

The Role of the Kutai Kartanegara Regency Regional Inspectorate in Improving Accountability in Village Fund Management

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ABSTRACT: The goal of this study is to examine the role of the Inspectorate in enhancing the accountability of village fund management in Kutai Kartanegara Regency through the aspects of duties/functions, attitudes, perceptions, and participation. It also examines internal and external factors that become barriers to the Inspectorate's ability to effectively supervise and provide guidance on village fund management. This research was carried out in Indonesia's East Kalimantan Province's Kutai Kartanegara Regency. A qualitative research design was employed in this study. Both primary and secondary data were gathered. A questionnaire was used to gather primary data from key informants. The study's conclusions include that the Inspectorate has performed its responsibilities and tasks well. The inspectorate has effectively performed its participation duty, behaves well and professionally, and faces both internal and external challenges. The inspectorate's role in overseeing village funds in the perception aspect exhibits a variation in assessments. Internal challenges include low-quality and scarce human resources (HR), inadequate accountability reports, and the newly formed village apparatus has low administrative and financial reporting skills. On the other hand, frequent regulatory changes, improper use of village funds, and inadequate internal and external monitoring systems are the external challenges. The following suggestions are available for submission: 1) For the government, via the Kutai Kartanegara Regency Regional Inspectorate, to expand the number of auditors and enhance their proficiency through risk-based audits and investigative audit training; 2) to create a digital monitoring system (e-audit or monitoring dashboard) to reduce potential inconsistencies and enable real-time tracking of village fund realisation; 3) to increase the proficiency of village apparatus by providing frequent training on the following topics: creating accountability reports (*LPJ*), managing village finances in accordance with regulations, and using village financial software; and 4) to provide new village authorities with rigorous mentoring.

KEYWORDS: Accountability, Attitude of the Inspectorate, Duties and Functions of the Inspectorate, Perception, Participation, Village Funds.

1. INTRODUCTION

In Indonesia, village fund management is becoming a more significant issue in the context of community development. One of the Indonesian government's initiatives to hasten development at the local level is village funds, which are given directly to communities around the nation. The government set aside Rp 71.00 trillion in 2025 (Kemenkeu.go.id, 2025). The management and control of this community fund distribution will be extremely difficult.

In order to guarantee responsibility in village fund management, the Inspectorate's function as a supervisory body is essential. In order to guarantee adherence to relevant legislation, the Inspectorate is responsible for auditing and monitoring the use of village funds. Although the Inspectorate in Kutai Kartanegara Regency has taken some steps to enhance oversight, obstacles still exist. A shortage of skilled personnel and a tight budget for oversight tasks are two of these difficulties. As a result, further investigation of the Inspectorate's function is considered essential. Since Kutai Kartanegara Regency is one of the areas that receives a sizable allocation of village funding, it is quite pertinent as a case study. Village fund management is anticipated to promote infrastructure development and enhance community welfare due to its enormous natural resource potential. However, this potential won't be fully realised without appropriate responsibility. It is anticipated that this study would shed further light on how the Inspectorate may help enhance accountability in this area's village fund management.

The following are the study's goals: 1) to examine the Inspectorate's role in improving accountability in village fund management in Kutai Kartanegara Regency, East Kalimantan Province, through aspects of duties/functions, attitudes, perceptions, and participation; and 2) to examine internal and external factors that impede the Inspectorate's ability to effectively supervise and provide guidance on village fund management.



2. LITERATURE REVIEW

2.1 Social Role Theory

In order to improve accountability in village fund administration, the Kutai Kartanegara Regency Inspectorate's involvement is essential. Every person has a social function that directs their actions so they can contribute in accordance with the expectations of the group (Soekanto, 2002). In addition to providing staff and time, the Kutai Kartanegara Regency Inspectorate also contributes ideas, talents, and other resources to enhance accountability in village budget administration.

Role theory allows for the analysis of involvement from a number of angles:

- 1) The function/task component. This highlights the community's obligations and actions;
- 2) the attitude component. This describes the community's mental and psychological readiness to participate;
- 3) the perception aspect. This relates to the community's assessment of an activity and
- 4) the element of involvement.

Community involvement in monitoring and accountability of village fund management is an aspect that cannot be ignored. (Juanitha et al., 2021) outlined how community involvement in the oversight process might improve fund management's accountability and transparency. Communities that actively participate in oversight typically have a better grasp of how village funds are used and are able to provide the village council helpful suggestions.

The Inspectorate's function and responsibilities in supervising village government administration are essential to enhancing accountability in village fund management. (Fetomalae et al., 2024), (Kurniasih et al., 2025), and (Manumbalang et al., 2025), state that the Inspectorate is in charge of auditing and evaluating village fund administration to make sure that all fund use conforms with relevant legislation. Additionally, the Inspectorate helps village governments by offering suggestions for better fund management. In a similar vein, it uses outreach to carry out Village Fund guidance initiatives. It is hoped that financial misuse can be reduced with stringent oversight.

2.2 Accountability

An essential idea in village fund administration is accountability. Accountability is the duty of people or institutions to take responsibility for their choices and actions, especially when it comes to the use of public resources. To put it another way, accountability can be defined as either the state of being accountable or the act of being responsible (Raba, 2020). All items that are under the purview of the trustor (principal) must be presented, reported, disclosed, and held accountable by the trustee (agent). Additionally, there are two categories of public responsibility: horizontal accountability and vertical accountability. Whereas horizontal accountability reports on fund administration to the general public, vertical accountability reports on fund management to a higher entity (Mardiasmo, 2021).

