performance (Arista & Suartana, 2016). Based on the description above, it can be hypothesized as below.

To conduct effective financial management and governance, which can support accountability and transparency, the information system (IS) support is pivotal (Kim, Shin, Kim, & Lee, 2011). IS can help village government management to obtain the accuracy and timeliness of the village financial report. Therefore, specific training pertaining to financial management in the village government supported with IS is expected can enhance the understanding of village government employees in terms of village financial management.

H₁: There is a different understanding level of the government employee toward the village financial governance between before and after the village financial governance training using the village financial information system supported by information technology.

RESEARCH METHOD

This research was conducted in the last of 2018 using survey method by distributing a questionnaire to the respondents. The questionnaire contains questions about budget implementation and village financial governance. The elements of those questions are related to village management, financial governance, responsibility, accountability, transparency, responsibility, independence, and justice. The population of this research is all the heads of villages in Indragiri regency, Riau Province. The number of village heads is 480, and from that population, samples are taken randomly 100. Then, those villages' head is given the questionnaires to answer.

The independent variable of this research is training on IT-based financial management and governance of village governments. While the dependent variable is the understanding of village government employees. The scale used in this study is the Likert scale 1-5. In this research, the test of validity used for testing the instrument. This research uses the SPSS 17 program testing, which contains the formula of Rank Spearman. Hypothesis testing is done by paired sample t-test. The hypothesis is supported if the understanding of village government employees in the post-test phase is significantly higher than during the pre-test (Ghozali, 2016).

RESULT AND DISCUSSION

The model of IT-based financial management and governance design conducted in the form of *Sikades* program. *Sikades* is computer software that issued to manage and report village government finance. start with Open/click the work unit folder (e.g., 01.00 Headman) contain the *Sikades4unit* file. Then open/click *Sikades4unit* file until the display appears as follow.

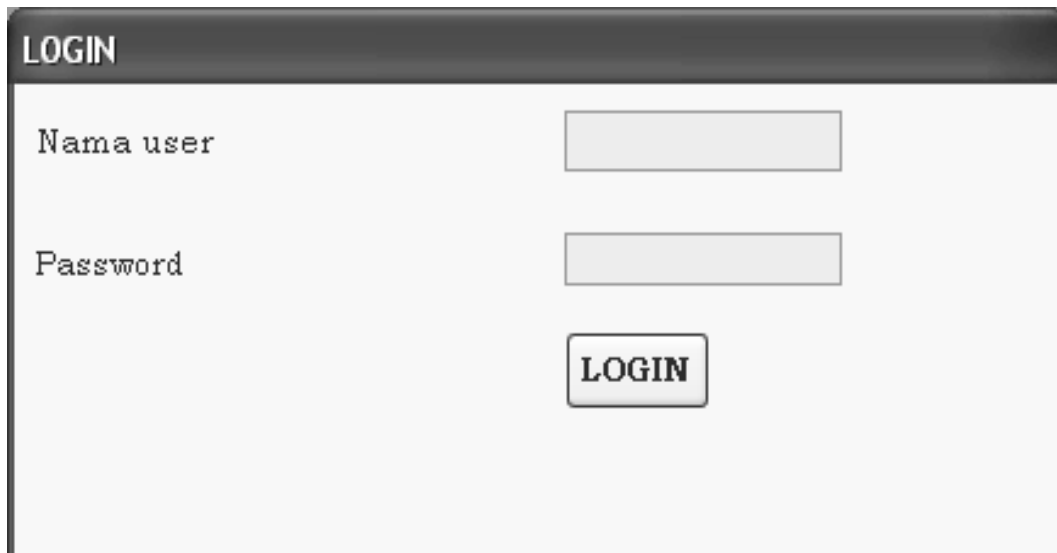


Figure 1. Login Window

Source: ResearchData,2020

Fill the Username and password appropriate to the data given by the Admin officer. After clicking the LOGIN, the main menu contains a work unit will appear as follows:

