

Budget Target Clarity, Community Participation, and Village Financial Accountability in Yawosi, Biak Numfor Regency, Indonesia

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Abstract

This study examines the relationships between budget target clarity, community participation, and village financial accountability in Yawosi District, Biak Numfor Regency, Indonesia. A quantitative associative approach involved 70 purposively selected respondents from eight villages. Data were collected using 25 Likert-scale items and analyzed through multiple linear regression using IBM SPSS Statistics Version 21. Budget target clarity was positively and significantly associated with village financial accountability ($B = 1.333$, $\beta = 0.820$, $t = 6.179$, $p < 0.001$), while community participation showed no significant independent association ($B = 0.059$, $\beta = 0.035$, $t = 0.267$, $p = 0.791$). The model was significant ($F(2, 67) = 88.075$, $p < 0.001$), explaining 72.4% of accountability variance. Budget target clarity demonstrated a stronger association with village financial accountability than community participation. Effective participation may require accessible information, responsive institutions, and meaningful oversight mechanisms. Purposive sampling, a cross-sectional perception-based design, 70 respondents, and combined respondent groups limit generalizability and causal interpretation. This study contributes to village financial governance literature by distinguishing technical planning and participatory governance mechanisms. It highlights budget target clarity as a stronger correlate of accountability and identifies participation quality and institutional responsiveness as priorities for future research.

Keywords: Budget Target Clarity, Community Participation, Local Governance, Village Financial Accountability, Village Financial Management;

1. INTRODUCTION

Village fiscal decentralization has expanded the authority of village governments to plan and manage public resources. Law Number 6 of 2014 concerning Villages, as amended by Law Number 3 of 2024, places villages in a stronger position to organize development and community services, while Minister of Home Affairs Regulation Number 20 of 2018 provides the main framework for village financial management. However, greater authority also increases the need for financial decisions that can be traced, explained, and evaluated by stakeholders ([Bawono et al., 2020](#); [Hamidah & Pebriyani, 2026](#); [Republic of Indonesia, 2024](#); [Ministry of Home Affairs of the Republic of Indonesia, 2018](#)).

Village financial accountability extends beyond the timely preparation of administrative reports. An accountable process requires a clear link between community needs, budget allocations, implementation, financial administration, reporting, and the explanation of results. Studies of village finance consistently associate accountability with transparent procedures, reliable records, internal controls, and opportunities for public scrutiny ([Rijal et al., 2021](#); [Tanete, 2024](#); [Ummah et al., 2024](#); [Wuriasih et al., 2021](#)). In this sense, accountability concerns not only whether funds were spent according to procedure but also whether the use of those funds can be understood and justified.

Budget target clarity is central to this process because accountability is difficult to establish when objectives are broad or open to different interpretations. Clear targets specify what is expected, when it should be achieved, and how achievement will be assessed. They also provide a common reference for comparing plans with realization and for explaining deviations. Empirical studies on village governments have generally found that clearer budget targets are associated with stronger accountability ([Anwar et al., 2024](#); [Dewi & Erlinawati, 2020](#); [Indrijawati et al., 2024](#); [Leoni et al., 2024](#); [Sulistiyowati & Prasetyo, 2025](#); [Winata, 2025](#)).

Community participation represents a different governance mechanism. Through planning forums, implementation, monitoring, and evaluation, residents can contribute information about local priorities and exercise social oversight over public resources. However, empirical evidence is less

consistent than for budget target clarity. Positive relationships have been reported in several settings ([Qulub & Hidayat, 2023](#); [Reri, 2023](#); [Sanusi & Riyadi, 2023](#)), whereas other studies show weak or statistically unsupported partial relationships ([Nazar et al., 2021](#); [Rijal et al., 2021](#); [Yasir & Munawaroh, 2023](#)). This variation suggests that participation cannot be assessed only by attendance or frequency of involvement; its contribution may depend on information access, institutional response, and the actual influence citizens have on decisions.

The local context strengthens the relevance of this issue. Studies in Papua and nearby eastern Indonesian settings have discussed transparency, participation, and village financial governance, but have generally focused on other districts or broader combinations of governance variables ([Lussy & Utomo, 2024](#); [Reri, 2023](#); [Wuriasih et al., 2021](#)). Evidence is still limited on how budget target clarity and community participation compare when examined together in the Yawosi District. This matters because the two variables represent different routes to accountability, one works through the clarity of internal planning and performance standards, while the other works through citizen involvement and social oversight.