The village government is accountable to the regent for the correct handling of the village's finances. This involves overseeing and accounting for the State Budget (*APBN*) allotted to every village. (Gulo & Kakisina, 2023). Accountability in village fund management encompasses accurate reporting, openness in spending, and community participation in the supervision process. This is essential to guaranteeing that village development monies are actually utilised for the community's benefit. In village fund management, transparency and oversight are essential. Numerous studies have demonstrated that the concept of transparency in managing village fund allocations has not been successfully applied, and some still fail to meet accountability metrics (Saputra & Fitriwati, 2023).

In certain places, village funds are misused, which leads to public discontent and a lack of confidence in the village administration. Therefore, in order to avoid unwanted events, accountability must be strengthened. As a result, creating efficient accountability systems for village money administration is essential. As a result, the Inspectorate's function becomes crucial. The Inspectorate is in charge of keeping an eye on and assessing village fund administration to make sure that all expenditures adhere to relevant laws. According to research, there is typically more accountability in village fund administration in areas with an Inspectorate that actively oversees (Kristini et al., 2020). Thus, strengthening the role of the Inspectorate can be a solution to increase accountability in managing village funds.

3 METHODOLOGY

This study used descriptive methods in a qualitative research design. This strategy was used in order to enhance comprehension of the Inspectorate's function in enhancing accountability in village fund administration. This study was carried out in Indonesia's East

Kalimantan Province's Kutai Kartanegara Regency. In-depth interviews with a number of important informants, including Inspectorate members, village authorities, and community members, were used to collect data. Getting a variety of viewpoints on accountability procedures in village finance management was the aim. Additionally, this study allowed researchers to see firsthand how supervision and accountability measures are put into place by conducting direct observations of the village fund management process in the field. As a result, it is anticipated that the research findings would offer helpful suggestions for enhancing accountability in village fund management.

Data analysis in this study uses a qualitative data analysis approach that refers to Miles & Huberman (Sugiyono, 2017). This method was selected because it offers a methodical framework for comprehending complicated occurrences, such as the Inspectorate's function in enhancing accountability in Kutai Kartanegara Regency's village budget administration.

There were multiple steps in the data analysis process:

1. Data reduction, which involves gathering, summarising, and selecting material pertinent to the research subject from data gathered via observations, interviews, and related documentation.
2. Data presentation, which involves arranging data into tables, graphs, or narratives to make it easier to see trends and connections between the data.
3. Drawing conclusions and verifying them, in which researchers found important themes in the data and then analysed them to comprehend how the Inspectorate's function enhanced accountability in village budget administration. Figure 1 provides an overview of this.

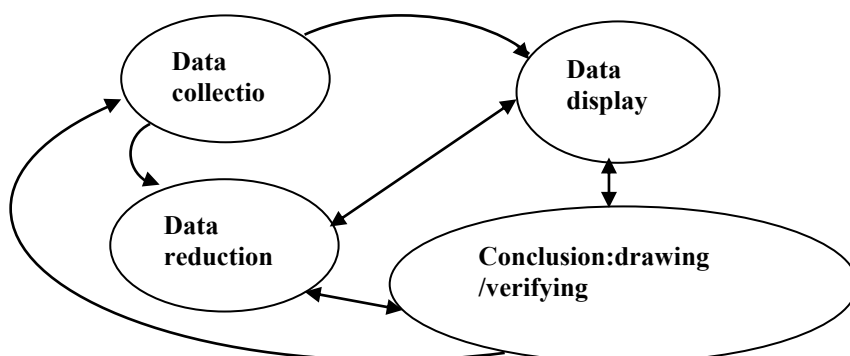


Figure 1. Components of Qualitative Data Analysis

Source: (Sugiyono, 2017)

4. RESULTS AND DISCUSSION

For all targeted activities to be completed with the intended outcomes and to be accounted for, village finance management must be done successfully and efficiently. Village authorities are instructed to adhere to methodical stages in village fund management, beginning with the planning, implementation, administration, reporting, and accountability stages, based on the level of accountability and execution. The Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 73 of 2020 concerning Supervision of Village Financial Management is in compliance with the Kutai Kartanegara Regency Regional Inspectorate's implementation of supervision and inspection, particularly the inspection of Village Funds.

To guarantee that all policies and initiatives carried out by the regional government are carried out correctly, transparently, and responsibly, oversight of regional government administration is an essential and strategic activity. The annual oversight plan is the main rule that the Kutai Kartanegara Regency Regional Inspectorate must adhere to in this regard. This strategy acts as a benchmark and gauge for evaluating the efficiency of supervision. As a result, the inspection responsibilities of the Regional Inspectorate must be performed in compliance with specified procedures, which cover a number of crucial aspects of supervision. In order to fulfil its supervision responsibility, the Regional Inspectorate is essential. This job includes various facets of the Inspectorate's responsibilities and activities in addition to administrative control. The Inspectorate is in charge of examining financial records, confirming adherence to rules and laws, and assessing how well village funds are being used. The Inspectorate can offer helpful



recommendations for enhancing and improving public services through this procedure. Additionally, the way the Inspectorate performs its duties reflects its mindset. A competent and impartial attitude is essential to guarantee that its oversight is well-received by all parties involved. Inspectors must maintain objectivity in order to uphold accountability for the outcomes of field inspections. Additionally, this idea promotes confidence between governmental entities and the community. The community will participate more in the monitoring process as a result.