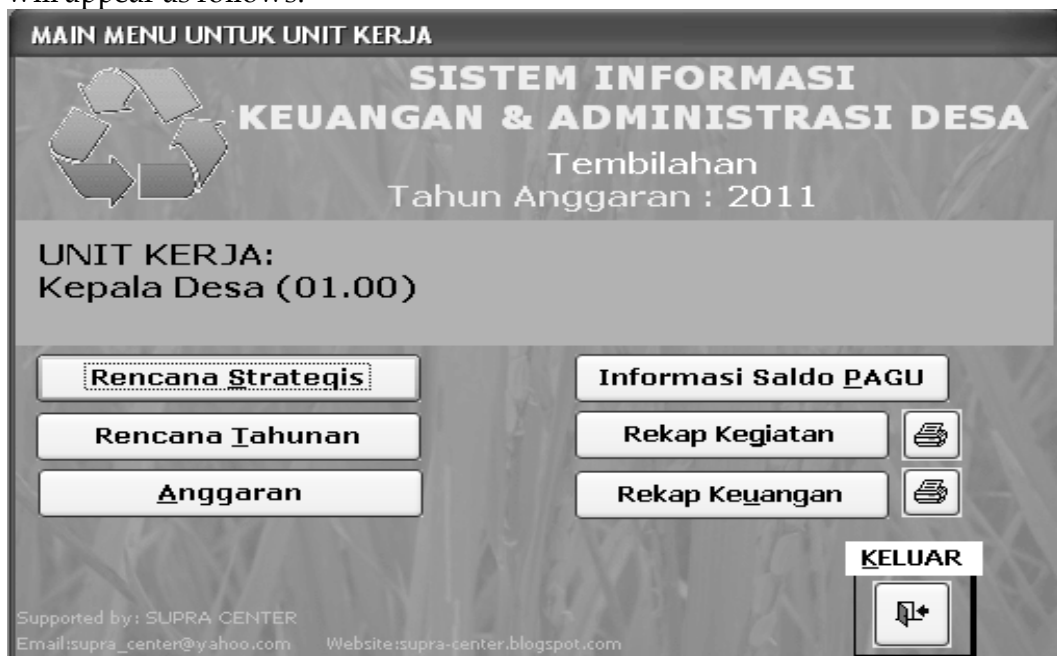


Figure 2. Main Menu

Source: ResearchData,2020

Click the *Rencana Strategis* button to fill the vision, mission, and goal by the vision, mission, and goal of the village. Then click the *Rencana Tahunan* button, then choose the Program, activity details, and fill the activity indicator, target achievement and time, source of fund, and work indicator. The display of *Rencana Tahunan* menu provided as follows:

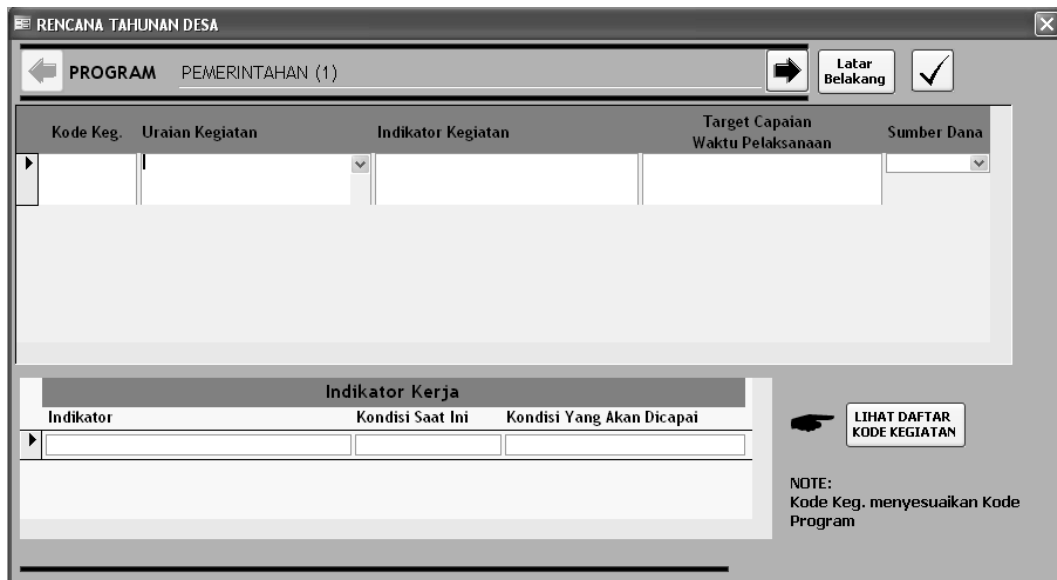


Figure 3. Rencana Tahunan Menu

Source: ResearchData, 2020

The next step is deciding the budget of every activity by clicking the *Anggaran* button from the main menu to work unit. The display as follows:

