

Transparency and Accountability of a Village Fund Management During COVID-19 Crisis

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ABSTRACT

In the face of the super contagious and deadly COVID-19 pandemic, the government has to accelerate planning and make quick decisions to contain the virus and provide necessary assistance to the affected people. Therefore, amid this global health crisis, public fund management procedures may undergo significant modifications. This study considers how urgency is implicated in the village fund management during COVID-19 in Indonesia. A case study of an East Javanese village was conducted between May and August 2020. In-depth interviews with four key managers and eight beneficiaries of the fund yielded interesting findings. Particularly, two key elements formerly practised by the village fund managers, namely transparency and accountability, were largely omitted. Consequently, some of the locals being interviewed claimed that a portion of the funds was misappropriated. Arguably, urgency warrants some adaptation, and hence transparency and accountability may have to be forfeited (to some extent) to expedite the fund allotment. However, our findings imply that opportunistic behaviour may occur among the fund managers. Consistent with the notion of strategic responses to institutional pressure, the urgency of dealing with the crisis fund may prompt the higher authorities to adopt an adaptive regulating style, hence relaxing their coercive pressure, and allowing fund managers to pursue their self-interest.

Keywords: *Accountability; COVID-19; transparency; urgency; village fund*



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INTRODUCTION

On 11 March 2020, the World Health Organization (WHO) declared the COVID-19 as a pandemic. The spread of the virus has reached over 197 million confirmed cases all over the world. Based on the data of the Indonesian Ministry of Health, 3,331,206 Indonesian citizens have been infected with COVID-19 up to 30 July 2021. Of these, 90,552 were declared dead. Given the explosive nature of the COVID-19 transmission, WHO urged all countries around the world including Indonesia, to take aggressive prevention and control measures to contain this virus.

In the Indonesian context, the President issued Presidential Decree No. 4 of 2020 on Refocussing Activities, Budget Relocation, and Procurement of Goods and Services to accelerate the handling of COVID-19. Refocussing activities concentrate on altering the governmental budget details to prioritize and speed up the handling of COVID-19, encompassing the federal through village-level budgets. The village-level budget, which is nationally known as Village Fund, is a fund sourced from the State Budget. It is transferred to villages through the District's Revenue and Expenditure Budget and is used to finance government administration, development implementation, community development, and community empowerment. In addition, the Village Fund can be used for activities related to disasters.

In managing the Village Fund, the fund managers are coercively pressured by the State Government to conform to two important governance elements which are transparency and accountability. Transparency and accountability are suggested as a means of minimizing asymmetrical information and opportunistic behaviours among individual managers, that subsequently enhance public trust (Chrisman, 2019; Nurrizkiana, Lilik Handayani & Erna Widiastuty, 2017; Sofyani, Pratolo & Saleh, 2021) and ultimately sustain public service excellence. To attain transparency, the Village Fund managers are required to involve the villagers in the Village Fund decision-making process and publish the progress of the fund allocation from time to time. To achieve accountability, the Village Fund managers are expected to oversee the financial management process and provide reliable financial information.

Under normal circumstances, the coercive pressure from the State Government is expected to result in full conformity in terms of both transparency and accountability by the Village Fund managers as suggested

by the institutional theorists (Dimaggio & Powell, 1983; Oliver, 1991; Scott 1987, 2008). Nonetheless, during a crisis, the pressure may shift (to a certain extent) from conformity to celerity as the decision must be made way faster. Consequently, the cognitive workload and hence unintentional biases are potentially higher among the Village Fund managers.¹ Alternatively, the reduced institutional pressure on conformity may create a bigger room for manipulation, hence a higher risk of fraud and maladministration (Cressey, 1950). The mismanagement and fraudulent activity risks are exacerbated by the potential economic impacts of the COVID-19 pandemic on the Village Fund managers themselves and a larger amount of funds allocated for the Village Fund during a crisis (Cressey, 1950). The latter argument will result in varying responses to the conformity expectations by the State Government from compliance to resistance.

