

## Do the village financial system application and quality of financial reports in Kediri regency matter?

Nisa Mutiara<sup>1</sup>, Eka Askafi, Wawan Herry Setyawan

Magister of Management Department, Postgraduate Program,  
Universitas Islam Kediri, Indonesia

Received: 21-03-2022 | Revision: 10-10-2022 | Accepted: 13-10-2022

DOI: <https://doi.org/10.22219/jiko.v7i03.23122>

### Abstract

The study aimed to determine how implementing the Village Financial System (Siskeudes) application affects transparency as a mediator in realizing quality village financial reports in Kediri Regency. The quantitative research used secondary data as a questionnaire to the Village Treasurer in Kediri Regency. Purposive sampling was used to carry out the sample selection process, and 343 villages provided 185 samples for the study through a regression model. The results show that the Siskeudes application can directly affect the quality of village financial reports and indirectly through transparency as a mediating variable. The Siskeudes application significantly impacts the caliber of village financial reports; transparency can augment this impact as a mediating factor.

**Keywords:** Village financial system; transparency; village financial reports

---

<sup>1</sup>[nisa@uniska-kediri.ac.id](mailto:nisa@uniska-kediri.ac.id)

## **Introduction**

Inhibiting factors and constraints in managing village finances include the human resource factor. They are less supportive of publishing finances, so these financial reports lack transparency to the public. That is a high potential for the misappropriation of funds (Karyoto et al., 2020). Reflecting on the existing problems, the government created a village finance application through the Finance and Development Supervisory Agency (BPKP). The goal is to make it easier for village officials to report finances so that they produce quality financial reports through the Village Financial System (Siskeudes) application.

An economic and development supervisory agency develops the village financial system application. The goal is to improve the quality of the village's economic governance. Before Siskeudes was launched, most villages prepared budgets, books, and financial reports using Microsoft Excel or other applications with non-standard formats (Rivan & Maksum, 2019). It is difficult for district/city governments to evaluate APBDes and village financial reports. In addition, hundreds of villages use applications purchased from private developers and cannot be updated to meet regulatory standards (Pembangunan BPKD, 2015).

Siskeudes was developed by BPKP with a local government approach, making it easier to compile financial reports for all villages into LKPD attachments following statutory regulations. Local governments have an essential role in fostering its implementation through rules and following laws. The Siskeudes application has accommodated all regulations related to village finances. It is designed as an integrated, user-friendly desktop application with an inherent and effective internal control system for producing financial information. It will certainly provide a sense of comfort for financial managers in the village in realizing village financial management accountability (Pembangunan BPKD, 2015).

Kediri Regency has 343 villages, and all villages have implemented this application. In terms of the village financial system, it provides space for village government agencies to obtain broader information and encourage them to play a role in conveying information. This system will make it easier for the village government to prepare village programs, with the increasingly challenging and complex tasks of the village government. The information and communication system supports the village in implementing transparent and accountable governance so that more attention can be paid to the process of the village's financial system (Umayah et al., 2022).

The mechanism and analysis of the management of public funds in high state institutions and their subordinate departments, regional governments, BUMN, BUMN BUMD, NGOs, and social foundations, as well as in projects involving the collaboration of the public and private sectors, is known as public

sector accounting (Bastian, 2019). Public sector accounting is the process of recording, classifying, analyzing, and reporting the financial transactions of a public organization (Biduri, 2018). It can be concluded that public sector accounting is an accounting system used by public institutions. Accountability and openness of central and local government financial management are crucial accounting and administrative reform objectives. The result of accounting is a financial report. Preparing financial statements is a form of the need for openness and supporting conditions for accountability in the form of clarity over the financial management of public funds (Mardiasmo, 2006).