A further gap concerns the mixed role of participatory budgeting. Much of the village finance literature treats participation as a desirable governance practice, yet statistical findings differ across models and locations. Examining budget target clarity and participation in the same regression equation makes it possible to distinguish their partial contributions while evaluating the explanatory capacity of the model as a whole. Stewardship theory provides a basis for understanding how clear goals can guide officials toward collective objectives, whereas agency theory explains why measurable targets and public oversight are important when information is distributed unevenly between officials and residents ([Davis et al., 1997](#); [Jensen & Meckling, 1976](#)). Accordingly, this study examines the relationships between budget target clarity and community participation with village financial accountability in Yawosi District, both individually and jointly. Its contribution is to compare a technical planning mechanism and a participatory governance mechanism within the same empirical model and to clarify why the two mechanisms may not have equal statistical strength in explaining accountability.

2. LITERATURE REVIEW

2.1 Stewardship Theory

Stewardship theory views organizational actors as capable of acting responsibly in pursuit of collective goals when their roles, responsibilities, and objectives are clear ([Davis et al., 1997](#)). In village government, officials are entrusted to manage public resources for community welfare. Clear budget targets support this stewardship role by translating broad development priorities into specific activities, expected outputs, implementation periods, and performance references. When officials understand the objectives they are expected to achieve, accountability can be anchored in observable commitments rather than administrative formality alone.

The same perspective also gives community participation a constructive role. Citizen involvement can supply information about local needs, strengthen shared understanding of priorities, and create a basis for evaluating whether implemented programs remain aligned with community interests. Stewardship theory therefore supports the expectation that both goal clarity and meaningful participation can strengthen accountability, although their empirical contributions may differ across institutional settings.

2.2 Agency Theory

Agency theory emphasizes the possibility of divergent interests and information asymmetry between principals and agents ([Jensen & Meckling, 1976](#)). In village financial management, residents and higher levels of government delegate authority to village officials, who usually possess more detailed information about budget allocation, implementation, and reporting. This information advantage creates a need for mechanisms that make decisions easier to monitor and to explain.

Budget target clarity reduces ambiguity by establishing measurable standards against which plans and realizations can be compared. Community participation complements this mechanism by providing residents with channels to obtain information, raise questions, and monitor implementation. From an agency perspective, target clarity strengthens formal accountability, whereas participation strengthens external oversight and reduces the distance between those who manage public funds and those whose interests the funds are intended to serve ([Bawono et al., 2020](#); [Anwar et al., 2024](#)).

These two theories are complementary. Stewardship theory explains why clear objectives can help officials perform their responsibilities effectively, while agency theory explains why those objectives and the use of public funds should remain visible and open to scrutiny. Together, they provide a coherent basis for examining budget target clarity as an internal planning mechanism and community participation as an external governance mechanism.

2.3 Village Financial Accountability

Village financial accountability refers to the obligation of village officials to explain and account for financial management from planning and implementation to administration, reporting, and formal responsibility. Its practical meaning lies in the traceability of decisions, stakeholders should be able to connect approved priorities with resource use, program implementation, reported realization, and the explanations provided when the results differ from the plans ([Bawono et al., 2020](#); [Tanete, 2024](#); [Ummah et al., 2024](#); [Wuriasih et al., 2021](#)).

Accountability therefore contains both administrative and public dimensions. Administrative accountability concerns orderly records, reporting, and compliance with financial procedures, while public accountability concerns whether relevant information can be understood and scrutinized by stakeholders ([Mujahidah, Muzalifah, and Mubarak, 2026](#)). The distinction is important because a report may be complete administratively without necessarily enabling residents to understand how decisions were made or why a target was not achieved ([Rijal et al., 2021](#); [Sulistyowati & Nataliawati, 2022](#)). In the present model, accountability is treated as the government's capacity to provide evidence and explanations regarding the management of village finances. This definition is kept conceptually separate from community participation, which concerns citizens' involvement in governance processes rather than the government's responsibility to account for those processes.