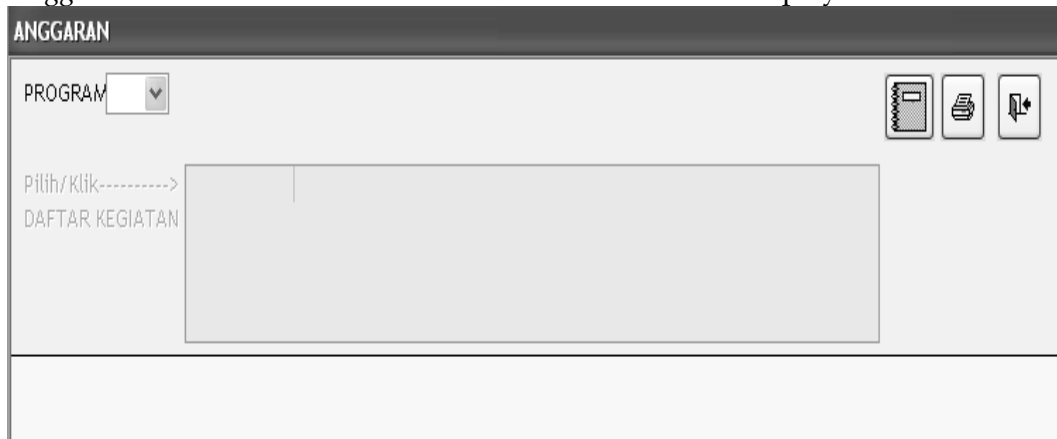


Figure 4. Work Unit Window

Source: ResearchData, 2020

Choose the working program and the activity, click acceptance item on acceptance column (if the activity needs acceptance source), continued by fulfilling the description, unit, unit price, and quantity, then press **Enter**. The next step is to click the *mutakhirkan data* button to refresh the data. On the expenditure column, click the expenditure button then continued by completing the column field of description, unit, unit price, and quantity then press **Enter**. Again, click *mutakhirkan data* to refresh.

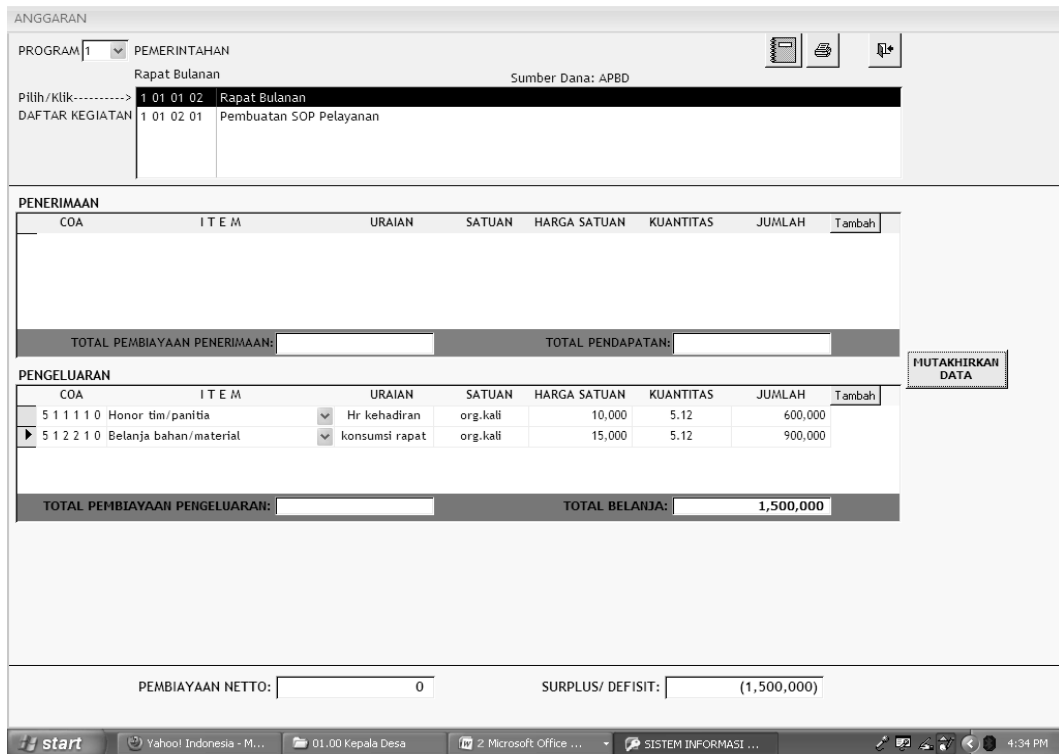
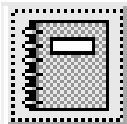

