UNIVERSITAT DE BARCELONA

An Analysis of Factors for Preventing and Detecting Corruption: Evidence in Indonesia Village Government

Caesar Marga Putri

PhD in Business

An Analysis of Factors for Preventing and Detecting Corruption: Evidence in Indonesia Village Government

Caesar Marga Putri

2023

PhD in Business | Caesar Marga Putri

UNIVERSITAT DE BARCELONA

PhD in Business

Thesis title:

An Analysis of Factors for Preventing and Detecting Corruption: Evidence in Indonesia Village Government

PhD candidate:

Caesar Marga Putri

Advisors:

Josep Maria Argilés-Bosch

Diego Ravenda

Date:

May 2023

UNIVERSITAT DE BARCELONA

The Dedications

The Thesis is dedicated to:

My parents for their unconditional love.

My children, Jehan and Ilman, Mommy loves you from the moon and back.

My husband, for his patience and encouragement.

Acknowledgments

First and foremost, all praise be to Allah, Lord of the whole universe, the most compassionate and the most merciful. Thank you for always giving me strength and blessing, particularly in my Ph.D journey.

I would like to express my gratitude to my supervisors, Professor Josep Maria Argilés-Bosch and Professor Diego Ravenda, for their supervision, criticism and assistance during my years as PhD student. Professor Josep has given much time and effort to help me in completing my Ph.D., thank you for your patience, favours and friendship. I will miss the conversation about family and life in Barcelona on the sidelines of our research discussion. Professor Diego has also given much effort to guide me in the research, especially in the methodology and the favour that he offered. Both of them have established an enthusiasm and appreciation for mentoring me by their example. I am truly blessed to become one of their students.

I cannot describe how grateful I am to have family who always delivers unwavering prayers and support during my academic life. To my parents, thank you for your unconditional love and unwavering prayer for me being who I am now throughout the past 38 years. To my parents-in-law, for their support and encouragement. To my sister, the one and only, thank you for your support, advice and criticism to make me a better version of myself. To my husband, you are the most patient and rational person that I have ever met in this world. Especially my children, Jehan and Ilman, thank you for your support and understanding during our challenging times. Mommy knows that both of you truly love Barcelona and would love to visit Barcelona someday when the time is right. Thank you for being good students in the school. To my cousin, budhe Komariyah, who is the real relative I ever feel, thank you for the attention that has always been given to me.

Many thanks to my colleagues and friends during my academic life at Universitat de Barcelona, Tabitha, Adeline, Facundo, Karan and Mariuxy, who have given support and friendship. The best of luck to all of you for your next chapters of life. For Mariuxy, do not hesitate to contact me if you realise your plan to visit the most iconic island in Indonesia, Bali.

I also want to express my gratitude for the opportunity to attend the prestigious university, Universitat de Barcelona. This experience has given me the chance to work with the best professors, resources, and activities for me to increase my knowledge and establish an academic network. Thank you for the privilege.

Last but not least, I am also grateful to be part of Universitas Muhammadiyah Yogyakarta. Thank you very much for the grant and non-financial support for persuading my Ph.D. degree. Especially my colleagues in the Faculty of Economics and Business, thank you for the support and encouragement during my Ph.D. journey. To my friends who are also persuading Ph.D. in Spain, mb Faiza, mb Putri, mas Anas, pak Sigit, pak Asdi and mas Iqbal, keep your spirit up.

Thank you Barcelona, my second home, for the bittersweet memories.

Caesar Marga Putri

"Verily, with every difficulty there is relief." (QS 94:6)

"It always seems impossible until it's done" (Nelson Mandela)

"True education is about getting the best out of oneself" (Mahatma Gandhi)

"Work for this world as if you will live forever and work for the hereafter as if you will die tomorrow." (HR. Ibnu Umar)

LIST OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

Chapter 2

Chapter 3

Chapter 4

Chapter 1. Introduction

The establishment of a village as an autonomous government in developing countries is an attempt to improve the welfare of rural communities and village development. Prior to the implementation of the decentralisation concept, the village was centralised to the higher government level to perform more social functions than the village governance. A study about villages has been conducted since 1956 by Kurt Steiner (Steiner, 1956), who researched villages in Japan. It stated that in the past when the village was centralised to the central government, its function was merely social. Such functions include assisting neighbours in emergencies and burial cases, cooperation in fields or housebuilding, and planning religious and cultural festivals. At the time, the government was primarily concerned with documenting the administration of those social functions. Then, the village community depended only on agricultural and farm products, resulting in poverty and an undeveloped society. Along with efforts to improve the village economy and development, the government began to establish a decentralised village that led villages to self-government, which allowed them to manage the village under the regency regulation, therefore, it is easier for the village to meet its needs.

In India, the village government has been decentralised since the enactment of the 73rd Amendment Act of 1992 and the 74th Amendment Act of 1992 (Widmalam, 2014) which decentralize the village as the third layer of India's government. Meanwhile, the government in China, institutionalizing of villages fully started since the revision of the Organic Law on Village Committee in 1998 which has been enacted since 1987 (Alpermann, 2009). Unlike China and India which implemented village government concepts much prior, Indonesia just established a new village government in 2014 following the passage of the law No. 6 of 2014 and later called Village Law. According to Indonesia's Village Law, the village is the smallest unit of government as a legal community unit with territorial boundaries authorised to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights recognised and respected in Indonesia's government system.

However, the purpose of decentralisation to reduce the level of poverty and accelerate the development of village infrastructure is ironically also accompanied by an increase in corruption. Although rural poverty has been claimed decreasing, corruption among village and township cadres is widespread in rural poverty governance, and more and more corrupt village and township cadres have been identified (Wu & Christensen, 2021). In China, corruption among village and township cadres was increasing from the year 2016 to 2018, even though democratic supervision has been established as an anti-corruption (Levy, 2003).

In Indonesia, corruption in the village government has also been identified as increasing since 2016, and during the year 2018 to 2021 village corruption cases was at the top of the corruption list in public sector government (Indonesia Corruption Watch, 2021) even though an anti-corruption tool has been established in village government. The formation of a village consultative council in which members are elected by the village community to represent their voice and supervise the village governance is considered the initial anti-corruption tool at the village level. Another village anti-corruption tool is defined by Government Regulation No. 12 of 2017 or three years after the enactment of Village Law which stated that supervision of village governance is under regency auditor. To support village decentralisation, the central government transfers fund to the village with total amount was around $5 billion in 2021 (Kementerian Desa & Indonesia, 2022). It means that every village receives around $69.000 per year. This number is prone to corruption due to the yearly salary received by village staff is only $1.800. This condition is prone to waste and corruption, therefore, the fundamental provisions to manage village finance should be regulated in a law urgently (Novrizal & Podger, 2014).

After almost ten years of the implementation of Village Law in Indonesia, the research on corruption in the village is dominated by political and development studies that are more focused on law and regulation implementation (Sugiharti, 2021; Susan and Budirahayu, 2017). Lewis, (2015) explored the difficulties faced in village administration such as village service responsibilities being vague, village public financial management systems being unprepared to manage the huge amount of central government funding transferred to the village, and a lack of mechanisms to monitor the budget expenditure which causes the challenge of local corruption eradication. Then the study about leadership on elite capture and corruption in the village has been conducted by Lucas, (2016). His study revealed that at the village level, there is a tremendous conflict for controlling the resources between the elites and the village community and also among the members of local elite themselves. The village officials tightly captured and controlled the village resources for the benefit of their own families, supporters, or cronies. Besides that, the village head monopolised the power, and collusion with higher authorities caused many village projects not to meet the transparency, participation and accountability goals. Further research about village capability is conducted by Susan & Budirahayu, (2017), which measures the village official's capability in understanding the concept of good governance, particularly political service, participation, transparency, accountability, information distribution, and law justice, as stated in the village law and regulations. They found that the village officials do not fully understand these concepts.

However, accounting researchers have been put little attention to the link between accounting, auditing, and corruption, even though, accounting and auditing perform a critical role in assessing and fighting the level of corruption (Jeppesen, 2019). In addition, corruption occurs when monopoly power meets discretion but there is no accountability (Klitgaard, 1998). Therefore, it cannot be neglected that internal control and accountability are crucial in governance, particularly in villages that previously performed social functions and put the village head position exclusively which is considered the most authoritative and righteous person. Since the village subsequently implements the democratic system and becomes an autonomous authority to manage its funds for community welfare, the previous village head's position should no longer be appropriate. The village head should no longer have an authoritative position because the village community has its voice through the elected member of the village consultative council, which aspires to the community voices and supervises the implementation of governance in managing village funds. The shift in village authority, on the other hand, is difficult to dispel the notion that the village head does not represent the sole person whose behaviour was considered right. Therefore, to support the implementation of autonomous village government, an appropriate accounting system is required. Some African countries, which are also experiencing changing forms of government, have attempted to implement accounting reforms to combat corruption, but have failed due to a lack of political will on the part of political leaders, who fear losing full control of resources. By increasing transparency, developing accounting systems, adopting international accounting standards, increasing accounting capacity through education and training, increasing community participation, and increasing accountability are all effective methods for eradicating corruption in Africa (Hopper, 2017).

The research of Lucas (2016) on two village governments in Indonesia has contributed to the post-village law implementation. He concluded that the deficiencies in control from upper-level government and the weakness of village institutions to balance the power of village elites causes elite capture and corruption, in the two Indonesia villages. Elite capture is the phenomenon when village staff utilise their authority to dominate and monopolise the governance and planning of resources to benefit themselves. The monopoly of power in these villages causes the projects for infrastructure development to fail to meet transparency, participation and accountability. Even though, the accounting system is critical in corruption eradication, previous research had not analysed the frameworks of internal control which are widely applied in the private sector but critical to be applied at the village government level. Related to this matter, the International Organization of Supreme Audit Institutions (INTOSAI General Secretariat, 1992) points out the strong need of updating the guideline for public sector internal control standards that relied upon the COSO framework to create effective corruption detection and prevention. Following the initiation of INTOSAI, Antón (2020) suggested that implementation of the COSO framework to increase control mechanisms in the Spanish public sector is urgently required to create a new form of government and its integrity. It can be said that COSO framework implementation is crucial in the public sector to increase integrity and subsequently decrease corruption.

1.1 Motivation, Objective and Contributions

Therefore, this research is motivated by the increasing number of corruption cases in the village government (Indonesia Corruption Watch, 2021) and becoming an unresolved problem in Indonesia. Based on the importance of accounting-related factors in combating corruption, the objective of this research is to analyse the village governance elements, namely internal control, accountability, transparency, and participation that are considered able to prevent and detect village corruption. On the other hand, the most critical elements of the two COSO frameworks namely, control environment and control activities in the new form of organisation will be analysed to capture the internal control implementation in village. Besides that, since this research is considered as preliminary research on corruption in Indonesia's village government, this research will also explore the determinants of good governance, namely village staff competency and information technology.

This research has several contributions to academic knowledge. First, it provides the first bibliometric review and content analysis of village corruption literature over the past 30 years. It presents the village research trend, key elements and also proposes future research agendas. Second, this research provides new evidence in village corruption research which analyses the accounting factors by investigating the village governance elements for preventing and detecting corruption. This research presents a novel research topic by analysing the accounting factors including the two COSO frameworks of internal control, namely control environment and control activities, implemented in village governance to understand the internal control effectiveness for preventing and detecting corruption. Besides that, it also analyses the determinants that are considered able to create good village governance, namely village staff competency and information technology support. Third, this research contributes to the methodology. By using a mixed method approach, this research combines quantitative and qualitative in analysing the accounting-related factors for preventing and detecting corruption to obtain a deep understanding of village governance practices in Indonesia.

1.2 Village Government in Indonesia

The government hierarchy in Indonesia consists of four levels, starting from the top, which comprises the central government, province government, regency government, and village government. The development of the village administration system occurred at the local level during the Dutch colonial administration. It was intended to control the communities under colonialisation and centralised to regency government.

The enactment of law No. 6 of 2014 on village government, later called Village Law, has greatly changed the village government in Indonesia. The village is no longer subordinate to the regency but becomes an autonomous entity, where the community has the right to speak for their interests and not as objects but as the subject of development. The position of village is an autonomous political entity and a legal community unit allows village government to manage their life autonomously since then.

As an autonomous entity, the Indonesia village government is governed by the village head, village treasurer, village secretary, unit heads, and unit staff, which is in this research called village staff. As the lowest level of government administration in Indonesia, its position is close to the village dweller which plays a crucial role in the local government. As a consequence, according to Village Law article 72, the implementation of village autonomy is supported by allocating fund, later called village fund, from the central government which totals around 10 % of total budget transfers to the local government, as specified in the national budget Lewis, (2015). This fund is intended to increase community empowerment and village development in order to decrease village poverty.

1.3 Corruption in Village Government

In the government sector, the principal-agent theory explains that the government is an agent and citizens are the principal who entrusts their money to the agent (Smith & Bertozzi, 1996). Since the government has a monopoly on information, this relationship is prone to corruption. According to the Indonesia Corruption Watch organisation, village government corruption is on the top rank of public sector corruption (Indonesian Corruption Watch, 2021) and it has become a new area of corruption. Village corruption concentrates on the village fund which is received by the village from central government transfers. The amount received is varying each village and is calculated based on four criteria, number of the village population, poverty number, village area, and geographic difficulty. The amount has risen over time, with each village receiving around $35.500 in 2015, rising to $69.000 in 2021. That amount received is extremely over the village staff salary which only receives around $1.800 per year according to Government Regulation No. 11 of 2019.

Therefore, the huge amount of village fund received by the village government which is not accompanied by an adequate village financial management system and a developed control village expenditure system will constrain the achievement of community welfare and rampant corruption practices Lewis, (2015). His findings support Novrizal & Podger's (2014) criticism of village law implementation which is not reinforced by financial management regulations to ensure village fund is allocated effectively for the welfare of the people and the development of the village.

In general, United Nations Development Program defines corruption as "the misuse of public power, office, or authority for private benefit through bribery, extortion, influence peddling, nepotism, fraud, speed money, or embezzlement" (UNDP, 2004). However, corruption at the village level may differ from national corruption which is more sophisticated. Village-level corruption refers to the involvement of public funds for private purposes, for example, misappropriation of public property or assets for personal use, privileged treatment for cadres or relatives, and also embezzlement of assets as well as receiving briberies (Levy, 2003; Wu, 2021). In village-level corruption also frequently involves the use of village resources for personal interest, such as vehicles for private purposes, embezzlement of project materials and village budget, procurement mark-up, bribery from the project contract and bribery from the community for quick public service response. Collusion with higher-level, district government officials, is another example of village-level corruption (Lucas, 2016). In Indonesia, since the amount of money in village corruption is relatively smaller compared to national corruption, the prosecution is not serious.

Thompson (2013) categorised corruption into two concepts, individual and institutional. The first type is usually to obtain personal benefits over the use of the village assets, meanwhile, the latter is corruption by the relationship among the officials in the village government who work together for their benefit. In the village context, Wu & Christensen (2021) define individual corruption as conducted by a village government staff or official for his/her benefit. Meanwhile, institutional or group corruption refers to corruption conducted by officials with cadres that benefit from political gain rather than personal gain. However, in the Indonesian village government, individual corruption is more frequent than institutional ones because the village head has powerful control over the village resources and distribution of the benefits (Lucas, 2016).

1.4 Good Village Governance

The concept of good governance is commonly known as the process of assessing how public institutions conduct public affairs, manage public resources, and ensure the realisation of public rights in a direction that is fundamentally free of corruption and abuse of power, while also respecting the legal system. United Nations Economic and Social Commission for Asia and The Pacific (UNESCAP, 2009) defines good governance as "an effective and efficient process of decision-making and/or the process by which public decisions are implemented for the wellbeing and common good of the citizenry". It is characterised by eight elements namely, participatory, transparent, accountable, effective and efficient, equitable and inclusive, and follows the rule of law which assures that corruption is minimised, the views of minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of the community. It entails enforcing the rule of law, improving public sector efficiency and accountability, and combating corruption (IMF, 2005).

The concept of good governance is initially intended for the central government which then posits local government as subordinate in a multi-layer system however do not have the authority to govern its own government nor does able to improve governance and public service. Since the decentralisation system was applied to local governments in many developing countries, the concept of local governance then emerged in some research. The concept of decentralisation is based on two principles, firstly, the government works better when it is close to the people and secondly, people should have the right to vote for the type and the amount of service they want (Shah, 2012). These principles imply that by being closer to the local citizen, the local government will understand the concern of people's needs, therefore, the local decision-making is responsive to the citizen for whom the services are intended which leads to fiscal responsibility. As the local government becomes autonomous to govern their entity, the concept of good local governance was adopted. Good local governance refers not only to people-centred governance but also to governance that adopts and fosters a good governance framework. It should not be regarded as a legitimisation project or implemented out of fear of the community members but as a matter of principle and an integrated central pillar of governance (Lekala & Schwella, 2019).

The concept of village governance in Indonesia is initially introduced by Antlöv et al., (2016) two years after the enactment of Village Law which makes the village as the lowest tier of the government hierarchy. They argued that the majority of discussions about decentralisation and governance had mainly centred on the province and district as local government level, however, only a little attention about the impact of decentralisation and democratisation on village governance, community life and rural development in Indonesia. Before the period of 2014, the village had not been fully institutionalised which is still relayed on the upper level of government particularly in the financial aspect caused in poverty and underdevelopment and also the function of the village is more about social function.

Therefore, village governance brings four major changes from the previous type of decentralisation, firstly, releasing the village from higher-level government control, secondly, enabling cultural diversity and responding to local aspirations, thirdly, power separation through an elected village consultative council and lastly increasing the accountability of the village head to the village council. Further, the core purpose of governance in the organisation is to protect stakeholders' interests, ensure the quality of accountability and transparency of financial reporting, and also to monitor the effectiveness of the internal control structure, therefore, the assets of the organisation are secured (Hogan et al., 2008). Village governance also can be defined as the process of assessing how village government conducts community affairs, manage village resources and ensure the realisation of community right through the effective implementation of internal control, good practice of accountability, participation, and transparency in the direction to corruption free. The three components of village governance, called accountability, transparency and participation are commonly studied in previous research since these are considered as a basic element of governance in village government. Whereas, internal control necessarily should also be given more attention in current times when corruption number is increasing every year. Internal control is considered critical to prevent corruption by assisting the organisation with risk management in order to achieve the established objectives and maintain performance.

The five elements of internal control are first stated in COSO framework which is intended for private entities, namely control environment, control activities, risk assessment, information and communication, and monitoring activities. However, some scholars and professional organisations consider that the framework is also important to the public sector to increase the control mechanism in public sector entities (Antón, 2020). The importance of COSO for the public sector was explained by the International Organization of Supreme Audit

Institutions in their 17th International Congress of Supreme Audit Institutions in Seoul 2001 which said that there is a strong need to update the Guideline for Internal Control Standards for The Public Sector 1992 that relied upon the COSO framework (INTOSAI, 2004). They are optimistic that by implementing the COSO framework, the ethical aspect of operations will be added to the new standards, and its inclusion in the internal control objectives is justified, as the importance of ethical behaviour, along with the prevention and detection of fraud and corruption in the public sector, has become more emphasised. In Indonesia, the COSO framework has been adopted in Government Regulation No. 60 of 2008 of Internal Control System for Government Institutions.

The framework presumes that the need for internal control varies, depending on the features of the organisation. According to Ziegenfuss (2001) the two elements of internal control, namely control environment and control activities, are essential in creating a fraud prevention atmosphere. The control environment defines the culture of the organisation, influences people's control awareness, and creates the foundation for all internal control components, thus providing discipline and structure. The control environment is a vital element because it is involved in establishing comprehensive standards, processes, and structures that serve as the foundation for the implementation of internal control in the organisation. In the public sector organisation, a controlled environment establishes a commitment to integrity and ethical value of the organisation members. It is a basic right to raise the consciousness of the importance of internal control system for preventing corruption. This awareness will suppress their corrupt behaviour because they understand that it is unethical and violates morals. Dorminey et al. (2012) concluded the possibility to arrest fraudulent behaviour increases in the presence of a good control environment.

Meanwhile, control activities include policies and procedures related to the segregation of duties, processing of information, physical control, and performance evaluation which can be performed manually or automatically, ensuring that risks have been mitigated through preventive and detective activity characteristics and that corruption can be prevented. Furthermore, control activities include the policies, procedures and practices, which are critical in ensuring that the organisation's goals are achieved and that risk mitigation strategies run effectively (Agbejule and Jokipii 2009). They also inform an organisation's mission and vision, allowing it to encourage employees to attain long-term goals rather than only short-term aims such as corruption.

On the other hand, the concept of accountability relates to the obligation of individuals to be accountable for their actions to others, who should benefit from them (Scott, 2000). Accountability plays a critical role in overcoming the information asymmetry between the community and the government by providing clear and reliable information about transactions; in this way, corruption can be eliminated. Corruption in villages occurs when resources are monopolised by village government staff as perpetrators, who have discretion over resources combined with the lack of accountability. Such accountability in managing village funds would act as a monitoring and information system which would contribute to the eradication of corrupt activities. Brusca et al. (2018) state that in the government sector, accountability is considered sufficient when all the actions of staff concerning goods and services can be accounted for the society. Good accountability eliminates corruption by enhancing the legitimacy of the administration (Hopper, 2017). Meanwhile, transparency refers to the disclosure of information, financial and non-financial reporting, and performance achievement to the public. It is a fundamental governmental requirement that extends beyond merely accessing information, but also requires that information be understandable to external stakeholders (Caamaño-Alegre et al., 2013). The village government is the owner of the information and is obliged to provide it to the community. As the owners, they have complete information and moral hazard may occur, especially if there is a wide information gap. Therefore, participation has proven effective in increasing community awareness of village programs to ensure that they meet the needs and objectives of the community. Further, community participation refers to the involvement of the village in government decision-making, and may arise directly or through the village consultative council. Citizens will benefit from such participation because it will resolve any stalemate, achieve outcomes, help them gain some control over policies and also improve their implementation. Sorat et al. (2021) observed that public participation has benefits for local government master plan development by improving the extent of their influence over decision-making on policy. Moreover, the participation of the community in the planning and monitoring can reduce the potential for abuse of authority and corruption because they are involved in discussions to submit input and make criticisms and suggestions on programs to be undertaken by the village government in the coming year.

1.5 Research Methodology

This research applied a bibliometric review and a mixed method approach. The bibliometric review was applied to analyse the academic literature of village corruption research. This method offers a systematic comprehension of research trends, developments in research fields, and impactful publications of village corruption studies over time. We analysed 158 articles from the Web of Science database from 1992 to 2022.

The mixed method applied in this research is a sequential explanatory research study to conduct an in-depth investigation to discover details for why something occurs. The method combines quantitative and qualitative methods in one research project. The process of a sequential explanatory research method is quantitative data are collected and analysed first, then qualitative data are collected and analysed to explain quantitative data (Creswell, 2009). The quantitative research is initially conducted to analysed the effect of the good governance elements, namely internal control, accountability, transparency, participation on corruption. The determinant of good governance, village staff competency and information technology support also were analysed quantitatively. The quantitative data were collected using a questionnaire survey with total 346 pairs of final questionnaires from 123 villages. The data collected then was analysed using partial least squares structural equation modeling (PLS-SEM) to examine the hypotheses. This model conducts measurement model analysis prior to the structural model analysis to determine the reliability and validity of the relationship between indicators and constructs. Once the measurement model fulfills all the parameters, the next step is assessing the structural model to answer the hypotheses.

Meanwhile, qualitative data was acquired through online interview. The in-depth interview was conducted using two online communication platform applications, *Zoom Meeting* and *WhatsApp video.* The respondent is permitted to choose the most convenient platform. In total, there were 23 interviews with village staff, members of the village consultative council and the auditors. The semi-structured and open-ended questions are utilised to gather the detailed and in-depth information about participant experience, perspective and opinions. The interview was recorded using an audio recorder and subsequently transcribed (Creswell, 2012).

1.6 Research Structure and Paper's Objectives

The objective of Paper 1: To present the bibliometric review and content analysis on village corruption to highlight the trend and evolvement of the literature and also to find out the key elements to provide future research direction.

The objective of Paper 2: To examine the effect of Indonesian village governance on corruption and to establish the determinants of good governance, namely staff competency and information technology.

The objective of Paper 3: To investigate how the village government implements internal control, accountability, transparency and participation in the good governance practice for corruption prevention and detection in Indonesia.

1.7 The Thesis Summary

Chapter 1 is the introduction. Chapter 2 discusses the bibliometric review and content analysis of village corruption literature to answer the research trend, its evolvement and the future research agenda. Chapter 3 contains quantitative research to analyse the effect of village governance on corruption. Chapter 4 discusses qualitative research to explain the findings of quantitative research in more detail. Finally, Chapter 5 presents the conclusion and identifies the limitations of the study.