2.4 Budget Target Clarity

Budget target clarity describes the extent to which budget objectives are specific, measurable, and understandable to those responsible for implementation ([Kenis, 1979](#)). In village financial management, clarity is reflected in explicit program objectives, measurable output or outcome targets, a defined implementation period, and a shared understanding of budget priorities ([Hamidah, & Pebriyani, 2026](#); [Tini, & Padnyawati, 2026](#)). Clear targets improve accountability because they create a stable point of comparison between what is promised and what is delivered ([Wizha, & Anisah, 2026](#); [Ibodullaevich, & Kamil, 2026](#)). They help officials to allocate resources consistently, identify responsibilities for activities, and explain variances in implementation. Recent evidence from village governments supports this relationship, showing that clearer budget targets are associated with stronger accountability and more disciplined financial management ([Anwar, Sulkiah, & Wadi, 2024](#); [Indrijawati, Darmawati, Anwar, Fatmawati, & Samsinar, 2024](#); [Leoni, Andriani, Yentifa, & Zahara, 2024](#); [Sari, Padnyawati, & Andayani, 2024](#); [Sulistyowati, & Prasetyo, 2025](#); [Winata, 2025](#)).

Target clarity also improves communication with stakeholders when budget information is presented in accessible terms. Information on activities, locations, output targets, costs, responsible parties, and implementation periods gives residents a practical basis for comparing approved plans with the reported realization. Thus, budget target clarity links internal planning discipline to public traceability expected in accountable financial management.

2.5 Community Participation

Community participation refers to the involvement of residents in planning, proposal formulation, implementation, monitoring, and evaluation of village fund utilization ([Hamidah &](#)

[Pebriyani, 2026](#); [Tini & Padnyawati, 2026](#)). Participation can enrich government decisions with local knowledge and can also create social oversight by enabling residents to question whether programs, budgets, and results remain aligned with agreed priorities [Khairunnisa and Ananta \(2026\)](#). The quality of participation is as important as frequency. Participation becomes more consequential when citizens have usable budget information, opportunities to express their concerns, and evidence that their input receives institutional follow-up [Ardansyah, Habiburahhman, and Defrizal \(2026\)](#). Research on local government similarly shows that influential participation depends on organizational structures, management support, citizen knowledge, and communication channels, rather than on the existence of participatory forums alone ([Kurkela et al., 2024](#); [Lee et al., 2023](#)). This helps explain why empirical findings on participation and village accountability remain mixed ([Nazar et al., 2021](#); [Rijal et al., 2021](#); [Sanusi & Riyadi, 2023](#); [Sofia & Fitriyah, 2022](#)). In this study, community participation is treated as a governance mechanism that can improve accountability when residents can contribute information and exercise meaningful oversight. At the same time, the mixed evidence makes it important to test whether participation retains an independent statistical contribution once budget target clarity is considered in the same model.

2.6 Hypothesis Development

Table 1. Summary of the literature used to formulate the hypotheses

Source	Focus addressed in the manuscript	Relevance to the study
Dewi & Erlinawati (2020)	Budget target clarity, competence, and community participation in village fund management.	Basis for selecting the planning and citizen-involvement variables.
Leoni et al. (2024)	Budget target clarity and internal controls.	This supports the argument regarding internal accountability mechanisms.
Sulistyowati & Prasetyo (2025)	Budget target clarity and officials' competence.	This strengthens the conceptual basis of the first hypothesis.
Lussy & Utomo (2024)	Transparency, accountability, and community participation in Papua	It provides a contextual grounding for the study of village governance.
Saragih and Alpi (2023)	Community participation, governance, and the effectiveness of village fund management.	Shows that the role of participation must be interpreted according to the model and measures used.
Tini & Padnyawati (2026)	Target clarity, organizational commitment, and community participation.	Provides a comparison of the variation in relationships among the variables.
Kurkela et al. (2024)	Organizational conditions for influential citizen participation in local government.	Participation depends on structures, management support, culture, and resources.
Lee et al. (2023)	Citizen knowledge and communication in participatory budgeting.	This supports the view that participation becomes meaningful when citizens have usable information and responsive communication channels.

Table 1 shows the reviewed studies highlight the importance of budget target clarity, community participation, and organizational mechanisms in strengthening village financial accountability. Previous findings emphasize the roles of internal controls, institutional support, transparency, and effective communication in improving governance. These studies provide a conceptual and empirical foundation for examining the relationships between budget target clarity, community participation, and village financial accountability.