In terms of perception, the inspectorate's job is equally important. The way the inspectorate performs its tasks frequently affects how the public views the performance of local government. The people is more likely to trust the local government if they believe the inspectorate is transparent and professional. On the other hand, scepticism and discontent may result if the public believes that oversight is inefficient or opaque. As a result, it is imperative that the inspectorate establish effective channels of communication with the public, such as discussion boards or outreach regarding the outcomes of its supervision. The inspectorate's role is vital in terms of involvement. Participation of the community in the monitoring process may improve government transparency and accountability. By asking the community to keep an eye on village projects supported by the government or to raise issues or anomalies in the execution of government initiatives, the Inspectorate can include the community in the oversight process. A public complaints program that enables citizens to report issues or anomalies in the execution of government initiatives can be set up by the Inspectorate. The community gains a sense of ownership over the supervision process in this way.

4.1 Analysis of the Role of the Inspectorate in Terms of Duties and Functions

Improving accountability in village fund administration is essential for the Kutai Kartanegara Regency Inspectorate, especially with regard to its responsibilities. The Inspectorate's monitoring serves to guarantee that village finances are utilised in compliance with relevant laws and guidelines. Oversight is more than just a formality in this situation; it's a preventative precaution. The study's findings show that the Inspectorate's responsibilities have been successfully fulfilled. Key informants respond as follows:

"The Inspectorate performs a number of tasks, including assessing the object's scope, gathering information and documentation for field inspections, creating inspection reports, and making suggestions. According to the Annual Inspection Work Program (*PKPT*), village inspections are carried out on a regular basis (interview with key informants No. 2 and No. 3, Monday, December 8, 2025)."

Improving accountability in village fund administration is essential for the Kutai Kartanegara District Inspectorate, especially with regard to its responsibilities. The Inspectorate's monitoring serves to guarantee that village finances are utilised in compliance with relevant laws and guidelines. Oversight is more than just a formality in this situation; it's a preventative precaution. The study's conclusions show that the Inspectorate's responsibilities have been carried out successfully. Additionally, the Inspectorate is in charge of educating village fund managers about appropriate fund management. Village fund managers are expected to comprehend the significance of accountability and transparency in every stage of management through training on topics like creating good financial reports. Villagers must be able to supervise the use of village funds in order to guarantee active community participation.

An examination of the inspectorate's duties reveals that it carries out oversight in order to uphold the law and boost public confidence in the government. This trust is particularly important when it comes to the management of village funds, which frequently attracts public attention due to issues of corruption and abuse of authority. The public will be more confident that the funds provided will be used for the common good when they see that the inspectorate is operating effectively and transparently. Consequently, the inspectorate must effectively communicate with the community to make sure that every oversight action is understood and well received by all parties. An examination of the inspectorate's duties reveals that it carries out oversight in order to uphold the law and boost public confidence in the government. This trust is particularly important when it comes to the management of village funds, which frequently attracts public attention due to issues of corruption and abuse of authority. The public will be more confident that the funds provided will be used for the common good when they see that the inspectorate is operating effectively and transparently. Consequently, the inspectorate must effectively communicate with the community to make sure that every oversight action is understood and well received by all parties. Additionally, inspectorate oversight takes into account the usage of village funds. Following the completion of an activity, the inspectorate evaluates the community's benefits in addition to conducting a financial audit. For instance, whether the constructed infrastructure actually enhances the community's accessibility or quality of life.

Additionally, the Inspectorate must work with a variety of stakeholders, including academic institutions and non-governmental organisations (NGOs). This partnership can result in recommendations for situations on the ground that are more thorough and pertinent. NGOs with experience overseeing village funds may be involved. Their best techniques can teach the inspectorate a lot. This could be used as a plan of action to increase the effectiveness of oversight. Enhancing accountability in village budget



administration is essential for the Kutai Kartanegara Regency Inspectorate. Through stringent oversight, efficient training, and thorough evaluation, the Inspectorate acts as a strategic partner and supervisor in village development. Thus, it is possible to administer village funds in a transparent and equitable manner. In the end, this will boost public confidence in the government and promote involvement in development. Village communities' quality of life and the accomplishment of overall development objectives will be greatly impacted by the Inspectorate's ability to carry out its responsibilities. The results of this study are consistent with those of (Fetomalae et al., 2024), who studied the Malaka Regency's Supervision of the Regional Inspectorate in Realising Accountability in Village Fund Management. The Malaka Regency Regional Inspectorate has been following its set protocols, according to the study's findings. Similarly, the findings of a study titled "Accountability of Regional Financial Management through the Role of *APIP*: A Study at the Nabire Regency Inspectorate" (Napan et al., 2025) show that *APIP* has fulfilled its oversight role. Additional studies that support these conclusions include those carried by (Tabara et al., 2024).