Chapter 2. 30 Years of Village Corruption Research: Accounting and Smart Village for Village Sustainability as the Future Research Directions

Abstract

As the research about national corruption grows, village corruption research has emerged in the public eye in the last 10 years. A growing number of researchers have called for a broader discussion of village corruption. In response, this paper conducts a comprehensive review of village corruption research to portray the trend and the evolvement over the years and also to find out the dominant elements of village corruption for providing future research agendas to solve village corruption. The study analysed 158 articles from the Web of Science database. The data were analysed using two bibliometric software, HistCite, and VOSviewer then followed by content analysis to get a more comprehensive result. The findings overlay visualisation shows that the research in village corruption topic has evolved from African countries to Asia. Research from the economics and politics fields are the most common research in village corruption since 1992 and followed by research in Management, meanwhile, research in Accounting and IT field is still rare. The institution based in the USA dominated publications and Word Development is the most influential journal. This research provides future research agendas such as smart villages on corruption eradication and village sustainability.

Keywords: Village corruption, Village government, Smart village, Accounting, Bibliometric, Content analysis.

2.1 Introduction

Village government corruption studies are infrequent compared to higher local government corruption and national corruption, even in developing countries. Besides that, the majority of the research on corruption have focused on economics and political aspect (Gaygısız & Lajunen, 2022). As the lowest layer of the government hierarchy in the majority of the developing country, village government is significantly limited by many disadvantages such as inadequate infrastructure, digital illiteracy, and inadequate accessibility (Wang et al., 2022). Therefore, the concept of decentralisation applied in the village recently is intended to overcome these disadvantages and in sequence can decrease the poverty level of the village community. Since then, the autonomous village government becomes the closest level of authority to the people, and its existence makes it easier for the government to meet the needs of the village and its people in terms of infrastructure and welfare.

Ironically, the village self-government model causes corruption at the village government level because of many factors such as the cultural belief that emphasises patronage and personal relationships. However, it also cannot be said that village self-government inherently causes corruption because other factors such as village's characteristics may influence corruption. The lack of human resources to manage public funds effectively is also causing mismanagement which shifts public resources for personal gain instead of for community development. Village-level corruption usually entails using public funds for personal gains, such as entertainment, favourable treatment for cadres, using assets such as motorcycles and cell phones for personal activities, and bribery for some services provided to the community, corruption at the village level exacerbates the village community's poverty. Like corruption in general, village corruption, whose impact directly affects the village community welfare where the majority have already lived in poverty, also causes other problems such as unemployment and crime.

Following the implementation of decentralisation, some countries, such as China, established anti-corruption elements (Levy, 2003) to prevent corruption incidence. Unfortunately, in developing countries, corruption incidents have been increasing and have become a concern for decades, as proved by some studies highlighting it (Moran et al., 1999; Polidano & Hulme, 1999). Nonetheless, despite the problem's importance, eradicating corruption has proven difficult in all but a few developing nations (Olken, 2007). Furthermore, only a few research studies have addressed local government corruption in the past (Beeri & Navot, 2013) because it is considered a less important topic than national corruption.

The research on village corruption has not been well-established in public sector research, however, the fact shows that the topic has attracted the attention of the researcher recently. In the past 30 years since the first paper on corruption in villages was published in 1992, a substantial amount of research has accumulated. In total there are 158 articles have been published from 1992 to 2022 which 48 articles were published before 2015 and 110 articles after that year. The year 2015 becomes the dividing year because since 2015 the publications have been increasing. Therefore, this study wants to analyse village corruption studies using a bibliometric review and content analysis to give a broader picture of the trend and evolvement of the research and to propose future research directions. Thus, this study focuses on the following research questions,

RQ1: How is the village corruption research trend, and how has it evolved?

RQ2: Which are the most productive and influential countries, institutions, and journals?

RQ3: Which are the significant articles, authors, methods and theories therefore insightful for future studies?

2.2 Literature Review

2.2.1 Village Government

According to the Japanese Village Government Law Number 67 of 1947, or the Local Autonomy Law, the village is the smallest government unit (Steiner, 1956). The law also states that the degree of national control over its government is determined by its dual character. First, as an autonomous unit, its activities require approval from higher authorities only in a few exceptional cases, e.g., change in name, gaining long-term debts, and others. Second, the higher level only exercises non-authoritative controls, e.g., gathering some reports, conducting audits, providing technical support, and others.

In China, the institutionalisation of villages fully was started with the revision of the Organic Law on Village Committee in 1998 (Alpermann, 2009) Unlike Japan, China, Africa, and India, which implemented village government concepts much prior, some countries, such as Indonesia, just established a new village government in 2014 following the passage of the Village Law. According to Indonesia’s Law No. 6 of 2014, the village is the lowest layer of government as a legal community unit with territory authorised to regulate and manage public affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional privileges acknowledged and recognised in Indonesia's government system. When Indonesia began implementing a new Village Law in 2014, China's government had already focused on rural poverty governance to eliminate poverty in the village area, which had been ruined by the rising village corruption (Wu & Christensen, 2021). Their research then focused on the corruption of village and township cadres in China, considered more extensive recently. The increasing number of corruption in village governments is the impact of the village officer's willingness to corrupt (Zheng & Liao, 2018). They highlighted that the willingness to corrupt is also influenced by three factors: the insight of village officials, the official culture, and the corruption prevention system.

Corruption in villages and townships is primarily conducted individually than in groups, and the embezzlement of funds becomes the most common type of corruption (Wu & Christensen, 2021). It is caused by the cost of individual corruption related to embezzlement which is lower than the economic advantage received. Individual-level corruption includes any incidence in which officials, individuals in positions of authority, and/or any other interested person misuse government power to earn the personal benefit of individuals or groups in a way opposed to the resident's best interests. Meanwhile, institutional corruption refers to the procedures, decisions and actions of public officials and institutions that allow public officials to control resources in a way that jeopardizes large groups of community member's interests (Beeri & Navot, 2013). In general, corruption is defined as officials violating institutional regulations governing the public assets allocation in pursuit of financial benefit or political influence (Ntemi & Mbamba, 2016). Along with the corruption concept of previous studies, United Nations Development Program (UNDP) defines corruption as "the misuse of public power, office, or authority for private benefit through bribery, extortion, influence peddling, nepotism, fraud, speed money, or embezzlement."

2.3 Research Methodology

Our research applied a hybrid approach that comprises a bibliometric review and content analysis (Paul & Criado, 2020). The bibliometric review analyses the data quantitatively, while the content analysis examines the data qualitatively. Our research applied quantitative statistical methods to visualise the scientific field's structures and development, namely bibliometric analysis. Bibliometric analysis is a methodology for conducting a literature review that entails quantitative and statistical analysis of published papers (Brodus, 1987) and it is considered more reliable and objective than other literature review methods (Aria & Cuccurullo, 2017). As a quantitative method, the bibliometric review is now considered a new tool in the accounting field (Mustikarini & Adhariani, 2022), and in the business field in some cases is still underdeveloped (Donthu et al., 2021). The method has two main goals: performance analysis and science mapping (Cobo, M.J., López-Herrera, A.G., Herrera-Viedma, E., Herrera, 2011). The goal of performance analysis is to evaluate the research and publication performance of individuals and institutions, while the latter purpose is to expose the structure and dynamics of science fields. A significant advantage of bibliometric analysis is its robust and effective quantitative technique for reviewing large amounts of research articles because it guides researchers to the most influential works and maps the research field with more objective and provides a systematic, transparent, repeatable review process, based on statistical measurement of science (Brodus, 1987). Meanwhile, the content analysis qualitatively examines the selected literature to identify and obtain information about the substantive article content and the theory applied.

For answering the research question, we use the visualisation approach to visualise the evolvement and development of the research trend in village government corruption over the past thirty years and followed by performing content analysis to identify the evolution of the research theme and topic. We collected data from the Web of Science (WOS) database because it is considered the most reputable source of research publication (Mingers & Leydesdorff, 2015), however, it is less extensive than Scopus due to some research studies may not easily publish in WOS.

In the first section, we formulate research questions and research objectives that will guide the data collection and data analysis to answer these questions. The data collection through WOS is started by applying the keywords in the search field. We type in the first TOPIC field with “village” OR “villages” OR “village government” OR “village governments” to capture the research in village government. In the second TOPIC field, we type “corruption” OR “corruptions” to cover the corruption practice in village research. Figure 2.1 describes the data collection process to get the final 158 research articles.

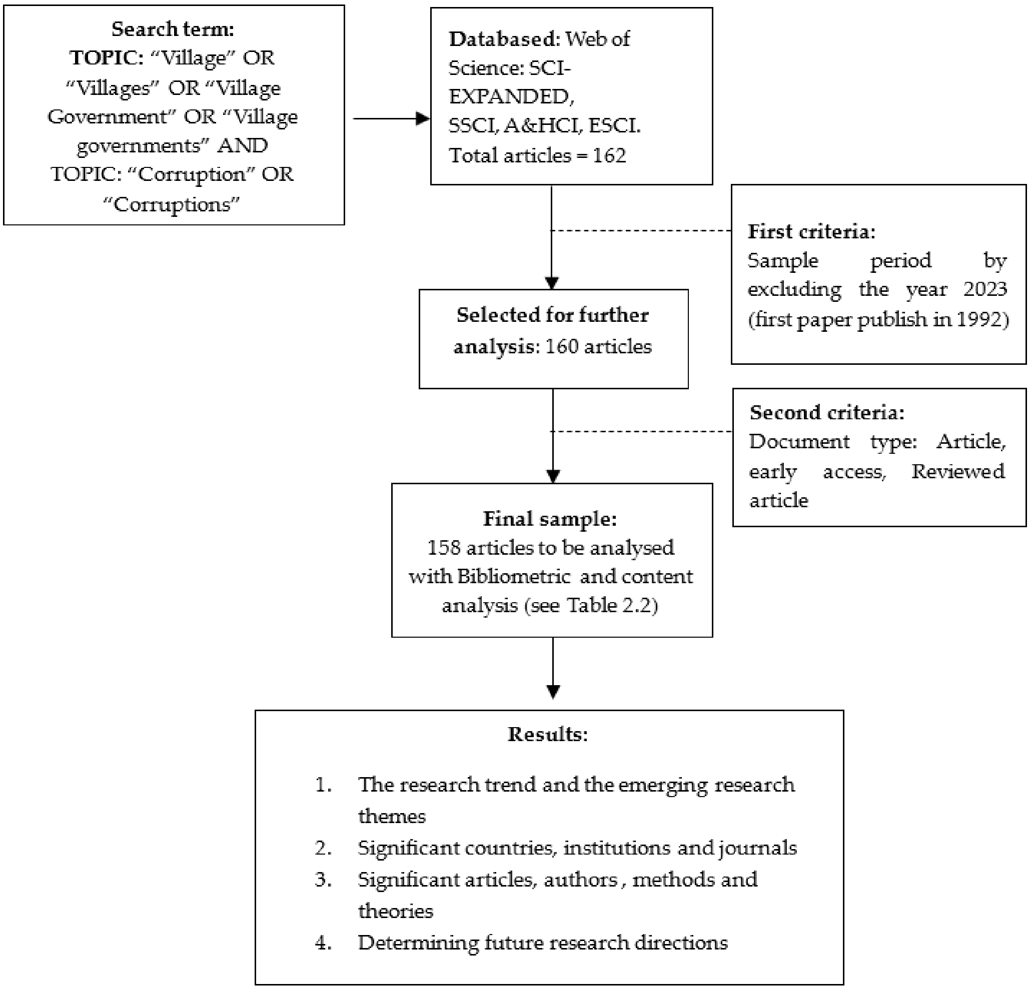

Figure 2. 1 Data Collection Approach

In the next step, we analysed the 158 research articles using two bibliometric software packages: HistCite and VOSviewer which will lead to bibliometric technics. The detail of the analysis and the software used are shown in Table 2.1.

Table 2. 1 Data Analysis and Software

Research Questions	Bibliometric Method (Software)	Content analysis
General Information and annual distribution	Bibliometric analysis using (HistCite)	NO
RQ1: How is the village corruption research trend, and how has it evolved?	Co-occurrence analysis and bibliographic coupling using including visualisation (VOSviewer)	Yes
RQ2: What are the most productive and influential countries, institutions, journals, methods and theoretical underpinnings?	Bibliometric analysis using (HistCite)	Yes
RQ3: Which are the significant articles and authors therefore insightful for future studies?	Bibliometric analysis using (HistCite)	Yes

2.4 Results and Discussions

2.4.1 General Information and Annual Distribution

General information and Annual publication trend were generated from HistCite software. Table 2.2 shows the general information of the data. We reviewed 158 articles on village corruption from 124 journals between 1992 to 2022, authored by 345 researchers with an average citation of 20.41 per document. The articles were written by multi-author 81% (*n*=281) and only 19% were single-authored (*n*=64). The distribution of village corruption from 1992 to 2022 is shown in Figure 2.2 The number of publications about corruption in the village is considered small compared to the corruption in the higher government, such as regency and province.

Table 2. 2 General Information

No	Description	Result	
1	Source (Journals)	124	
2	Annual growth rate	9.45%	
3	Total Authors	345	
	Authors of single author-documents	64	19%
	Author of Multi author-documents	281	81%
4	Co-author per document	2. 23	
5	Document average age	7.83	
6	Average citation per document	20.41	
7	Document types		
	article	145	91.8%
	article; book chapter	1	0.6%
	article; early access	9	5.7%
	article; proceedings paper	2	1.3%
	review	1	0.6%
	Total Documents	158	100%

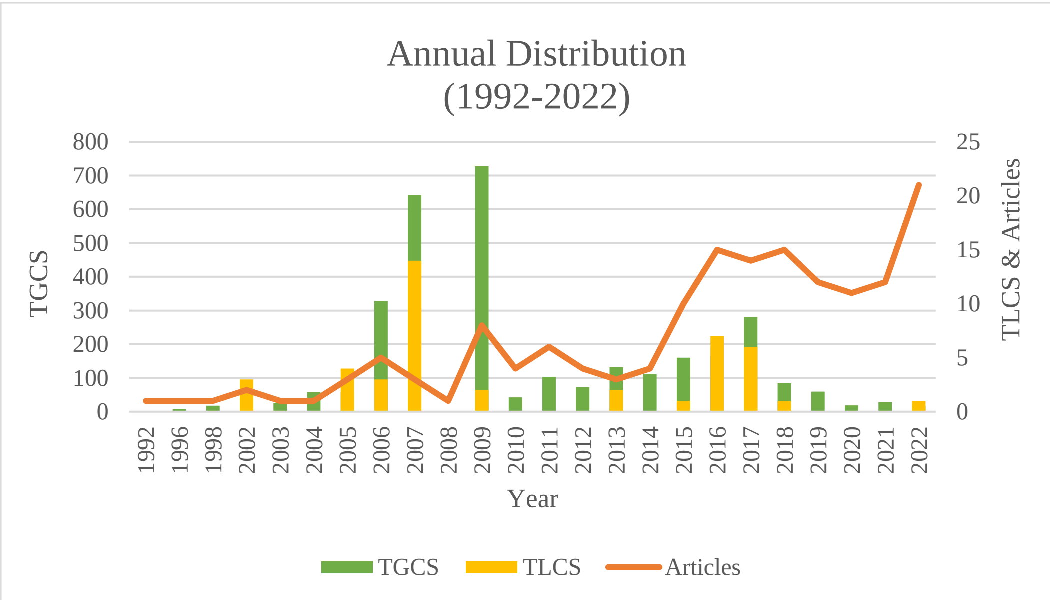

Figure 2. 2 Annual Publication

The number of publications published in the period 1992 to 2014 were 48 articles, while between 2015 and 2022 were 110 articles. Starting in 2015 there were 10 articles published and since then, the research trend is increasing and it reached its peak in 2022 with 21 publications. The increase in the average publication from the period 1992-2014 to the period 2015-2022 was partly due to Indonesia implementing village decentralisation in 2014. The first study was initiated to highlight the potential problems Indonesia would face alongside the implementation of decentralisation at the village level (Lewis 2015).

2.4.2 Research Streams

We run co-occurrence with author keywords as unit analysis on the VOSviewer to identify areas and research directions on corruption in the village. The minimum co-occurrence of a keyword was set at two (2), and out of 520 keywords, 57 meet the threshold. In Figure 2.3 we can see that seven countries emerge from the highest to the lowest occurrences i.e., India (*n*=15), China (*n*=11), Africa (Tanzania, West Africa and Africa) (*n*=6), Bangladesh (*n*=4), Indonesia (*n*=4), Sri Langka (*n*=2) and Pakistan (*n*=2). The topics were dominated by accountability (*n*=8), poverty (*n*=6), governance (*n*=6), decentralisation (*n*=5) and trust (*n*=4). Since the village corruption research still spread among various fields of study, there are nine clusters emerged with unconcentrated themes.

Therefore, in Figure 2.4, we run the bibliographic coupling based on the document to point out the research theme cluster, with the minimum number of citations set to 10 and out of 158 articles, 54 meet the threshold. The result shows that village corruption topic is grouped into six clusters nd for identifying the theme of each cluster, we conduct content analysis. The first cluster (red color) is the politician and people empowerment theme. The second cluster (green color) is about decentralisation and management, the third (blue color) is about natural conservation (wildlife, forest), the fourth (yellow color) is human resources and culture, the fifth (purple color) is about disaster and health, and the last cluster (light blue) is corruption in China. In doing so, this cluster demonstrates how similar themes or issues of the research are grouped. It is followed by the content analysis to identify and confirm the research field and cluster of the research. We found that there are five major research fields; politics, economics, accounting, management, IT (Table 2.3).

Meanwhile, the overlay visualisation graph in Figure 2.5 reveals information about the research development over the years. It can be seen that keywords in purple dots occurred in the early years until 2014 and focused on Africa and Bangladesh which discussed the themes of poverty, development, sustainability, perception and rural livelihood. In the period 2014 to 2018, the research was conducted in India, Pakistan, Sri Langka and China with the theme broader to accountability, governance, decentralisation, and the environment. Meanwhile, in the recent period (2018-2022), yellow dots, studies of village corruption in Indonesia emerged. The recent theme evolves to transparency, gender, capacity building, community trust and culture. Surprisingly, the item networking on that figure shows the topic of accountability, transparency, capacity building and community participation have no link to Indonesia dot, which means that research about corruption in Indonesia still lacks these themes.

Table 2. 3 Five Major Research Fields

Field	Themes	Articles Representative
Politics	Politics and Corruption	(Borooah, 2022); (Fanthorpe, 2012); (Gillespie et al., 1996); (Kluter, 1992); (A. Kumar, 2021); (Lucas, 2016); (Pati, 2019); Pengpeng et al., 2021; (Perera-Mubarak, 2012); (Ruan & Wang, 2023).; (Song, Y, Wang MY, Lei, 2016); (J. Wang & Mou, 2021); K. M. Wu, 2007; (Yao, 2009); Zhang et al., 2009 (Y. Zhao et al., 2009); (T. Zhao, 2021); (Zhong & Chen, 2002))
Economics	The impact of corruption on economic and development	(Afsana, 2004); (Brockington, 2007); (Chavis, 2010); Deshingkar et al., 2005; (Khosla, 2006); (Oladeinde et al., 2020); (Pandey, 2010))
Management	Decentralisation and corruption incidence Village Management and corruption eradication.	(Begum, 2021); (Cheo et al., 2022.) (Coulibaly-Lingani et al., 2011); (Deneke, 2011); (Dong et al., 2021); (Dwivedi, 2016); (Hagberg & Körling, 2016); (Harun, 2021); (Hou, 2022); (Maphanga et al., 2022.); (Nickow & Kumar, 2020); (Purba et al., 2022); (Saputra et al., 2019); (Sexton, 2022).)
Accounting	The role of accounting in corruption eradication	(Chawla, 2021); (Dutta, 2022); (Olken, 2007); (Sofyani et al., 2022); (Wu, 2021))
Information Technology	Technology and corruption eradication	(R. Kumar, 2006); (Olken, 2009c)

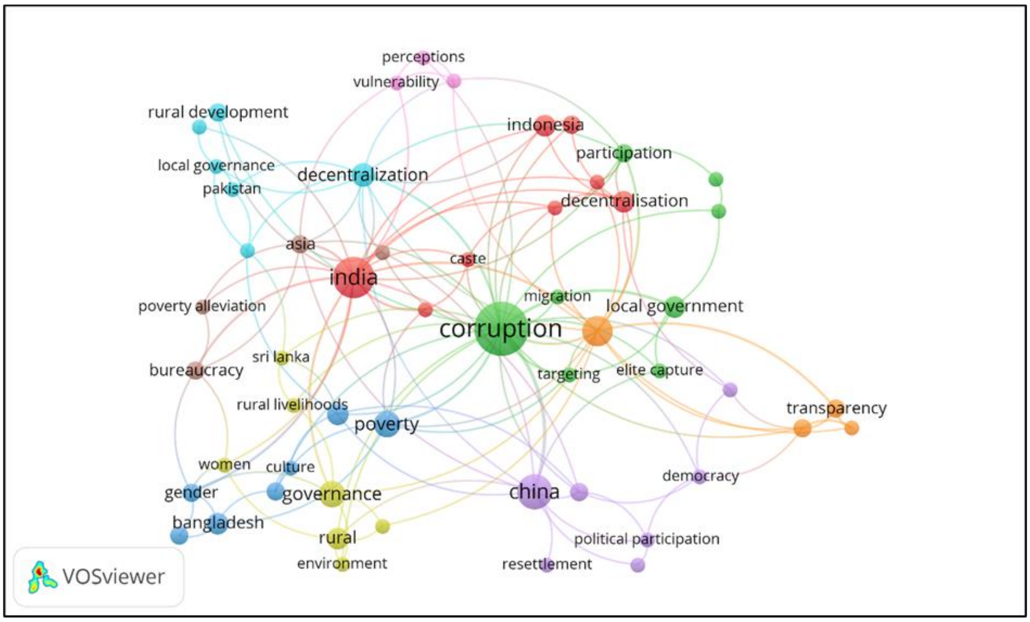

Figure 2. 3 Research Cluster of Village Corruption

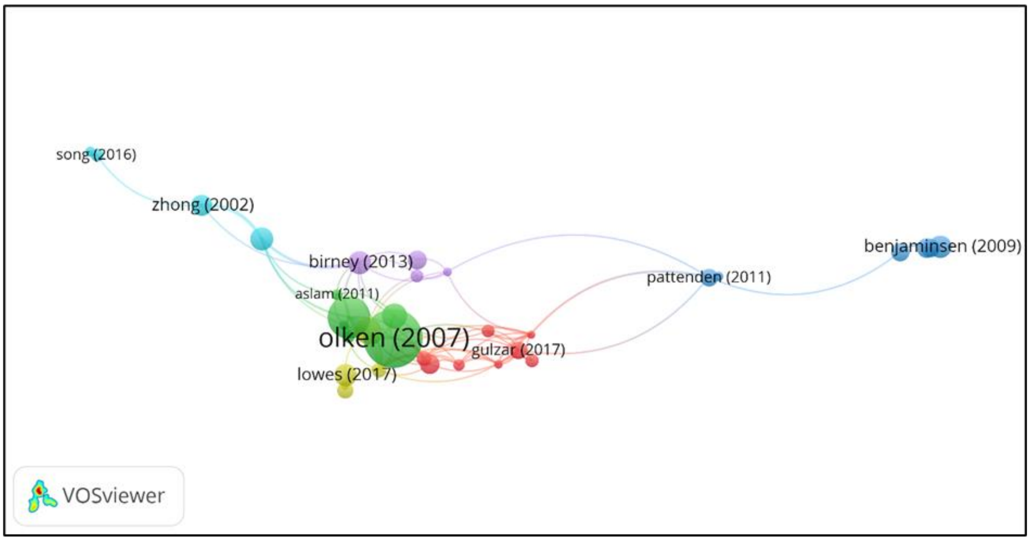

Figure 2. 4 Bibliographic Coupling of Various Studies

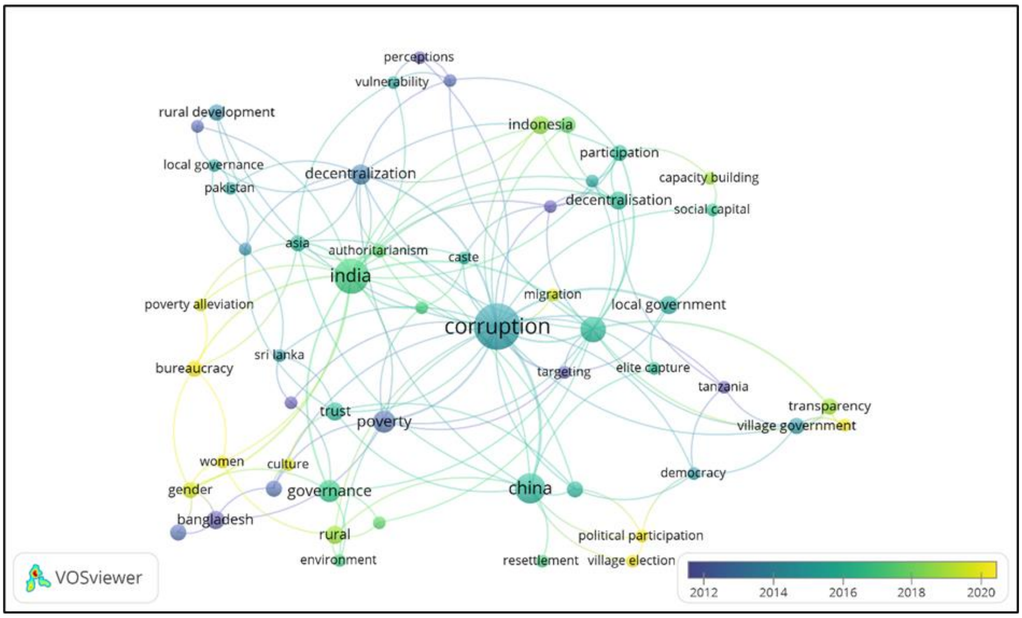

Figure 2. 5 The Timewise Visualisation

These explanations above answer RQ1 about the research trend and its evolution. It denotes that the publication trend in village corruption began in 1992. The significant rise in the last seven years (2015-2022) reflects the village corruption topic becoming a concern, along with the researcher's increasing recognition of village entities. In the initial phase, research directions emphasised in the topic of poverty, development, sustainability, perception and rural livelihood. Based on these topics emerged it can be concluded that research in the initial phase was mainly focusing on the impact of corruption on community welfare and development, which is the area of economics and politics. Then, during the middle phase, the topics about accountability, governance, transparency, decentralisation, and the environment were starting to be discussed. In this phase, the research started to exit from the economic and political issues into accounting and management aspects which focused to identify the factors that caused corruption. In recent years the topic has broader to more disciplines to discuss topics such as transparency, gender, capacity building, community trust and culture.

