

Accountability Based on Tri Hita Karana (THK) in Sangsit Village

Nyoman Ari Surya Dharmawan^{1,*} I Gede Agus Pertama Yudiantara²

^{1,2}*Department of Economics and Accounting, Universitas Pendidikan Ganesha, Singaraja, Indonesia*

*Corresponding author. Email: arisuryadharmawan@undiksha.ac.id

ABSTRACT

This study aims to explore the accountability of financial management in the governance of the Sangsit customary village in Bali. Traditional village financial management has now been regulated by Regional Regulation (PERDA) No. 4 of 2019 concerning Traditional Villages and Governor Regulation (PERGUB) No. 39 of 2019. These regulations, of course, emphasize accountability based on the *Tri Hita Karana* (THK). Accountability as one of the figures in modern governance to realize good governance, of course, must be collaborated with the THK philosophy which is Balinese culture along with local wisdom values as of course not trusted by local customs (*dresta*) as the foundation for regulations (*awig-awig* and *pararem*) in the customary law in each traditional village in Bali. Based on that, this collaboration is certainly a hot topic and very interesting to research. Research uses a qualitative approach with ethnomethodology methods in its exploration, because it is to gain an understanding of how a group of people or members of a certain culture use or apply cultural elements in their daily lives

Keywords: *Accountability, Customary Village, Financial Management*

1. INTRODUCTION

The recognition of customary villages by the provincial government of Bali as a legal subject seems to raise concerns from various parties. This of course cannot be separated from the full authority given to it in financial management. In reality, the full authority given to this customary village has often attracted the attention of various parties related to inefficiencies in organizational governance. This inefficiency often causes various problems that occur at the village level, such as problems regarding accountability for financial management and reporting [1] which are allegedly only carried out ceremonially [2] and various acts of fraud which leads to corruption [3].

The concept of accountability has not been able to change ethical behavior in real and good terms (virtue). This is due to the still narrow scope of accountability being developed, as it is only limited to report preparation. The essence of the concept of accountability is an obligation to provide and explain the responsibilities that have been mandated so far. Therefore, this concept should encourage the emergence of moral legitimacy in individual actors and organizations to all levels of stakeholders, up to the

stage of preparing a more moral and ethical mechanism of action [4].

The narrow concept of accountability that has been developed in modern governance is the cause of debate in several literatures that question the existence of a gap between actor behavior in implementing accountability mechanisms and community expectations. Based on this, it is necessary to incorporate moral values [5] into the concept of accountability which is seen as one of the answers to anxiety about virtue in accountable behavior. Based on this, the concept of accountability must be based on values that not only prioritize human interests, but also take into account dimensions outside of humans, namely the relationship with God, and the relationship to the environment. This form of understanding has certainly become the root of the Balinese culture in interacting with *Ida Sang Hyang Widhi Wasa* (God) as the creator of the universe and its contents, so as to encourage the emergence of moral legitimacy manifested in real ethical actions, namely *Tri Hita Karana*. (THK).

Based on the description of some of the accountability concepts above, this research tries to understand how the accountability implemented in

Sangsit Traditional Village, Sawan District, Buleleng Regency, Bali Province is based on THK.

2. LITERATURE REVIEW

2.1. Concept of Accountability

Accountability is an abstract concept. Researchers define accountability in various versions, but the substance of these is not far from the concept of “good” organizational governance. Accountability does not only observe the behavior of an organization as an entity, but also includes observing the behavior of actors, in their capacity as individuals, carrying out their responsibilities to meet stakeholder expectations.

The concept of accountability cannot be separated from accounting information which can provide an overview of the activities carried out and the achievements obtained by the organization. In this regard, accountability must be able to answer for whom the information is prepared, what information will be presented, and how the information is presented. Accounting information is not limited to financial information only, but also descriptive information. Descriptive information aims to reflect the behavior of actors, the background for the emergence of the behavior, and the consequences (both in the form of damage and benefits) that are the consequences of the behavior.