Accordingly, this study aims to explore what role urgency assumes in the responses of the Village Fund managers to the conformity and celerity expectations by the State Government. In doing so, the strategic responses to the institutional isomorphism framework proposed by Oliver (1991) are employed. Combining the institutional and resource dependence theories, Oliver (1991) considers the “potential for variation in the degree of choice, awareness, proactiveness, influence, and self-interest that organizations exhibit in response to institutional pressure” (p. 146). That is, “organizational responses will vary from conforming to resistant, from passive to active, from preconscious to controlling, from impotent to influential, and from habitual to opportunistic, depending on institutional pressures toward conformity that are exerted on organizations” (p.151). More specifically, he proposes a typology of strategic responses to institutional pressure covering acquiescence, compromise, avoidance, defiance, and manipulation.

This case study was conducted within a village called Ambeng-Ambeng Watangrejo, located in Gresik, East Java, Indonesia, from July to August 2020. This village is considered a particularly apt setting as it constitutes an environment where discussion and agreement among fund managers and villagers are key in the village-level budget allocation, which

¹ Cognitive workload refers to the level of measurable mental effort put forth by an individual in response to one or more cognitive tasks. Time pressure is one of the factors that increases cognitive workload, which in turn increases error and reduces task performance (Guastello, Corroero II & Marra, 2019; Sanjram & Gupta, 2013).

is well-known in Indonesia as *Musyawahah*. The deliberation process, however, is not adequately supervised or controlled. Therefore, the State Government exerts strong pressure for the Village Fund managers to be transparent through the fund management process and produce detailed reports on the fund allocations.

This study contributes to the literature in several ways. Firstly, it extends the literature on the implications of institutional pressure on organizational behaviour. The findings of this study provide further empirical support to the contention that organizations “do not always blindly accept authoritative forces of accountability” and transparency (O’Leary & Smith, 2020 p.3). Particularly, during a crisis where urgency is key, an organization may deliberately choose to *avoid* the institutional pressure by attempting to buffer themselves from the pressure and hence preclude the necessity of conformity (Meyer & Rowan, 1992, 2014; Oliver, 1991; Powell, 1988). This study introduces a new antecedent of non-compliance to institutional demands, which is time pressure. That is, in case of urgency, organizations may strategically opt to respond to institutional expectations differently. Finally, this study extends the literature on the effect of hierarchical pressure in the public sector setting. Particularly, it sheds light on potential explanations and frameworks for characterizing the motivations of public fund managerial conforming behaviour in the governmental sector.

The remainder of this paper is structured as follows: the next two sections provide the literature review and theory development for the study. Following this, the research methods and case context are outlined. The final section presents the case analysis, discusses these findings, and makes concluding remarks.

LITERATURE REVIEW AND THEORY DEVELOPMENT

Transparency and Accountability in Public Service Governance

According to Bastian (2010), accountability can be defined as an obligation to convey onus or answer, explaining the performance and action of a person, legal entity, collective leader, or organization to parties that have the right or authority to request information or accountability. According to Mardiasmo (2012), public accountability is the obligation of the trustee to provide accountability, present reports, and disclose all

activities. In the government system, especially concerning the public, accountability underlies the government's responsibility to the public. The implementation of government activities and decision-making need to pay attention to the rights of the public as a mandate. To create an environment that prioritizes openness and accountability as foundations of responsibility (Bovens et al., 2014), the concept of accountability should not be limited to accountable reports only, but rather to include information accessibility, either directly or indirectly, orally or in writing (Bovens, 2007).