2.4.3 Productive Countries

A total of 43 countries have contributed to village corruption publications, as shown in Figure 2.6. Calculated using HistCite, the result shows that the *United States of America* is the most productive country and followed by the *United Kingdom* and *Australia*. In Asia, the publications are distributed in three countries, namely China, India and Indonesia. In Figure 2.7 shows the largest number of citations is dominated by the *United States of America*, the *United Kingdom* and *Australia*. Meanwhile, only *China* and *India* are Asian countries that make the top ten list.

2.4.4 Centres of Excellence

It refers to the organisation that leads in the research about village corruption. Table 2.4 summarizes the top 10 institutions as the centres of excellence in village corruption research. *World Bank* is the most productive institution with 5 publications and followed by *Harvard University* and *MIT*. Even though, World Bank contributes to the highest number of relevant studies, Harvard obtains the highest local and global citations.

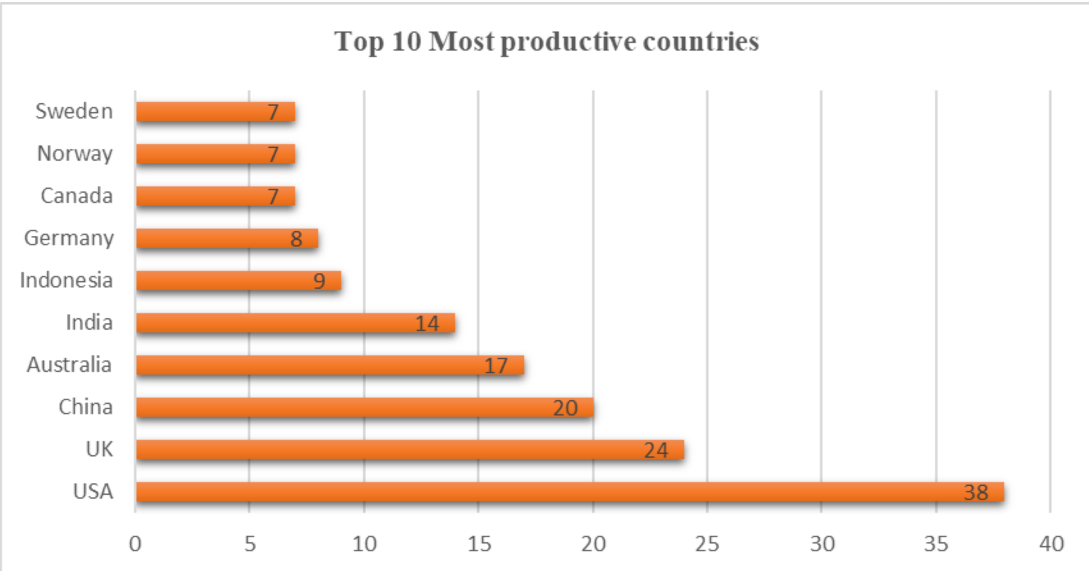

Figure 2. 6 Top 10 Most Productive Countries

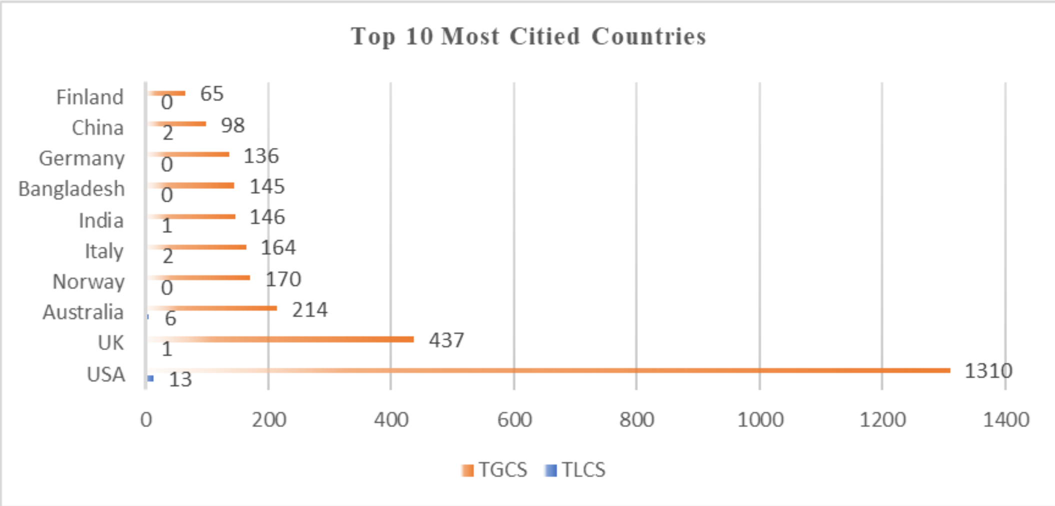

Figure 2. 7 Top 10 Most Cited Countries

2.4.5 Influential Journals

We also classified the top ten most productive journals in the village corruption studies (Table 2.5). *World Development* is the most productive journal that publishes village corruption topics by publishing 8 articles. It is followed by *Journal of Development Studies* with 5 articles. However, *Journal of Public Economics* gained the highest citation with a total local citation of 3 and a total global citation is 364.

Table 2. 4 Top 10 Centres of Excellent

Rank	Institution	Country	Publications	(%)	TLCS	TGCS
1	World Bank	USA	5	3.2	0	107
2	Harvard University	USA	4	2.5	16	732
3	Massachusetts Institute of Technology (MIT)	USA	4	2.5	3	596
4	Oxford University	UK	4	2.5	0	79
5	Australian National University	Australia	4	2.5	1	66
6	Norwegian University Life Science	Norwegia	3	1.9	0	94
7	Shanghai University Finance & Econ	China	3	1.9	2	47

8	North Carolina University	USA	3	1.9	0	21
9	National University of Singapore	Singapore	3	1.9	0	15
10	Malaya University	Malaysia	3	1.9	1	3

Note: The institution rank is measured based on the number of articles published. In the case of equal number of articles published, the rank is measured based on TLCS and TGCS.

Table 2. 5 Top 10 Productive Journals

Rank	Journal	Articles	TLCS	TLCS/t	TGCS	TGCS/t
1	World Development	8	6	0.57	157	19.61
2	Journal of Development studies	5	0	0	16	2.57
3	Journal of Public Economics	3	3	0.31	364	30.8
4	Public Administration and Development	3	1	0.13	50	4.84
5	Journal of Development Economics	3	2	0.12	118	7.32
6	China Quarterly	3	0	0	11	2.07
7	Comparative Political Studies	2	3	0.14	163	8.75
8	Asian Survey	2	1	0.06	13	0.72
9	Ecology and Society	2	0	0	89	10.33
10	China Economic Review	2	0	0	19	5.3

Note: the journal rank is measured based on the number of articles published. In the case of a similar number of articles published, the rank is measured based on the TLCS and TGCS

The findings answer RQ2, USA is the most productive country with a total of 38 publications and the most influential country with a total global citation of 1.310. Meanwhile, China is a representative of Asian countries as the most productive country with 20 publications and 98 citations. Followed by India with 14 publications and 146 citations. Considering the most productive institution, World Bank is the most productive with 5 publications, however, Harvard University holds the most influential institution with 16 local citations and 732 total global citations. Meanwhile, the most productive and influential journal is World Development with 8 publications and 6 total local citation scores.

2.4.6 Influential Articles, Authors, Methods and Theories

The total citation indicates the most impactful articles. Table 2.6 shows the bibliometric result of the top 10 influential articles and it is followed by a content analysis to figure out the findings of their articles. *Monitoring corruption: Evidence from a field experiment in Indonesia* contributes to the most influential article in village corruption topic. It is followed by *To vote or not to vote - An analysis of peasants' participation in Chinese village elections* and *State transfers to the poor and back: The case of the food-for-work program in India*. Furthermore, Table 2.7 depicts the top 10 authors and it can be seen that Olken BA is the most productive author with 4 publications. He posits as the most influential author with 15 local citations and 1.042 global citations.

Meanwhile, the content analysis was conducted to highlight the most frequent research methods used in previous research (Table 2.8). The majority of village corruption research applies qualitative studies, representing 46% of 158 articles. The most popular methods used in the qualitative method is multi methods (20%, n=31), followed by interview (16%, n=25) and ethnography (6%, n=10). The quantitative research accounted for 31 % (n=49). The most frequent method in quantitative research is survey (13%, n=20) and archival (8%, n=13). Conceptual paper and commentary research are quite common, about 11% (n=17). Whereas, the research that applies mixed method only 4% (n=6) and the literature review 2% (n=3). In addition, we conduct content analysis to summaries the theories underpinning the researches. Table 2.9 illustrates the theoretical frameworks from politics, economics, social, psychology and others. However, there are only 16% of the literature applied theories in their research.

Table 2. 6 Top 10 Most Cited Articles

Rank	Article Title	Journal	Author (s)/year	Topic	Method	LCS	GCS	Findings/contributions
1	Monitoring corruption: Evidence from a field experiment in Indonesia	Journal of Political Economy	(Olken, 2007)	Community Participation in monitoring road projects.	Experimental	13	585	Traditional top-down monitoring can play an important role in reducing corruption, even in a highly corrupt environment.
2	To vote or not to vote - An analysis of peasants' participation in Chinese village elections	Comparative Political Studies	(Zhong & Chen, 2002)	Participation in election	Survey	3	75	The Chinese peasant who tended to vote in village elections were people with low levels of internal efficacy and democratic values, high levels of life satisfaction and interest in state and local public affairs, and that anti-corruption sentiment does not seem to play any role in village elections.
3	State transfers to the poor and back: The case of the food-for-work program in India	World Development	(Deshingkar et al., 2005)	Poverty alleviation	Survey	3	26	Very poor people are excluded from democratic forums, the government provides limited employment opportunities for very poor people.
4	Elite Capture and Corruption in two Villages in Bengkulu Province, Sumatra	Human Ecology	(Lucas, 2016)	Leadership and village elite capture on corruption	Interview	3	17	Corruption is caused by the monopoly of power by the village head resulting in low participation and accountability

5	Corruption Perceptions vs. corruption reality	Journal of Political Economy	(Olken, 2009a)	Corruption perception	Survey	2	304	Villagers' reported perceptions do contain real information, and villagers are sophisticated enough to distinguish between corruption in a particular road project and general corruption in the village.
6	Pro-poor targeting and accountability of local governments in West Bengal	Journal of Political Economy	(Bardhan, 2006)	Elite capture of local resources	Archival and survey	2	101	This finding suggests that more attention should be paid to processes governing resource allocation all over various village governments, rather than inside village communities. Methodology intergovernmental allocations would improve the process's transparency and equity.
7	Decentralization and Veiled Corruption under China's "Rule of Mandates"	World Development	(Birney, 2014)	Corruption eradication in China	Survey and case study of village	2	89	The rule of mandates paradigm in China makes it especially difficult to identify corrupt official behaviour with certainty.
8	Greater Expectations: A Field Experiment to Improve Accountability in Mali	American Journal of Political Science	(Gottlieb, 2016)	Local government capacity dan responsibility to improve accountability	Field Experiment	2	63	The capacity and responsibility of the local government are effectively raising the local government's performance.

9	Politicians, Bureaucrats, and Development: Evidence from India	Journal of Political Economy	(Gulzar & Pasquale, 2017)	Collusion in providing service in rural areas in India.	Multiple Methods	2	52	Collusion between politicians and bureaucrats and political manipulation. that politicians face strong incentives to motivate bureaucrats as long as they internalize the benefits of doing so.
10	Following the Money: Corruption, Conflict, and the Winners and Losers of Suburban Land Acquisition in China	Geographical Research	(Song, Y, Wang MY, Lei, 2016)	Corruption in land acquisition profit and distribution in China Village	The case study uses primary and secondary data	2	28	The Villager who does not has a connection to the village secretary becomes the loser in land acquisition and the weak current political system regarding power, wealth and social justice worsens the condition.

Note: The article rank is measured based on the number of LCS. In the case of an equal number of articles published, the rank is measured based on TGCS.

Table 2. 7 Top 10 Productive Authors

No	Author	Articles	%	TLCS	TLCS/t	TGCS	TGCS/t
1	Olken BA	4	2.5	15	0.96	1042	73.83
2	Dutta S	2	1.3	0	0	7	0.64
3	Kumar S	2	1.3	0	0	0	0
4	Saleh Z	2	1.3	1	1	3	3
5	Sofyani H	2	1.3	1	1	3	3
6	Yang JC	2	1.3	0	0	0	0
7	Abdallah JM	1	0.6	0	0	84	6
8	Aditya R	1	0.6	0	0	1	0
9	Afridi F	1	0.6	1	0.17	31	5.17
10	Afsana K	1	0.6	0	0	58	3.05

Table 2. 8 Key Methods

Type	Method	Number of articles	
		n	**%**
Qualitative	Multi method	31	20%
	Interview	25	16%
	Ethnography	10	6%
	Case study	4	3%
	Document analysis	2	1%
Total Qualitative		*72*	*46%*
Quantitative	Survey	20	13%
	Archival	13	8%
	Multi methods	8	5%
	Experiment	7	4%
	Mathematical	1	1%
Total Quantitative		*49*	*31%*
Multi Method	Interview and Survey	6	4%
	Interview and archival	4	3%
	Survey, interview and focus group discussion	1	1%
Total Multi method		*11*	*7%*
Mixed Methods		6	4%
Literature review		3	2%
Conceptual paper and commentary		17	11%
Total methods		*158*	*100%*

Table 2. 9 Theories Underpinning

Theory	Number of articles
Population Theory	1
Bourdieu’s practice theory	1
Conjecture theory	1
Decision-theoretic perspective	1
Democratic theory	1
Economic compensation theory	1
Fraud Triangle	1
Institutional theories	3
Laissez-faire democratic theory	1
Political economy theories	1
Political process theory	1
Postcoloniality and Decoloniality theories	1
Rawlsian and Habermasian theories of deliberation	1
Rural Chinese and Social identity theory	1
Self-enforcement theory	1
Social contract theory	1
Social exchange theory	
Social mobilization theory	1
Social-capital theory	1
Socio-political theorists	2
Aforementioned Theory	1
Theory of Moral Sentiments	1
Utilitarian theory	1
Program theory	1
Total	***26 (16% of 158)***

Therefore, the RQ3 can be answered that the most significant article is *Monitoring corruption: Evidence from a field experiment in Indonesia* with a total local citation of 13 and a total global citation is 585. Olkan, BA is the most significant author with a total local citation of 15 and a global citation of 1.042. The domination of qualitative study in village corruption study is not surprising because it is the easy way to gather data in developing countries that still lack the database. The theories underpinning the articles dominated from the politics, social, economic and phycology. The multi method is the popular method because by applying more than one method, they can answer multiple research questions. It has become a potential response to the numerous obvious problems in scientific research, providing any answers that may be needed (Kasirye 2021).

2.4.7 Future Research Directions

To present direction for future research agendas, we conduct a content analysis of the research. Research in village corruption has been growth from the initial theme, politics and corruption to the economic and developmental impact of corruption. There are two potential research agendas,

First, village corruption and accounting. Accounting is deeply linked to social and welfare and concern (Shenkin & Coulson, 2007). Corruption in village is not a new problem and research on this topic has occurred since 30 years ago, however, studies in the initial periods had been focused on the impact of corruption and also village management. Whereas, the research about accounting and its effect on village corruption has not been deeply explored to find the solution. Chawla (2021) argued that research about accountability has been developed, however, critical examination of its potential aid and benefit in citizens' daily life is still lacking. She said that social audit's accounting and accountability have changed the micro force on village sector corruption and can contribute to the transformation of socioeconomic sustainability in the conventional discriminatory balance of influence and supremacy at the micro-village level (Chawla, 2021). Therefore, auditing in accounting is a powerful tool to eradicate village corruption and improve a village sustainability.

Second, village corruption and sustainability. As corruption has been inherently connected to its negative implications, the sustainability of village government for community welfare goals is in danger. Corruption is a poverty-driven problem that affects economic and sustainable development (Hoinaru et al., 2020). In the context national level, research in corruption and sustainability has been explored intensively, however, in the village level corruption, the research about its effect on village sustainability should get attention to maintain village sustainability. Researchers recently put little focus on technology-driven approaches and ignore the society, service and culture dimensions therefore the smart village should be implemented (Wang et al., 2022). In Asia developing countries, India is the first country that implements the smart village concept (Aziiza & Susanto, 2020) which become the benchmark for many other countries to build the smart village. The smart village model in their research contains six smart city missions one of which is for transparency, particularly in financial transparency. As village government suffers mostly from the financial administration, the financial system urgently needs the technology to provide financial software that can improve the administration process (Gomersall, 2021; Setiadi et al., 2022; Sofyani et al., 2022).

2.5 Conclusion

This study reviews the past three decades of village corruption studies using bibliometric review and content analysis. Data for analysis were generated from Web of Science database. The research area has grown from economics and politics to other areas, such as accounting, management, and others. The research has been expanded from Africa to Asian countries such as, China, India and recently Indonesia. The USA and its institutions such as Word Bank, Harvard University and MIT dominate publications in village corruption. Furthermore, the most productive journals are Word Development, Journal of Development Studies and Journal of Public Economics. The most productive author is Olkan, B.A. and *Monitoring Corruption: Evidence from a Field Experiment in Indonesia* article is the most influential article with the highest citation number and Olken B.A also the most productive author with four publications which lead to the most influential author with 15 local citations.

The themes of the article are dominated by politics and corruption, the impact of corruption on economics and development, decentralisation and corruption, village management, and corruption eradication during the last 30 years. Therefore, the research's theme about accounting role and village corruption eradication still has a bigger chance for future research. Besides that, future village corruption research should explore smart village on corruption prevention for achieving village sustainability because technology plays a crucial role. The author of Kaur and Parashar, (2022) explains that technology can solve the problem related to cash transactions. It is similar to the research of Kasinathan et al. (2022) that stated future smart villages should encompass various elements of management including smart governance such as by applying e-government for more transparent and easy access institutions.

On the other hand, the theories applied in the literature was majority dominated by social, economic, political and institutional theory. Principle-agent theory has not been applied in the previous research. This theory should be applied in future research related to themes such as corruption prevention and detection. Since it explains the relationship between the agent and the principal which relationship is prone to corruption.

Chapter 3. An Empirical Analysis of Village Governance Effect on Corruption: An Indonesian Perspective

Abstract

Research related to corruption at the village government level has not been widely conducted, especially in Southeast Asia countries, where corruption is still an unresolved problem. This study aims to examine the effect of Indonesian village governance on corruption and to establish the determinants of good governance. We analyse 346 pairs of questionnaires using partial least squares structural equation modelling (PLS-SEM) and find empirical evidence that an increase in accountability and participation will reduce village fund corruption. On the other hand, internal control and transparency are still ineffective in preventing and detecting corruption in the village government level. The determinant variables of staff competency and information technology significantly improve governance practices in villages. The practical implications and contributions of these findings are discussed.

Keywords: internal control, accountability, transparency, participation, corruption, village governance

3.1 Introduction

In terms of corruption, developing countries frequently obtain poor global rankings. It is one of the most serious problems in Southeast Asia countries (Kapeli & Mohamed, 2019). According to the Transparency International report, Indonesia's Corruption Perception Index score in 2022 was 34, ranking it 110 out of the 180 countries assessed. Unfortunately, this position is worse than in 2021 and continues to be low in comparison to other Southeast Asian countries such as Singapore, Malaysia, and Brunei Darussalam (Transparency International, 2022).

In Indonesia, village government corruption is on the top rank of public sector corruption (Indonesia Corruption Watch, 2021) and it has become a new area of corruption in the government sector since the village autonomy. The enactment of law No. 6 of 2014 on village government, later called the Village Law is a national law and universally applicable in the majority of Indonesian villages, has changed village government in Indonesia considerably. The village that implements this law later called as an administrative village, is no longer a regency subordinate but has become an autonomous entity, in which the community has the right to speak out for their interests regarding development, and the village government has the authority to manage village life. As a consequence, the implementation of village autonomy is supported by the allocation of funds of around one billion rupiahs ($69,000) in 2021 from the central government budget annually for each village (Government, 2014). This initiative has become an essential component in ensuring the successful implementation of local autonomy through financing village government activities, with a focus on community development and empowerment. However, providing funds beyond village capability to manage, will open up opportunities for waste and corruption (Novrizal & Podger, 2014).

In the public sector, the role of good governance in combatting corruption has been highlighted in various studies (Hopper, 2017; Lucas, 2016; Pillay, 2004a; Susan & Budirahayu, 2017) as well as its determinants, such as the role of IT (Elbahnasawy, 2014; MácHová et al., 2018; Mistry, 2012). The purpose of governance in organisations is to protect stakeholders' interests, ensure the quality of accountability and transparency of financial reporting, and also to monitor the effectiveness of internal control (IC) structure so that the assets of the organisation are secured (Hogan et al., 2008). Governance is characterised by the establishment of an effective IC system to protect assets from theft or loss and also to ensure the reliability of financial reports. Nawawi and Salin (2018) argue that fraud is very costly and has the worst impact on small companies, as theft or unethical behaviour by just one individual can result in the organisation's failure as it has insufficient assets to absorb the deficit. A contributing factor to the occurrence of fraud is weak IC (Nawawi and Salin 2018; Zakaria et al. 2016).

Besides IC, other elements of governance, namely accountability, transparency, and participation, play a crucial role in preventing fraud (Farber, 2005). Specifically, Matthew et al. (2020) argue that the increase in corruption was caused by the inadequacy of accountability mechanisms in the public system, while the lack of transparency creates opportunities for corruption in government and reduces efficiency in the public sector (Krah & Mertens, 2020; Levie, 2019; Puron-Cid et al., 2019). Besides accountability and transparency, the role of participation as an element of good governance is also fundamental, as citizen involvement is intended to produce better decisions and consequently greater benefits for the rest of society (Liu et al., 2021; Simakole et al., 2019; Olken, 2007) The determinants of governance, such as information technology (IT) and staff competency, also play a crucial role in improving the quality of governance and thus preventing and detecting corruption. Ruano de la Fuente (2014) states that IT improves public services, accountability, transparency and citizen participation in the decision-making process in Spanish local government. According to Dewi et al. (2019), competent staff has a positive effect on accountability in government institutions.

Despite extensive research on corruption prevention in the government sector, corruption in village government has received little attention, as the bottom level of the government hierarchy connects directly to grassroots communities, such research is critically needed. Moreover, studies related to village government mainly focused on China, where it has been established since the 1980s (Chen, 2005; Howell, 1998), and in African countries (Chung and Windsor 2012; Nyamori et al. 2017), while in Southeast Asian countries, the studies of village corruption are almost non-existent, especially Indonesia, the studies about corruption in the village government majority related with political aspect such study of (Lucas, 2016; Susan & Budirahayu, 2017).