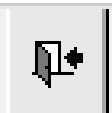
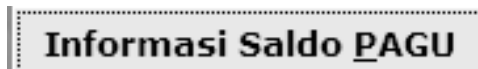




Figure 5. Filling Window

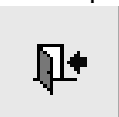
Source: ResearchData, 2020

To see the detail display of income, cost, financing by clicking the icon  to print the data by clicking the button , for exiting the

budgeting menu click . The button  used for checking the existing budget, budget proposal, and the rest of the

budget. Click button  and

 to see the recapitulation activities display and budget recapitulation from the arranged budget. To end the SIKADES program

click .

The validity test of the research instrument is presented in Table 1. According to the correlation test, it is found that output analysis correlated with the number of questions, and the total score of questions showed that all correlations between all of the questions start from number one to ten, and the

total value of all questions is significant. It means the research instrument, i.e., questions are valid.

Table 1. Validity Test

		Score of odd pre	Score of even pre
Score of odd pre	Pearson correlation	1	0.998
	Sig (2 tailed)		0.000
	N	100	100
Score of even pre	Pearson correlation	0.998	1
	Sig (2 tailed)	0.000	
	N	100	100

Source: ResearchData, 2020

According to Table 1. the calculation result of $(2 \times 0.998) / (1 + 0.998) = 0.99$. It means all of the scores from the questions on the research instrument is reliable. It can be concluded that questioner, as the research instrument, is able to be used in this research.

Table 2. Descriptive Test

		Mean	N	Std. Deviation	Std. Mean Deviation
Pair 1	Score of post-test	38,77	100	9,870	0,987
	Score of pre-test	24,15	100	12,473	0,12473

Source: ResearchData, 2020

It can be seen that the understanding score of village government employees increases from 24.15 to 38.77. The significance test shows that the difference in understanding level over village financial management and governance is significant. It can be seen from the value of sig, i.e., 0.000. It indicates that there is a difference in the understanding level of village government employees toward IT-based financial management and governance of the village government before and after training. Moreover, it is found that the maximum theoretical value of the average respondent's answer is 50, and the minimum is 10. Because the number of questions is 10 with one to five score for each question, then the average is 30. Based on the data mention before, even though the result does not exceed the maximum enough, the understanding level of the village government employees increased after attended the training. Thus, this research supports the hypothesis.

Table 3. Hypothesis Test

		Paired differences						t	df	Sig. (2 tailed)
		Mean	Std Deviation	Std Error	95% Confidence interval level of difference					
					Upper	Lower				
Pair 1	Score of Posttest-score of pretest	14,620	10,606	1,061	12,516	16,724	13,785	99	0,000*	

*Significant at 0.001 alpha level

Source: ResearchData, 2020

The result of this study is in line with several previous studies such as Sofyani & Akbar (2013), Muzahid, (2014), Wungow, Lambey, & Pontoh (2016) who found that training provided by government institutions had a positive contribution to improve the ability of government employees to complete their tasks. However, this research extends the previous findings by suggesting that the training held should be integrated with IT, so that the work of financial management of village government can run more easily and quickly (Sofyani, Riyadh, & Fahlevi, 2020). This result confirms the institutional theory, as suggested by DiMaggio & Powell (2000), that one of the successes of the institutionalization process in the organization is determined by the quality of human resources that can be improved from the presence of training programs.

CONCLUSSION

Based on the result, it may conclude that it is critical that the village government conducts training and provide better information system facilities to support governance practices. The training of IT-based financial management and governance of the village government may improve the performance of the village government employees in understanding the philosophy of financial and implementing the principle of good governance. When good governance occurred in the village government, it may lead to the welfare of civil society.

This research has several limitations. First, this research was only carried out in the village government scope of Indragiri Regency, Riau province. Therefore, these results cannot be generalized to the larger scope. Future studies are suggested to examine similar topics in other village governments in other regions of Indonesia. Furthermore, this study only tested one independent variable. Future studies are suggested to examine other factors that can improve the quality of human resources in the village government, especially those related to financial management and governance practices. Since this research approach is only carried out with a survey method and less detailed results, further research is also recommended to adopt other research methods such as qualitative or mixed-methods.

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