Development of the Village Financial System Application (Siskeudes) has been prepared to anticipate the application of Law Number 6 of 2014 concerning Villages. This preparation is in line with the extra attention from Commission XI of the Indonesian House of Representatives and the Corruption Eradication Commission. The launching of the application was held on July 13, 2015. BPKP Representatives of West Sulawesi Province developed this village financial management application as a pilot project within the BPKP environment in May 2015. The Village Financial Management Technical Executor assists the Village Head in managing the village's finances (PTPKD). The village chief must also create PTPKD. Planning, executing, managing, reporting, and being accountable for village funds are all parts of village financial management (PerMen No. 20 Tahun 2018 Tentang Pengelolaan Keuangan Desa., 2018)

Good governance runs with transparency; the foundation upon which transparency is constructed is the ability of every entity to freely access information affecting the public interest (Yuesti et al., 2020). It might be said that transparency is a principle that ensures everyone has access to and freedom to get information about how the government operates, namely information on its policies, procedures, and the outcomes it achieves. Risyah & Nurodin (2017) argue that transparency and accountability significantly affect village financial management by 63.68%, and the rest are influenced by factors outside the research that are not observed. Puspasari & Purnama (2018), According to the study at Kuningan Regency, find that the use of information technology and competent human resources strengthen the impact of the implementation of the village financial system on the quality of financial reports.

Based on the previous studies, we explore how the village financial system affects accountability and transparency. Therefore, this research is expected to ensure that the continuous improvement of the Siskeudes application is an essential factor in improving the quality of user experience, especially for Village Treasurers in Kediri Regency.

**Method**

This study uses the independent variable (X), namely the use of the Siskeudes application. The intervening or mediation variable (M), namely transparency and the Quality of Financial Statements, as the dependent variable (Y). In this study, researchers took samples using the Slovin formula. So the research model is 185 villages out of 343 villages in Kediri Regency. Data collection uses a questionnaire with a Likert scale and implements a regression model.

**Empirical Result**

Table 1 indicates that the quality of financial statements may indirectly impact the Siskeudes Application. The indirect effect has a value of 0.797, while the direct influence has a magnitude of 0.028. because  $\beta_1 \times \beta_2 > \beta_3$ , or  $0.791 \times 1.008 = 0.797 > 0.028$ , transparency can be considered an intervening or mediating variable, meaning it has a significant indirect influence. When it comes to realizing the quality of financial reports, transparency can raise it by 0.797 points. Consequently, transparency is essential to achieving high-quality village financial reports. Therefore, it is necessary to emphasize that the Application is a tool to enhance the quality of financial reports. The Siskeudes Application must improve its performance by perfecting the menus and features. Improvements could be based on input from application users, namely village treasurers in the district. Efforts to gather feedback can be made through symposiums held so that it can accommodate information and criticism to improve the Siskeudes Application and realize the quality of village financial reports.

**Table 1. Regression Result**

Independent	Dependent		
	Transparency	Imp. Siskeudes	Financial Statement
Transparency			1.008*
Imp. Siskeudes	0.791*		0.028*
Financial Statement			
Imp. Siskeudes mediated by Transparency			0.797*

Notes: \*) significant under 5%.

**Conclusions**

The Kediri Regency's village financial reports' quality may be directly impacted by the Siskeudes application and indirectly through transparency acting as an intervening or mediating variable. Therefore, in every annual Village Development Planning Meeting, it is best to distribute village financial reports to be known and discussed at the event. Transparency requires the support of the village head and his staff. It can create awareness of the importance of

equity in sustainable village development for the welfare of village communities.