Accountability is a method of ensuring transparency and regulating government power and actions. It is a critical mechanism of government governance in fulfilling public rights. In some literature, accountability is often used in a narrower, descriptive sense. Accountability is seen as a social mechanism or an institutional relation or arrangement in which an agent can be held to account by another agent or institution (Aucoin & Ralph, 2000; Philp, 2009; Scott, 2000). According to Bovens (2010), accountability should be seen as a personal or organizational virtue, which is useful for the study of and the debate about, democratic governance. At a very fundamental level, accountability is closely associated with authority though not necessarily political authority. Therefore, the locus of accountability studies is not the behaviour of public agents, but the way in which these institutional arrangements operate. According to the UK Institute for Government (2018):

“In government, accountability inevitably involves the informal and subjective judgments of politics. This political element creates a particular tendency to overemphasize blame. While accountability certainly involves apportioning blame when something goes wrong, it should also foster an environment that leads to improvement. This is what the public cares most about – preventing failures recurring, rather than simple retribution.”

The above quote emphasizes the practice of improving overall personal and organizational performance by developing and promoting responsible acts and professional expertise to embrace a culture of sustainable development. The role of public accountability in this matter is critical. The existence of accountability will be a control mechanism for the trustee. Members of the community can exercise control over the leadership by requiring their leaders to be accountable for their actions and decisions.

Accountability measures the extent that public bureaucracy or services follow the norms and values held by the people. Accountability also measures the extent to which these public services accommodate the real needs of the people, in terms of transparent public information.

Accountability in the village government is practised through the provision of information and disclosure on financial activities and performance to interested parties. Not only the village government becomes the fund manager, but also the information provider in the context of fulfilling public rights, namely the right to know, the right to be informed, and the right to have their aspirations heard.

Accountability is not only for output but also regarding the input and process. Public accountability refers to the extent of the policies and activities of public organizations subject to political officials elected by the people (Asmawati & Basuki, 2019). The political officials in this study are Village Officials, that are the result of community choices that should represent the interests of the community. In this context, the concept of public accountability is used to see the consistency of village officials in representing the interests of the community. In the case of accelerating the handling of COVID-19, the government has carried out refocussing in accordance with Presidential Instruction Number 4 of 2020 through a revision of the budget including the one at the village level according to the Village Regulation PDRT Number 6 of 2020. Therefore, the role of the Village Government in managing village finances is a form of service to the village community by presenting accountable reports, providing information openly, and providing supervision in the process of managing funds, so that they can be accounted for. The provision of transparent and accountable services is expected right from the village fund planning through its reporting.

The implementation of accounting science in the government sector has a role in the management of public finance, particularly in realizing good governance. The accountability and transparency principles in public financial management are not only a form of an obligation of the central government, but also regions such as villages. The village as a unit of government organization is dealing directly with the community with all the backgrounds of interests and needs that has a very strategic role. In specific concern of this study, the success of the accountability of funds for handling

COVID-19 is strongly influenced by the content of the policy and the context of its implementation. However, in its implementation, it depends on how the government supervises and fosters the management of funds and is responsive to the aspirations of the community. Community participation in supporting the success of the programme is needed so that it has the potential to create a transparent, accountable, and responsive fund management process.

Institutional Theory, Resource Dependence Theory, and Organizational Strategic Responses to Institutional Pressure

The institutional theory emphasizes how the institutional environment exerts pressure, which in turn shapes the organizational structure and behaviour. The ultimate objectives of conforming to the institutional expectations are legitimacy and stability (DiMaggio & Powell, 1983; Oliver, 1991). Institutions refer to regulatory structures, governmental agencies, certification and accreditation bodies, laws, courts, and professions (Scott, 1987 p. 498). Other institutional constituents may include public opinion, interest groups, ideologies, educational systems, as well as awards and prizes (Scott, 1987 p. 498). The institutionalization process or also called isomorphism may be contributed by coercive, normative, and/or mimetic pressures (DiMaggio & Powell, 1983). Coercive pressure or in Scott's (2008) term, regulative element, emphasizes rule-setting, monitoring, and sanctioning. Normative element stems primarily from professionalization while mimetic pressure stresses the influence of an organization's counterparts on its behaviour, which is usually more pertinent under uncertainty (DiMaggio & Powell, 1983). In the context of the Village Fund management, self-serving advantages of compliance with the State Government requirements for transparency and accountability may include increased prestige, stability, legitimacy, social support, internal and external commitment, access to resources, acceptance in professions, as well as invulnerability to questioning (DiMaggio & Powell, 1983; Oliver, 1991).