Since the relationship between governance and corruption remains a pivotal topic in the public sector research area, especially village governance, this research aims to investigate this relationship and establish the determinants of village governance. Moreover, by considering that village government has different characteristics from the higher level of government which is a lack of human resources, lack of IT infrastructure, and has a strong culture, this research is vital to be conducted.

The study contributes by providing facts that villages started to implement the COSO framework in the internal control system and enriching village government corruption literature by focusing on the accounting aspects to eradicate corruption. The study also offers a broad overview for regulators developing policies by providing evidence that the village governance practice has not achieved its goal of preventing and detecting corruption. Despite the fact that the study was conducted in Indonesia, the findings are also essential for village governments in other countries, particularly those which are still battling the corruption caused by poor governance.

The remainder of the paper is organised as follows. The hypothesis formulation is followed by the methodology, results and discussion, and finally the conclusion and implications.

3.2 Framework and Hypotheses

3.2.1 Village Government in Indonesia

There are four types of government in Indonesia, starting from the top, these comprise central government, province government, regency government, and village government. The village government is governed by the village head, village treasurer, village secretary, unit heads and unit staff. Based on village law, financial income comes from several sources, including village funds transferred from the central government, which are the main income for improving village community welfare. Regarding governance, besides village law No. 6 of 2014, there are several regulations, including regency ones, that must be followed. In terms of IC, the Indonesian government has adopted the related criteria and aspects established by a Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COSO published an internal control framework which eventually became a reference for many boards of directors, executives, regulators, standard setters, and professional organisations to measure the effectiveness of internal control. This framework is known as the Internal Control-Integrated Framework or COSO framework. The implementation of the COSO framework in the public sector is critical for improving internal control effectiveness in detecting and preventing corruption. According to the European Court of Auditors, (2016), COSO framework was intended for accounting in private organisations but it is now widely applied by both private and public sectors worldwide. INTOSAI General Secretariat, (1992) also highlights that there is a strong need to update the guideline for IC standards for the public sector that relied upon the COSO framework. They explain that by implementing this framework, the prevention and detection of fraud and corruption in the public sector will be more emphasised. The study Antón, (2020) also stated that the new form of governance and its integrity require the implementation of COSO framework to increase control mechanisms in Spanish public sector entities.

This framework was legally instructed to all public institutions in Indonesia through Government Regulation No. 60 of 2008 on Internal Control Systems for Government Agencies. According to COSO, internal control is defined as, "a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance" (COSO, 2013). In Indonesian village government, the IC function is performed by the village consultative council, which has the authority to supervise and control the village government. Meanwhile, an audit of financial statements is performed by the regency auditor at least once a year, according to Government Regulation No. 12 of 2017 on fostering and supervising the administration of local government. The regency auditor works for the regency government, and is responsible as the internal auditor for the regency; however, since the enactment of the village fund, they also have the additional job to audit the village government. To show the flow of the hypothesis development, Figure 3.1 shows the research design.

3.2.2 Village government staff Competency, Internal Control and Accountability

New organisations are sometimes pressured to follow best practices or normative guidelines. According to normative isomorphism (DiMaggio & Powell, 1983), the characteristics of an institution that is implementing a new policy to achieve its goals will be affected by pressure from professionals within it. It arises when norms are internalised within the organisation alongside coercive social pressure from outside. Moreover, normative isomorphism is associated with professionalism and describes the effect of professional standards and the influence of the professional community on organisational characteristics. As a result, normative isomorphism arises from two essential aspects of competence: formal education and professionalism (DiMaggio and Powell, 2000). They stated that the more educated the workforce in terms of academic qualifications and involvement in professional and trade associations, the more similar the organisation to other organisations in the field (DiMaggio & Powell, 1983).

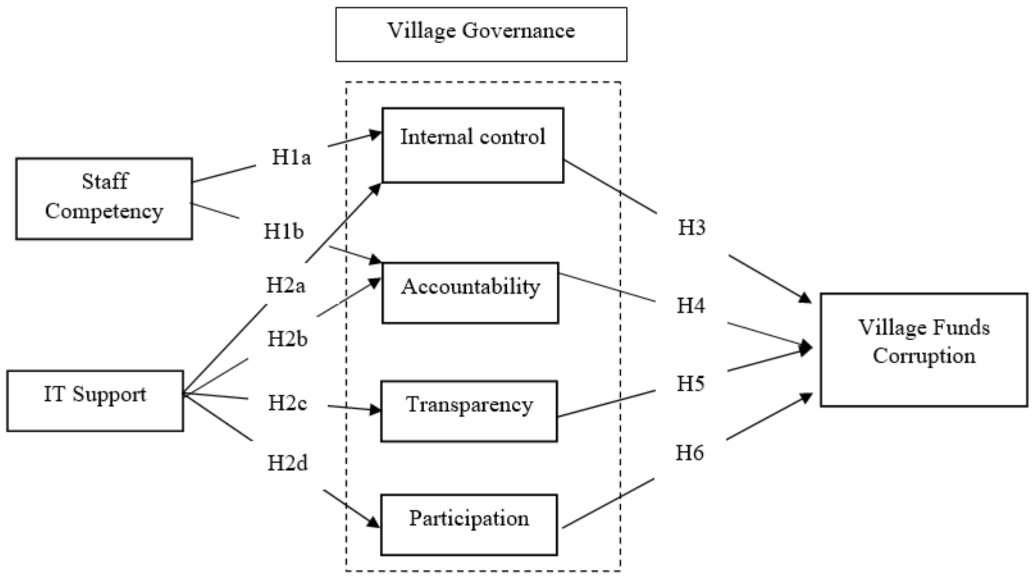

Figure 3. 1 Research Design

In the village government, the best practice refers to the best governance practice which is focused on accountability and internal control. Since the Village Law has been enacted, the public's demand of good village governance is increasing because they expect that village government staff who are entrusted with the village fund will be accountable for community welfare. Therefore, it is crucial to have competent staff in running the village government which leads to the effectiveness of internal control implementation and accountability practice. In the internal control concept, the segregation of duties is the part of control activities element which can be achieved if the staff is professional and competence in doing their duties. The competency of staff is referred to their capability to perform the work assigned to them. The effectiveness of the control activities is increasing as the information quality increases because the quality of the information is the main input of the control process. The perfect IC system will not produce good decision if human in the organisation does not have the skill to implement and control the system (xu et al., 2003). Dewi et al. (2019) state that competent staff has a positive effect on accountability in government agencies. It is consistent with Sofyani et al., (2021) who stated that village government must employ competent staff to achieve accountability. The complexity of work should be followed by improved skills and awareness of the institutional environment by employees (Lawrence & Suddaby, 2006). Therefore, the first hypothesis is that:

H1a: High competency of village government staff will increase the effectiveness of internal control.

H1b: High competency of village government staff will increase the accountability of village funds usage.

3.2.3 Information Technology and Village Governance

The affordance theory emphasises the study of technology related with organisational change, therefore providing a perspective on the function of technology and organisation in the change process. Affordance actualisation entails human action, confirming the fact that an affordance may exist for one group or organisation but not for another (Volkoff & Strong, 2017). Since human and physical agencies are interdependent, affordance theory can help us understand how they interact. Technology affordance enables the identification of various benefits of information and communication technology for the organisation such as improving the work in an organisation, the transparency for different parties, increasing access in financial, and learning and developing the organisation (Bobsin et al., 2019). IT can support the village in processing enormous amounts of transactions or data in a consistent and valid manner that results in the control process will be easier and more effective by implementing security controls in village financial and non-financial software systems. Therefore, a stronger control environment and more effective control activities will be achieved. Abbaszadeh et al. (2019) found that the move from traditional data collection and transactions to modern and written instructions in IT had a positive effect on IC.

IT also can improve accountability by implementing financial management software to avoid human error and increase the quality of accounting process over the usage of village funds. Those data also can be easily delivered to the community through the internet network then they can assess the performance and achievement of the village government. As proper disclosure of public access to financial information are increasing, it means that IT also increases the transparency of the village's data and information. The public role in monitoring the government through shared information also give benefit for the people to participate by giving feedback, input or critics to the village government as part of village participation. Mistry (2012) explains that creating accurate and reliable record-keeping through computerised records and automated services is the foundation of transparency and accountability. Computerised records and easy access to information through the internet can also enhance the participation of citizens (Elbahnasawy, 2014). We then formulate the following hypotheses:

H2a: IT support will increase internal control.

H2b: IT support will increase accountability.

H2c: IT support will increase transparency.

H2d: IT support will increase participation.

3.2.4 Village Governance and Corruption

Principle-agent theory refers to the relationship between the principal (owner) and the agent (manager) in the organisation (Eisenhardt, 2018). The implications of contractual relationships that arise when the principal delegate work to the agent is the potential for an agency problem in which agents pursue their own goals that may conflict with the principal's goals and thus reduce organisation value (Jensen & Meckling, 1976). The moral hazard occurs when the principal does not know exactly what the agent has done. Therefore, agency theory is concerned with structuring the optimal control relationship that will emerge from this structure of reporting and decision-making.

In the government sector, the principal-agent theory explains the government is an agent and citizen are the principal who entrusts their money to the agent (Smith & Bertozzi, 1996). Since the government has a monopoly on information, this relationship is prone to corruption. Corruption refers to “the misuse of public power, office or authority for private benefit through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement” (UNDP, 2004). In village-level corruption refers to the involvement of public funds for private purposes, misappropriation of public property or assets for personal use, preferential treatment for cadres or relatives, and also embezzlement of assets as well as receiving briberies (Levy, 2003; Wu, 2021). As a result, monitoring government activity and disclosing non-financial and financial information about management processes and outcomes is critical to closing the gap between citizens and the government.

For decreasing the information asymmetry in the village government, the demands of establishing good village governance are paramount. It is dependent on carefully designed policies in the area of anti-corruption policies that will improve governance through transparency, accountability and participation (Salihu, 2022) and strong internal control (Arifin et al. 2015). Good governance consists of eight components, including rule of law, participation, transparency, responsiveness, consensus orientation, equity and inclusiveness, accountability and effectiveness and efficiency which guarantee that corruption is diminished (UNESCAP, 2009). Hogan et al. (2008) state that the objectives of governance are to protect stakeholders, ensure the integrity, quality, transparency, and accountability of financial reports, and to monitor the adequacy of the internal control structure and audit function. The following sections will explain the relationship between the elements of village governance, namely internal control, accountability, transparency, and participation.

3.2.4.1 Internal Control

The primary goal of internal control is to assist the entity in risk management in order to achieve the entity's established objectives and maintain performance in the control process. In the Indonesian government context, internal control definition is stated on the Government Regulation No. 60 of 2008 “The process to provide assurance for achieving organisation’s goals through efficient and effective activities, reliable financial reporting, safeguarding nation’s asset, and compliance with law and regulation”.

According to COSO (2013), there are five elements of internal control stated in the COSO framework, namely control environment, control activities, risk assessment, information and communication, and monitoring activities. The framework presumes that the need for IC varies, depending on the features of the organisation. According to Ziegenfuss (2001) the two elements of IC that are essential in creating a fraud prevention atmosphere are a control environment and control activities. The control environment defines the culture of the company, influences people's control awareness, and creates the foundation for all IC components, thus providing discipline and structure.

The control environment is a vital element because it is involved in establishing comprehensive standards, processes, and structures that serve as the foundation for the implementation of internal control in the organisation. In the public sector organisation, a controlled environment establishes a commitment to integrity and ethical value of the organisation members. It is a basic right to raise the consciousness of the importance of internal control system for preventing corruption. This awareness will suppress their corrupt behaviour because they understand that it is unethical and violates morals. Dorminey et al. (2012) concluded the possibility to arrest fraudulent behaviour increases in the presence of a good control environment.

Meanwhile, control activities include policies and procedures related to the segregation of duties, processing of information, physical control, and performance evaluation. control activities include the policies, procedures and practices, which are critical in ensuring that organisation's goals are achieved and that risk mitigation strategies run effectively (Agbejule and Jokipii 2009). Control activities relate to policies and procedures governing the separation of duties, information processing, physical security, and performance evaluations. They also inform an organisation's mission and vision, allowing it to encourage employees to attain long-term goals rather than only short-term aims such as corruption. Control activities, which can be performed manually or automatically, ensure that risks have been mitigated through preventive and detective activity characteristics and corruption can be prevented. Therefore, strong IC will increase the effectiveness of the monitoring function aimed at preventing and detecting corruption. Therefore, the related hypothesis is formulated as follows:

H3: Effective village government internal control will reduce corruption.

3.2.4.2. Accountability

The concept of accountability relates to the obligation of individuals to be accountable for their actions to others, who should benefit from them (Scott, 2000). Accountability plays a critical role in overcoming the information asymmetry between the community and the government by providing clear and reliable information about transactions; in this way, corruption can be eliminated. Corruption in villages occurs when resources are monopolised by village government staff as perpetrators, who have discretion over resources combined with the lack of accountability. Such accountability in managing village funds would act as a monitoring and information system which would contribute to the eradication of corrupt activities. Brusca et al. (2018) state that in the government sector, accountability is considered sufficient when all the actions of staff concerning goods and services can be accounted for the society. Good accountability eliminates corruption by enhancing the legitimacy of the administration (Hopper, 2017). Agency theory posits that the principal-agent relationship is prone to the asymmetry of information which leads to moral hazard. Providing high-quality financial information through high accountability, closing

the chance of the perpetrator to conduct corruption. Therefore, hypothesis four is as follows:
H4: High accountability of village fund usage will reduce corruption.

3.2.4.3 Transparency

Transparency refers to the disclosure of information, financial and non-financial reporting, and performance achievement to the public. It is as a fundamental governmental requirement that extends beyond merely accessing information, but also requires that information be understandable to external stakeholders (Caamaño-Alegre et al., 2013). The village government is the owner of information and is obliged to provide it to the community. As the owners, village government staff have complete information, so it is very possible that moral hazard will occur, especially if there is a wide information gap. In non-transparent conditions, the village government will monopolise village assets, which will increase the probability of corruption if they obtain personal benefit to the detriment of community welfare. Therefore, a transparent organisation will open up all its activities through financial and non-financial reporting without hiding anything, and will improve public legitimacy and trust, thus eliminating corruption opportunities. The opportunities for corruption and deficiency are higher when the government lack transparency (Brusca et al., 2018; Lindstedt and Naurin, 2010). Hence, hypothesis five proposes that:
H5: High transparency of village fund usage will reduce corruption.

3.2.4.4 Participation

Participation is very effective in increasing community awareness of village programmes to ensure that they meet the needs and objectives of the community. Community participation refers to the involvement of the village in government decision-making, and can take place directly or through the village consultative council. Citizens will benefit from such participation since it will resolve any stalemate, achieve outcomes, help them gain some control over policies

and also improve their implementation. Sorat et al. (2021) observed that public participation has benefits for local government master plan development; however, there are still areas that should be improved regarding the extent of their influence over decision-making on policy. Moreover, the participation of the community in the planning and monitoring can reduce the potential for abuse of authority and corruption because they are involved in discussions to submit input and make criticisms and suggestions on programmes to be undertaken by the village government in the coming year. Those who might be affected by plans should be involved in public participation (Rowe & Frewer, 2000) because citizen involvement is expected to produce better decisions, and thus improved benefits to the rest of society (Liu et al. 2021). Therefore, hypothesis six is as follows:
H6: High village community participation will decrease corruption.

3.3 Research Methodology

3.3.1 Instrument development

The questionnaire is designed to collect quantitative data. It consists of nine IC indicators, six accountability indicators, four transparency indicators, four participation indicators, six staff competency indicators, five IT indicators and five corruption indicators, which are measured using a five-point Likert scale, ranging from 1 = “Strongly disagree” to 5 = “Strongly agree” for all the questions. The questionnaire begins with questions on respondents’ demographic data, including current position, academic qualifications, training, work experience, gender and salary.

The IC indicators cover the control environment and control activities instruments and are adapted from COSO and Azizal et al., (2015) ; the IT indicators are adapted from Elbahnasawy, (2014), Mistry, (2012), and MácHová et al., (2018); the participation indicators from Simakole et al. (2019) and Sorat et al. (2021); and those related to corruption from Sihombing, (2018) and Bierstaker et al., (2006), while the accountability, transparency, and competency instruments were adopted from Sofyani et al., (2021). Table 3.1. Shows the variables and the indicators developed in this research. The questionnaire is presented in Appendix 2.

Regarding self-development and adaptation of the indicators, based on Lewis et al., (2005) the development of the indicators was reviewed by two groups of experts to obtain advice on their improvement. In our research, the first group consists of practitioners and academic subject matter experts; a regency auditor served as a practitioner, and three public sector lecturers assess the item and construct suitability. The second group consists of two academics who are able to assess the quality of the instrument. After the questionnaire was reviewed by the experts, then we conduct pilot test to measure its validity. The respondents of the pilot test were thirty-six village government staff and thirty-one village consultative members. Their input and comment during the pilot test were used to improve the questionnaire. Table 3.1 shows the variables and Indicators developed in this research.

Table 3. 1 Variables and Indicators

Variable Name	Definition of operation	Indicators
Internal control	Refer to control environment and control activities	(1) Availability standard of conduct for integrity and ethical values (IC1, IC2)[a] (2) Availability of appropriate authorities or structures (IC3) (3) Perform internal control independently (IC7) (4) Segregation of duties (IC8, IC9) (5) Maintain process of control activities (IC4, IC5, IC6)
Accountability	The obligation of an entity entrusted with public money has to account for how the resources have been allocated and the result achieved.	(1) Accurate financial record (Acc1, Acc5, Acc6) (2) Complete Financial reporting (Acc2, Acc3) (3) Timely financial statements (Acc4)
Transparency	Access and proper disclosure of financial information to the public.	(1) Transparency of village's budget (Tran1) (2) Transparency of village fund management (Tran2)

		(3) Transparency of financial statement (Tran3) (4) Transparency of budget realisation (Tran4)
Participation	Involvement of the village society in the village government decision-making can be directly or by a representative through the village consultative board	(1) Public discussion and agreement in the approval of the budget (Part1, Part3) (2) Public involvement in the enforcement/implementation of budget (Part2, Part4)
Competency	The capability of village government staff to perform work.	(1) Work capability (Comp1) (2) Technology capability (Comp2) (3) Work completion capability (Comp3, Comp4, Comp5) (4) Ability to develop themselves (Comp6)
IT Support	The use of technology in completing work at the village level	(1) Computerised record (IT1, IT2) (2) IT-enable access to information (IT4) (3) Use of financial software (IT3, IT5)
Corruption	Village-level corruption refers to the involvement of public funds for private purposes.	(1) Take advantage for personal gain (Corrup1) (2) Take other people's rights (Corrup2) (3) Stole of organisation asset (Corrup3, Corrup4) (4) Bribery (Corrup5)

[a] The question numbers

3.3.2 Data collection

Our sample consists of administrative villages that govern in accordance with village law and regulations and receive village funds from the central government. Since almost 40% of village funds are absorbed in five provinces, namely East Java, Central Java, West Java, Banten and Jogjakarta, questionnaires are sent to the villages in these five areas. We did not include traditional villages because they do not follow the village law and still keep the previous social function, such as conducting the traditional ceremony, and burial of dead people.

The data is collected through a questionnaire that was delivered to two groups of respondents, namely village government staff and members of the village consultative council, in five provinces in Indonesia. Village government staff is the staff or officers that govern the village government, namely the village head, treasurer, secretary, unit head and unit staff. Meanwhile, the village consultative council is the council member who represents the community and behaves on behalf of the village community. According to the regulation, their function is mainly to control and supervise the performance village government staff. Village government staff filled the questionaries of IT, staff competency, internal control, and accountability, while the village council member filled in the questionnaires of transparency, participation and corruption perception. The latter group was chosen to ensure greater objectivity than if questionnaires of transparency, participation and corruption were responded to by village government staff.

The sample size is calculated using the power analysis method; according to Memon et al., (2020), this method is suitable for purposive or non-probability sampling research. Power analysis determines the minimum sample size by considering the part of a model with the largest number of predictors (Hair et al., 2014). Based on its calculations, the minimum sample size for this research is 160.

Electronic and paper questionnaires are distributed by twelve research assistants who are university students of business and accounting in Indonesia. Research assistants ensured questionnaires are completely filled out by the intended respondents. The procedure of the questionnaire distribution started with research assistance visited the village government office to deliver the questionnaires to village government staff and they have to wait until it is completely filled out. Then they visited to the house of the member village consultative councils to deliver the questionnaires on transparency, participation and corruption because village consultative council member does not have an office in village government. The effort to collect the data was quite tough because the research assistant visited door by door of council members during the pandemic.

Each assistant distributed questionnaires to fifteen villages which targeted three village government staff respondents and three village consultative council members in each village. In total, 540 questionnaires were distributed to village government staff and 540 to members of the village consultative council of 180 villages. There were 346 responses from village government staff and 349 responses from village consultative council. The data collected then matched one by one based on the name of the village. The purpose of this step is to match the dependent and independent variables because these two variables are filled out by two different groups of respondents. During this matching process, we drop three questionnaires of village consultative council members which do not pair with questionnaires of village government staff because the three corresponding village government staff in that village refused to fill out the form. The final data are 346 pairs of questionnaires from 123 villages which are 346 responses from village government staff and 346 from members of village consultative council.

The characteristics of our sample are shown in Table 3.2. Central Java is the province with the most responses (40%), as can be seen in Panel A. The survey participants are mostly dominated by unit head (43%), as can be seen in Panel B, and by males (68%), as shown in Panel C. The education level of village government staff is dominated by high school graduates (66%), followed by bachelor's degree holders (28%), as indicated in Panel D. Their experience is mostly under five years (52%); 78% has received training and 22% has not received any; while most of the respondents earns salaries of around $69.95-$174.85 per month.

Table 3. 2 Demographic Data

Characteristic	Number of respondents	Percentage of respondents
Panel A: Province		
East Java	63	18%
Central Java	140	40%
West Java	47	14%
Banten	90	26%
Special Region of Jogjakarta	6	2%
Total	**346**	**100%**
Panel B: respondent's position		
Village head	18	5%
Village secretary	74	21%

Village Treasurer	52	15%
Unit head	148	43%
Unit staff	54	16%
Total	**346**	**100%**
Panel C: Gender		
Male	235	68%
Female	111	32%
Total	**346**	**100%**
Panel D: Education level		
Junior High school	2	1%
Senior high school	227	66%
Diploma	19	5%
Bachelor's degree	97	28%
Master's degree	1	0.29%
Doctorate or PhD	0	0%
Total	**346**	**100%**
Panel E: Experience		
Under 5 years	179	52%
5-10 years	112	32%
More than 10 years	55	16%
Total	**346**	**100%**
Panel F: Training		
Administrative	271	78%
Not getting	75	22%
Total	**346**	**100%**
Panel G: Salary		
< $69.95	5	1%
$69.95 - $174.85	275	79%
$174.90 - $279.75	60	17%
> $279.75	6	2%
Total	**346**	**100%**

3.4 Results and Discussion

3.4.1 Measurement Model Analysis

In PLS-SEM analysis, the measurement model must be examined before the structural model analysis in order to determine the reliability and validity of the relationship between the indicators (measures) and constructs (latent variables). There are four steps in the reflective measurement model assessment procedure (Hair et al. 2019). First, the indicator reliability is evaluated by ensuring that the outer loading meets a cut-off threshold of 0.7 (Hair et al. 2021), in which way the item reliability is accepted. Eight indicators, namely IC1, IC2, IC4, IC5, Acc6, Competency4, Participation3, IT4 do not meet the cut-off and have to be dropped.

As seen in Figure 3.2, the outer loading for IC1 0.579, for IC2 0.658, IC4 0.663, IC5 0.475, Acc6 0.630, comp4 0.379, Part3 0.477, and that of IT4 is 0.480. We delete these indicators step by step, starting from the lowest value, and rerun the algorithm test until the value of the outer loading of each indicator reaches 0.7.

