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Abstract - This study aimed to determine the correlation between human resources, information technology utilization, and transparent and accountable financial management in all villages of Nanggulan Sub-district, Kulon Progo District. The objects of this study were six villages in Nanggulan Sub-district. While the respondents involved the financial manager of the village: the Head of Village, Village Secretary, Head of Affairs, and Head of Finance Affairs. This research used a survey method with the help of a questionnaire. SPSS was used to analyze the data using the Spearman rank correlation test. The results indicated that there was a relationship between human resources, information technology utilization, and transparent and accountable financial management. The correlation between human resources and accountable financial management were the strongest one because the knowledge, skills, attitudes, and systems to carry out the functions and authority already possessed by the village government apparatus.

Keywords: accountability, financial management, human resources, information technology, transparency, village.

1. INTRODUCTION

The laws governing village governance and regulations are listed in Law Number 6 of 2014 concerning Villages. Village is a legal community unit that has the authority to manage government affairs, the interests of the local community based on the community initiatives, original rights, and/or traditional rights recognized and respected in the government system of the Republic of Indonesia. In terms of outputs and outcomes, the government must be carried out effectively and efficiently. It must also be carried out professionally to avoid village heads from practicing collusion, corruption, and nepotism. Financial reports submitted by the village government must be transparent, which means the government must provide information about the policies to be taken by the government in managing existing resources and the results of the resources management. While accountability is the government’s obligation to account for the results achieved from these management tasks, including regional financial management task (Hanifa, et al., 2016). The obligation to prepare accountable and transparent financial statements is inseparable from its quality managers.

Hanifa et al. (2016) stated that the financial managers’ competence and regional financial accounting systems had a partial and simultaneous significant and positive effect on the quality of the financial report of the Southeast Sulawesi Provincial Government. Besides, Mada et al. (2017) also stated that the competence of village fund manager had a positive and significant effect on the accountability of village fund management in Gorontalo District. This means that the more competent the village fund manager is, the more accountable the village fund management will be. The allocation of village funds will be more encouraging to increase the quality of village financial managers. The Central Government has budgeted the allocation of village funds, which is quite large for each village in Indonesia. The Finance Minister of the Republic of Indonesia, Sri Mulyani, in November 2017 stated in the introduction to the smartbook of village fund that, from 2015 to 2017, the average allocation of village funds has increased. In 2015, village funds were budgeted at Rp 20.7 trillion (US$1,455,423), in which each village received Rp280 million. In 2016, village funds increased up to Rp46.98 trillion with an average of Rp628 million that the village would receive. And, in 2017, it increased again up to Rp60 trillion with an average of Rp800 million that the village would receive.

An evaluation conducted by the Ministry of Finance to the village fund management can be said well. Many villages can improve the existing facilities and infrastructure, and create village-owned enterprises as an effort to improve the community’s economy. However, it
should not be forgotten that there are several facts in the field stating that misuse of village funds is still occurring. Tama S Langkun, an Indonesian Corruption Watch (ICW) researcher, explained that in 2010-2015, there were 133 cases of corruption and most of the suspect were village heads, even though there has been an obligation on how to carry out his/her task. This follows the Nawacita (nine key development programs) introduced out by the President of the Republic of Indonesia, Joko Widodo. He stated that the development would begin from the periphery through the information and technology strengthening in regions or villages. The information technology referred to in this study can be started with the procurement of hardware such as computers and printers while the software includes the utilization of website for financial management. Therefore, the researchers are interested in studying "The Correlation between Human Resource, Information Technology Utilization, and Transparent and Accountable Financial Management (Survey of all villages in Nanggulan Sub-district–Kulonprogo District)."

The objectives of this study were: (1).To empirically prove and test that human resources had a positive correlation with transparent financial management; (2). To empirically prove and test that human resources had a positive correlation with accountable financial management; (3) To empirically prove and test that the information technology utilization had a positive correlation with transparent financial management; (4).To empirically prove and test that information technology utilization had a positive correlation with accountable financial management.

II. THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

A. The Correlation Between Human Resources and Transparent Financial Management

Human resource is an important point in an organizational finance management. Paying attention to the quality of human resources is the main thing in an organization. Specifically, in public sector organizations whose treatment is different from that of private sector organizations, it is necessary to have skilled personnel to complete the work effectively, efficiently, and economically. The faster the financial statements are presented, the better the decision making can be, so the financial statements can be said quality (Mardiasmo, 2004:146, as quoted in Hanifa et al., 2016). With adequate human resources and sufficient capacity, the implementation of village financial management will be well-organized (Jannah et al., 2018). Jannah et al. (2018), Setyowati, (2017), and Purnamasari & Handayani (2015) have proven that the human resource had a positive and significant effect on the transparency of financial management. Based on this description, the hypothesis is as follows:

H1: Human resources had a positive correlation with transparent financial management.