The Kutai Kartanegara Regency Inspectorate is an important part of the audit process, which involves a number of critical steps that need to be meticulously adhered to. This audit is a strategic move to improve accountability and openness in village financial management, not just an administrative process. The initial step in the audit process is creating an annual Audit Work Program (*PKP*). This *PKP* aids the inspectorate in efficiently carrying out the audit. When planning the audit, the inspectorate must take into account a number of criteria, such as audit priorities, current risks, and possible problems. This will be a crucial component of the *PKP* for the upcoming year if there is proof of anomalies in the utilisation of the budget in the prior year. Requesting an audit of the village documents comes next after the preparation of the Village Revenue and Expenditure Plan (*PKP*). This procedure is essential since documents are the main source of data for analysis. Usually, the requested documents include financial reports, expense receipts, and other pertinent administrative records. In this case, it is imperative that the Inspectorate inform the community of the significance and goal of this data collecting. In addition to making the audit easier, this will increase public understanding of the significance of accountability in public financial management.

Following the collection of all papers, the inspectorate verifies that they adhere to budget implementation and regulations. In addition to comparing numbers, this verification entails carefully examining whether expenses are in line with their intended use and have been completed in compliance with protocols. When a town proposes a budget for a development project, the inspectorate is in charge of making sure the budget complies with current regulations and the approved work plan. In order to confirm that the work has been finished in accordance with the requirements, auditors will conduct field inspections as part of this verification procedure. For instance, the inspectorate reviews expenditure records and performs on-site inspections during an audit of the use of village money for road building. The inspectorate will assess if the budget utilised is commensurate with market values and whether the road satisfies quality criteria. This procedure is essential to avoid anomalies that endanger the community.

After all audit phases are finished, the Inspectorate will create an audit report with conclusions, suggestions, and required actions. This report acts as a foundation for future enhancements in addition to being a tool for evaluating the success of financial management. This report must also be made public in order to evaluate the village government's performance and tell the public about the audit's findings. To put it briefly, the Kutai Kartanegara Regency Inspectorate's auditing process is intricate and demands careful consideration. To guarantee transparent and accountable village fund financial management, every stage from creating the Village Financial Report (*PKP*) to gathering, verifying, and preparing reports is essential. By carrying out quality audits, the inspectorate not only stops anomalies but also raises public confidence in the government and enhances the calibre of public services. Therefore, in order to accomplish the common objective of clean and responsible governance, it is imperative that all stakeholders support and actively engage in this audit process. Data collection and documentation of the audit implementation in the field are also part of the Inspectorate's inspection phase. This illustrates the Inspectorate's dedication to performing on-site verification in addition to depending on written reports. The last, equally crucial phase in this oversight procedure is putting together the audit report and sending recommendations to pertinent parties. It is envisaged that by implementing these suggestions, villages will be able to improve village finance administration.

Additionally, in compliance with the Annual Inspection Work Program (*PKPT*), the Inspectorate performs routine inspections. This indicates that the Inspectorate has a methodical and organised approach to performing its oversight responsibilities. The Inspectorate can guarantee that every village receives equal attention in village fund oversight with a well-defined program. The Kutai Kartanegara Regency Inspectorate works to improve accountability and transparency in village fund management through these different phases, which can boost public confidence in the use of village funds.



4.2 Analysis of the Role of the Inspectorate in Attitude Aspects

The findings of the study show that the inspectorate's role is seen favourably. The following key informant's reaction lends credence to this: "The inspectorate is professional and neutral or independent, focusing on facts and evidence and formally presenting findings in meetings (interview with key informant No. 1 on Monday, December 8, 2025)."

This professionalism includes both technical expertise and a strong work ethic. The inspectorate must function impartially and equitably in order to guarantee that the supervision results are acceptable to all stakeholders. In this sense, integrity is essential. The inspectorate's professional viewpoint is essential in performing its supervision responsibilities. This line of work requires a wide range of skills, including strong interpersonal skills and in-depth technical knowledge. It will be easier for inspectors to carry out audits successfully if they are familiar with the relevant rules and procedures. This information not only aids in spotting any infractions but also offers helpful recommendations for how to make things right. Errors in financial statements can be found and fixed by financial audit inspectors who are knowledgeable about accounting concepts. But technical know-how is insufficient on its own. In their work, ethics are vital. Integrity and justice must be guaranteed in all of the inspectorate's actions. This implies that the inspectorate must be able to put the public interest ahead of the interests of particular people or organisations. Despite pressure from those groups looking to conceal the issue, inspectors must have the guts to disclose any inconsistencies in budget utilisation. Integrity is essential to ensuring that the outcomes of supervision are acknowledged and recognised by all stakeholders.

Furthermore, a fair and impartial attitude is necessary for it to perform its supervision duty. The inspectorate must be able to make unbiased evaluations free from outside pressure or personal ties. Inspectors must be able to carry out in-depth investigations and produce reliable, unbiased reports if there are claims of corruption within local institutions. Public confidence in the inspectorate and the village as a whole will rise as a result. An examination of the inspectorate's professionalism reveals that a key element of this mindset is effective communication. In addition to being able to articulate their conclusions and suggestions, inspectors must be able to hear and comprehend the viewpoints of all relevant parties. As a result, they must be able to communicate positively and come up with ideas that satisfy everyone. An inspector with strong communication skills may communicate audit findings to the management of the organization in a way that is non-accusatory and instead concentrates on offering comprehension and suggestions for improvement. A professional mindset that includes solid technical knowledge, a strong work ethic, and the capacity to behave impartially and equitably is crucial to the inspectorate's supervision duty.