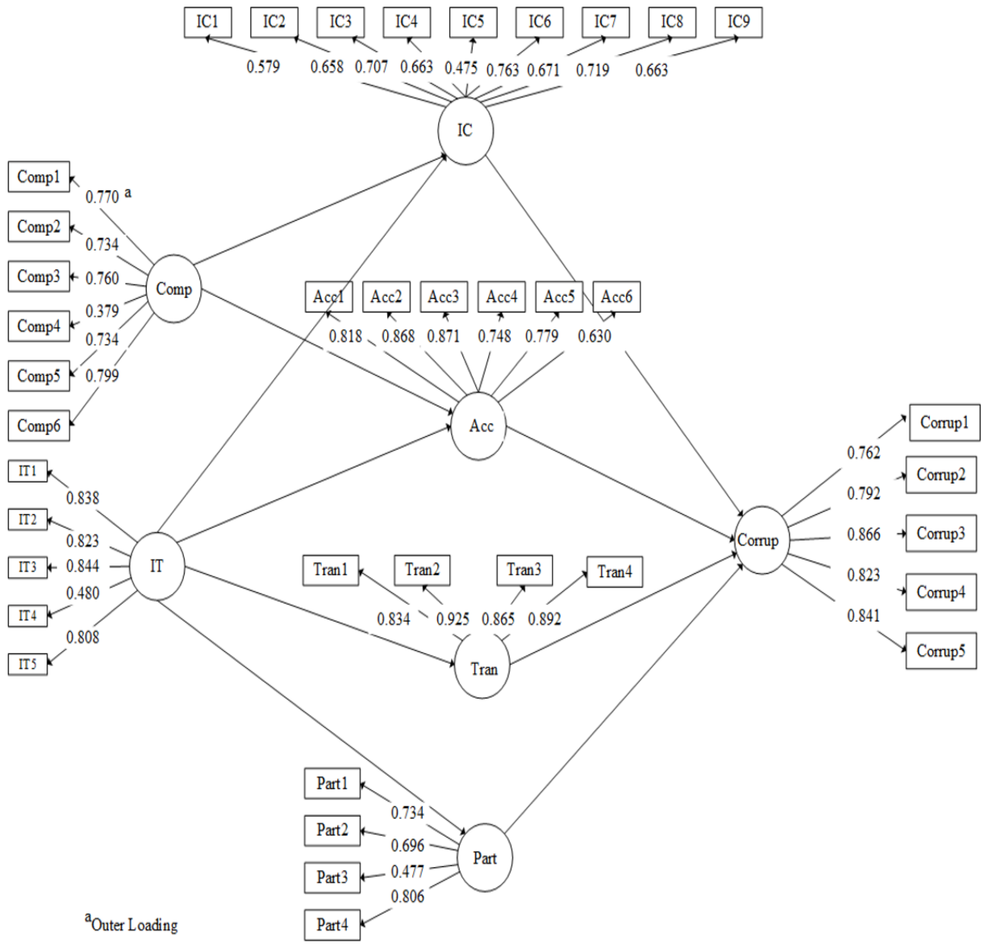

Figure 3. 2 Outer Loading

In relation to the second step, Table 3.3 demonstrates that the internal consistency coefficient of the composite reliability for all the constructs ranges from 0.814 to 0.932, which is above the cut-off point of 0.7 (Fornell & Larcker, 1981), while the Cronbach's alpha scores range from 0.661 to 0.902, above the cut-off point of 0.6 (Chin et al. 2003). The third step is to assess convergent validity through average variance extracted (AVE) scores, which range from 0.556 to 0.774, above the cut-off point of 0.5 (Hair et al. 2014).

Table 3. 3 Cronbach's alfa, Composite reliability and AVE

Constructs	Cronbach's Alpha	Composite Reliability	AVE
Internal control	0.800	0.862	0.556
Accountability	0.883	0.915	0.684
Participation	0.661	0.814	0.593
Transparency	0.902	0.932	0.774
competency	0.826	0.876	0.586
IT Support	0.861	0.906	0.706
Corruption	0.876	0.910	0.669

The fourth step is to assess discriminant validity; that is, to establish the extent to which the constructs is distinct from others. This assesses the correlation score, for which the value of correlation between the construct and itself should be greater than the correlation with the other constructs on the Fornell and Lacker matrix. In Table 3.4, the bold numbers on the diagonal line are the highest correlation, and there is no value greater than that on the diagonal line.

Table 3. 4 Discriminant Validity

	Acc	Corrup	IT	IC	Part	Trans	Comp
Accountability	**0.827**						
Corruption	-0.165	**0.818**					
IT Support	0.735	-0.111	**0.840**				
Internal control	0.680	-0.105	0.651	**0.746**			
Participation	0.104	-0.374	0.069	0.045	**0.770**		
Transparency	0.643	-0.124	0.634	0.578	0.033	**0.880**	
competency	0.488	-0.151	0.382	0.457	0.065	0.374	**0.766**

3.4.2 Structural Model Analysis

We utilised PLS-SEM for the structural model analysis. First, we analysed the result of the determinants of IC and accountability, namely village government staff competency and IT. The results of this analysis are shown in Table 3.5 and Figure 3.3. The coefficient of competency to IC is positive (0.244) and significant ($p<0.01$), which provides support to H1. In addition, the coefficient of competency to accountability is positive (0.243) and significant ($p<0.01$), which provides support for H2. These results indicate that the high competency of village government staff will increase IC (Dewi et al. 2019) and accountability in village government and confirms previous research by (Sofyani et al., 2021)

The role of IT support in the component of village governance, are all positive and significant at $p < 0.01$ and $p <0.10$, which provide support for H2a, H2b, H2c and H2d (see Table 3.5). The coefficient of IT to IC is positive (0.557) and significant ($p<0.001$); of IT to accountability is positive (0.642) and significant ($p<0.01$); that of IT to transparency is positive (0.634) and significant ($p<0.01$); and the coefficient of IT to participation is positive (0.069) and significant ($p<0.10$). From these findings, it can be concluded that the availability of IT has potentially improved the quality of village governance by providing accurate record-keeping through computerised records and by delivering information to the public through websites or other technology devices. This is consistent with previous research, which has shown that IT has the potential role to improve IC (Abbaszadeh et al. 2019; Rubino et al. 2017); accountability and transparency (Mistry 2012; Puron-Cid et al. 2019; Valle-Cruz et al. 2016; Xinli, 2015); and participation (Asgarkhani, 2005).

Second, we analysed the main relationship between IC and corruption. The results of this analysis are displayed in Table 3.5. The coefficient of IC is positive (0.009) and not significant ($p>0.10$), which does not provide support for H3. This suggests that in village government, IC is not effective enough to prevent or detect corruption, which may be caused by certain weaknesses in the IC. This is in line with Zakaria et al. (2016), who found that IC weaknesses fail to prevent fraud; they argue that weak IC is unable to provide protection to entities related to human error and non-compliance with existing rules. It is also unable to ensure the achievement of organisational goals because weak internal control can not guarantee the reliability of financial information reports, the compliance with applicable laws and regulations, nor ensure the effectiveness and efficiency of company operations. Based on Antón, (2020), the weaknesses of IC are caused by the internal audit function not performing effectively; the limitation of auditors to perform internal control functions; and the unavailability of officers to supervises internal control, which all result in ineffective IC against corruption.

Third, we analysed the relationship between accountability, transparency and participation and corruption. The results in Table 3.5 show that accountability is negative (-0.099) and significant ($p<0.10$), which support H4. The coefficient of participation is negative (-0.362) and significant ($p<0.01$), while the associations between transparency and corruption is not supported. The relationship between accountability and participation and corruption is consistent with Hopper (2017) and Pillay (2004). However, Olken, (2007) found evidence that grassroots participation increases their participation in controlling reduced missing expenditures only under certain conditions, such as no impact on material and not be captured by local elites. In addition, the unsupported relationship between transparency and corruption may be caused by the advanced technic of corruption by the village government staff such as inflating quantities rather than markup price or embezzlement of asset, therefore, it is difficult to be detected through transparency (Olken, 2009b).

Table 3. 5 Result of Structural Model

	Hypo-theses	Coefficient	P-value	Sig-level	Supported
competency -> Internal control	H1a	0.244	0.000	$P < 0.01$	Supported
competency -> Accountability	H1b	0.243	0.000	$P < 0.01$	Supported
IT -> Internal control	H2a	0.557	0.000	$P < 0.01$	Supported
IT -> Accountability	H2b	0.642	0.000	$P < 0.01$	Supported
IT -> Transparency	H2c	0.634	0.000	$P < 0.01$	Supported
IT -> Participation	H2d	0.069	0.097	$P < 0.10$	Supported
Internal control -> Corruption	H3	0.009	0.446	$P > 0.10$	not supported
Accountability -> Corruption	H4	-0.099	0.089	$P < 0.10$	Supported
Transparency -> Corruption	H5	-0.053	0.194	$P > 0.10$	not supported
Participation -> Corruption	H6	-0.362	0.000	$P < 0.01$	Supported

R^2 Internal control = 0.474
R^2 Accountability= 0.591
R^2 Transparency = 0.402
R^2 Participation = 0.005
R^2 Corruption = 0.157

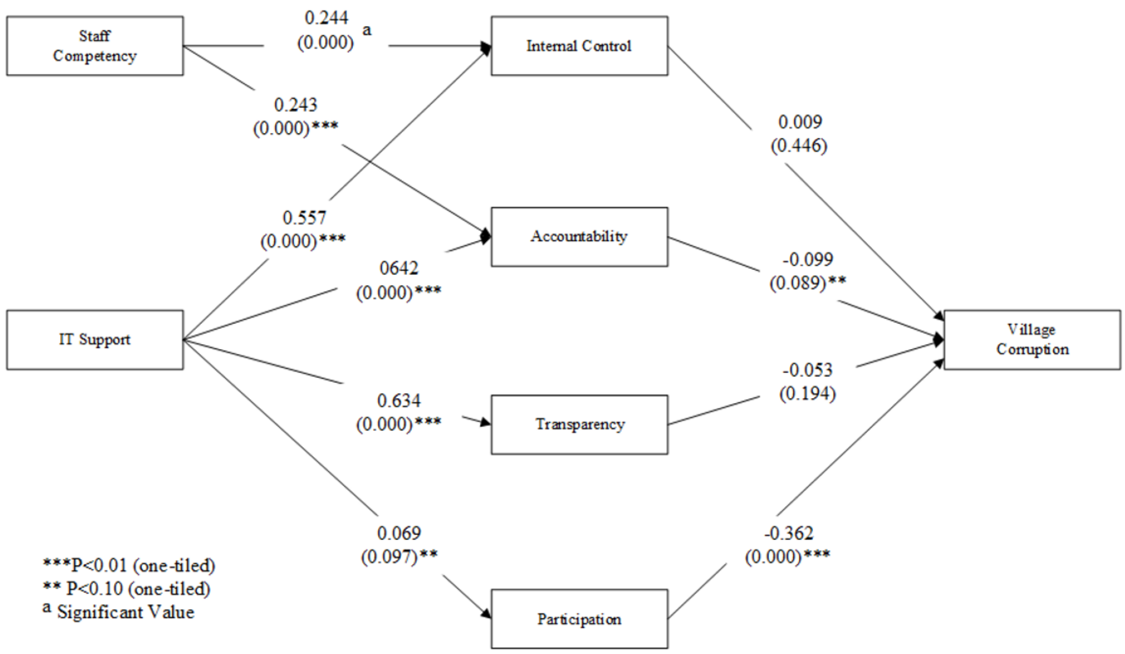

Figure 3. 3 The result of Structural Model

3.5 Conclusions and Implications

This paper makes several contributions. First, it provides evidence of the implementation of COSO framework in the village governance as a public sector organisation. It is consistent with the suggestion of the European Court of Auditors, (2016) and INTOSAI General Secretariat, (1992) which propose that this framework should be applied in the public sector to increase the effectiveness of internal control in preventing and detecting fraud and corruption. Second, it contributes to completing the village corruption studies which previously only studied corruption in a certain project such as the village road construction project by (Olken, 2007, 2009). Compared to their research which was conducted when villages were still centralised to the upper government, our research investigates corruption in village government when a village has become an autonomous entity and runs self-government. Lastly, this research delivers a border overview the central government that the village governance practice is not effective to prevent and detect corruption. Previous research about corruption by Susan and

Budirahayu, (2017) measured the political capacity of the village officers by investigating whether village government officials comprehended the concept of good governance, however, they did not examine village governance effectiveness in corruption eradication.

Our research also finds that IT affects four elements of governance, namely internal control, accountability, transparency and participation. Meanwhile, competency also affects internal control and accountability. Unlike many developed countries where IT is well-implemented in every government sector, in developing countries, its implementation is still undeveloped and this study can strengthen the public policy related to its advantages.

In addition, the fact that the relationship between IC and corruption is not significant may be caused by village government characteristics, which differ from other types of government at higher levels. As the agency theory explains that the relationship is prone to moral hazard, therefore good village governance is critical to be achieved. Since the village government is a relatively new type of government, the internal control system is still undeveloped. This finding confirms the study of Arifin et al., (2015) that said the weaknesses of the internal control system are associated with corruption in the local government.

Even though, this research has selected proper respondents to increase the objectivity of the response in the corruption variable, the bias might persist in some cases. Therefore, future research should complement with corruption secondary data to overcome bias in individual judgments.

Chapter 4. Creating Good Village Governance: An Effort to Prevent Village Corruption in Indonesia

Abstract

This study aims to investigate how the village government implements internal control, accountability, transparency and participation in the good governance practice for corruption prevention and detection in Indonesia. The study is qualitative research by conducting a semi-structured interview with village staff, village consultative council members and auditors. The findings highlight three major issues contributing to poor governance and the failure to prevent and detect corruption. The regulator should urgently provide accounting standards, audit standards and internal control regulations for the village to create good governance for eradicating corruption. This paper is a ground-breaking study that investigates the governance practice in the village as an anchor to solve the chronic corruption problem and offers a new direction of research in the village government.

Keywords: Good governance, village, village fund, corruption, Indonesia

4.1 Introduction

In Indonesia, the village where the majority of farmers and fishermen reside serves as a vital source of the nation's food, however, the economic condition of the village community is still in poverty. In this regard, village government is the level of government closest to the village community and will better understand the community's needs, such as which areas are still undeveloped and what the community needs. As a result, meeting their needs should be easier to improve their quality of life.

The passage of Law No. 6 of 2014, known as the Village Law, is intended to alleviate village poverty. Village Law gives the village government the authority to plan and manage budgets for community development and empowerment with the goal of improving community welfare. To ensure the success of the Village Law, the central government provides each village with $69,000 per year to fund village development and community empowerment. However, despite the fact that the law is being implemented, corruption in the village government is among the top three corruption cases in the government sector, and it is growing yearly (Indonesia Corruption Watch, 2020). Corruption in Indonesia is a problem that has not been resolved and continues to exist in almost all government sectors, ranking Indonesia 102 out of 183 countries as the least corrupt (Corruption Perception Index, 2020). This situation is exacerbated by the growing corruption in the village government, a relatively new area of corruption.

The majority of village governance studies have been conducted in China (Howell, 1998, 2007) or Africa (Chung & Windsor, 2012; Nyamori et al., 2017). Meanwhile, there has been relatively little research on village governance in Southeast Asia, particularly on village corruption topic. In fact, in Southeast Asian countries, village governments' existence is critical in eradicating the nation's poverty, primarily dominated by people living in villages. Previous studies on corruption have also been associated with good governance (Hopper, 2017; Pillay, 2004b), and the topic is still relevant to be investigated to explain the phenomenon of corruption in villages since village government is a new form of government that has not been extensively discussed in public sector research. In Indonesia, since there was no institutional power in the previous village era, village governments were not required to adopt good governance practices. The village's sole focus was only on administrative services to the village communities. However, under Law No 6 of 2014, the village government has institutional powers and responsibility regarding its budget.

Therefore, the good governance concept is still relevant to explain the occurrence of corruption in the Indonesian village government. This study, thus, conducts an in-depth investigation of the practice of good governance to explain its effectiveness in preventing and detecting corruption in Indonesia.

4.2 Literature Review

4.2.1 The Overview of Village Government in Indonesia

Previously, villages in Indonesia were governed by Law No. 32 of 2004, which positioned villages under regency and gave them narrow authority to govern themselves. Rural community development was slow and undeveloped because the village government's function at the time was only as a public servant registering births, deaths and marriages. Ten years later, in 2014, Law No 6 was enacted to improve rural communities' welfare.

4.2.2 Corruption

Corruption is generally defined as the abuse of public positions for private gain (Salihu, 2022). International Monetary Fund (IMF) (2005) defines corruption as using public authority or trust for personal gain. In this research, corruption is defined as any action carried out by an individual or group entrusted with a position of power to obtain unlawful benefit.

4.2.3 Village Governance

The agent-principal theory explains the relations between the government and citizen, the government is an agent of the citizen, and the citizen is the principal who entrusts their money to the agent (Smith & Bertozzi, 1996). This relationship is prone to corruption because the government monopolises information over citizens. As a result, monitoring the government's activity and disclosing financial and non-financial information about management processes and outcomes is critical to close the gap between citizens and the government.

As the village government is subordinate to the central government, it is forced to institutionalise the government process as required by the regulations. In this case, the institutional theory attempts to provide a conceptual framework for analysing organisational behaviour. It is based on the premise that entities do not operate independently but rather interact with one another in what is known as organisational fields, which eventually aggregate into societies. An institutional theory also emphasises the importance of legitimacy to the extent that these circumstances constrain acts and determine behavioural choices (Drew Sellers et al., 2012). Hence, accountability becomes a pivotal component in organisational legitimacy and corruption detection. Since the village government is entrusted with public funds, it must be accountable by providing precise and reliable information on government economic transactions to monitor them. Accountability will also ensure the legitimacy of the village government and will eliminate corruption (Hopper, 2017).

Besides that, the village government must disclose and deliver information promptly to fulfil the concept of transparency. Increased transparency in governance will enable citizens to monitor the government's performance because transparency enables citizens to comprehend a government's accomplishments by providing accurate information (Florini 2000). Since the government exposes citizens to essential information, residents can understand the government's achievements.

Furthermore, according to Village Law, the village becomes the driver of prosperity rather than only the object (Sofyani et al., 2021). Previously, the active participation of the village community has been implemented by the Republic of Vietnam, as Vietnam accomplished with their commune development program (CDP), where the policy tries to build village community trust and active engagement in analysing issues and possibilities and developing solutions (Yen & Van Luong, 2008). Through this concept, the grassroots communities utilise their knowledge to explore the village's potencies, obstacles and limitations and find acceptable solutions. In the participation concept, the village community also has the opportunity to give suggestions and critics about budget and realisation; therefore, potential corruption can be detected.

Corruption detection and prevention also depend on the internal control implemented, which varies depending on the organisation's characteristics (Chenhall 2003). In addition, the village government differs from other types of government in Indonesia, so when it is implemented, it should consider the village's unique aspects. By considering it, internal control will effectively prevent and detect corruption because the control system plays a pivotal role in the local government to alignment with the organisation's goal (Shonhadji and Maulidi 2020).

Hence, this study aims to investigate how the new village government implements internal control, accountability, transparency, and participation through institutional concepts toward the good governance practice for corruption prevention and detection in Indonesia. This study also investigates the capability of village staff and the role of information technology in supporting good governance practices. Thus, we construct the following five research questions:

RQ1: How does the village government implement its internal control?

RQ2: How does the village government practice accountability?

RQ3: How does the village government practice transparency?

RQ4: How does the village government practice participation?

RQ5: Is the village governance effective in preventing corruption?

4.3 Methodology

This study relied on the in-depth interview of three groups of participants, i.e., village government staff (VGS), village consultative council (VCC) members and auditors, to comprehensively understand the examined variables. The village staff was interviewed about internal control (IC), accountability, transparency, competency and information technology (IT). Meanwhile, the village consultative council member, whose primary role is supervising and controlling the village government, was interviewed regarding IC, participation, transparency and corruption perspectives. Lastly, the auditor was asked about internal control and accountability. In addition, semi-structured and open-ended questions were asked to participants, then recorded utilising an audio recorder and subsequently transcribed (Creswell, 2012).

Moreover, respondents' data were obtained through a form about their consent for the interview. If they agreed, they wrote down their mobile phone number and personal information, such as their name and current position in village governance, the village's name, regency and province they were in. Eleven staff (code VGS#1 to VGS#11) and eleven village consultative council members (code VCC#1 to VCC#11) were contacted from five provinces, and finally, nine staff, eleven village consultative council members and three auditors agreed to join the interview. The interview was then conducted using *Zoom Meeting* and *WhatsApp video,* depending on the respondent's intention, and it took approximately an hour for each. Afterward, we coded the participants in accordance with the confidentiality agreement (Table 4.1).

Table 4. 1 Code of Participants

No	Staff Code	Agreement	Council Code	Agreement	Auditor Code	Agreement
1.	VGS#1	Yes	VCC#1	Yes	Audit#1	Yes
2.	VGS#2	Yes	VCC#2	Yes	Audit#2	Yes
3.	VGS#3	Yes	VCC#3	Yes	Audit#3	Yes
4.	VGS#4	No	VCC#4	Yes		
5.	VGS#5	Yes	VCC#5	Yes		
6.	VGS#6	Yes	VCC#6	Yes		
7.	VGS#7	Yes	VCC#7	Yes		
8.	VGS#8	Yes	VCC#8	Yes		
9.	VGS#9	Yes	VCC#9	Yes		
10.	VGS#10	No	VCC#10	Yes		
11.	VGS#11	Yes	VCC#11	Yes		

4.4 Findings

How does the village government implement internal control? (RQ1)

We interviewed village government staff (VGS), village consultative council (VCC) members and auditors to get the answers to IC implementation related-question. Some initial questions related to the implementation of internal control were asked to VGS and VCC in Table 4.2.

Table 4. 2 IC Questions for VGS and VCC

No	Questions
IC1	How is the implementation of written rules regarding employee ethics?
IC2	How are the authority and segregation of duties in your village government?
IC3	What are the obstacles faced in implementing the separation of authority and function?
IC4	How does the regency auditor audit the financial reporting every year?
IC5	How does the village consultative council review and authorise the budget and financial report?

Question IC1: Four of nine village staff (VGS#1, #2, #6, #9) answered that there are no written rules regarding employee ethics. The concept of ethics refers to the generally accepted behaviour in society about what is considered good and bad. Meanwhile, five respondents (VGS#3, #5, #7, #8, and #11) answered that there are rules, but the implementation is not optimal. For example, there is no penalty or punishment for violators. This finding implies that in solving ethical problems, the village government uses more informal methods that are not brought into the realm of law because the code of ethics is not implemented.

Question IC2: All respondents said their office has a rule to guide the segregation of duties. Seven respondents answered that VGS run the job based on their job description. However, two respondents (VGS#2, #6) replied that the segregation of duties has not been fully implemented.

Question IC3: Two village staff (VGS#2, #6) stated that the difficulty encountered when carrying out the authority separation is the uneven ability of village staff, so they sometimes assist their colleagues in carrying out their duties. Furthermore, since the enactment of the Village Law, the increasing number of mid-year and annual reports that must be completed has outnumbered the number of village staff, burdening them. They then emphasised that there is a shortage of staff with many reports that must be submitted to various ministries and to the upper level of government that requires them to work together to meet the requirements. In this case, the upper government might request a report several times because it was misplaced or tucked away.

This finding indicates that, due to a lack of human resources, the village government's segregation of duties was not rigorously enforced. We also discovered that employees assist one another in completing tasks rapidly due to excess tasks.

Question IC4: Regency auditors conducted annual audits in only two villages (VGS#1 and #2), while other villages were not audited annually. Two villages (VGS #3 and #6) were audited every two years; three villages (VGS #7, #8, #9) are audited every three years, and two villages (VGS #5 and #11) were audited only in 2017.

Question IC5: According to the village consultative council members interviewed, the approval of the annual financial reports is still unfair. The annual financial reports should be reviewed by a village consultative council member before being submitted to the regency government and ministries, but it is merely a formality or procedural requirement. According to the seven members of the village consultative council (VCC #2, #3, #4, #5, #7, #8 and #10), the time allotted to evaluate and review the village financial report ought to be two weeks, which is considered sufficient to determine if there are any irregularities in the financial report. After being reviewed, the financial reports should be approved by the village consultative council's chairperson by signing them with his and other village consultative council members' signatures, and then the village government is authorised to submit them to the regency government and the ministries of Home Affairs and Minister of Village Development.

However, two village consultative council members (VCC #5 and #7) claimed they are only given one night, or a maximum of 24 hours, to review the annual financial reports. Besides, four village consultative council members (VCC #3, #4, #9 and #10) stated that it is customary for the chairperson of the village consultative council to sign on the approval process. According to them, this practice is hazardous because several chairpersons were cronies of the village staff, and it is prone to collusion, leading to corruption.

Two respondents (VCC #2 and #8) even stated that they were never asked to sign on the financial reports that were reviewed (an indication of a fake signature), so they were unaware of the extent of the quality of the financial report submitted to the higher authority. Council members are usually forced to approve the financial report because late submission of financial reports to the regency government will delay village funds transferred in the following period. If village funds were suspended or stopped in the next fiscal year, it would be a disadvantage for future village development. These findings suggest that the audit function has not been conducted annually. Meanwhile, the village consultative council's function as a supervisor and controller at the village level has been disrupted. Also, there are indications that some village consultative council chairpersons were not working independently because they have become the village staff's cronies. Then, these three questions were asked of the auditors (Table 4.3).

Table 4. 3 IC Questions for Auditors

No	Questions
IC6	How does the village financial reports audit conduct?
IC7	What is the audit procedure in the village government?
IC8	Based on your opinion, how does the function of the village consultative council in supervising and controlling the village governance?