Clear budget targets provide officials and stakeholders with a common reference for evaluating public resource use. Stewardship theory suggests that clear goals help officials align implementation with collective objectives, while agency theory suggests that measurable targets reduce ambiguity and

make deviations easier to identify and question. Empirical studies consistently report a positive relationship between budget target clarity and village financial accountability ([Dewi & Erlinawati, 2020](#); [Hamidah & Pebriyani, 2026](#); [Leoni et al., 2024](#); [Sulistiyowati & Prasetyo, 2025](#); [Tini & Padnyawati, 2026](#)). Therefore, the expected direction is positive: the more clearly village programs specify objectives, outputs, time frames, and budget priorities, the stronger the basis for documenting performance and explaining the use of village funds.

H_1 : Budget Target Clarity is positively associated with Village Financial Accountability

Community participation is expected to strengthen accountability because residents involved in planning and oversight have more opportunities to understand budget priorities, identify implementation problems, and request explanations. This expectation is supported by studies that have found positive relationships between participation and village financial governance ([Qulub & Hidayat, 2023](#); [Reri, 2023](#); [Sanusi & Riyadi, 2023](#)). Although other studies report weak or nonsignificant effects, a positive relationship remains theoretically plausible in the Yawosi District because participation can provide both local knowledge and external monitoring. The crucial condition is that involvement must be connected to information access and institutional response. Evidence from public administration research reinforces this point: participation is more influential when it is embedded in organizational structures and supported by communication and management processes ([Kurkela et al., 2024](#); [Lee et al., 2023](#); [Young & Tanner, 2023](#)).

H_2 : Community Participation is positively associated with Village Financial Accountability

Budget target clarity and community participation represent complementary routes to accountability. The former strengthens the structure and measurability of internal planning, whereas the latter creates opportunities for external input and social oversight. When both mechanisms operate effectively, the model should explain a meaningful share of the variation in village financial accountability ([Hamidah & Pebriyani, 2026](#); [Reri, 2023](#); [Sulistiyowati & Prasetyo, 2025](#); [Tini & Padnyawati, 2026](#)). The simultaneous hypothesis concerns the explanatory significance of both predictors when entered into the same regression equation. It does not assume that the two variables contribute equally or that they interact statistically, these questions depend on the partial coefficients and would require a separate interaction test.

H_3 : Budget Target Clarity and Community Participation are jointly associated with Village Financial Accountability

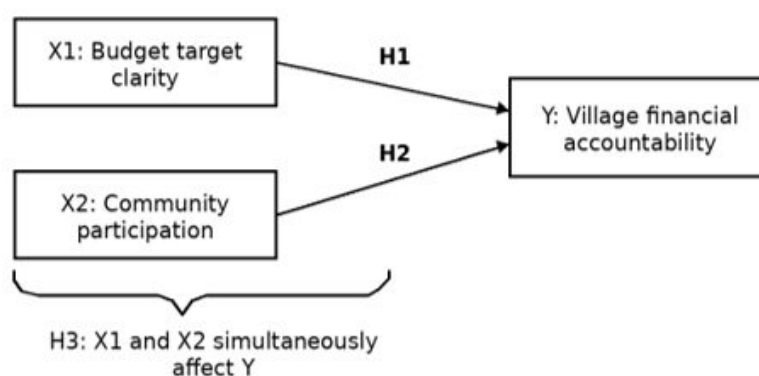


Figure 1. Research conceptual framework

Figure 1 shows the relationships between budget target clarity (X_1), community participation (X_2), and village financial accountability (Y). H_1 and H_2 examine the individual effects of budget target clarity and community participation on village financial accountability, respectively. H_3 examines the simultaneous effect of both independent variables on village financial accountability.

3. RESEARCH METHODOLOGY

This study used a quantitative associative design to examine the relationships between budget target clarity (X_1), community participation (X_2), and village financial accountability (Y). The research was conducted in eight villages in the Yawosi District, Biak Numfor Regency, Papua, Indonesia. The unit of analysis consisted of individuals who were directly involved in the planning, management, implementation, or oversight of village financial activities.

The population comprised stakeholders involved in village financial management, including village government officials, members of the Village Consultative Body (Bamuskam), customary leaders, community leaders, religious leaders, youth representatives, and women representatives. Purposive sampling was applied using two criteria, such as respondents had to have authority over or direct involvement in village fund management or supervision, and they had to have participated in those activities for at least one year. Ten questionnaires were distributed in each village. Of the 80 questionnaires distributed, 70 were complete and eligible for analysis.