Integrity is a vital basis for performing this role. In addition to producing accurate and helpful supervisory reports, the inspectorate can increase public confidence in the organisations they supervise by emphasising a thorough professional attitude. Therefore, in order to perform their jobs as effectively as possible and contribute positively to society, each inspector must always improve their professionalism. The results of this study, which show that the inspectorate's role in terms of attitude has been operating effectively, are consistent with the following findings: (Shofi, 2024) and (Firmansyah & Sinatria, 2025).

The Inspectorate's optimistic outlook contributes to increased responsibility in the administration of local funds. In this context, accountability refers to transparency, honesty, and community involvement in addition to accountability for the use of funds. Both village fund managers and beneficiaries will be greatly impacted if the Inspectorate is dedicated to upholding integrity and being proactive. An actual illustration of this optimistic outlook is the Inspectorate's instructional approach to the community. Instead than focusing only on inspection and law enforcement, the Inspectorate might provide training on efficient village budget management. Villages will gain knowledge about how money is spent, the significance of correct financial reporting, and the repercussions of mistakes. In this sense, the community actively participates in monitoring the use of village funds rather as just being a spectator.

One indication of the community's cooperation with the inspectorate is the community's bravery in reporting infractions. The community are more inclined to report any abnormalities when they believe the Inspectorate is reliable and dedicated to operating fairly. If locals find that money is being used outside of the budget plan, they are more likely to report it to the Inspectorate. By acting as a point of contact between the village and the community, the Inspectorate contributes to the development of a more open and responsible atmosphere. More significantly, the Inspectorate's approach to incoming reports shows that it wants to increase responsibility. If the Inspectorate reacts to public reports promptly and openly, public confidence in the Inspectorate will grow.

Effective community communication is also one of the Inspectorate's strong points. Communities frequently lack a thorough understanding of how village funds are handled or how they may help with supervision. As a result, the Inspectorate needs to use social media, discussion boards, and in-person meetings to effectively communicate. By enabling the community to ask questions and offer opinions, the Inspectorate may establish a transparent atmosphere that is necessary for greater accountability.



After careful analysis, it is crucial to recognise that, in addition to managing village funds, the Inspectorate's positive outlook affects social and economic growth at the village level. Communities will feel more comfortable taking part in development initiatives supported by village funds when those funds are properly managed. This could have a beneficial knock-on effect whereby increased involvement in development initiatives is prompted by community trust, thus raising the village's standard of living. In order to increase accountability in village fund management, the Inspectorate's optimistic outlook is essential. By using an instructional approach, responding quickly to reports, and maintaining an effective connection with the community, the Inspectorate may establish a transparent and accountable environment. Collaboration between the Inspectorate and the community will enhance village fund management, which will result in long-term social and economic development at the village level. Therefore, the dedication and honesty of the Inspectorate are advantageous for village financial management as well as the community's general well-being.

The oversight of the inspectorate must be transparent and communicative. According to interviews with a number of informants, the Inspectorate is well-equipped to manage disagreements and conflicts that come up throughout the supervision process. Because of its open methodology, the Inspectorate is able to hear different viewpoints from the community and the village government.

A pertinent example is a situation when the inspectorate was able to settle a dispute between the community and the village authority regarding a local development project. In this case, the inspectorate called a meeting in which everyone was welcome to take part. The community voiced worries over the project's environmental impact at the discussion, while the village authority outlined the development's long-term advantages. After being given the chance to talk about the problems, all sides were able to come to a decision that considered the needs of the government and the community. An open mindset and the capacity to handle conflict are essential in circumstances such as these. The Inspectorate has a communicative mindset that fosters fruitful dialogue. Disagreements and poor communication are common causes of conflict. Thus, the likelihood of conflict can be decreased by the inspectorate's capacity for efficient communication. Both communication abilities and a solid grasp of the social dynamics inside the community are necessary for effective conflict management analysis. Inspectors need to be aware of local conditions, culture, and relevant principles in order to engage with the community more effectively. In areas with significant traditions, the Inspectorate must respect the group decision-making process. Therefore, in order to carry out efficient oversight, inspectors need to be transparent and communicative. The inspectorate can promote confidence between the community and the village government and improve accountability and transparency by resolving disputes and disagreements. By cooperating to accomplish more ambitious objectives, all stakeholders can guarantee the welfare of the community. Consequently, throughout the supervision process, this mindset needs to be promoted and ingrained.

4.3 Analysis of the Role of the Inspectorate in Perception Aspects

The study's findings demonstrate that the public has differing opinions about the Inspectorate's responsibility for managing village finances. Because it illustrates the intricate link between the public, the government, and the institutions in charge of monitoring, this occurrence merits more discussion. Understanding how public impressions are created and what affects public evaluations of the Inspectorate's performance is essential in such situations.

Public opinions of the Inspectorate's ability to increase village fund accountability tend to differ, according to key informant interviews. Several informants claim that the inspectorate is crucial in making sure village finances are handled appropriately. According to a crucial informant, the Inspectorate's presence gives the neighbourhood a sense of security. The Inspectorate's presence guarantees monitoring and increases transparency in the use of village funds. However, some members of the public feel that the Inspectorate is not doing its job well. These disparate evaluations are a reflection of people's varied interactions with the Inspectorate. In order to increase community involvement and comprehension of the process, the inspectorate actively visits some villages and educates the locals about how village finances are used. Communities in other villages feel cut off from the supervision process due to a lack of direct connection and involvement. This illustrates how the inspectorate's effectiveness depends on both solid social ties and institutional mechanisms.