Resource dependence theory suggests that organizations are constrained and affected by their environments and that they act to attempt to manage resource dependencies (Pfeffer & Salancik, 1978). Both institutional and resource dependence theories suggest "organizational choice is limited by a variety of external pressures, environments are collective and interconnected, and organizations must be responsive to

external demands and expectations in order to survive” (Oliver, 1991 p.146). Both theories also share a convergent assumption that organizations seek stability, predictability, legitimacy, and are interest-driven (Oliver, 1991). However, several divergent assumptions set these two theories apart. First and foremost, while institutional theorists emphasize that conformity with the institutional rules and norms is crucial for organizations’ survival (DiMaggio & Powell, 1983), the resource dependence theory focuses on a wide range of active choice behaviours available for organizations to manipulate external dependencies (Pfeffer & Salancik, 1978). Based on Pfeffer (1982, p. 197), “According to resource dependence theory, organizations do not merely respond to external constraints and control through compliance to environmental demands. Rather, a variety of strategies may be undertaken to somehow alter the situation confronting the organization to make compliance less necessary.”

The advantage of non-compliance for the Village Fund managers from the resource dependence perspective is potentially the flexibility to permit continual adaptation as new contingencies (in the context of this study, urgency during a crisis) arise. Considering the resource dependence perspective, Oliver (1991) proposes five varying strategic organizational responses to the institutional pressure, which are summarised in Table 1 below:

Table 1 Strategic Responses to Institutional Processes (Oliver, 1991)

Strategies	Tactics	Examples
Acquiesce	Habit Imitate Comply	Following invisible, taken-for-granted norms Mimicking institutional models Obeying rules and accepting norms
Compromise	Balance Pacify Bargain	Balancing the expectations of multiple constituents Placating and accommodating institutional elements Negotiating with institutional stakeholders
Avoid	Conceal Buffer Escape	Disguising nonconformity Loosening institutional attachments Changing goals, activities, or domains
Defy	Dismiss Challenge Attack	Ignoring explicit norms and values Challenging contesting rules and requirements Assaulting the sources of institutional pressure
Manipulate	Co-opt Influence Control	Importing influential constituents Influencing the shaping of values and criteria Dominating institutional constituents and processes

Under the circumstances of urgency, some adaptation to the existing practices is logically expected. While the elements of transparency and accountability were fully practised prior to the COVID-19 outbreak, a much shorter time dimension for the handling of the Village Fund during the pandemic may resort to the forfeiture of some of the procedures. Arguably, the State Government will shift its pressure on the Village Fund managers from mere conformity to conformity and celerity during the pandemic crisis to save lives and help the affected villagers. This shift of focus and expectation potentially have two polarising implications to fund management. On one hand, the fund managers may face increased pressure to discharge their responsibilities within a significantly shorter time. Consequently, they may be exposed to excessive cognitive workload due to having to make critical decisions promptly resulting in a higher likelihood of unintentional biases in their judgment. On the other hand, reduced pressure from the State Government particularly on the conformity for transparency and accountability may create a superior opportunity for the Village Fund managers to deceive the state regulators. In Oliver's (1991) world, this tactic is called *avoidance* that is achievable through buffering or loosening institutional attachments. The urgency seems to be a perfect shield for the Village Fund managers to safeguard themselves in case they are questioned about the omission of some of the required procedures. Both foregoing implications are harmful to the Village Fund management in that the fund may be misallocated among the recipients or even misappropriated. Accordingly, the following is expected concerning the Village Fund management within the COVID-19 crisis context:

Given the presence of urgency during the COVID-19 crisis, the State Government is forced to reduce the emphasis on transparency and accountability conformance in the planning, administration, allotment, and reporting of the village fund leading to buffering through the omission of some of the procedures previously in place and thus creating greater odds for error and/or fraud.