Question IC6: Three auditors (Auditor#1, #2, #3) explained that before the Village Law enactment, their primary task was to audit the regency government; however, since 2014, they have been given additional tasks to audit the village government; thus, the audit is not performed every year. Two out of three auditors (Auditor#1, #3) said that annual audits are only conducted by sampling based on the level of risk because there are lack of auditor numbers and the different capabilities among auditors (Junior vs. Senior). One team of assignment has a few senior auditors. In addition, Auditor#2 explained that the regency government only had 30 auditors to conduct audits in 34 divisions of the regency government and 144 village governments; therefore, auditing all these areas in a single year is impossible.

Question IC7: An auditor (Auditor #1) elucidated that the five elements of the internal control system should be tested prior to the audit to get an overview of the village's internal control. Yet, two auditors (Auditor #2 and #3) explained that the village government's auditing process is ineffective because the villages had not implemented all internal control elements; the current audits only meet compliance audit standards rather than financial statement audit standards. For example, the ethical code that should exist in every village has not been implemented. Furthermore, there is no available audit standard for village government that regency auditors can use as a reference when conducting audits.

Moreover, three auditors (Auditor #1, #2 and #3) stated that internal control regulations do not yet exist at the village level, and as a result, the village staff do not understand the internal control concept. The current regulations are Government Regulation Number 60 of 2008 concerning the Government Internal Control System and Minister of Home Affairs Regulations Number 20 of 2018 about Village Financial Management. However, Government Regulation Number 60 of 2008 does not include the phrase "village government IC system," and it is incompatible with the unique characteristics of village governments. The regency regulations, derived from these two government regulations, then provide additional audit guidance on IC at the village level.

Question IC8: Auditor #1 did not respond to the question. Meanwhile, two auditors (Auditors #2 and #3) stated that the village consultative council's role was ineffective. It is because their duties as members of the village consultative council are supplementary to their primary jobs. They were not paid a salary but rather received incentives. Furthermore, some village consultative council members come from lower economic strata than the village staff, limiting their power.

According to interviews, the village government's prosecution of cases of ethical violations is not strictly enforced because there is no approved and implemented written code of ethics. The authority separation has also been implemented, but it is occasionally infringed upon due to the limited staff number and capacity. Moreover, they stated that the village consultative council is not functioning correctly as a village controller. Some authorisations that should be carried out by the village consultative council chairperson and members, such as the approval of annual financial statements, are passed out by village staff without the village consultative council's approval.

Moreover, there were no audit standards for villages, and audits are now carried out by auditors appointed by the government in accordance with Regulation 60 of 2008 on the Government IC System and Regulation 20 of 2018 on Village Financial Management. However, the IC rules are not specified for villages that are different from other types of government, resulting in the ineffective implementation of internal control at the village level.

We also found that the audit and supervision functions by the auditor and village consultative council are not appropriately run. The audit does not perform annually because of the limited number of auditors. The unavailability of internal control regulations in accordance with the village government's characteristics also makes the village staff not pay much more attention to the importance of internal control in their government. Furthermore, the complete absence of audit standards for the village government makes it difficult for regency auditors to conduct village-level audits, exacerbating the situation. Meanwhile, supervision and control from the village consultative council did not follow the regulation's procedure due to their weak role caused by the economic strata. These explanations above can be used to answer RQ1 which shows that IC still has many obstacles in implementation.

How does the village government practice accountability? (RQ2)

The following three questions related to accountability were asked to VGS (Table 4.4)

Table 4. 4 Accountability Questions

No	Questions
ACC1	What is the procedure for the village expenditure?
ACC2	Does every transaction always accompany by evidence (e.g. invoice)?
ACC3	What obstacles are faced in preparing financial reports under existing regulations and systems?

Question ACC1: According to the nine village staff responses (VGS #1 to #9), the expenditure procedure is proposed by the village treasurer and will be verified by the village secretary and the village head. The treasurer then executes the transaction after the secretary and the head had signed the expenditure form.

Question ACC2: Nine village staff responded that every expenditure should be accompanied by an invoice. Transactions without evidence are not allowed, and the auditor will consider them a finding or fraud. However, three staff (VGS #2, #5 and

#7) stated that some of the evidence is not authentic due to unavailability and loss, but they make it or ask the supplier where they purchase the materials.

Question ACC3: The entire village staff said that there are numerous reports to be prepared and reported. The village government is also asked to report to several agencies, the regency, the Ministry of Home Affairs, and the Ministry of Village Development. In addition, these parties often request the same report over and over due to loss or other reasons. We also asked the auditor of question ACC3, and they (Auditor #1, #2, #3) answered that the village government accounting standard is not available, making staff difficult to prepare standardised and generally accepted financial reports. Nowadays, the accounting practice in village government is based on regulations issued by the Ministry of Home Affairs and handed down to the regency government and regulations issued by the Ministry of Village Development, which are vague. Three of the village staff (VGS #2, #3, #10) explained that many regulations are conflicting, causing difficulties for staff about which one to follow, making it difficult to record and report correctly. For example, the regulations made by the two ministries conflict with each other in specific articles or chapters; as a result, villages frequently suffer from reporting errors, so the ministry must correct them.

Further, RQ2 can be explained by those findings that accounting practice in the village has been appropriately conducted with authorisation and evidence in every transaction. However, some evidence of the transaction is not real-time, making it fictitious. Moreover, we uncovered that the financial reports that should be prepared are too many and repeated. It is worsened by the existing regulations being vague and conflicting with each other since the regulations are enacted by two ministries.

How does the village government practice transparency? (RQ3)

We asked four initial questions to the participants to gather information about transparency (Table 4.5).

Table 4. 5 Transparency Questions

No	Questions
Tran1	How does the village government regularly report information on the number of village funds received?
Tran2	Does your village government regularly report information related to activities of village funds that have been implemented?
Tran3	Does your village government regularly report information related to the village's achievements?
Tran4	What media were used to report this (website, billboard media, or village meeting)?

Question Tran1: All the staff (VGS #1 to #9) said that the disclosure of village funds received from the central government is through billboards because it is mandatory. Besides, they also conducted a meeting with the village consultative council to explain the detail of the fund received.

Question Tran2: All the staff (VGS #1 to #9) stated that the village consultative council is kept up to date on all activities involving the village fund. However, a village consultative council member (VCC#8) revealed that budget details are not disclosed, such as the details of what they purchased for village development. As a result, the village consultative council only knows the total amount spent but not the specifics, such as the product's quality or price. He also claimed that the procurement budget for certain activities is not fairly disclosed and that staff typically refused when asked about the detailed budget. Furthermore, a village consultative council member (VCC#5) stated that the amount of the budget realisation is rarely disclosed. The other three village consultative council members (VCC #4, #5, #7) said that while the budget informs the amount of expenditure at the start of the fiscal year, the implementation usually changes throughout the year without any discussion with the village consultative council. The staff has never informed the purpose of the budget change, and it occurs unexpectedly. The changes to the village budget were also not clearly communicated, leaving them unable to control the details of budget expenditure. Consequently, the village consultative council only observes and inspects the infrastructure built as physical evidence of budget realisation; however, the expenditure details were not disclosed for analysis.

Question Tran3: All the staff (VGS #1 to #9) said that the village government should disclose the achievement related to what infrastructure has been built, road, building and others, and what kind of training has been conducted for the community. It should also be reported on the billboard that the village communities can access it. They can also read how long the bridge or road is built and the budget realisation to build it.

Question Tran4: All the staff (VGS #1 to #9) stated that they were required to report via billboard and village meeting and only two staff (VGS #3 and #11) said that their village government also actively reported via the website. The remaining staff stated that they do not disclose financial statements through the website for various reasons, including a lack of staff to operate and maintain it. Furthermore, the staff (VGS #2) noted that the village community is not interested in checking the website, preferring manual announcements, such as billboards, papers, or in-person meetings.

Answering RQ3, we indicate that the village governments have already disclosed the budget and activities related to its realisation. However, it is still not fully transparent regarding changes in budgets and expenditures without prior confirmation and authorisation from village consultative council members.

How does the village government practice participation? (RQ4)

Two questions about participation were inquired of the interviewee (Table 4.6).

Table 4. 6 Participation Questions

No	Questions
Part1	How is the involvement of the village consultative council in the planning and budgeting process?
Part2	How is the process of the village community involvement in the program implementation?

Question Part1: All eleven members of the village consultative council (VCC #1 to #11) stated that they are always involved in the planning and budgeting process. They propose village development planning based on the village consultative council meeting and then discuss with staff to determine the priority of the programs and the number of village funds allocated. The village consultative council members can then provide input, suggestions, critiques and comments to ensure that all programs decided during fiscal years are intended for community development and empowerment.

Question Part2: Based on the regulation, the program's implementation is obligatory to create an activity enforcement team whose members are the village community and responsible for executing every program planned. Then, the project will be managed by the person chosen from the enforcement team. Their involvement is intended to empower the village community and to increase the transparency of the budget realisation. Therefore, the RQ4 can be answered that participation practice has involved council members and the community in the village activities.

Is village governance effective in preventing corruption? (RQ5)

Three questions about corruption were to gather information from the village consultative council (Table 4.7).

Table 4. 7 Corruption Question

No	Questions
Corrup1	What do you think about the integrity of the village staff in managing the huge money of the village fund?
Corrup2	Has any village staff indicated that they use village facilities for personal gain?
Corrup3	Is there any indication of bribery related to procurement?

Question corrup1: Most respondents were hesitant to answer the Corrup1 and Corrup2 questions, whereas they answered it concerning question corrup3. Only a staff (VCC #2) said income from agricultural products owned by the village government is not accepted as village income but was used by the village head's interest. Meanwhile, two village consultative council members (VCC #4, #5) said that tender with third parties for a specific project becomes an opportunity for corruption. The village consultative council (VCC#4) also explained that the staff never discussed in advance the planning of the tender, the amount they dealt with the third parties and the quality standard of the project; therefore, if the project had already been finished, the village consultative council could not evaluate the fairness of the amount of the tender and the project quality.

Third-party bribery is also considered when deciding to accept or reject the tender. The village consultative council (VCC#5) elucidated that community empowerment programs, such as a training program for village communities to increase their skill for increasing their income, have the potential for corruption. Unlike building infrastructure, training programs that could not be seen clearly in the time frame until reporting makes it a fraudulent loophole by not reporting actual expenses or even fictitious training. Other village consultative council members (VCC #7, #8) said there was collusion and corruption indication in the procurement of equipment and supplies during COVID-19 because the purchase price was exorbitant compared to the products' quality. The village consultative council raised this concern; however, tracing the evidence was also difficult, as there was an indication of collusion between the supplier and the staff. In addition, the village consultative council (VCC #7) stated that the procurement changes are usually carried out without village consultative council approval. Only the village consultative council (VCC#1 and #3) stated no evidence of corruption because the government has been transparent. Meanwhile, three village consultative council members (VCC#9, #10 and #11) refused to answer corruption-related questions.
Therefore, for answering RQ5, we discover that corruption still occurred in most respondent's villages. Corruption could also take various forms, including bribery, collusion, and the embezzlement of income. This finding indicates that village governance is not effective to prevent and detect corruption in village because there are some weaknesses in IC implementation, accounting, and transparency practices.

Village staff competency

Three questions were inquired to explore staff competency (Table 4.8).

Table 4. 8 Competency Questions

No	Questions
Comp1	Since the implementation of Village Law No.6 of 2014, how do you fe about your work?
Comp2	Are there any difficulties in completing the work according to existing regulations?
Comp3	Is training still needed to enhance the competency of village staff?

Question Comp1: All the staff respondents answered that their work is much more complex than before. According to the staff (VGS #2), Since 2014, VGS has been responsible for managing the enormous village fund and being accountable for public funds that every economic transaction must be recorded and accompanied by an invoice. Before Village Law, the village government's primary duty was to serve the villagers in daily life, such as recording birth, marriage and mortality event, and as the community mediator. Furthermore, they stated that financial reports must be prepared every six months and annually, a new concept and knowledge that must be learned and supported by training. Meanwhile, according to a staff (VGS #3), the lack of competency of village staff is due to some village employees being elders. However, the government has gradually recruited young staff aged 17 to 45 since 2016 to improve staff capability. Nevertheless, the minimum educational requirement for the staff is senior high school. The government also provides administrative, budget, financial management and information technology training to enhance skills.

Question Comp2: Nine staff stated that the regulations that must be followed in administrative work are unclear and that they must comply with numerous regulations issued by the ministries of Home Affairs and village development.

Because these regulations contain ambiguous and conflicting rules, the staff have to manipulate some transactions for them to comply with the regulations.

Question Comp3: All staff (VGS#1 to #9) agreed that training is still required, and should be addressed to all village government employees, not just specific staff. Since regulation is dynamic and frequently revised by regulators, there will be difficulties in completing the tasks without training.

The staff competency investigation supports the answers for RQ1 and RQ2 which vague regulations and lack of staff competency still become an obstacle in IC implementation and accountability practice.

Information Technology Support

There are five questions about IT (Table 4.9) as follows:

Table 4. 9 IT Questions

No	Questions
IT1	How is the process of recording accounting transactions in your village? Is proceeded manually or by computer?
IT2	In your opinion, what is the difficulty in recording these transactions using a computer?
IT3	How does the financial system software help the village staff work?
IT4	What obstacles did you experience in using village financial system software?
IT5	Does your village government have a website? How is it going?

Question IT1: Four staff (VGS #1, #2, #5, #7) stated that the transaction is still recorded manually and only a small portion of it is computerised, while three staff (VGS#3, #6, #11) stated that all transaction recording is done on a computer. Furthermore, two staff (VGS #8 and VGS #9) noted that all daily transactions are manually recorded on paper books.

Question IT2: Five staff (VGS#2, #5, #7, #8, #9) explained that human resources constrain, such as the number of staff and sizeable elder staff, became an obstacle in running the IT.

Question IT3: Seven employees said that the software is intended to facilitate the accounting process and to prepare reporting that can be generated with a single click rather than manually. However, according to two staff (VGS #7 and #8), the software complicated the work because many different types of reports should be completed through the system and hard file reports. They questioned why they must provide hard copies of all these annual reports, which adds extra work if software can generate automated reports.

Question IT4: Three staff (VGS #1, #2, #6) said that since every transaction in the village is unique from one to another, some accounts are not provided on the software. According to a staff member (VGS #2), a poor network and a lack of skilled personnel make running the software complicated. Based on the rule, each authorised staff member should operate the software based on their position, but in reality, the system is performed by a single staff member who operates the software from inputting transactions to generating reports. Other staff (VGS#8) said it must be supported with a strong internet connection, a reliable server and computer from the software provider, and skilled human resources. A staff (VGS #9) revealed that financial software is prone to errors, which, according to the information obtained, is due to poor software development quality. Another limitation is that it is complex and not easy to use (VGS#3, #5, #6, #8, #11) and only one staff (VGS #11) claimed that there are no difficulties in operating the software.

Question IT5: Only two staff **(**VGS#3, #11) said his village government has an active website. Meanwhile, five villages (VGS#1, #2, #5, #8, #7) have the website but do not operate it actively. They admitted that they often communicate through *Facebook* and *WhatsApp* to share any information and receive any criticism or suggestions from the community because the community more often accesses social media than the website.

Findings regarding IT support and staff competency show that their presence has little impact on good governance improvement because of inadequate educational background for the workforce and underdeveloped technology.

Technology, like financial system software that cannot be relied on as a financial system, frequently makes errors and cannot meet the demands of village government financial reports. Additionally, few people have access to the internet and do not regularly access the website. The finding of IT investigation strengthens the answer for RQ1, RQ2 and RQ3.

4.5 Discussion

The study found three main concerns in achieving good governance in Indonesia's village government.

Weak internal control implementation

First, the unavailability of regulations of internal control for the village government causes the IC implementation not to run properly. Since there is a lack of a written code of ethics rules that should be understood and agreed upon for sanctioning employees who violate ethical behaviour, violations of ethics are not carried out properly. Second, unclear separation of work authority due to a large amount of work and low capacity of the village staff becomes an issue in governance. Third, the village consultative council's supervisory and controlling role over the village level's governance does not work properly. It is because of this board's weak position in its members' capabilities and their voice strength. Fourth, the inadequacy of regency audits with additional tasks to audit villages causes audits are not conducted regularly. In addition, because the regulations of IC including audit standards, are unclear, the village audit is more about a compliance audit whose task is to review the village's adherence to regulatory guidelines. The audit report evaluates the strength and thoroughness of compliance preparation, security policies and risk management procedures over a compliance audit. It is consistent with the study of (Donelson et al., 2017) that strong control will reduce financial reporting fraud by managers.

Absence of accounting standards and conflicts among current governance regulations

First, the village does not have village government accounting standards; therefore, the guidance in running accounting transaction merely refer to the government regulation and policies on village governance. However, the existing regulations overlap and conflict, resulting in village staff having difficulty carrying out financial management and poor quality of financial reporting. Second, the complexity of financial transactions in the village since the enactment of the Village Law has not been supported by the quality of human resources because many of the staff hold unrelated educational backgrounds to the tasks they are responsible for, leading to poor governance. These two issues cause a problem in accountability at the village level. Third, this absence also leads to a lack of transparency and participation from the community. In addition, the village consultative council's authority as the community's representative is limited because the regulation is uncertain about how it should be interpreted. As consistent with (Kimbro, 2002) Corruption is negatively associated with the legal system quality, measured by laws and regulations quality, accounting standards, and accountant concentration. Their current position is nothing more than a complement to the democratic system that requires representation from the community.

Poor information technology development

Unreliable financial software admits errors in the accounting process and financial reports preparation. In addition, the implementation of the financial information system software cannot generate accurate financial reports in accordance with regulations due to the system software's development limitations. In fact, the different characteristics of villages causing various economic transactions are also one of the factors driving the ineffectiveness of the implementation of the existing financial system. It is consistent with affordance theory, which suggests that technology affordance refers to the number of potential uses enabled by IT objects. A previous study (Zammuto et al., 2007) has characterised affordances as resulting from the interaction between the attributes of the non-profit organisation and the attributes of the technology; when considering different situations, the same technology may have different potentialities. Therefore, IT implemented for governance in the village government should be suitable for the characteristics of the village government.

4.6 Conclusion

This study aims to investigate the internal control implementation, accountability, transparency and participation practice for corruption prevention and detection in Indonesia. Those three findings show the current IC implementation, accountability, participation and transparency practice contribute to the failure of the village governance in corruption prevention and detection in the village government. Therefore, future research should examine and compare corruption prevention in Southeast Asian countries.

Chapter 5. Conclusions

The enactment of Village Law No 6 of 2014 is intended for village decentralisation which allows the village government to autonomously manage the village under regency and ministry regulations to increase community welfare and village development. However, despite efforts to decentralise the village government, the number of village corruption has been increasing since 2016. The unresolved problem of village corruption in Indonesia is projected will exacerbate poverty and village underdevelopment. The objective of this thesis is to analyse the village governance elements, namely internal control, accountability, transparency, and participation that are considered able to prevent and detect village corruption. This research focuses on how internal control, accountability, transparency, and participation at the village level can prevent and detect corruption.

In general, this research concludes that the implementation of village governance in Indonesia still has many weaknesses which is impacting on its effectiveness in preventing and detecting corruption. It shows that among the elements of good governance, only participation that effective to prevent and detect corruption. Meanwhile, the other elements are not effective due to weaknesses in their implementations.

5.1 The findings

Our research initially started with a bibliometric review and content analysis. Based on our findings, the trend of village corruption research has been increasing since 2015. The research area evolved from economics and politics areas to management, accounting and others. There are four themes dominated the literature over the past 30 years; politics and corruption, the impact of corruption on economics and development, decentralisation and corruption, and also village management and corruption eradication. The research theme about accounting and corruption eradication is still rare which provides future research chance to explore further the importance of accounting role in village corruption eradication.

The analysis of village governance shows that village governance practice has not reached good village governance. Our research found that among four elements of village governance, only participation has effectively affected corruption incidence. Meanwhile, other elements, internal control, accountability, and transparency are not effective in decreasing corruption. We found weaknesses in the implementation of village governance.

First, we identified several weaknesses in the village's internal control implementation. The implementation of two COSO elements is far from ideal. The control environment has not been established properly, such as the village government has not had a written code of ethical rules that must be committed by the staff to create integrity and ethical value. The investigation shows that the perpetrator of the ethics violation was not charged seriously due to inadequate implementation of the control environment. We also find that the audit standards and internal control regulations for village government have not been established yet. It causes difficulties for auditors in conducting financial audits. Therefore, the current audit is only limited to a compliance audit than a financial audit. This condition is also exacerbated by the inadequate number of auditors to perform regular audit every year. It supports the finding of Jeppesen, (2019) who argues that auditor is in an exceptional position for corruption eradication, therefore, audit standards must contain corruption in the fraud definition and audit profession must support effective preventive actions.

Meanwhile, in the control activities context, the establishment of segregation of duties has not been clear and strict. The unclear work authority was caused by the limited amount of village staff capacity and the large amount of work. Besides that, we also find that the function of the village consultative council for supervising and controlling the village governance does not work properly because of the village staff supremacy over the village consultative members. It can be said that if public institutions fail to implement the COSO framework, corruption incidence will be higher. It confirms the statement of Antón (2020) which argues that implementation of the COSO framework to increase control mechanisms in the public sector is urgently required to create a new form of government and its integrity. It also confirms previous research by Lucas, (2016) who revealed that at the village level, there is a tremendous conflict for resource control between the elites and the village community and also among the members of the local elite themselves.

Second, we found that several issues undermine the degree of accountability and transparency in the village accounting practice. Village government has not been complemented with village financial accounting standards. Due to the absence of these standards, village accounting practices depend entirely on government policies and regulations. However, the existing regulations overlap and conflict with each other. It is consistent with the investigation of Kimbro, (2002) who found that countries experiencing less corruption have better regulations, excellent financial reporting standards, a more effective court system and a greater number of accountants. The other issue in the village government is it has complex financial transactions in the post-enactment of village law compared to the pre-enactment of village Law which is also aggravated by unrelated village staff's educational background to the job specification. Therefore, it is difficult for the village government to create reliable accountability and transparency for the community. These findings are consistent with the study of Lewis, (2015) who states that the difficulties faced in village administration are vague village service responsibilities, unprepared village public financial management systems for managing the huge amount of village funds, and a lack of mechanisms to monitor the budget expenditure which causes the challenge of local corruption eradication.

The finding of information technology implementation also demonstrates that it is currently underdeveloped. The village government is still plagued by the not reliable financial software in running financial reports, such as system errors during monthly reporting. The reasons behind the unreliable software are the huge differences in village characteristics resulting in various economic transactions which cannot be covered by the system and also the poor quality of the information technology infrastructure. These factors contribute to the failure in providing high-quality accountability, transparency and financial report. The findings in technology development confirm Abbaszadeh et al. (2019) who found that the move from traditional data collection and transactions to modern and written instructions in information technology had a positive effect on internal control. It also support the finding of Mistry (2012) who explained that creating accurate and reliable record-keeping through computerised records and automated services is the foundation of transparency and accountability.

5.2 Research Implications

As there is only participation that affects corruption, Indonesian policymakers and regulators should urgently focus on three factors, internal control, accountability and transparency. According to the research's findings, this research has practical implications.

Firstly, this research has implications for policymakers or regulators to establish and provide village financial accounting standards and village audit standards. These two standards are urgently needed for the implementation of internal control and accounting practice in the village government. Secondly, policymakers or regulators should urgently review and revise the existing government regulations that are enacted by the Ministry of Village Development, the Ministry of Home Affairs, and also the regulation from the regency government some of which are considered conflicting and overlapping. Thirdly, the government also should consider the adequate number of regency auditors to conduct regular audits in the village government. Fourthly, the requirement of relevant educational background or experience in the village staff recruitment process. Village staff with relevant educational background or experience will increase village staff's competency, therefore, the segregation of duties can be implemented properly. Fifthly, the government is urgently to develop reliable technology or software to support the accounting process to increase the quality of accountability and transparency.

5.3 Research Limitation

This research uses a survey method which may be causing bias in their responses to corruption incidence. Even though data collection through questionnaires is commonly used to measure corruption or fraud incidence (Bierstaker et al., 2006; Widmalm, 2005), it may also still contain individual bias. Therefore, for decreasing the bias, the corruption incidence questionnaire was filled out by the member of the village consultative council whose main duty is to supervise the village government. However, future research needs to be further analysed using a more objective measure of corruption than those obtained from responses to questionnaires, such as village corruption data if it has been available. Future research also must consider another methodology to analyse these factors on village corruption, such as using field experimental method. This method may further explain the relationship between village governance and corruption in the Indonesian village government.