Additionally, public opinion is influenced by educational variables and public knowledge of supervision procedures. Communities in villages with greater levels of education are typically more critical and proactive in evaluating the Inspectorate's performance, and they are more aware of the significance of accountability and openness in the administration of village revenues. Communities in less educated areas do not completely comprehend the inspectorate's role, which leads to less objective assessments. This illustrates how crucial education is. The existence of several components shows how the village's social and cultural milieu is



connected to how the community views the Inspectorate. People are more likely to appreciate the Inspectorate's presence as part of a group effort to uphold justice and transparency in villages with a strong heritage of collaboration. People in more individualistic areas will see the inspectorate as an aloof organisation that has little bearing on their day-to-day existence. Therefore, it is crucial to take local factors into account while creating oversight policies and strategies.

After carefully examining these components, it is evident that a broader and all-encompassing strategy is required to enhance the inspectorate's capacity to manage village funds more successfully. One potential solution is to increase community involvement in the supervision process. The inspectorate could include the community in the oversight team or provide training on accountability and openness. In this manner, the community is actively involved in the management of village money in addition to being monitored. In conclusion, different communities have different opinions about the inspectorate's responsibility for managing village finances. This illustrates how communities and oversight organisations have a complicated relationship. These disparate perspectives are influenced by a number of variables, including sociocultural setting, educational attainment, and personal experience. In order to improve the Inspectorate's performance, more work must be done to foster positive relationships with the community, raise public awareness of its operations, and include the community in the supervision process. The Inspectorate will be able to increase accountability and transparency about the use of village funds more effectively with a more transparent and involved approach.

When recommendations are implemented, the public's opinion of the Inspectorate improves. The public's perception of the Inspectorate's function tends to improve when villages effectively implement reforms based on audit results. However, the public's confidence in the Inspectorate's supervision efficacy may be damaged if suggestions are disregarded. Additionally, public perceptions are greatly influenced by communication. Public awareness and support for the oversight may rise when the Inspectorate aggressively disseminates audit findings and suggestions. On the other hand, miscommunication might result in scepticism and misconceptions. Therefore, the perception component shows that obstacles still exist in spite of the Inspectorate's efforts to increase accountability in village budget management. Building public confidence in the Inspectorate's mission requires effective communication and regular follow-up on recommendations.

4.4 Analysis of the Role of the Inspectorate in Participatory Aspects

Community involvement in village fund supervision is a crucial element bolstering the Inspectorate's effectiveness. In this situation, the Inspectorate acts as a mediator between the community and the government in addition to being an auditing and supervisory body. Transparency and accountability in the utilisation of village funds can be improved by community involvement in the oversight process. Communities have the chance to actively engage in deciding how and for what objectives village finances are spent. Village deliberation meetings that address budget utilisation are open to the community. Residents have the chance to share their thoughts and recommendations on projects they think are vital in this forum. As a result, the community has a say in village budget administration and is not just an object.

The study's findings show that the Inspectorate's role has been successfully carried out in terms of involvement. These results are consistent with a study (Melania_E & Rizal, 2023) that discovered community involvement significantly improves village financial management. However, a number of things were necessary for this feat to happen. The Inspectorate's outreach and training initiatives to raise community awareness of the significance of village fund supervision are one such element. Communities were taught about their rights and responsibilities as citizens as well as supervision procedures. Another pertinent example is an oversight mechanism for village funds that involves civil society organisations. These organisations serve as independent supervisors in certain areas, keeping an eye on the usage of village funds. These community organisations are able to give the Inspectorate reliable reports because they have the right evaluation instruments and protocols. Communities are more in control of their resources and feel more empowered. Although community participation in village finance management has produced encouraging outcomes, difficulties still exist. One is a lack of knowledge about the rules and procedures governing village funds. Many feel unable to actively participate because of this lack of knowledge. As a result, the Inspectorate needs to take the initiative to educate and enlighten the community.

Communication with the community is also essential for the Inspectorate. The community can submit complaints or conclusions about the usage of village money more easily when there is open communication. Through the methods provided, the community can report projects that don't follow the plan directly to the inspectorate. This can speed up the resolution of issues and avoid irregularities in the management of local funds. An examination of community involvement in village fund monitoring reveals that

active community participation and the Inspectorate's role are critical to successful oversight. As a result, cooperation between the Inspectorate and the community is essential. The community must be enabled to contribute, and the Inspectorate must be able to foster an atmosphere that promotes community involvement. Village funds must therefore be managed by the community. In order to promote this involvement, the inspectorate's function is essential. Transparency and accountability in the utilisation of village funds can be improved by actively involving the community. In the end, this will lead to increased development and wealth at the village level. Increasing community involvement must therefore be consistently pursued with the backing of all pertinent stakeholders.