It is against this backdrop that the findings from the investigations in this study are framed.

METHODOLOGY

The field study was carried out at Ambeng-Ambeng Watangrejo from May to August 2020. The research method included interviews, observation, and

documentary reviews. Informants of this study were selected based on the consideration that they were involved directly in the Village Fund management either as the managers or recipients of the fund.

Table 2 List of interviewees and duration of interviews

Interviewee	Title	Duration (minutes)
Fund manager 1	Village treasurer	120
Fund manager 2	Hamlet's head	60
Fund manager 3	Hamlet's head	60
Fund manager 4	Hamlet's head	60
Dweller 1		30
Dweller 2		30
Dweller 3		30
Dweller 4		30
Dweller 5		30
Dweller 6		30
Dweller 7		30
Dweller 8		30

While an interview protocol was used to guide each interview, interviewees were able to explore any issues they felt pertinent to the study. Twelve interviews were conducted with four fund managers (Village Treasurers and Heads of Hamlet) and eight villagers. The interviews were audio-recorded and subsequently transcribed. The list of interviewees and duration of interviews are depicted in Table 2.

With data analysis, the technique used in this research is qualitative descriptive. Descriptive analysis is the process of transforming research data based on philosophy post-positivism, which is used to examine the conditions of natural objects. In this respect, the researcher is the key instrument while the results emphasize the meaning rather than generalization. Hence, this qualitative research does not use the term population because qualitative research departs from certain cases in certain social situations. Furthermore, the results of the study will not be generalizable to the population. However, the findings of this study may be transferred to other contexts that have similarities to the social situation in the case studied. The approach of this study aims to describe people's behaviour, field events, as well specific activities in detail and depth. The steps involved in the data analysis of this study are presented below:

1. Collected data was organized.
2. Data were read as a whole and that marginal notes were made about the data considered important followed by data coding.
3. Statements of interviewees deemed irrelevant, repetitive, or overlapping were identified, classified, and dropped from further analysis.
4. New data obtained from the field study emerged from written notes that were reduced, sorted, centralized, and simplified.
5. Data were assembled, compiled, and presented in a single, selective, and understandable form. Data were interpreted and conclusions were then formulated.
6. A field review was conducted to test the validity of the data interpretation. The results were then presented in a narrative form.

Case Context: Ambeng-Ambeng Watangrejo and Its Village Fund Management Process

Ambeng-Ambeng Watangrejo is a village located in Gresik, East Java, Indonesia. It is approximately 1046 hectares big and has about 4876 dwellers. Like other villages in Indonesia, Ambeng-Ambeng Watangrejo receives financial assistance known as Village Fund from the Federal Government through the State Government. More specifically, this fund is transferred through the District's Revenue and Expenditure Budget and is used to finance village administration, development implementation, community development, and community empowerment. The Village Fund is also used for community recovery in case of disasters.

Following the COVID-19 outbreak in early 2020, the Indonesian President issued Presidential Decree No. 4 of 2020 on Refocussing Activities, Budget Relocation, and Procurement of Goods and Services to accelerate the handling of COVID-19. Refocussing activities concentrate on altering the governmental budget details to prioritize and speed up the handling of COVID-19 encompassing the federal through village-level budgets. In addition to the routine Village Fund, Ambeng-Ambeng Watangrejo received an incremental fund for the COVID-19 crisis from the State Government. Planning, administration and allocation, and reporting are the three aspects of the routine and incremental Village Fund.

Village Fund managers must exercise transparency and accountability right from the budget planning to the reporting of utilized funds. In accordance with the Gresik Perbup² Number 17 of 2020, the budgeting process must be carried out independently and by involving the participation of village communities. Once finalized, the priority of Village Fund usage set for village development and empowerment of village communities must be *published* in *public spaces* accessible by village communities. The village government is also obliged to report the priority setting for the Village Fund utilization to the Regent.