## References

- Abdullah Yusuf 'Ali (2014). *The Holy Qur'an. English Translation of The Meanings and Commentary*. Dar Ibn Katheer 1<sup>st</sup> Edition, Lebanon.
- Bastian, I. (2019). *Lingkup Akuntansi Sektor Publik. Lingkup Akuntansi Sektor Publik*.
- Biduri, S. (2018). *Akuntansi Sektor Publik. Umsida Press*, 1–197. <https://doi.org/https://doi.org/10.21070/2018/978-602-5914-20-1>
- Brusca, I., Manes Rossi, F., & Aversano, N. (2018). Accountability and transparency to fight against corruption: an international comparative analysis. *Journal of Comparative Policy Analysis: Research and Practice*, 20(5), 486–504. <https://doi.org/https://doi.org/10.1080/13876988.2017.1393951>
- Hastuti, S. W. M., & Setyawan, W. (2021). Community Service in Study Potential Technology of Education Tour and Business Prospects of Traders in Tulungagung. *Mitra Mahajana: Jurnal Pengabdian Masyarakat*, 2(2), 134–144. <http://www.uniflor.ac.id/e-journal/index.php/mahajana/article/view/952>
- Karyoto, N., Sisbiantoro, D., Setyawan, W. H., & Huda, M. (2020). Effectiveness Legal Formal of Education Culture Heritage at Van Den Bosch Fort in Indonesian. *B-SPACE 2019: Proceedings of the First Brawijaya International Conference on Social and Political Sciences, BSPACE, 26-28 November, 2019, Malang, East Java, Indonesia*, 434. [https://books.google.co.id/books?id=VkuQEAAQBAJ&dq=Effectiveness+Legal+Formal+of+Education+Culture+Heritage+at+Van+Den+Bosch+Fort+in+Indonesian&lr=&hl=id&source=gbs\\_navlinks\\_s](https://books.google.co.id/books?id=VkuQEAAQBAJ&dq=Effectiveness+Legal+Formal+of+Education+Culture+Heritage+at+Van+Den+Bosch+Fort+in+Indonesian&lr=&hl=id&source=gbs_navlinks_s)
- Mardiasmo, M. (2006). Perwujudan transparansi dan akuntabilitas publik melalui akuntansi sektor publik: suatu sarana good governance. *Jurnal Akuntansi Pemerintah*, 2(1), 1–17.
- Pembangunan, B. P. K. D. (2015). Petunjuk pelaksanaan bimbingan dan konsultasi pengelolaan keuangan desa. *Deputi Bidang Pengawasan Penyelenggaraan Keuangan Daerah*.
- PerMen No. 20 Tahun 2018 Tentang Pengelolaan Keuangan Desa.*, (2018). <https://peraturan.bpk.go.id/Home/Details/139714/permendagri-no-20-tahun-2018>
- Puspasari, O. R., & Purnama, D. (2018). Implementasi sistem keuangan desa dan kualitas laporan keuangan pemerintah desa di kabupaten kuningan. *Jurnal Kajian Akuntansi*, 2(2), 145–159. <https://doi.org/http://dx.doi.org/10.33603/jka.v2i2.1719>
- Risya, U., & Nurodin, I. (2017). Pengaruh transparansi dan akuntabilitas

- terhadap pengelolaan keuangan desa. *Jurnal Ilmiah Ilmu Ekonomi (Jurnal Akuntansi, Pajak Dan Manajemen)*, 6(11), 74–80.
- Rivan, A., & Maksum, I. R. (2019). Penerapan Sistem Keuangan Desa (Siskeudes) dalam Pengelolaan Keuangan Desa. *Jurnal Administrasi Publik (Public Administration Journal)*, 9(2), 92–100. <https://doi.org/10.31289/jap.v9i2.2487>
- Sugiyono. (2008). *Metode penelitian pendidikan:(pendekatan kuantitatif, kualitatif dan R & D)*. Alfabeta.
- Umayah, I., Arisyahidin, A., & Mutiara, N. (2022). Analisis Peran Aplikasi Sistem Keuangan Desa (Siskeudes) Terhadap Akuntabilitas Dan Transparansi Guna Meningkatkan Kualitas Laporan Keuangan Desa Di Kabupaten Kediri. *Otonomi*, 22(1), 101–112. <https://doi.org/https://doi.org/10.32503/otonomi.v22i1.2406>
- Yin, R. K. (2008). *Studi kasus: Desain & metode*.  
Yuesti, A., Dewi, N. L. P. S., & Pramesti, I