The results of the study show that the Inspectorate significantly contributes to increased responsibility and openness in the management of village funds. These results are consistent with (Manalu & Sihombing, 2024)'s assertion that the Inspectorate's accountability is already robust. Statements from a number of important informants who offered detailed perspectives on the Inspectorate's role in this area also corroborate this conclusion. These informants included village chiefs, *BPD* members, and community leaders, among other members of the community. They concluded that the Inspectorate had worked hard to promote community involvement and offer the required direction on village fund management. One of the key components mentioned by informants is increasing community involvement in the village fund management process. In addition to overseeing, the Inspectorate promotes community involvement in all phases of fund management. To help the community better understand how and who is in charge of village funds, the Inspectorate often hosts workshops and training sessions. As a result, the community has a voice and duty in deciding how village finances are utilised in addition to being subject to oversight.

Additionally, the inspectorate is in charge of giving village fund managers technical advice. In this sense, the inspectorate offers precise guidelines for managing funds, including everything from strategy and execution to reporting. These guidelines improve the organization and transparency of village finance management. For instance, when financial mismanagement is discovered, the inspectorate not only performs audits but also offers recommendations for enhancements that managers might implement. This shows that the inspectorate serves as both a partner and a supervisor who is always willing to help. Nevertheless, there are still difficulties in fulfilling the Inspectorate's duties. The Inspectorate's capabilities and human resources are nevertheless constrained, according to a number of sources. Effective oversight is hampered by the small number of supervisors. In order to carry out their responsibilities more effectively, the inspectorate staff needs training and capacity building. This is an essential step in ensuring responsibility and openness in the handling of village funds. Therefore, it can be said that the Inspectorate plays a crucial role in enhancing accountability and transparency in village fund management. By promoting community involvement and offering technical support, the Inspectorate has established a more open and accountable environment. Despite ongoing difficulties, the Inspectorate's actions show a strong commitment to enhancing village fund administration. Going forward, more focus is required to enhance the Inspectorate's ability to carry out its responsibilities and accomplish the goals of responsible village fund administration.

4.5 Analysis of Internal and External Constraint Factors

According to research, a number of internal and external factors affect how well the inspectorate oversees and advises on village budget administration. Lack of human resources (HR), inadequate accountability reports, and newly appointed village officials' frequent deficiencies in administrative and financial reporting abilities are the most prevalent internal issues.

Limitations in human resources are a big problem. The availability and calibre of human resources present difficulties for the Kutai Kartanegara Regency Inspectorate. For instance, employees in charge of overseeing village finances sometimes lack adequate or pertinent educational credentials. This suggests a lack of knowledge about the guidelines that must be adhered to while handling village cash. For instance, recently elected village chiefs might not know how to create sensible and efficient budgets. Reports are therefore erroneous and challenging to explain.

An essential component of effective oversight is high-quality accountability reports. Inadequate reporting might make the inspectorate's assessment more difficult and cause mistrust in the community on the use of village funds. If financial reports are not presented in a clear and open manner, the public will question how monies designated for village development are being used. This ambiguity can occasionally result in disputes between the community and the village administration, which ultimately impedes local development. As a result, it is essential that the inspectorate instruct and mentor village authorities on how to write exact and accurate reports.



Additionally, new village officials and leaders frequently lack the necessary financial and administrative expertise. According to key informant interviews conducted on Tuesday, December 9, 2025, "the primary challenge in implementing village fund supervision and management is the lack of skills among new village officials in preparing administrative and financial reports." Additionally, new village leaders and officials frequently lack the necessary financial and administrative expertise. Lack of experience or sufficient information may be the cause of this. It is challenging for recently appointed village officials to handle the required paperwork and reports since they are not familiar with the current administrative structure. It's possible that new village officials don't know how to properly compile reports in compliance with regulations or what papers to include when submitting financial reports. To guarantee that village authorities are competent in administration and financial reporting, the inspectorate must offer frequent training. The results of a study (Kurniasih et al., 2025) that looked at the Bogor Regency Inspectorate's oversight of village fund management are consistent with the conclusions of this study, which indicated that the inspectorate's challenge is a lack of human resources. The study's findings indicate that the Bogor Regency Inspectorate's insufficient human resources continue to hinder its efficacy in supervision. Additional findings from studies carried out by; (Polidu et al., 2020), (Nira & Jarnawansyah, 2022), (Lakoro et al., 2023), and (Mokoagow et al., 2024).

The low calibre of accountability reports is still another challenge. According to a number of whistleblowers, the Inspectorate finds it challenging to carry out monitoring because village-prepared reports frequently fall short of specified criteria. This suggests that village officials require assistance and training in order to prepare accurate financial reports. Additionally, studies reveal that inexperienced village administrators frequently lack the ability to prepare financial and administrative reports. This may result in inaccurate village financial management, which could lower responsibility.

The Inspectorate's performance is hampered by external issues such as insufficient internal and external oversight systems, frequent regulation changes, and misuse of local funds. The Inspectorate has to deal with these issues as well. The Inspectorate is in charge of making sure that all operations and budget utilisation adhere to rules. However, the performance of this duty is frequently hampered by a number of unavoidable external variables. One important element is the frequent changes in regulations. In recent years, there have been substantial changes to the rules governing regional financial management. Village officials are unclear about the new requirements and how the inspectorate should carry out oversight as a result of these changes. When regulations change, the inspectorate must rapidly adjust, which is frequently challenging. This is particularly true in cases where training and human resources are insufficient.