Appendices

Appendix 1: Questionnaire

A. Questionnaire for village government staff
Part One: The general information

1. The name of your village: ……………………………………………………
2. The name of your regency: ………………………………………………
3. The name of your province: ……………………………………………
   ☐ East Java ☐ Banten
   ☐ Central Java ☐ Special Region of Yogyakarta
   ☐ West Java
4. Your name (optional) …………………………………………………
5. Does your village government greceive village funds? ☐ Yes ☐ No
6. Academic Qualification:
   ☐ Junior High School
   ☐ Senior high school
   ☐ Diploma Degree
   ☐ Bachelor´s Degree
   ☐ Master Degree
   ☐ Doctorate or Ph.D
7. Current Position
   ☐ Village Head
   ☐ Village Secretary
   ☐ Village treasurer
   ☐ Unit Head
   ☐ Unit staff
8. Experience in that position:
   ☐ < 5 years ☐ 5-10 years ☐ >10 years
9. Training that has been followed:
   ☐ Administration about village
   ☐ No
10. Salary per month: (in Ruphias)
    ☐ < Rp 1.000.000 ☐ Rp 2.500.001 - 4.000.000
    ☐ Rp 1.000.000 - 2.500.0000 ☐ > Rp 4.000.000

11. Gender: ☐ Male ☐ Female
12. Do you need the result of this research: ☐ Yes ☐ No
    If yes, please write down your email: ……………………………………….

Part Two: Internal Control (IC1 – IC9)

Please, indicate to what extent you agree or disagree with each of the following statements using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
IC1	My village government has written rules regarding attitudes and behavior related to ethics at work.	1	2	3	4	5
IC2	My Village Head set an example in implementing agreed policies and rules.	1	2	3	4	5
IC3	My village government has a clear organisational structure.	1	2	3	4	5
IC4	The sub-district reviews the realisation of my village budget every six months.	1	2	3	4	5
IC5	The district inspectorate audits my village government's financial reports every year.	1	2	3	4	5
IC6	The quality of the audit results of my village's financial reports can be used to assess the effectiveness and efficiency of my village government's budget.	1	2	3	4	5
IC7	My Village Consultative Body reviews/assesses the budget made by my village government.	1	2	3	4	5
IC8	Every transaction related to the usage of village funds in my village government has been recorded in accordance with applicable regulations.	1	2	3	4	5
IC9	In my village government, the duties or authorities to carry out transactions using village funds have been separated between different staff regarding the functions of authorisation, recording and payment.	1	2	3	4	5

Part three: Staff Competency (Comp1 - Comp6)

Please, indicate to what extent you agree or disagree with each of the following statements using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Comp 1	All of my village government officials carry out their work according to their main duties and job description they have to carry out.	1	2	3	4	5
Comp 2	All of my village government officials master technology to help get the job done.	1	2	3	4	5
Comp 3	All of my village government officials, finish the job on time.	1	2	3	4	5
Comp 4	All of my village government officials were unable to complete the work according to the set performance targets. **(reverse).**	1	2	3	4	5
Comp 5	All of my village government officials have good abilities to carry out their duties and jobs.	1	2	3	4	5
Comp 6	All of my village government officials have good abilities to develop themselves.	1	2	3	4	5

Part Four: Accountability (ACC1 - ACC6)

Please, indicate to what extent you agree or disagree with each of the following statement using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
ACC 1	All transactions related to the use of village money are accompanied by proof of valid transactions (invoice).	1	2	3	4	5
ACC 2	The financial reporting format of my village government is in accordance with the standards set by the applicable regulations.	1	2	3	4	5
ACC 3	Financial reports are presented in a complete manner by my village government.	1	2	3	4	5
ACC 4	The completion of my village government financial reports is always on time.	1	2	3	4	5
ACC 5	The preparation of budget realisation report is always in accordance with the actual data.	1	2	3	4	5
ACC 6	the activities carried out by my village government are always according to the village budget.	1	2	3	4	5

Part Five: Information Technology (IT1 -IT5)

Please, indicate to what extent you agree or disagree with each of the following statement using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
IT1	The process of recording village fund transactions in my village government has been computerised.	1	2	3	4	5
IT2	The usage of computers/laptops has been optimally utilised to support village administration tasks.	1	2	3	4	5
IT3	By using the village financial application software (SISKEUDES), all financial accounting processes in my village government have shown more accurate results.	1	2	3	4	5
IT4	The village where I work has a website to report village information.	1	2	3	4	5
IT5	By using the village financial application software (SISKEUDES), the process of preparing village financial reports is faster.	1	2	3	4	5

B. Questionnaire for Village Consultative Council

Part One: The general information

1. The name of your village: ……………………………………….
2. The name of your regency: ……………………………………
3. The name of your province:

   ☐ East Java ☐ Banten

   ☐ Central Java ☐ Special Region of Yogyakarta

   ☐ West Java
4. Does your village government get village funds? ☐ yes ☐ No
5. Your current position

   ☐ Member of Village Consultative Council

   ☐ not a member of Village Consultative Council
6. If you are a village consultative council member, how long is your position?

   ☐ < 5 years ☐ > 10 years

   ☐ 5-10 years
7. Academic Qualification:

   ☐ Junior High School

   ☐ Senior high school

   ☐ Diploma Degree

   ☐ Bachelor´s Degree

   ☐ Master Degree

   ☐ Doctorate or Ph.D
8. Gender: ☐ Male ☐ Female
9. Do you need the result of this research: ☐ Yes ☐ No

   If yes, please write down your email: ……………………………………

Part two: Transparency (Trans1 – Trans4)

Please, indicate to what extent you perceive that the village government publishes information to the public using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Trans 1	My village government regularly reports information about the obtaining and usage of village funds either through the media of village office billboards, village meetings (meetings), or village government websites	1	2	3	4	5
Trans 2	My village government regularly reports information about village activities that have been implemented either through the village office billboards media, village meetings (meetings), or village government websites.	1	2	3	4	5
Trans 3	My village government regularly reports information about Village achievements that have been achieved either through the media of village office billboards, village meetings (meetings), or village government websites.	1	2	3	4	5
Trans 4	My village government routinely reports information about the usage of village funds either through village office billboards, village meetings (meetings), or the village government website.	1	2	3	4	5

Part Two: Participation (Part1 – Part4)

Please, indicate to what extent you perceive the involvement of the community in the village development program by using the scale below,

No	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Part1	The annual village development planning deliberations always involve community leaders in your village.	1	2	3	4	5
Part2	The Evaluation of the implementation of the village development work program by the village government always involves community leaders.	1	2	3	4	5

Part3	Village development planning is often decided unilaterally by the government than by deliberation. **(Reverse)**	1	2	3	4	5
Part4	The community in your village is always involved in implementing the village development work program.	1	2	3	4	5

Part Three: Corruption (Corrup1 – Corrup5)

Please, indicate to what extent you agree or disagree with each of the following statements using the scale below,

No	**Item**	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
Corrup1	In my village, there are officials who have used village money or property for personal use.	1	2	3	4	5
Corrup2	If the community needs help from village officials, there are village officials who are reluctant to help unless they are given a bribe in the form of money or goods.	1	2	3	4	5
Corrup3	There is a village government staff was caught in a case of embezzlement of village fix assets	1	2	3	4	5
Corrup4	There is a village government staff that was caught in the case of embezzling village money.	1	2	3	4	5
Corrup5	There is village government staff has been caught accepting bribes to expedite their personal affairs.	1	2	3	4	5

Appendix 2: Outcomes of the PhD Thesis

The three outcomes of the Ph.D. thesis are organised in bellow tables,

The first Article	**30 Years of Village Corruption Research: Accounting and Smart Village for Village Sustainability as Future Research Direction**
The current status	We have submitted the second version to the Sustainability MDPI journal (Q2 in Web of Science, IF: 3.889. Environmental Studies Category)
Authors	Caesar Marga Putri, Josep Maria Argilés-Bosch, Diego Ravenda.

The second Article	**An Empirical Analysis of Village Governance Effect on Corruption: An Indonesian Perspective**
The current status	We have submitted the second version Local Government Studies journal (Q2 in Web of Science, IF: 2.059. In Political Science Category)
Authors	Caesar Marga Putri, Josep Maria Argilés-Bosch, Diego Ravenda.
This third article also had been presented at I Congreso Internacional de Investigatión en Contabilidad 2021.	

The third article	**Creating Good Village Governance: An Effort to Prevent Village Corruption in Indonesia**
The current status	Published in Journal of Financial Crime (Q2 in SCOPUS, Economics, Econometrics and Finance Category)
Authors	Caesar Marga Putri, Josep Maria Argilés-Bosch, Diego Ravenda.
Date of Pubñication	Published online 27 January 2023
Citation	Putri, C.M., Argilés-Bosch, J.M. and Ravenda, D. (2023), "Creating good village governance: an effort to prevent village corruption in

	Indonesia", Journal of Financial Crime, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/JFC-11-2022-0266.
Journal Link	https://www.emerald.com/insight/1359-0790.htm
This second article also had been presented at II PRICIT Doctoral Workshop 2022	

The evidence of the publication and seminars are provided in the following section,

The current issue and full text archive of this journal is available on Emerald Insight at:
https://www.emerald.com/insight/1359-0790.htm

Creating good village governance: an effort to prevent village corruption in Indonesia

Caesar Marga Putri
Department of Business, Faculty of Economics and Business, Universitat de Barcelona, Barcelona, Spain and Department of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Bantul, Indonesia

Josep Maria Argilés-Bosch
Department of Business, Universitat de Barcelona, Barcelona, Spain, and

Diego Ravenda
Department of Management Control, Accounting and Auditing, TBS Business School, Campus Barcelona, Barcelona, Spain

Abstract

Purpose – This study aims to investigate how the village government implements internal control, accountability, transparency and participation in the good governance practice for corruption prevention and detection in Indonesia.

Design/methodology/approach – This study is qualitative research by conducting a semi-structured interview with village staff, village consultative council members and auditors.

Findings – The findings highlight three major issues contributing to poor governance and the failure to prevent and detect corruption.

Practical implications – The regulator should urgently provide accounting standards, audit standards and internal control regulations for the village to create good governance for eradicating corruption.

Originality/value – This paper is a ground-breaking study that investigates the governance practice in the village as an anchor to solve the chronic corruption problem and offers a new direction of research in the village government.

Keywords Indonesia, Corruption, Good governance, Village, Village fund

Paper type Research paper

Introduction

In Indonesia, the village where the majority of farmers and fishermen reside serves as a vital source of the nation's food; however, the economic condition of the village community is still in poverty. In this regard, village government is the level of government closest to the village community and will better understand the community's needs, such as which areas are still undeveloped and what the community needs. As a result, meeting their needs should be easier to improve their quality of life.

The passage of Law No. 6 of 2014, known as the Village Law, is intended to alleviate village poverty. Village Law gives the village government the authority to plan and manage budgets for community development and empowerment with the goal of improving community welfare. To ensure the success of the Village Law, the central government

Journal of Financial Crime
© Emerald Publishing Limited
1359-0790
DOI 10.1108/JFC-11-2022-0266

UNIVERSITAT DE BARCELONA

REDCID

CERTIFICADO

Este diploma acredita que

Caesar Marga Putri, Joseph Maria Argiles Bosch y Diego Ravenda

han presentado la comunicación titulada:

Corruption Eradication in Indonesia Village Government: Is Its Internal Control. Effective Enough?

en el "I Congreso Internacional de Investigación en Contabilidad", celebrado en Barcelona del 9 al 10 de diciembre de 2021

Sefa Boria-Reverter
Co-Director Comité Organizador

UNIVERSITAT DE BARCELONA
Facultat d'Economia i Empresa
Departament d'Empresa

Máximo Losilla-Ramíez
Co-Director Comité Organizador

II PRICIT Doctoral Workshop

31 March – 1 April 2022

Certificate of attendance

This is to certify that

Caesar Marga Putri
Universidad de Barcelona

has attended the:

II PRICIT Doctoral Workshop
31 March – 1 April 2022

Prof. Jacobo Gómez Conde
Workshop Chairs

Prof. Juan Ángel Lafuente Luengo
Chair Ciutat de Castelló Professorship

Prof. Belén Gill de Albornoz Noguer
Workshop Chairs

UAM Universidad Autónoma de Madrid | ASEPUC Asociación Española de Profesores Universitarios de Contabilidad | UJI Universitat Jaume I Càtedra Ciutat de Castelló | Ajuntament de Castelló | uc3m Universidad Carlos III de Madrid

References

Abbaszadeh, M. R., Salehi, M., & Faiz, S. M. (2019). Association of information technology and internal controls of Iranian state agencies. *International Journal of Law and Management*, *61*(1), 133–150. https://doi.org/10.1108/IJLMA-12-2017-0304

Afsana, K. (2004). The tremendous cost of seeking hospital obstetric care in Bangladesh. *Reproductive Health Matters*, *12*(24), 171–180. https://doi.org/10.1016/S0968-8080(04)24142-8

Agbejule, A., & Jokipii, A. (2009). Strategy, control activities, monitoring and effectiveness. *Managerial Auditing Journal*, *24*(6), 500–522. https://doi.org/10.1108/02686900910966503

Alpermann, B. (2009). Institutionalizing village governance in China. *Journal of Contemporary China*, *18*(60), 397–409. https://doi.org/10.1080/10670560902770263

Antlöv, H., Wetterberg, A., & Dharmawan, L. (2016). Village Governance, Community Life, and the 2014 Village Law in Indonesia. *Bulletin of Indonesian Economic Studies*, *52*(2), 161–183. https://doi.org/10.1080/00074918.2015.1129047

Antón, M. P. S. (2020). Internal control of public administrations. Its role in prevention and the fight against the corruption of the public powers. *Revista Catalana de Dret Public*, *2020*(60), 87–101. https://doi.org/10.2436/rcdp.i60.2020.3412

Aria, M., & Cuccurullo, C. (2017). bibliometrix: An R-tool for comprehensive science mapping analysis. *Journal of Informetrics*, *11*(4), 959–975. https://doi.org/10.1016/j.joi.2017.08.007

Arifin, T., Trinugroho, I., Prabowo, M. A., Sutaryo, S., & Muhtar, M. (2015). *Local Governance and Corruption: Evidence from Indonesia*.

Asgarkhani, M. (2005). Digital government and its effectiveness in public management reform: A local government perspective. *Public Management Review*, *7*(3), 465–487. https://doi.org/10.1080/14719030500181227

Aziiza, A. A., & Susanto, T. D. (2020). The Smart Village Model for Rural Area (Case Study: Banyuwangi Regency). *IOP Conference Series: Materials Science and Engineering*, *722*(1). https://doi.org/10.1088/1757-899X/722/1/012011

Azizal, M., Aziz, A., Said, J., & Alam, M. M. (2015). Assessment of The Practices of Internal Control System in The Public Sectors of Malaysia. *Asia-Pacific Management Accounting Journal*, *10*(1), 43–62.

Bardhan, P. (2006). Pro-poor targeting and accountability of local governments in West Bengal. *Journal of Development Economics*, *79*(2), 303–327. https://doi.org/10.1016/j.jdeveco.2006.01.004

Beeri, I., & Navot, D. (2013). Local Political Corruption: Potential structural malfunctions at the central-local, local-local and intra-local levels. *Public Management Review*, *15*(5), 712–739. https://doi.org/10.1080/14719037.2012.707682

Begum, F. (2021). Institutionalising co-management activities for conservation of forest resources: Evidence from the Sundarban mangrove forest management of Bangladesh. *Journal of Environmental Management*, *298*. https://doi.org/10.1016/j.jenvman.2021.113504

Bierstaker, J. L., Brody, R. G., & Pacini, C. (2006). Accountants' perceptions regarding fraud detection and prevention methods. In *Managerial Auditing Journal* (Vol. 21, Issue 5, pp. 520–535). https://doi.org/10.1108/02686900610667283

Birney, M. (2014). Decentralization and Veiled Corruption under China's "Rule of Mandates." *World Development*, *53*, 55–67. https://doi.org/10.1016/j.worlddev.2013.01.006

Bobsin, D., Petrini, M., & Pozzebon, M. (2019). The value of technology affordances to improve the management of nonprofit organizations. *RAUSP Management Journal*, *54*(1), 14–37. https://doi.org/10.1108/RAUSP-07-2018-0045

Borooah, V. K. (2022). Issues in the Provision of Health Care in India: An Overview1. *Arthaniti: Journal of Economic Theory and Practice*, *21*(1), 43–64. https://doi.org/10.1177/0976747920945186

Brockington, D. (2007). Forests, community conservation, and local government perfomance: The village forest reserves of Tanzania. *Society and Natural Resources*, *20*(9), 835–848. https://doi.org/10.1080/08941920701460366

Brodus, R. N. (1987). Toward a Definition of "Bibliometric." *Scientometrics*, *12*(5–6), 373–379.

Brusca, I., Manes Rossi, F., & Aversano, N. (2018). Accountability and Transparency to Fight against Corruption: An International Comparative Analysis. *Journal of Comparative Policy Analysis: Research and Practice*, *20*(5), 486–504. https://doi.org/10.1080/13876988.2017.1393951

Caamaño-Alegre, J., Lago-Peñas, S., Reyes-Santias, F., & Santiago-Boubeta, A. (2013). Budget Transparency in Local Governments: An Empirical Analysis. *Local Government Studies*, *39*(2), 182–207. https://doi.org/10.1080/03003930.2012.693075

Chavis, L. (2010). Decentralizing development: Allocating public goods via competition. *Journal of Development Economics*, *93*(2), 264–274. https://doi.org/10.1016/j.jdeveco.2009.10.001

Chawla, A. (2021). Social audit, accountability and accounting – an Indian perspective. *Journal of Accounting in Emerging Economies*, *11*(1), 10–26. https://doi.org/10.1108/JAEE-02-2019-0034

Chen, J. (2005). Popular support for village self-government in China: Intensity and sources. *Asian Survey*, *45*(6), 865–885. https://doi.org/10.1525/as.2005.45.6.865

Chenhall, R. H. (2003). *Management control systems design within its organizational context: findings from contingency-based research and directions for the future*. www.elsevier.com/locate/aos

Cheo, R., Huang, K., & Li, J. (2023). Group cooperation of village officials in Chinese rural resettlement: A lab in the field. *Contemporary Economic Policy*. https://doi.org/10.1111/coep.12599

Chin, W. W., Marcolin, B. L., & Newsted, P. R. (2003). A Partial Least Squares Latent Variable Modeling Approach for Measuring Interaction Effects: Results from a Monte Carlo Simulation Study and an Electronic-Mail Emotion/Adoption Study. In *Research* (Vol. 14, Issue 2).

Chung, J. O. Y., & Windsor, C. A. (2012). Empowerment through knowledge of accounting and related disciplines: Participatory action research in an African village. *Behavioral Research in Accounting*, *24*(1), 161–180. https://doi.org/10.2308/bria-10149

Cobo, M.J., López-Herrera, A.G., Herrera-Viedma, E., Herrera, F. (2011). Full-Text Citation Analysis : A New Method to Enhance. *Journal of the American Society for Information Science and Technology*, *62 (7)*(May), 1382–1402. https://doi.org/10.1002/asi

Corruption Perception Index. (2020). *Corruption Perceptions Index*. www.transparency.org/cpi

COSO. (2013). Internal Control- Integrated Framework. In *American Institute of Certified Public Accountants (AICPA)*. (Committee of Sponsoring Organisations of the Treadway Commission).

Coulibaly-Lingani, P., Savadogo, P., Tigabu, M., & Oden, P.-C. (2011). Decentralization and Community Forest Management in Burkina Faso: Constraints and Challenges. *International Forestry Review*, *13*(4), 476–486. https://doi.org/10.1505/146554811798811399

Creswell, J. W. (2009). *mixed method*. SAGE Publications Inc.

Creswell, J. W. (2012). *Educational Research: Planning, Conducting, and Evaluating Quantitative and Qualitative Research.* (4th ed.). Pearson.

Deneke, T. (2011). Institutional implications of governance of local common pool resources on livestock water productivity in ethiopia. *Experimental Agriculture*, *47*, 99–111. https://doi.org/10.1017/S0014479710000864

Deshingkar, P., Johnson, C., & Farrington, J. (2005). State transfers to the poor and back: The case of the Food-for-Work program in India. *World Development*, *33*(4), 575–591. https://doi.org/10.1016/j.worlddev.2005.01.003

Dewi, N. F., Ferdous Azam, S. M., & Yusoff, S. K. M. (2019). Factors influencing the information quality of local government financial statement and financial accountability. *Management Science Letters*, *9*(9), 1373–1384. https://doi.org/10.5267/j.msl.2019.5.013

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited institutional: ishomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, *48*(2), 147–160.

DiMaggio, P. J., & Powell, W. W. (2000). The iron cage revisited institutional isomorphism and collective rationality in organizational fields. In J. A. C. Baum & F. Dobbin (Eds.), *Economics Meets Sociology in Strategic Management* (Vol. 17, pp. 143–166). Emerald Group Publishing Limited. https://doi.org/10.1016/S0742-3322(00)17011-1

Donelson, D. C., Ege, M. S., & McInnis, J. M. (2017). Internal control weaknesses and financial reporting fraud. *Auditing*, *36*(3), 45–69. https://doi.org/10.2308/ajpt-51608

Dong, J., Xu, W., & Cha, J. (2021). Rural entrepreneurship and job creation: the hybrid identity of village-cadre-entrepreneurs. *China Economic Review*, *70*. https://doi.org/10.1016/j.chieco.2021.101704

Donthu, N., Kumar, S., Mukherjee, D., Pandey, N., & Lim, W. M. (2021). How to conduct a bibliometric analysis: An overview and guidelines. *Journal of Business Research*, *133*, 285–296. https://doi.org/10.1016/j.jbusres.2021.04.070

Dorminey, J., Scott Fleming, A., Kranacher, M. J., & Riley, R. A. (2012). The evolution of fraud theory. *Issues in Accounting Education*, *27*(2), 555–579. https://doi.org/10.2308/iace-50131

Drew Sellers, R., Fogarty, T. J., & Parker, L. M. (2012). Unleashing the technical core: Institutional theory and the aftermath of Arthur Andersen. *Behavioral Research in Accounting*, *24*(1), 181–201. https://doi.org/10.2308/bria-10176

Dutta, S. (2022). Do the Poor Benefit from the Right to Information Act? Evidence from the North Indian State of Uttar Pradesh. *Asian Survey*, *62*(2), 361–384. https://doi.org/10.1525/as.2022.1534279

Dwivedi, Y. K. (2016). Common Services Centres (CSCs) as an approach to bridge the digital divide: Reflecting on challenges and obstacles. *Transforming*

Government: People, Process and Policy, *10*(4), 511–525. https://doi.org/10.1108/TG-01-2016-0006

Eisenhardt, K. M. (2018). Linked references are available on JSTOR for this article : Agency Theory : An Assessment and Review. *Academy of Management*, *14*(1), 57–74.

Elbahnasawy, N. G. (2014). E-Government, Internet Adoption, and Corruption: An Empirical Investigation. *World Development*, *57*, 114–126. https://doi.org/10.1016/j.worlddev.2013.12.005

European Court of Auditors. (2016). *Governance at the European Commission — best practice?* (Issue 27). https://doi.org/10.2865/38354

Fanthorpe, R. (2012). Locating the Politics of a Sierra Leonean Chiefdom. *Africa. Journal of The International African Institute*, *68*(4), 558–584.

Farber, D. B. (2005). Restoring Trust after Fraud: Does Corporate Governance Matter? In *Source: The Accounting Review* (Vol. 80, Issue 2).

Florini, A. (2000). *Institutional Knowledge at Singapore Management University Does the invisible hand need a transparent glove ?* https://ink.library.smu.edu.sg/soss_research/2092

Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. In *Source: Journal of Marketing Research* (Vol. 18, Issue 1).

Gaygısız, E., & Lajunen, T. (2022). Cultural values, national personality characteristics, and intelligence as correlates of corruption: A nation level analysis. *Heliyon*, *8*(5). https://doi.org/10.1016/j.heliyon.2022.e09506

Gillespie, P., Girgis, M., & Mayer, P. (1996). "This great evil": Anticipating political obstacles to development. *Public Administration and Development*, *16*(5), 431–453. https://doi.org/10.1002/(SICI)1099-162X(199612)16:5<431::AID-PAD893>3.0.CO;2-O

Gomersall, K. (2021). Governance of resettlement compensation and the cultural fix in rural China. *Environment and Planning A*, *53*(1), 150–167. https://doi.org/10.1177/0308518X20926523

Gottlieb, J. (2016). Greater Expectations: A Field Experiment to Improve Accountability in Mali. *American Journal of Political Science*, *60*(1), 143–157. https://doi.org/10.1111/ajps.12186

Government. Indonesian Village Law, Village law (2014).