Furthermore, the Republic of Indonesia Number 17 of 2020 states that the procurement, construction, development, and maintenance of other facilities and infrastructure are carried out following the authority of the village and are decided through *village deliberations*. In accordance with these provisions, it is clear that the management of the Village Fund must be carried out openly through village meetings and the results must be published. This provision shows the commitment of decision-makers to fulfil the principles of transparency and accountability in managing the Village Fund.

The administration and allocation are potentially the most critical stage of the Village Fund management. At this stage, transparency and accountability must be carefully maintained. Each head of the Hamlet is expected to collect the villagers' data based on the family card that comes with the national identifier. Next, the head of the Hamlet should search for the eligible recipients of the budget according to several eligibility criteria set by the District Government. For this purpose, each Hamlet is also given a quota from the District Government. Finally, the list of eligible Village Fund recipients must be prepared by the head of the Hamlet and submitted to the District Government.

Finally, transparency and accountability are expected to be achieved at the reporting phase through semi-annual reporting to the District Government and the community in accordance with the Minister of Home Affairs Regulation Number 20 of 2018. Detailed records of recipients and the amount of funds transferred to each of them must be reported.

² Gresik is one of the regencies, local government, in the eastern province, which has the responsibility to supervise the accountability of the village under this study. Perbup, nationally known as PeraturanBupati, is a regulation issued by the Regent.

CASE ANALYSIS AND DISCUSSION

Transparency and Accountability of the COVID-19 Village Fund Planning

In the preparation of the early 2020 budget prior to refocussing, the Village Government of Ambeng-Ambeng Watangrejo has implemented Domestic Regulation Number 20 of 2018 by applying participatory principles through village deliberations on December 31, 2019, although the implementation exceeds the recommended limit, which is no later than October (Article 32). The village meeting is to provide opportunities for the community to share their aspirations and maintain the accountability of the Village Fund. Village deliberations held by the Village Consultative Body were attended by community officials and related elements. These research findings suggest that citizen participation was excellent in the Village Government of Ambeng-Ambeng Watangrejo. The following responses illustrate this admirable involvement:

"In making village regulations, the community can convey their aspirations through the Village Consultative Body which can later be channelled in village deliberation meetings. We invite related parties, for example, community leaders, women representatives to village meetings, even if there are residents who come directly we are very grateful. The level of community participation is very good. 100% of meeting invitations attended even though it was New Year Eve. The community provides programme input for the 2020 budget. We have accommodated proposals and vote on the most urgent ones to be prioritized." (Fund manager 2)

The result of the deliberation was a budget planning and work programme that was ratified through Village regulation Number 9 of 2019. The village government also published the results of the meeting in a public space, namely in front of the Village Hall that could be accessed by the village community easily.

The existence of the COVID-19 pandemic requires immediate refocusing of the budget based on Presidential Instruction Number 4 of 2020 to accelerate its handling. Village regulation Number 9 of 2019 has been replaced by the existence of Village regulation Number 5 of 2020. In the

process of drafting Village regulation Number 5 of 2020, the Village Government of Ambeng-Ambeng Watangrejo did not go through village meetings held by the Village Consultative Body as previously done in the preparation of Village regulation Number 9 of 2019.

"In determining the budget for the acceleration of handling COVID-19, which we took from the Village Fund, we did not hold village meetings such as determining the budget at the beginning of the year because the time was very short. The regulation was issued towards the end of March 2020 and we were required to distribute cash transfer assistance in April. Therefore, the village apparatus decided through an internal meeting only." (Fund manager 1)

Based on the results of the interview, the village government did not implement the regulation issued by a regent, Number 17 of 2020, especially Article 8, which states that procurement, construction, development and maintenance, as well as other facilities, are carried out in accordance with village authorities and are decided through village deliberations. Such regulation also explains that village deliberations consist of deliberations between the Village Consultative Body, the Village Government, and elements of a society organized by the Village Consultative Body to agree on strategic matters. Based on this definition, the internal meeting that has been held by the Village Apparatus is not a village meeting, as recommended by the governmental regulation. It can be concluded that at the input stage, namely the planning of funds to accelerate the handling of COVID-19, participatory principles were not applied. In addition, the publication of the results of refocusing the village budgeting in accordance with village regulation Number 5 of 2020 is also not carried out to support the concept of accountability for managing the village funds.