Primary data were collected using a structured questionnaire with a five-point Likert scale, ranging from 1 (lowest agreement) to 5 (highest agreement). The instrument contained 25 items, such as seven for budget target clarity, six for community participation, and twelve for village financial accountability. The item domains were developed with reference to the concepts and dimensions used in previous studies. Budget Target clarity covered objective clarity, measurability of outputs or outcomes, certainty of the achievement period, and understanding of budget priorities ([Kenis, 1979](#); [Hamidah & Pebriyani, 2026](#); [Tini & Padnyawati, 2026](#)). Community participation covered planning deliberations, expression of aspirations, involvement in implementation, evaluation, and supervision. Village financial accountability covers planning, implementation, financial administration, reporting, formal accountability, and information disclosure ([Bawono et al., 2020](#); [Tanete, 2024](#); [Ummah et al., 2024](#); [Wuriasih et al., 2021](#)).

Table 2. Operational definitions and measurement dimensions of the variables

Variables	Operational Definition	Measurement Dimensions
X_1 : Budget Target Clarity	The extent to which budget targets are clearly specified and measurable and understood by the parties involved in the implementation of the village budget.	Clarity of objectives, measurability of output/outcome targets, certainty of the achievement period, and understanding of budget priorities.
X_2 : Community Participation	The extent of community involvement in the planning, implementation, and supervision stages of village fund management.	Involvement in planning deliberations, expression of aspirations, involvement in activity implementation, and evaluation and supervision.
Y : Village Financial Accountability	The ability of village officials to explain, report, and account for the management of village finances to relevant stakeholders.	Planning, implementation, financial administration, reporting, accountability, and information disclosure.

Table 2 shows the operational definitions and measurement dimensions of budget target clarity (X_1), community participation (X_2), and village financial accountability (Y). Budget target clarity is measured through objective clarity, target measurability, achievement periods, and budget priorities, while community participation focuses on involvement in planning, implementation, and supervision. Village financial accountability is assessed through planning, implementation, financial administration, reporting, accountability, and information disclosure.

Instrument quality was evaluated through item validity and internal-consistency reliability. Item validity was assessed using Pearson's item-total correlations. With 70 valid responses, an item was retained when its calculated correlation exceeded the critical value of 0.235, and the significance level was below 0.05. Reliability was assessed using Cronbach's alpha, with a coefficient above 0.70 treated

as evidence of adequate internal consistency. The detailed results are presented in Tables 3 and 4. Multiple linear regression was performed using IBM SPSS Statistics Version 21. The analysis proceeded from instrument testing to regression estimation, partial t-tests, the overall F-test, and the coefficient of determination. Multicollinearity was assessed using tolerance and Variance Inflation Factor (VIF) values. The Formula 1 is specified as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \quad (1)$$

where Y represents village financial accountability, X_1 represents budget target clarity, X_2 represents community participation, α is the constant, β_1 and β_2 are the regression coefficients, and ε is the error term. The hypotheses were evaluated at a 5% significance level ($\alpha = 0.05$). The *t*-test assessed the partial association of each predictor with village financial accountability while controlling for the other predictors. The F-test evaluated the statistical significance of the model as a whole, and R^2 and Adjusted R^2 were used to describe its explanatory capacity.

4. RESULTS AND DISCUSSION

4.1 Result

Seventy valid questionnaires from eight villages were included in this analysis. The results are presented in four stages, such as instrument quality, regression coefficients and multicollinearity diagnostics, overall model significance, and explanatory power.

4.1.1 Instrument Validity Test

All questionnaire items satisfied the validity criterion. As summarized in Table 3, the calculated item correlations ranged from 0.621 to 0.891 for budget target clarity, from 0.509 to 0.884 for community participation, and from 0.394 to 0.824 for village financial accountability. Each value exceeded the critical value of 0.235 ($p < 0.001$).