In addition, the misappropriation of village funds is a major issue for the Inspectorate. At the village level, corruption and financial mismanagement frequently take place due to a lack of control. There are a number of instances where money intended for the development of village infrastructure is instead utilised for the private gain of specific people. Village communities and the government are mistrusted as a result. To find this misuse in these situations, the Inspectorate must actively take part in audits and investigations. However, a lack of knowledge and cooperation from communities, who are reluctant to report abnormalities, frequently hinders this.

The difficulties the Inspectorate faces are further complicated by flaws in the oversight mechanism. Adequate internal and external oversight procedures are lacking in many villages. It will be challenging for the Inspectorate to get precise and trustworthy information about the use of village finances if internal oversight at the village level is insufficient. Additionally, the problem is made worse by inadequate external control, such as poor community involvement. Communities frequently lack the opportunity to report any discrepancies since they are not involved in oversight of fund use. In order to enable communities to actively monitor and report on the use of funds, a more participatory oversight strategy is required.

To solve this problem, the inspectorate needs to devise a more effective strategy. One approach to achieve this is to strengthen the inspectorate's human resource skills. To comprehend and apply the most recent regulations, inspectorate personnel need continual training and education. Additionally, the Inspectorate has to work with communities and other institutions, like non-governmental organisations, to enhance oversight of village fund use. The Inspectorate can establish a more accountable and transparent supervision structure by incorporating communities. The Inspectorate's performance in performing its tasks is impacted by numerous external circumstances. These include a lax oversight system, abuse of community funds, and modifications to regulations. The Inspectorate must swiftly adjust, enhance its human resources, and foster greater community participation in order to overcome these problems. These actions are anticipated to enhance village-level financial management and enable the Inspectorate to perform its duties more effectively.



5. CONCLUSION

The function of the Regional Inspectorate of Kutai Kartanegara Regency, East Kalimantan Province, Indonesia, in enhancing accountability in village fund administration is examined in this paper. Ensuring that village funds are used in accordance with relevant laws and policies is the main goal of the Inspectorate's supervision.

There are various inferences that can be made:

1. The study's findings demonstrate that the Inspectorate has performed its responsibilities and operates effectively. An examination of the Inspectorate's duties reveals that oversight is done to uphold the law and boost public confidence in the government. This trust is essential, particularly when it comes to the administration of village funds, which is frequently scrutinised by the public because of corruption and misuse of power. When the public witnesses the Inspectorate's transparent performance of its duties, public confidence in the use of monies for the common good grows. Thus, effective communication between the Inspectorate and the community is essential. Through stringent oversight, efficient training, and thorough assessment, the Inspectorate acts as a strategic partner and supervisor in village development. This makes it possible to administer village money in a transparent and equitable manner, which boosts public confidence in the government and promotes involvement in development.
2. The study's findings show that the inspectorate has a positive, professional attitude. The inspectorate is supposed to operate impartially and equitably while performing its tasks, with integrity serving as its cornerstone. In the supervising role, a fair and impartial attitude is crucial. The inspectorate must be able to make unbiased evaluations free from outside pressure or personal ties. At the village level, the inspectorate's optimistic outlook also supports social and economic advancement. Communities can participate more in development initiatives, which can raise living standards, if village funds are managed well. With an instructional approach, quick reaction times, and effective communication, the inspectorate may establish a transparent and responsible atmosphere.
3. There are differing opinions about the Inspectorate's role in village fund supervision. Key informant interviews showed that opinions about the Inspectorate's potential to increase village budget accountability differ greatly. To enhance the Inspectorate's capacity to manage village money, a thorough and inclusive approach is required. Transparency and accountability can be improved by training and community participation in the oversight process.
4. The study's findings show that the Inspectorate's participative role has been effectively fulfilled. This accomplishment is a result of a number of initiatives, including public awareness campaigns and training programmes that emphasise the value of oversight. The public is informed about their rights and responsibilities as citizens as well as oversight procedures. Additionally, oversight is improved by the participation of civil society organisations as impartial observers who are outfitted with suitable assessment instruments and protocols.
5. Improving accountability in village fund management presents both internal and external challenges for the Kutai Kartanegara Regency Inspectorate.
 - a. Internal challenges include inadequate and subpar human resources (HR), subpar accountability reports, and the newly formed village apparatus has low administrative and financial reporting skills.
 - b. Regular regulatory changes, improper use of village funds, and inadequate internal and external oversight mechanisms are examples of external barriers.

The following are some suggestions:

- 1) The government should expand the number of auditors and enhance their proficiency through risk-based audit training and investigative auditing through the Kutai Kartanegara Regency Inspectorate.
- 2) To enable real-time tracking of village money realisation and reduce any inconsistencies, create a digital monitoring system (e-audit or monitoring dashboard).
- 3) Increase the proficiency of village officials by providing frequent training on how to use village financial software, prepare accountability reports (*LPJ*), and manage village funds in compliance with legislation.
- 4) Given that many new village officials lack sufficient administrative abilities, give them comprehensive mentoring. Incidental coaching is not enough; a long-term mentorship programme is required.
- 5) Strengthen the monitoring system using technology.
- 6) Given the frequent changes in regulations, engage in regular regulatory outreach. This calls for the creation of straightforward, understandable technical standards as well as frequent regulatory updates for village officials.



- 7) To provide smooth and integrated oversight, synchronise agency policies and improve cooperation between the Inspectorate, the Community and Village Empowerment Service, and law enforcement personnel.

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