The concept of accountability until now cannot be clearly defined so that in the end it creates confusion among actors in understanding the substance of the concept of accountability. This confusion in understanding accountability has an impact on the inconsistencies that occur at the level of accountability practices. In fact, the term accountability is often used interchangeably with other terms that have adjacent meanings:

“Accountability’ is used as a synonym for many loosely defined political desiderata, such as good governance, transparency, equity, democracy, efficiency, responsiveness, responsibility and integrity” [6].

Accountability on the surface is nothing more than an administrative practice for legitimacy. As a consequence, the *accountability* mechanism cannot fully improve the behavior of actors to become more accountable [6]. It is not surprising that in the end the accountability crisis became a phenomenon that is prevalent today. In fact, this accountability crisis has become a fraud scandal committed by actors not only to corporate organizations, but also to non-profit organizations [7].

2.2. Concept of Tri Hita Karana (THK)

Tri Hita Karana (THK) is a universal concept, sourced from the Brahma Sutra I.1.2; *Chandogya Upanisad* VI.2.1; Rg Veda III.55.1; *Bhagawadgita* III.10. THK has the meaning that the three causes of human welfare in order to achieve the life goal of *Moksartham Jagadhita ya ca iti Dharma*, which are basically based on the harmonious relationship between humans and their God (*parahyangan*), harmonious human relationships with others (*pawongan*) and harmonious human relationships with the environment (*palemahan*). Apart from THK, the values of local wisdom are of course very important for the community and their traditional organizations which have always been held firmly as an identity.

2.3. The Concept of Accountability Based on Tri Hita Karana (THK)

Based on the description above, accountability is not enough with accountability in human or social relationships, it is also important to have accountability for God and the natural environment as well as local culture as the driving force. Accountability is classified into three types as stated above. God and nature do not need financial reports or annual reports at all, unlike other stakeholders who require formal accountability. But what is *important* here is how God's laws are practiced in the business operations of the Traditional Village and how the rights of nature are fulfilled responsibly. Thus, a concrete form of accountability to God and nature when God's laws and rights from nature have been practiced in the organization.

In line with this, accountability in regional financial management on the basis of THK, with the findings that religious ethics and "religious spirit" played an important role in increasing "accountability". The THK-based accountability model is the result of the inculturation of *religious* ethical values and "religious spirit" into a formal accountability model, which is built on *srada* and devotion, religious ethics as well as laws and government regulations. So it can be said that accounting as a medium of accountability is not sufficient for capitalist accounting. Then reference [7] and [3], who examined accountability in Traditional Villages with THK dimensions. The results of [7]'s research which examined the Kuta Traditional Village, stated that the accountability in the development of the Kuta Traditional Village is certainly inseparable from the THK demise. Meanwhile, reference [3] who researched the Kerobokan Traditional Village, Kec. Sawan, Kab. Buleleng-Bali, stated that THK was able to increase the accountability of financial management in the customary village.

Likewise with the research conducted by [2]. This research from [2] also examines accountability in waste

management with the THK dimension and adds “*mulat sarira*” wisdom values. The results of this study state that the concept of accountability based on THK and *mulat sarira* in waste management provides values for *puputan, jengah, taksu, desa-kala-patra, saput poleng, ngayah, karmaphala* law, and *paras paros*. *Mulat sarira* as a weapon of self-control can generate self-awareness so as not to damage relationships with God, humans and the environment. Thus, the culture of THK and *mulat sarira* is a consensus on the deconstruction of the value of balance and harmony which underlies the development of the concept of accountability in waste management.

3. METHOD

The approach used in this research is qualitative which actually really depends on the context and the phenomenon to be studied. Qualitative research focuses on the essence and nature of careful objects with the aim of emphasizing the process of understanding, explaining, and describing the findings obtained from the research site. This qualitative research was conducted with an Ethnomethodology I method to gain an understanding of how a group of people or members of a certain culture use or apply cultural elements in their daily lives. Ethnomethodology places emphasis on the question of how not why the groups of people we studied do or practice the cultural elements that they share. Based on this, to understand how the accountability of financial management based on *Tri Hita Karana* (THK) in Sangsit Traditional Village, Sawan District, Buleleng Regency, Bali, in this study used Ethnomethodology methods. This approach also seeks to explore practical activities, related to the ordinary activities of everyday life in government, how the methods are used by individuals to interpret and simultaneously carry out their daily activities. The informants who were used as data sources in this study were the Traditional Village *prajuru* (apparatus), including the *Bendesa Adat*, and *Karma Desa* (some of the community). Data collection used to answer the problems in this study consisted of interviews, observations, and documentation.