Table 3. Results of the research instrument validity test

Variables	Item	r-Calculated	r-Table	Sig.	Result
Budget Target Clarity (X_1)	1	0.653	0.235	<0.001	Valid
	2	0.736	0.235	<0.001	Valid
	3	0.891	0.235	<0.001	Valid
	4	0.743	0.235	<0.001	Valid
	5	0.877	0.235	<0.001	Valid
	6	0.621	0.235	<0.001	Valid
	7	0.827	0.235	<0.001	Valid
Community Participation (X_2)	1	0.882	0.235	<0.001	Valid
	2	0.884	0.235	<0.001	Valid
	3	0.860	0.235	<0.001	Valid
	4	0.509	0.235	<0.001	Valid
	5	0.699	0.235	<0.001	Valid
	6	0.827	0.235	<0.001	Valid
Village Financial Accountability (Y)	1	0.394	0.235	<0.001	Valid
	2	0.573	0.235	<0.001	Valid
	3	0.772	0.235	<0.001	Valid
	4	0.712	0.235	<0.001	Valid
	5	0.824	0.235	<0.001	Valid
	6	0.675	0.235	<0.001	Valid
	7	0.819	0.235	<0.001	Valid
	8	0.666	0.235	<0.001	Valid
	9	0.733	0.235	<0.001	Valid
	10	0.763	0.235	<0.001	Valid

Variables	Item	r-Calculated	r-Table	Sig.	Result
Village Financial Accountability (Y)	11	0.792	0.235	<0.001	Valid
	12	0.773	0.235	<0.001	Valid

4.1.2 Instrument Reliability Test

Internal consistency was also satisfactory. Cronbach's alpha was 0.877 for budget target clarity, 0.878 for community participation, and 0.911 for village financial accountability, all above the 0.70 threshold, as shows in Table 4. These results indicate that all three variables demonstrated high internal consistency and acceptable reliability. The findings suggest that the measurement items within each variable consistently assessed their respective constructs, supporting the reliability of the research instrument.

Table 4. Results of the research instrument reliability test

No	Variables	Cronbach Alpha	Reliability Threshold	Result
1	Budget Target Clarity (X_1)	0.877	0.70	Reliable
2	Community Participation (X_2)	0.878	0.70	Reliable
3	Village Financial Accountability (Y)	0.911	0.70	Reliable

4.1.3 Multiple Linear Regression and Multicollinearity Diagnostics

Table 5. Results of multiple linear regression analysis and partial tests

Variables	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
Constant	8.811	2.951	–	2.986	0.004	–	–
Budget Target Clarity (X_1)	1.333	0.216	0.820	6.179	<0.001	0.234	4.282
Community Participation (X_2)	0.059	0.221	0.035	0.267	0.791	0.234	4.282

Table 5 shows the regression coefficients, tolerance, and VIF values. The tolerance values for both predictors were 0.234, and the VIF was 4.282. These values do not indicate severe multicollinearity under the commonly used criteria of tolerance above 0.10 and VIF below 5, although the size of the VIF suggests that the partial coefficients should be interpreted with caution.

$$Y = 8.811 + 1.333X_1 + 0.059X_2 + \varepsilon \quad (2)$$

Formula 2 shows Y represents village financial accountability, X_1 denotes budget target clarity, and X_2 represents community participation. The positive regression coefficients indicate that increases in budget target clarity and community participation are associated with higher village financial accountability, holding other variables constant. Budget target clarity has a larger regression coefficient, suggesting a stronger association with financial accountability than community participation, although the latter's effect is not statistically significant. Budget target clarity showed a positive and statistically significant partial association with village financial accountability ($B = 1.333$, $\beta = 0.820$, $t = 6.179$, $p < 0.001$). Therefore, H_1 was supported. Community participation had a small positive coefficient but was not statistically significant after budget target clarity was controlled ($B = 0.059$, $\beta = 0.035$, $t = 0.267$, $p = 0.791$). Therefore, H_2 is not supported.

4.1.4 Simultaneous Test of the Regression Model

The overall regression model was statistically significant. As shown in Table 6, $F(2, 67) = 88.075$, with $p < 0.001$, supporting H_3 at the model level. This finding indicates that budget target clarity and community participation jointly provide statistically significant explanatory power for village financial accountability. The results confirm the overall significance of the regression model, although the individual contribution of each variable must be interpreted based on its respective partial significance test.

Table 6. Results of the simultaneous test (ANOVA)

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Regression	3,586.249	2	1,793.124	88.075	<0.001
Residual	1,364.051	67	20.359	—	—
Total	4,950.300	69	—	—	—

The significant F-test indicates that the two-predictor model explains the variation in village financial accountability better than a model without the predictors. This result does not mean that both predictors are individually significant, the partial tests show that only budget target clarity has a significant independent association in the estimated equation.