Furthermore, village officials ignore the principles of transparency and accountability in the planning process of the fund allocation. Ideally, the village officials should carry out the concept of accountability because they are entrusted with managing the public resources. This phenomenon is inconsistent with the stewardship theory that describes the existence of the village government as a trustworthy public sector organization, accommodates the aspirations of its community, provides good service, and can be accountable for village funds entrusted to it (Asmawati & Basuki, 2019).

Transparency and Accountability of the COVID-19 Village Fund Administration and Allotment

Initially, the Village Fund was mainly intended to focus on building village facilities and infrastructure. However, it was refocused in accordance with the Regulation of the Republic of Indonesia Number 17 of 2020 to become funds for the acceleration of handling COVID-19 in village regulation Number 05 of 2020. The funds were meant to be distributed to entitled recipients in the form of cash of Rp. 600,000 per family and funds for the procurement of goods and services.

Ideally, each head of the Hamlet collects citizen data based on the family card completed with the national identifier. Next, the head of the Hamlet should search for residents according to the first criteria, namely poor or underprivileged families who live in the area concerned. Each Hamlet is given a quota from the District Government. In case the quota is not met for the first and second criteria, then the head of the Hamlet should look for residents to fulfill the quota based on the third criteria, namely losing their livelihood or job and/or having a family that is prone to chronic illness as evidenced by a letter of dismissal from the company and/or a certificate of illness from a doctor. The list of potential cash transfer assistance recipients is prepared by the head of the Hamlet and is submitted to the District Government.

"I am looking for residents as many as possible to meet the quota. I looked for it based on three predefined criteria, one was poor, two lost their livelihood or job, and three had received medical treatment or had a long illness. I deposited the data to the urban village and will be deducted at the meeting." (Fund manager 3)

The implementation of activity programmes whose funding comes from funds for the acceleration of handling COVID-19 is fully chaired by the Village Head. In implementing this programme, openness to the community is needed. One form of supporting the disclosure of information on the accelerated handling of the COVID-19 programme is to declare information containing a list of potential beneficiaries in accordance with village regulation Number 01 of 2020, as well as the implementation of activities that will and have been carried out in accelerating the handling of

COVID-19. In the village of Ambeng-Ambeng Watangrejo, there is no information board informing this.

Information disclosure is a must for the Village Government in implementing the principle of transparency in managing funds for the acceleration of handling COVID-19. If this is not done it will result in suspicion of the village community. This was proven by the results of an interview with one of the residents as follows:

"They say there is cash transfer assistance, how come people like me did not receive it. It's already May. I only have a roadside food stall, which is getting lonely because of the corona. I heard people who received it only the village head's family." (Dweller 2)

"My widowed mother doesn't have a job, yesterday she got it but only once was Rp. 600,000, instead of that assistance three times, right? Then to whom the rests are given. It is not clear. We don't know who got it. Suddenly there was an invitation told to go to the Village Hall and bring an ID card." (Dweller 4)

The above responses suggest that some communities complained that they received only one fund assistance. As they know, the aid will be received for three consecutive months. This happens because there is no information on the bulletin board that must be posted in each Hamlet regarding the list of potential recipients. At the implementation and administration stages in the use of funds to accelerate the handling of COVID-19, the Village Government has not implemented the transparency and accountability principles. There are still people who complained about the distribution of fund assistance and the existence of extortion in the process of handling COVID-19. If there was transparency in implementation this would not happen.