B. The relationship between human resources and accountable financial management

Accountability is defined as responsibility. Financial management should contain an element of accountability. This means that every existing financial activity must be accountable, both its management and financial statements. Therefore, if the human resources are not qualified, every activity will be difficult to be accounted for. For example, the accountability of allocation management of village fund in South Dolo Sub-district has been running well, but it got problem due to inadequate human resources, especially in financial administration (Ima, 2015). Jannah et al. (2018) supported this research by explaining that human resources had a positive effect on the accountability of village financial management. Also, Mada et al. (2017) showed that the inhibiting factors of allocation management of village funds are the weakness of human resources. Based on the formulation of the problem, the theoretical basis, and the results of previous studies, the hypothesis is as follows:

H2: Human resources had a positive correlation with accountable financial management.

C. The correlation between information technology and transparent financial management

Information and technology utilization today is no longer a person's curiosity but more on the needs. This is because almost every public and private institution encourages and even requires information technology utilization. Previous research (Jannah et al., 2018) showed that information technology utilization had a significant and positive effect on the realization of transparency of village financial management. This explains that information technology utilization can help the implementation of village financial management. Information technology utilization has become a facility for the public to obtain information more easily. It is also supported by (Lestari et al., 2016) that one factor affecting the readiness of a village to apply village accounting is adequate information technology. Indeed, previous studies by (Wardani & Andriyani, 2017) showed conflicting result that information technology did not influence the reliability of village government financial reporting. This is because information technology was not or had not been used optimally. This means that if information technology is utilized optimally, reliable financial statement presentations will be produced and the information delivery to the public will be easier. Based on the description, the hypothesis is as follows:

H3: Information technology utilization had a significant and positive correlation with transparent financial management.
D. The correlation between information technology utilization and accountable financial management

Accountable management is very important. Moreover, the Nawacita conceived by President Joko Widodo encourages Indonesia’s progress starting from the periphery. This triggers improvement in the quality of financial management. The Nawacita coupled with the enactment of a law on village management requires village government apparatus to implement and account for it properly. It is supported by Lestari et al. (2016) that one of the factors affecting the readiness of village accounting implementation is adequate information technology. Jannah et al. (2018) also proposed that information technology utilization had a positive effect on the accountability of village financial management. While (Wardani & Andriyani, 2017) stated that information technology had no influence on the accountability of village financial management because of not utilized maximally. Based on the explanation, the hypothesis is as follows:

$$H_1: \text{Technology information utilization had a positive correlation with accountable financial management}$$

III. RESEARCH METHOD

The research object was villages in Nanggulan Sub-district, Kulon Progo District, Special Region of Yogyakarta. Nanggulan Sub-district consists of 6 villages: Bayuroto, Donomulyo, Wijimulyo, Tanjuhngharjo, Jatisarono, and Kembang villages. The type of data used in this study was the primary data. This research used a survey method or self-administered survey, which is a primary data collection method by giving questions to respondents in writing. The population of this study was six villages in Nanggulan Sub-district. The sampling technique applied was purposive sampling. The financial manager of a village with terms of service minimum one year was chosen to be the sample, including the village head, village secretary, coordinator of (administration & general, planning), head of the section (government, welfare, and service), and head of finance. Hypotheses were tested using non-parametric statistical tests, namely Spearman rank correlation analysis with SPSS because the research sample was small or <30 data. The analysis of this study will include two independent variables: human resources (X1) and information technology utilization (X2) and two dependent variables: transparency (Y1) and accountability of village financial management (Y2). The formula used is as follows:

$$\rho = \frac{6 \sum d_i^2}{n \left( n^2 - 1 \right)}$$

Description:
- \(\rho\) = Spearman Rank correlation value
- \(d_i^2\) = The difference between each rank pair
- \(n\) = The number of rank pairs for spearman (5 < n <30)

IV. HYPOTHESES TEST AND FINDINGS

A. Hypotheses test

The table below shows rank spearman correlation test on human resources and transparent financial management.

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Total Human Resources</th>
<th>Total Transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.599(**)</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>-</td>
<td>.003</td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Total transparency Correlation Coefficient | .628(**) | 1.000 |
| Sig.(2-tailed) | .003 | - |
| N | 6 | 6 |

Source: primary data processed using SPSS 15.0

The second table shows rank spearman correlation test’s result on human resources and accountable financial management.