4. RESULTS AND DISCUSSION

4.1. *Tri Hita Karana (THK) as a basis for financial management.*

All activities of the Sangsit Traditional Village, including its financial management, are of course guided by the concept of *Tri Hita Karana* (THK). This has been regulated in the *awig-awig* (rules) of the Sangsit Traditional Village and is also stated in the Bali Provincial Regulation No.4 of 2019, namely the main elements of traditional villages consisting of

parahyangan, pawongan, and palemahan (Chapter 3: 6-12).

The same thing was also emphasized by Mr. Gede Wiswara, as Bendesa Adat (chairman) of Sangsit Village, who stated that: “*Even though this traditional village is an old village, our basis for carrying out activities has a basis, namely the Bali Regional Regulation on traditional villages No. 4 of 2019*”

Based on this, the financial management of the Sangsit Traditional Village is of course also a framework for the THK concept, so that financial management in this Traditional Village is divided into 3 (three) parts (how). This is supported by the statement of Mr. Made Rahyadi, as the Village *patengen* (treasurer) which states that: “The distribution of funds into three parts is simple and makes it easier to allocate funds should be prioritized for *parahyangan, pawongan, and palemahan.*”

4.2. *Accountability based on Tri Hita Karana (THK)*

Accountability is one of the most important and final stages of the financial management cycle. This accountability is of course based on the THK concept with three main parts, namely *parahyangan, pawongan, and palemahan.*

4.2.1. *Accountability in Financial Management of Sangsit Traditional Village Based on Parahyangan.*

Accountability based on this dream, of course, has implications for spiritual responsibility. This, of course, cannot be separated from the meaning of the imagery itself as a form of relationship between humans and their creators. The form of this relationship is of course based on *saradha* (faith) and *bakthi* (piety) to the creator. *Saradha* in this case means belief in the existence of God as creator, sustainer and fuser of the universe and its contents. Meanwhile, *bhakti* means prostration and love for God.

The realization of accountability based on *parayangan* in financial management in Sangsit traditional village can certainly be seen in their daily lives. The Sangsit traditional village is of course very firm and has a high commitment in guarding religious practices. This is because the religious process is a form of *sraddha* to God. In addition, in the construction or renovation of places of worship / temples, although they do not use funds directly from village funds, this can be realized in the extraction of voluntary funds by traditional village officers who are also *karma* traditional village.

Of course, in every activity related to religion, the traditional village of Sangsit makes a simple report by

the *patengen* and holds a *paum* (meeting) which will be attended by all village karmas in the form of accountability for the funds that have been used. The choice of the place and day is believed to have a high sacred value, so that more honest results will be obtained.

4.2.2. *Accountability in Financial Management of Sangsit Traditional Village Based on Pawongan.*

Accountability based on this pawongan is the responsibility for human relations. The form of this relationship between humans is of course a good relationship that is harmoniously established. The form of this relationship will have an impact on the success of development and the improvement of the economic standard of the community.

The embodiment of the relationship between the Traditional Village and the Village karma in every activity is certainly carried out in collaboration / mutual cooperation in the management of traditional village finances, both related to infrastructure development, LPD development, waste management, development of tourism potential, and others. In PERDA No.4 of 2019, it also states that development is required to prioritize village potential, both human resources or other resources.

In addition, the Covid-19 handling program is a program related to the *pawongan* element because it involves human-human relations. The Sangsit Traditional Village together with all its village karmas have formed a COVID-19 Task Force (SATGAS) which is on guard 2 times a week with its peculators, and provides assistance to the karma of the affected villages, both directly and indirectly.