4.1.5 Coefficient of Determination

Table 7. Model summary and coefficient of determination

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate
1	0.851	0.724	0.716	4.51209

Table 7 summarizes the explanatory power of the model. R was 0.851, R^2 was 0.724, and Adjusted R^2 was 0.716. Thus, the model accounted for 72.4% of the observed variation in village financial accountability, with 28.4% associated with factors outside the model. These findings indicate that the independent variables collectively demonstrate substantial explanatory power in predicting village financial accountability.

4.1.6 Summary of Hypothesis Testing

The hypothesis results are summarized in Table 8. Budget target clarity was supported as a significant positive predictor, community participation was not supported as a significant partial predictor, and the overall two-predictor model was significant.

Table 8. Summary of hypothesis testing results

Hypothesis	Tested Relationship	Coefficient/Statistic	Sig.	Result
H_1	Budget Target Clarity → Village Financial Accountability	$B = 1.333, \beta = 0.820, t = 6.179$	<0.001	Supported
H_2	Community Participation → Village Financial Accountability	$B = 0.059, \beta = 0.035, t = 0.267$	0.791	Not Supported
H_3	Budget Target Clarity and Community Participation → Village Financial Accountability	$F(2,67) = 88.075, R^2 = 0.724$	<0.001	Supported

Table 8 shows the hypothesis testing results indicate that budget target clarity has a positive and significant effect on village financial accountability (H_1 supported), while community participation shows no significant effect (H_2 not supported). The simultaneous test confirms that both variables jointly explain village financial accountability, supporting H_3 ($F = 88.075, p < 0.001$). The model explains 72.4% of the variance in village financial accountability, highlighting the stronger individual contribution of budget target clarity. The pattern of results is therefore asymmetric: the model has substantial explanatory power, but most of the independent statistical contribution is associated with budget target clarity rather than community participation.

4.2 Discussion

4.2.1 Budget Target Clarity and Village Financial Accountability

Budget target clarity showed the strongest relationship with village financial accountability in the model ($\beta = 0.820, p < 0.001$). This result indicates that accountability is higher when village programs are expressed through targets that are specific, measurable, time-bound, and understood by the parties responsible for implementation. The practical significance of this relationship lies in its

traceability. A clear target allows officials and stakeholders to follow a program from the planning document to the allocated budget, implementation schedule, expected output, and reported realization. When a target is missed, the same structure provides a basis for identifying the gap and explaining its occurrence. Therefore, accountability becomes a process of linking commitments with evidence rather than simply completing a reporting requirement.

This finding is consistent with stewardship theory because clear goals reduce role ambiguity and help officials translate collective priorities into operational responsibilities. It is also consistent with agency theory because measurable targets reduce the informational advantage of budget managers by giving principals a standard against which performance can be assessed ([Davis et al., 1997](#); [Jensen & Meckling, 1976](#)). Empirically, the result aligns with studies that identify budget target clarity as an important determinant of village financial accountability ([Dewi & Erlinawati, 2020](#); [Hamidah & Pebriyani, 2026](#); [Indrijawati et al., 2024](#); [Leoni et al., 2024](#); [Sulistiyowati & Prasetyo, 2025](#); [Tini & Padnyawati, 2026](#); [Winata, 2025](#)). The consistency of these findings across different local settings suggests that target clarity is not merely a technical budgeting feature. It is part of the accountability architecture because it defines what must be explained and evidenced later. For village governments, the implications are concrete. Budget information should state the activity, target group or location, expected output, budget ceiling, implementation period, responsible party, and realized result in a concise format that can be used both internally and publicly. Presenting targets in this way can improve managerial discipline while also giving *Badan Musyawarah Kampung/Bamuskam* members and residents a clearer basis for oversight.

4.2.2 Community Participation and Village Financial Accountability

Community participation did not show a statistically significant partial association with village financial accountability once budget target clarity was included in the model ($\beta = 0.035$, $p = 0.791$). This result does not imply that participation has no value. It indicates that the form of participation captured by the questionnaire did not explain additional variation in accountability beyond the contribution already associated with target clarity.