Gulzar, S., & Pasquale, B. J. (2017). Politicians, Bureaucrats, and Development: Evidence from India. *American Political Science Review*, *111*(1), 162–183. https://doi.org/10.1017/S0003055416000502

Hagberg, S., & Körling, G. (2016). Urban land contestations and political mobilisation: (re)sources of authority and protest in West African municipalities. *Social Anthropology*, *24*(3), 294–308. https://doi.org/10.1111/1469-8676.12312

Hair, J. F., Hult, G. T. M., Ringle, C., Sarstedt, M., Danks, N., & Ray, S. (2021). Partial least squares structural equation modeling (PLS-SEM) using R: A workbook. In *Springer*.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. In *European Business Review* (Vol. 31, Issue 1, pp. 2–24). Emerald Group Publishing Ltd. https://doi.org/10.1108/EBR-11-2018-0203

Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. In *European Business Review* (Vol. 26, Issue 2, pp. 106–121). Emerald Group Publishing Ltd. https://doi.org/10.1108/EBR-10-2013-0128

Hair, J., Hult, T., Ringle, C., & Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. SAGE Publications Inc.

Harun, H. (2021). A Critical Analysis of the Impacts of Financial Literacy and NPM on Village Funds Initiative in Indonesia. *International Journal of Public Administration*, *44*(4), 336–345. https://doi.org/10.1080/01900692.2020.1722165

Hogan, C. E., Rezaee, Z., Riley, R. A., & Velury, U. K. (2008). Financial statement fraud: Insights from the academic literature. *Auditing*, *27*(2), 231–252. https://doi.org/10.2308/aud.2008.27.2.231

Hoinaru, R., Buda, D., Borlea, S. N., Văidean, V. L., & Achim, M. V. (2020). The impact of corruption and shadow economy on the economic and sustainable development. Do they "sand the wheels" or "grease the wheels"? *Sustainability (Switzerland)*, *12*(2). https://doi.org/10.3390/su12020481

Hopper, T. (2017). Neopatrimonialism, good governance, corruption and accounting in Africa. *Journal of Accounting in Emerging Economies*, *7*(2), 225–248. https://doi.org/10.1108/jaee-12-2015-0086

Hou, L. (2022). Top-Down Accountability, Social Unrest, and Anticorruption in China. *American Review of Public Administration*, *52*(6), 423–438. https://doi.org/10.1177/02750740221100522

Howell, J. (1998). Prospects for village self-governance in China. *Journal of Peasant Studies*, *25*(3), 86–111. https://doi.org/10.1080/03066159808438676

Howell, J. (2007). Village elections in China: Recent prospects, new challenges. *Etudes Rurales*, *179*(1), 213–234. https://doi.org/10.4000/etudesrurales.8487

IMF. (2005). *The IMF's Approach to Promoting Good Governance and Combating Corruption: A Guide*. https://www.imf.org/external/np/gov/guide/eng/index.htm

Indonesia Corruption Watch. (2020). *Kinerja Penindakan Kasus Korupsi Tahun 2020*. https://www.antikorupsi.org/id/article/tren-penindakan-kasus-korupsi-tahun-2020

Indonesia Corruption Watch. (2021). Hasil Pemantauan Tren Penindakan Kasus Korupsi Semester I Tahun 2021 Divisi Hukum dan Monitoring Peradilan ICW. In *Hasil Pemantauan Tren Penindakan Kasus Korupsi Semester I Tahun 2021 Divisi Hukum dan Monitoring Peradilan ICW. September*. (Issue September).

INTOSAI. (2004). *Guidelines for International Control Standards for Public Sector*. https://www.ptonline.com/articles/how-to-get-better-mfi-results

INTOSAI General Secretariat. (1992). *Guideline for Internal Control Standards for the Public Sector*. *4*(1), 88–100.

Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *The Economic Nature of the Firm: A Reader, Third Edition*, *3*(4), 305–360. https://doi.org/10.1017/CBO9780511817410.023

Jeppesen, K. K. (2019). The role of auditing in the fight against corruption. *British Accounting Review*, *51*(5), 1–11. https://doi.org/10.1016/j.bar.2018.06.001

Kapeli, N. S., & Mohamed, N. (2019). Battling corruption in Malaysia: What can be learned? *Journal of Financial Crime*, *26*(2), 549–555. https://doi.org/10.1108/JFC-04-2018-0044

Kasinathan, P., Pugazhendhi, R., Elavarasan, R. M., Ramachandaramurthy, V. K., Ramanathan, V., Subramanian, S., Kumar, S., Nandhagopal, K., Raghavan, R. R. V., Rangasamy, S., Devendiran, R., & Alsharif, M. H. (2022). Realization of Sustainable Development Goals with Disruptive Technologies by Integrating Industry 5.0, Society 5.0, Smart Cities and Villages. *Sustainability (Switzerland)*, *14*(22). https://doi.org/10.3390/su142215258

Kasirye, F. (2021). An Overview of Mixed and Multi Method Research. *Asian Journal of Research in Business and Management* , *3*(2), 26–41. /articles/preprint/An_Overview_of_Mixed_and_Multi_Method_Research/14681643/1

Kaur, P., & Parashar, A. (2022). A Systematic Literature Review of Blockchain Technology for Smart Villages. In *Archives of Computational Methods in Engineering* (Vol. 29, Issue 4). Springer Netherlands. https://doi.org/10.1007/s11831-021-09659-7

Kementerian Desa, P. D. T., & Indonesia, D. T. R. (2022). *400 Triliun Dana Desa Digelontorkan Sejak 2015, Ini Hasilnya*. Https://Kemendesa.Go.Id/Berita/View/Detil/4227/400-Triliun-Dana-Desa-.

https://kemendesa.go.id/berita/view/detil/4227/400-triliun-dana-desa-digelontorkan-sejak-2015-ini-hasilnya

Khosla, R. (2006). Inventing Future Prosperity: The Buddhist Himalayan Region of Ladakh. *Open House International*, *31*(4), 86–89. https://doi.org/10.1108/ohi-04-2006-b0011

Kimbro, M. B. (2002). A Cross-Country Empirical Investigation of Corruption and its Relationship to Economic, Cultural, and Monitoring Institutions: An Examination of the Role of Accounting and Financial Statements Quality. *Journal of Accounting, Auditing & Finance*, *17*(4), 325–350. https://doi.org/10.1177/0148558X0201700403

Klitgaard, R. (1998). *International Cooperation Against Combating corruption.*

Kluter, H. (1992). Regional Autonomy or Emigration - the Situation of the Germans in Siberia. *Geographische Zeitschrift*, *80*(3), 139-148 WE-Social Science Citation Index (SSCI).

Krah, R., & Mertens, G. (2020). Democracy and financial transparency of local governments in Sub-Saharan Africa. *Meditari Accountancy Research*, *28*(4), 681–699. https://doi.org/10.1108/MEDAR-08-2019-0539

Kumar, A. (2021). Politics and government in the "Hindi heartland" India: reading Raag Darbari. *India Review*, *20*(4), 436–450. https://doi.org/10.1080/14736489.2021.1958584

Kumar, R. (2006). Impact and sustainability of E-government services in developing countries: Lessons learned from Tamil Nadu, India. *Information Society*, *22*(1), 1–12. https://doi.org/10.1080/01972240500388149

Lawrence, T. B., & Suddaby, R. (2006). Institutions and Institutional Work. In *Sage Handbook of Organization Studies* (pp. 215–254). SAGE Publications Inc.

Lekala, E., & Schwella, E. (2019). *Investigating Good Local Governance for Developmental Local Government: The Case of Prince Albert Municipality*. https://scholar.sun.ac.za

Levie, M. B. (2019). Corruption in Russia's Primorsky Kray: is transparency the answer? *Journal of Financial Crime*, *26*(1), 382–395. https://doi.org/10.1108/JFC-02-2018-0017

Levy, R. (2003). The village self-government movement: Elections, Democracy, the Party, and Anticorruption—Developments in Guangdong. *China Information*, *17*(1), 28–65. https://doi.org/10.1177/0920203X0301700102

Lewis, B. D. (2015). Decentralising to Villages in Indonesia: Money (and Other) Mistakes. *Public Administration and Development*, *35*(5), 347–359. https://doi.org/10.1002/pad.1741

Lewis, B. R., Templeton, G. F., & Byrd, T. A. (2005). A methodology for construct development in MIS research. *European Journal of Information Systems*, *14*(4), 388–400. https://doi.org/10.1057/palgrave.ejis.3000552

Lindstedt, C., & Naurin, D. (2010). Transparency is not enough: Making transparency effective in reducing corruption. *International Political Science Review*, *31*(3), 301–322. https://doi.org/10.1177/0192512110377602

Liu, B., Lu, X., Hu, X., Li, L., & Li, Y. (2021). What's wrong with the public participation of urban regeneration project in China: a study from multiple stakeholders' perspectives. *Engineering, Construction and Architectural Management*. https://doi.org/10.1108/ECAM-03-2020-0175

Lucas, A. (2016). Elite Capture and Corruption in two Villages in Bengkulu Province, Sumatra. *Human Ecology*, *44*(3), 287–300. https://doi.org/10.1007/s10745-016-9837-6

MácHová, R., Volejníková, J., & Lněnička, M. (2018). Impact of E-government Development on the Level of Corruption: Measuring the Effects of Related Indices in Time and Dimensions. *Review of Economic Perspectives*, *18*(2), 99–121. https://doi.org/10.2478/revecp-2018-0006

Maphanga, T., Shale, K., Gqomfa, B., & Zungu, V. M. (2022). The state of public participation in the EIA process and its role in South Africa: a case of Xolobeni. *South African Geographical Journal*. https://doi.org/10.1080/03736245.2022.2087726

Matthew, O. A., Babajide, A. A., Osabohien, R., Adeniji, A., Ewetan, O. O., Adu, O., Adegboye, F., Olokoyo, F. O., Adediran, O., Urhie, E., Edafe, O., & Itua, O. (2020). Challenges of accountability and development in Nigeria: An auto-regressive distributed lag approach. *Journal of Money Laundering Control*, *23*(2), 387–402. https://doi.org/10.1108/JMLC-10-2019-0086

Memon, M. A., Ting, H., Cheah, J.-H., Thurasamy, R., Chuah, F., & Cham, T. H. (2020). Sample Size for Survey Research: Review and Recommendations. *Journal of Applied Structural Equation Modeling*, *4*(2), i–xx. https://doi.org/10.47263/jasem.4(2)01

Mingers, J., & Leydesdorff, L. (2015). A review of theory and practice in scientometrics. *European Journal of Operational Research*, *246*(1), 1–19. https://doi.org/10.1016/j.ejor.2015.04.002

Mistry, J. J. (2012). The role of eGovernance in mitigating corruption. *Accounting and the Public Interest*, *12*(1), 137–159. https://doi.org/10.2308/apin-10287

Moran, J., Flanary, R., & Doig, A. (1999). Directions and Ownership. *Public Management: An International Journal of Research and Theory*, *1*(4), 593–601. https://doi.org/10.1080/14719039900000029

Mustikarini, A., & Adhariani, D. (2022). In auditor we trust: 44 years of research on the auditor-client relationship and future research directions. *Meditari*

Accountancy Research, *30*(2), 267–292. https://doi.org/10.1108/MEDAR-11-2020-1062

Nawawi, A., & Salin, A. S. A. P. (2018). Internal control and employees' occupational fraud on expenditure claims. *Journal of Financial Crime*, *25*(3), 891–906. https://doi.org/10.1108/JFC-07-2017-0067

Nickow, A., & Kumar, S. (2020). Mobilizing for Entitlement: A Randomised Evaluation of a Homestead Land Rights Initiative in Bihar, India. *Journal of Development Studies*, *57*(1), 45–69. https://doi.org/10.1080/00220388.2020.1762864

Novrizal, M., & Podger, O. (2014). *Corruption Prevention in Village Finance Government*. http://otda.kemendagri.go.id/images/file/data2014/file_konten/jumlah_daerah_otonom_ri.pdf

Ntemi, W. D., & Mbamba, U. O. (2016). The relationship between electronic readiness and corruption reduction: Countrywide data analysis. *Cogent Business and Management*, *3*(1). https://doi.org/10.1080/23311975.2016.1257555

Nyamori, R. O., Abdul-Rahaman, A. S., & Samkin, G. (2017). Accounting, auditing and accountability research in Africa: Recent governance developments and future directions. *Accounting, Auditing and Accountability Journal*, *30*(6), 1206–1229. https://doi.org/10.1108/AAAJ-05-2017-2949

Oladeinde, O., Mabetha, D., Twine, R., Hove, J., Van Der Merwe, M., Byass, P., Witter, S., Kahn, K., & D'Ambruoso, L. (2020). Building cooperative learning to address alcohol and other drug abuse in Mpumalanga, South Africa: a participatory action research process. *Global Health Action*, *13*(1). https://doi.org/10.1080/16549716.2020.1726722

Olken, B. A. (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. In *Journal of Political Economy* (Vol. 115, Issue 2).

Olken, B. A. (2009a). Corruption perceptions vs. corruption reality. *Journal of Public Economics*, *93*(7–8), 950–964. https://doi.org/10.1016/j.jpubeco.2009.03.001

Olken, B. A. (2009b). Corruption perceptions vs. corruption reality. *Journal of Public Economics*, *93*(7–8), 950–964. https://doi.org/10.1016/j.jpubeco.2009.03.001

Olken, B. A. (2009c). Do television and radio destroy social capital? Evidence from indonesian villages. *American Economic Journal: Applied Economics*, *1*(4), 1–33. https://doi.org/10.1257/app.1.4.1

Pandey, P. (2010). Service delivery and corruption in public services: How does history matter? *American Economic Journal: Applied Economics*, *2*(3), 190–204. https://doi.org/10.1257/app.2.3.190

Pati, S. (2019). The productive fuzziness of land documents: The state and processes of accumulation in urban villages of Delhi. *Contributions to Indian Sociology*, *53*(2), 249–271. https://doi.org/10.1177/0069966719836884

Paul, J., & Criado, A. R. (2020). The art of writing literature review: What do we know and what do we need to know? *International Business Review*, *29*(4), 101717. https://doi.org/10.1016/j.ibusrev.2020.101717

Perera-Mubarak, K. N. (2012). Reading "stories" of corruption: Practices and perceptions of everyday corruption in post-tsunami Sri Lanka. *Political Geography*, *31*(6), 368–378. https://doi.org/10.1016/j.polgeo.2012.05.007

Pillay, S. (2004a). Corruption - The challenge to good governance: A South African perspective. *International Journal of Public Sector Management*, *17*(7), 586–605. https://doi.org/10.1108/09513550410562266

Pillay, S. (2004b). Corruption - The challenge to good governance: A South African perspective. *International Journal of Public Sector Management*, *17*(7), 586–605. https://doi.org/10.1108/09513550410562266

Polidano, C., & Hulme, D. (1999). Public Management Reform Im Developing Countries. *Public Management: An International Journal of Research and Theory*, *1*(1), 121–132. https://doi.org/10.1080/14719037800000007

Purba, R. B., Aulia, F., Tarigan, V. C. E., Pramono, A. J., & Umar, H. (2022). Detection of Corruption in Village Fund Management using Fraud Analysis. *Quality - Access to Success*, *23*(190), 120–128. https://doi.org/10.47750/QAS/23.190.14

Puron-Cid, G., Reddick, C. G., & Ganapati, S. (2019). Public value of online financial transparency: Financial sustainability and corruption of public officials in the US state governments. *International Journal of Public Sector Management*, *32*(5), 511–533. https://doi.org/10.1108/IJPSM-03-2018-0073

Rowe, G., & Frewer, L. J. (2000). Public Participation Methods: A Framework for Evaluation. *Science, Technology & Human Values*, *25*(1), 3–29. https://www.jstor.org/stable/690198?seq=1&cid=pdf-

Ruan, J., & Wang, P. (2023). Elite Capture and Corruption: The Influence of Elite Collusion on Village Elections and Rural Land Development in China. *The China Quarterly*, *253*, 107–122. https://doi.org/10.1017/s0305741022001217

Ruano de la Fuente, J. M. (2014). E-Government Strategies in Spanish Local Governments. *Local Government Studies*, *40*(4), 600–620. https://doi.org/10.1080/03003930.2013.787414

Rubino, M., Vitolla, F., & Garzoni, A. (2017). The impact of an IT governance framework on the internal control environment. *Records Management Journal*, *27*(1), 19–41. https://doi.org/10.1108/RMJ-03-2016-0007

Salihu, H. A. (2022). Corruption: an impediment to good governance. In *Journal of Financial Crime* (Vol. 29, Issue 1, pp. 101–110). Emerald Group Holdings Ltd. https://doi.org/10.1108/JFC-11-2020-0235

Saputra, K. A. K., Anggiriawan, P. B., Sanjaya, I. K. P. W., Jayanti, L. G. P. S. E., & Manurung, D. T. H. (2019). The role of human resource accounting and the synergy of village government in village fund management. *Journal of Advanced Research in Dynamical and Control Systems*, *11*(11), 303–309. https://doi.org/10.5373/JARDCS/V11I11/20193200

Scott, C. (2000). Accountability in the Regulatory State. In *Journal of Law and Society* (Vol. 27, Issue 1).

Setiadi, S., Ekawati, H., & Habib, F. (2022). Exploring the roots of local government corruption practices in rural Java: An anthropological analysis. *Masyarakat, Kebudayaan Dan Politik*, *35*(1), 14. https://doi.org/10.20473/mkp.v35i12022.14-27

Sexton, R. (2022). The Unintended Effects of Bottom-Up Accountability: Evidence from a Field Experiment in Peru. *Quarterly Journal of Political Science*, *17*(2), 223–257. https://doi.org/10.1561/100.00020079

Shah, A. (2012). *Autonomy with Equity and Accountability Toward a More Transparent, Objective, Predictable and Simpler (TOPS) System of Central Financing of Provincial-Local Expenditures in Indonesia*. http://econ.worldbank.

Shenkin, M., & Coulson, A. B. (2007). Accountability through activism: Learning from Bourdieu. *Accounting, Auditing and Accountability Journal*, *20*(2), 297–317. https://doi.org/10.1108/09513570710741037

Shonhadji, N., & Maulidi, A. (2020). Is it suitable for your local governments?: A contingency theory-based analysis on the use of internal control in thwarting white-collar crime. *Journal of Financial Crime*. https://doi.org/10.1108/JFC-10-2019-0128

Sihombing, S. O. (2018). Youth perceptions toward corruption and integrity: Indonesian context. *Kasetsart Journal of Social Sciences*, *39*(2), 299–304. https://doi.org/10.1016/j.kjss.2018.03.004

Simakole, B. M., Farrelly, T. A., & Holland, J. (2019). Provisions for community participation in heritage management: case of the Zambezi Source National Monument, Zambia. *International Journal of Heritage Studies*, *25*(3), 225–238. https://doi.org/10.1080/13527258.2018.1481135

Smith, R. W., & Bertozzi, M. (1996). Principals and agents: an explanatory model for public budgeting. *Journal of Public Budgeting, Accounting & Financial Management*, *10*(3), 325–353. https://doi.org/10.1108/jpbafm-10-03-1998-b001

Sofyani, H., Pratolo, S., & Saleh, Z. (2021). Do accountability and transparency promote community trust? Evidence from village government in Indonesia. *Journal of Accounting and Organizational Change*. https://doi.org/10.1108/JAOC-06-2020-0070

Sofyani, H., Yaya, R., & Saleh, Z. (2022). Transparency and community trust in village government: Does corruption perception matter? *Financial Accountability and Management*. https://doi.org/10.1111/faam.12351

Song, Y, Wang MY, Lei, X. (2016). Following the Money: Corruption, Conflict, and the Winners and Losers of Suburban Land Acquisition in China. *Geographical Research*, *54*(1), 86–102. https://doi.org/10.1111/1745-5871.12158

Sorat, T., Rawangkarn, N. R., Rawang, W., & Kantamaturapoj, K. (2021). Stakeholder participation in Lopburi Old Town conservation master plan. *Journal of Cultural Heritage Management and Sustainable Development*. https://doi.org/10.1108/JCHMSD-10-2020-0150

Steiner, K. (1956). *The Japanese Village and Its Government* (Vol. 15, Issue 2).

Sugiharti, D. K. (2021). The Supervision of Village Fund Management to Prevent Corruption. *Padjadjaran Jurnal Ilmu Hukum*, *8*(3), 356–378. https://doi.org/10.22304/pjih.v8n3.a3

Susan, N., & Budirahayu, T. (2017). Village government capacity in the implementation of village law no. 6 of 2015 in Indonesia. In *Sustainable Future for Human Security: Society, Cities and Governance*. https://doi.org/10.1007/978-981-10-5433-4_2

Thompson, D. F. (2013). Two Concepts of Corruption. *SSRN Electronic Journal*, *16*, 1987–2009. https://doi.org/10.2139/ssrn.2304419

Transparency International. (2022). *Corruption Perception Index*. http://cpi.transparency.org/cpi2013/results/

UNDP. (2004). *Practice Note. UNDP, 2004*. *February*, 35.

UNESCAP. (2009). *United Nations Economic and Social Commission for Asia and the Pacific*. https://doi.org/10.18356/d4072237-en-fr

Valle-Cruz, D., Sandoval-Almazan, R., & Gil-Garcia, J. R. (2016). Citizens' perceptions of the impact of information technology use on transparency, efficiency and corruption in local governments. *Information Polity*, *21*(3), 321–334. https://doi.org/10.3233/IP-160393

Volkoff, O., & Strong, D. M. (2017). Affordance theory and how to use it in is research. *The Routledge Companion to Management Information Systems*, 232–246. https://doi.org/10.4324/9781315619361-18

Wang, J., & Mou, Y. (2021). The Paradigm Shift in the Disciplining of Village Cadres in China: From Mao to Xi. *China Quarterly*, *248*(1), 181–199. https://doi.org/10.1017/S0305741021000953

Wang, Q., Luo, S., Zhang, J., & Furuya, K. (2022). Increased Attention to Smart Development in Rural Areas: A Scientometric Analysis of Smart Village Research. *Land*, *11*(8). https://doi.org/10.3390/land11081362

Widmalam, S. (2014). Explaining Corruption at the Village and Individual Level. *Asian Survey*, *45*(5), 756–776.

Widmalm, S. (2005). Explaining corruption at the village and individual level in India. Findings from a study of the Panchayati Raj reforms. *Asian Survey*, *45*(5), 756–776. https://doi.org/10.1525/as.2005.45.5.756

Wu, S. (2021). Corruption and Accountability in China's Rural Poverty Governance: Main Features from Village and Township Cadres. *International Journal of Public Administration*, *44*(16), 1383–1393. https://doi.org/10.1080/01900692.2020.1765799

Wu, S., & Christensen, T. (2021). Corruption and Accountability in China's Rural Poverty Governance: Main Features from Village and Township Cadres. *International Journal of Public Administration*, *44*(16), 1383–1393. https://doi.org/10.1080/01900692.2020.1765799

Xinli, H. (2015). Effectiveness of information technology in reducing corruption in China. *Electronic Library*, *33*(1), 52–64. https://doi.org/10.1108/EL-11-2012-0148

xu, H., Horn Nord, J., Daryl Nord, G., & Lin, B. (2003). Key issues of accounting information quality management: Australian case studies. *Industrial Management & Data Systems*, *103*(7), 461–470. https://doi.org/10.1108/02635570310489160

Yao, Y. (2009). Village elections and redistribution of political power and collective property. *China Quarterly*, *197*, 126–144. https://doi.org/10.1017/S0305741009000071

Yen, N. T. K., & Van Luong, P. (2008). Participatory village and commune development planning (VDP/CDP) and its contribution to local community development in Vietnam. *Community Development Journal*, *43*(3), 329–340. https://doi.org/10.1093/cdj/bsn018

Zakaria, K. M., Nawawi, A., & Puteh Salin, A. S. A. (2016). Internal controls and fraud-empirical evidence from oil and gas company. *Journal of Financial Crime*, *23*(4), 1154–1168. https://doi.org/10.1108/JFC-04-2016-0021

Zammuto, R. F., Griffith, T. L., Majchrzak, A., Dougherty, D. J., & Faraj, S. (2007). Information technology and the changing fabric of organization. *Organization Science*, *18*(5), 749–762. https://doi.org/10.1287/orsc.1070.0307

Zhao, T. (2021). Corruption in rural china: The surprising incentives offered to village cadres to follow state directives*. *China Review*, *21*(4), 197–224. https://api.elsevier.com/content/abstract/scopus_id/85121003398

Zhao, Y., Zhang, R., & Klein, K. K. (2009). Perceived information needs and availability: Results of a survey of small dairy farmers in inner Mongolia. *Information Research*, *14*(3).

Zheng, Y., & Liao, X. (2018). The formation mechanism and precision control of corruption in poverty alleviation from the perspective of system dynamics. *Mathematical Problems in Engineering*, *2018*. https://doi.org/10.1155/2018/2796146

Zhong, Y., & Chen, J. (2002). To vote or not to vote: An analysis of peasants' participation in Chinese village elections. *Comparative Political Studies*, *35*(6), 686–712. https://doi.org/10.1177/0010414002035006003

Ziegenfuss, D. E. (2001). The Role of Control Environment in Reducing Localg Government fraud. *Journal Of Public Budgeting, Accounting & Financial Management*, *13*(3), 312–324.