The realization of accountability based on *pawongan* in financial management in Sangsit Traditional Village can of course be seen by the publication of the annual budget to the village krama and has an obligation to be accountable for the realization of the budget, so that village karma can find out what the Traditional Village program is every year, funding sources, activity objectives and accountability. Therefore, there will be no more suspicion, excessive skepticism and conflict of interest between *krama* and Sangsit traditional village. Budget preparation and accountability reporting for village financial management are conveyed to the village community through *paum* (forums / meetings) or other publications so that everything related to village finances is transparent

4.2.3. *Accountability in Financial Management for the Traditional Village of Sangsit based on Palembang*

Preservation of the natural environment is part of the weakness. Of course, the preservation of the natural environment cannot be separated from human life, so that humans are required directly and indirectly for its preservation. The preservation of the natural environment is a manifestation of the balance in the beliefs of the Balinese people.

The concern of Sangsit Traditional Village for environmental sustainability can be demonstrated by various activities carried out with the village's karma, such as cleaning / working together in arranging irrigation channels so that rainwater channels run smoothly so that floods do not occur, cleaning up coastal areas, and planting shade trees.

The financial management of traditional villages for environmental preservation has certainly been budgeted annually and can be used for environmental preservation. Based on this, accountability for environmental sustainability in the context of *palemahan* can be realized in the report on the realization of the budget for the use of village funds. Of course, the relationship between humans and the environment really needs to be maintained, because in a good environment, healthy humans will be created.

5. CONCLUSION

All forms of activity from Sangsit Village are of course inseparable from the THK concept, including financial management. The financial management of Sangsit Traditional Village is based on the THK concept, divided into 3 main ways, namely *parahyangan pawongan* and *palemahan*. These three ways can guide attitudes and behaviors to maintain integrity through: being grateful for God's gifts by being obedient to Him (piety), working as sacrifice and devotion (dedication), and honesty as a manifestation of the element of divinity. To obtain human welfare, a high work ethic is required as a manifestation of pawongan elements and to preserve the environment in the form of building, maintaining and securing the environment as a manifestation of *palemahan* elements. There is a difference in average income of formal and informal employment. Formal employment has higher average income than informal employment.

On accountability, the THK concept is able to provide strength in the form of human and worldly sanctions. Therefore, accountability based on THK is able to answer anxiety about the aridity of virtue which is real in accountable behavior and encourages the emergence of moral legitimacy which is manifested in real ethical actions.

REFERENCES

- [1] Sofyani.H.,dkk. 2018. Praktik Pengelolaan dan Tata Kelola Pemerintahan Desa Dlinggo di Kabupaten Bantul: Pembelajaran dari Desa Percontohan. *Jurnal Akuntansi Terapan Indonesia*. Vol. 1 No. 1 Pp. 1-16.
- [2] Siskawati. E., Susilawati. M. 2017. Akuntabilitas Pengelolaan Limbah Berbasis Mulat Sarira. *Jurnal Akuntansi Multiparadigma*, Vol. 8 No. 3. Pp 427-611
- [3] Saputra, K., A., K. 2012. Analisis Pengaruh Locus Of Control Terhadap Kinerja dan Kepuasan Kerja Internal Auditor dengan Kultur Lokal *Tri Hita Karana* Sebagai Variabel Moderasi (Penelitian Terhadap Internal Auditor Hotel Berbintang di Bali). *Jurnal Akuntansi Multiparadigma*, Vol. 3. No.1. Pp. 1-15.
- [4] Overduin, N., & Moore, M. L. 2017. Social License to Operate: Not a Proxy for Accountability in Water Governance. *Geoforum*, 85, 72–81. <http://doi.org/10.1016/j.geoforum.2017.07.008>
- [5] Bebbington, J., & Larrinaga, C. 2014. Accounting and Sustainable Development: An Exploration. *Accounting, Organizations and Society*, 39(6), 395-413
- [6] Bovens, M. 2010. Two Concepts of Accountability: Accountability as a Virtue and as a Mechanism. *West European Politics*, 33(5), 946–967.
- [7] Wirajaya, G., A., Sudarma, M., Ludigdo, U., & Djamhuri, A. 2014. The Accountability in the Dimension of *Tri Hita Karana* (THK): An Ethnographic Study on the Organization of Kuta Traditional Vilage. *Scientific Research Journal (SCIRJ)*, 2(8), 10-17.