Transparency and Accountability of the COVID-19 Village Fund Reporting

To ensure that the Village financial management is carried out effectively and accountably, semi-annual reporting is imposed by the State Government. The principle of accountability becomes more necessitated when dealing with the accelerated COVID-19 Village Fund. Village Fund

managers are expected to report every activity related to the fund management to the District Government as well as the community, in accordance with the Minister of Home Affairs Regulation Number 20 of 2018. However, time constraints and constant changes of COVID-19 budgets have increased the workload of the treasurer, which resulted in reporting delays as reported below:

“This job as treasurer starts from budgeting data entry into the system right through the preparation of accountability reports containing all related activities. With the existence of COVID-19, my work is increasing because there are many kinds of fund assistance, and the accountability report must be finished immediately so that the next month's aid funds can be disbursed. I haven't managed due to time constraints. Moreover, there are new regulations to change the budget again because the assistance is extended. As a result, I am struggling to complete the distribution of allocated funds. Furthermore, I am still collecting evidence of the activities and hence have not managed to prepare the required reports.” (Fund manager 1)

Ideally, apart from reporting to the District Government, the village government is obliged to report and be accountable to the village community. However, this is still not done, evidenced by the absence of information media. The information media should at least contain reports on the realization of the village budget, the realization of its public activities, activities that have not been completed or not carried out, and the remaining budget. This reporting should not only be done at the end of the fiscal year but also regularly. It is recommended that reporting to the public should be done at least twice a year. One of the interviewed villagers reported the following:

“There is a billboard for the village budget. However, there is no detailed reporting on the remaining budget. It is best to report to the public frequently, so that everyone is in the loop, either it is reported with the information media or through village meetings.” (Dweller 7)

Furthermore, an evaluation forum for the implementation of the Village Fund has not been carried out. It is through the forum that the

Village Government is expected to respond to suggestions and criticisms from the community with the hope that the Village Fund will be better managed. The absence of an evaluation forum and regular public reporting illustrates that transparency and accountability were omitted and hence, the Village Government is deemed dysfunctional in performing its role as the public fund manager.

CONCLUSION

This study documents three acute concerns related to the transparency and accountability of the Village Fund management in Ambeng-Ambeng Watangrejo during the COVID-19 crisis. Firstly, at the planning stage, participatory and transparency principles were not implemented as evidenced by the absence of village deliberations and publicly accessible information for the villagers mainly due to the extremely short time available. Secondly, at the implementation and administration stage, the principle of transparency was omitted as evidenced by the absence of publication on the fund's recipient list, planned work programmes, and the size of the budget. This has led to rumours about the disbursement of funds to unqualified villagers. Consequently, the use of funds was questioned by the villagers. Finally, at the reporting stage, the Village Government did not hold the evaluation forum with the community. There was also no issuance of the regular reports, which should have been done every semester. Similarly, transparency and accountability were absent in this final stage.

It is contended that under the circumstances of urgency, there is arguably some alteration in the institutional pressure from focusing solely on conformity to emphasizing both celerity and conformity. This latter shift in institutional demand results in greater chances for the fund managers to avoid having to conform to the State Government's demand particularly for transparency and accountability of the fund management process. The findings of this study support the contention that an extremely short time dimension may be an effective protection device by the fund managers to disguise their wrongdoings involving a fairly lengthy procedure. While substantial time pressure potentially leads to a larger cognitive workload and the likelihood of unintentional errors, opportunistic behaviours may exist among public fund managers under circumstances where the incentives and opportunities to commit fraudulent activities are great enough consistent

with the fraud triangle theory (Cressey, 1950). However, elucidating these two possibilities is beyond the scope of this research and hence, is subject to further research. The key implication of this study's findings is that when there is a sense of urgency, public sector governance and quality may be compromised even more. Therefore, a well-balanced mix of demands for expediency, transparency and accountability must be in place, failing which sustainability of public funds assistance may be jeopardized.

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