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Total Human Resources</th>
<th>Total Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.628(**)</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>-</td>
<td>.001</td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Total accountability Correlation Coefficient | .628(**) | 1.000 |
| Sig.(2-tailed) | .001 | - |
| N | 6 | 6 |

**Correlation is significant at the 0.01 level (2-tailed).

Source: primary data processed using SPSS 15.0
The third table shows the result of rank spearman correlation test on information technology and transparent financial management.

Table 1.3 Correlation Test

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Total IT utilization</th>
<th>Total transparency</th>
<th>Spearman’s rho</th>
<th>Total IT transparency</th>
<th>Total accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation Coefficient</td>
<td></td>
<td></td>
<td>Correlation Coefficient</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>.591(*** )</td>
<td></td>
<td>.900</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>.003</td>
<td></td>
<td></td>
<td>.032</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
<td></td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: primary data processed using SPSS 15.0

The table below shows rank spearman correlation test on information technology and accountable financial management

Table 1.4 Correlation Test

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Total IT transparency</th>
<th>Total accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation Coefficient</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>.959(*** )</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>.032</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2 tailed).

Source: primary data processed using SPSS 15.0

1. Human resources had a positive correlation with transparent financial management

The results indicated that human resources and transparent financial management had a significant correlation because its coefficient of the correlation value was 0.599. Besides, it is also explained that the correlation coefficient value is positive, indicating the direction of the two variables is the same, meaning that if human resources have better quality, financial management will also be more transparent. The indicator of human resources includes knowledge, skills, attitudes, and systems for their duties and authority. Hence, the smarter the human resources, the better their attitude. Also, the clearer the division of tasks and authority to manage village financial, the more transparent the financial management will be. This supports the research conducted by Jannah et al. (2018), (Purnamasari & Handayani, 2015) and (Setyowati, 2017).

2. Human resources had a positive correlation with accountable financial management

There is a positive and strong correlation between human resources and accountable financial management. It can be seen from the coefficient of the correlation value of 0.628. Also, these two variables have the same direction, meaning the better the quality of human resources, the more accountable the financial management. There are several indicators of human resources: knowledge, skills, and attitudes, and systems of their duties and authority while accountability indicators include: planning, implementation, administration, reporting, and accountability. Hence, the smarter the human resources, the better their attitude and the better the quality of village financial manager, the more accountable the financial management will be. This supports the study conducted by (Irma, 2015), (Mada et al., 2017) and (Jannah et al., 2018).

3. Information technology utilization had a significant and positive correlation with transparent financial management

The results showed that there was a significant correlation between information technology utilization and transparent financial management. This can be seen from the correlation coefficient value of 0.591. Also, these two variables have the same direction, meaning if information technology is utilized maximally, the financial management will be more transparent. There are several indicators of information technology utilization: the procurement of hardware and software, data processing, information, management systems, electronic work, and IT advancements utilization for public services. For that matter, if the procurement of hardware (computers, printers, wifi) and software (village financial system) have been carried out; electronic data processing, information, management systems, and work processes are maximized; and IT advancements utilization for public services is intensified, financial management will be more transparent. This study supports the research conducted by (Jannah et al., 2018), (Lestari, et al., 2016), and (Wardani & Andriyani, 2017).

B. Research Findings

The results showed that human resource, information technology utilization, and transparent and accountable financial management had a significant and positive correlation in direct direction. The meaning is as follows:
4. Information technology utilization had a significant and positive correlation on accountable financial management

The results showed that there was a significant correlation between information technology utilization and accountable financial management. This can be seen from the correlation coefficient value of 0.599. Also, these two variables have the same direction, meaning if information technology has been utilized maximally, the financial management will be more accountable. The point is if the quality of the procurement of hardware and software, data processing, information management systems and electronic work processes, and IT advancements utilization for public services is getting more excellent, the better the management of village finances will be. Accountability covers the planning and the reporting stages which can be accepted by the community and the government. This result supports the study carried out by (Lestari et al., 2016), (Wardani & Andriyani, 2017) and (Jannah et al., 2018).

C. Conclusion

Based on the research results, the conclusions are as follows:

1. Human resources and transparent and accountable financial management have strong and significant relations in a positive direction. A positive direction indicates the influence between variables, meaning the more quality the human resources, the more transparent and accountable financial management will be.

2. Information technology utilization and transparent and accountable financial management have strong and significant relations in a positive direction. This means that the more often the information technology utilized, the more transparent and accountable financial management is.

3. The variable that has the strongest relationship is human resources and accountable financial management, meaning the smarter the human resources, the better their attitude, and the clearer the tasks and authority of village financial manager, the more accountable financial management will be.

REFERENCES