A plausible explanation is the difference between procedural and influential participation. Residents may attend meetings, submit proposals, or take part in activities without having sufficient access to budget realization data, a clear channel for questioning deviations, or assurance that their input will receive a documented response. Under those conditions, participation is visible as an activity but weak as an accountability mechanism. Similar nonsignificant or unstable relationships have been reported by [Nazar et al. \(2021\)](#), [Rijal et al. \(2021\)](#), and [Yasir and Munawaroh \(2023\)](#).

The contrast with studies reporting significant effects is equally important. [Qulub and Hidayat \(2023\)](#), [Rei \(2023\)](#), [Sanusi and Riyadi \(2023\)](#), and [Sofia and Fitriyah \(2022\)](#) show that participation can support stronger governance outcomes in settings where citizen involvement operates alongside other institutional mechanisms. This difference suggests that the question is not simply whether citizens participate, but whether participation is connected to relevant information, representation, follow-up, and the authority to influence or scrutinize decisions.

This interpretation is reinforced by broader public administration research. [Kurkela et al. \(2024\)](#) show that influential citizen participation requires supportive organizational structures, management, culture, and resources, while [Lee et al. \(2023\)](#) emphasize citizen knowledge and two-way communication in participatory budgeting. [Young and Tanner \(2023\)](#) further demonstrate that citizen participation can be outweighed by bureaucratic discretion when participatory input is not sufficiently embedded in decision processes. These studies help explain why participation can be normatively important yet statistically weak when measured mainly through involvement rather than influence.

Two features of the present data also warrant caution. First, the respondents included village officials, Bamuskam members, and several categories of community representatives, whose experiences of participation are likely to differ. Second, the VIF of 4.282 indicates a meaningful

correlation between the two predictors, even though it remains below the selected threshold of 5. The small partial coefficient for participation may therefore reflect both heterogeneity in how participation is experienced and overlap with governance processes already captured by budget target clarity. The practical implication is to move participation beyond attendance. Village governments can strengthen their accountability function by publishing concise realization information before evaluation forums, recording community questions and proposals, identifying the official responsible for responding, and documenting follow-up. Participation is more likely to matter when residents can connect their involvement to observable decisions and verifiable responses.

4.2.3 Joint Explanatory Role of Budget Target Clarity and Community Participation

The model containing both predictors was statistically significant and explained 72.4% of the variation in village financial accountability. This indicates that the combination of planning clarity and participatory governance provides substantial explanatory value at the model level. However, this result should not be interpreted as evidence that the two predictors contribute equally or that they interact statistically.

The partial coefficients show that the model's independent contribution is dominated by budget target clarity. In theoretical terms, the finding provides stronger empirical support for the internal planning mechanism than for the participatory mechanism as measured in this study. Stewardship theory helps explain the importance of shared and explicit goals, while agency theory remains relevant because measurable targets and public oversight both reduce the scope for opaque decision making.

Therefore, the results point to a sequential practical logic. Clear targets should first create a transparent reference for what the village government intends to deliver to the public. Participation can become more consequential when residents are given access to that reference and can use it to question implementation and evaluate results. Strengthening participation without equally strengthening the information on which oversight depends may produce involvement without a corresponding increase in accountability.

5. CONCLUSIONS

5.1 Conclusion

Budget target clarity is positively and significantly associated with village financial accountability in Yawosi District, while community participation does not show an independent significant association after budget target clarity is taken into account. The two-predictor model is significant and has substantial explanatory power, however, the pattern of coefficients shows that accountability is more strongly related to the clarity and measurability of budget targets than to participation intensity alone. The findings suggest that accountability is strengthened when village governments can show a clear line from planned objectives to implementation and reported results to the public. Community participation remains an important element of governance, but its contribution is more likely to emerge when participation is supported by accessible information, genuine opportunities for oversight, and institutional follow-up. This distinction helps explain why participation can be normatively important without always appearing as a significant partial predictor in cross-sectional regression models.

5.2 Research Limitations

This study is limited by purposive sampling, a sample of 70 respondents from eight villages, and the use of perception-based cross-sectional data. The analysis also combined officials, Bamuskam members, and community representatives, even though these groups may experience participation and accountability differently. In addition, the retained regression output permits direct reporting of multicollinearity diagnostics but does not provide the residual-based statistics needed to document normality, heteroscedasticity, and linearity tests. These limitations restrict broad generalization and strong causal interpretation.

5.3 Suggestions and Directions for Future Research

Village governments are encouraged to formulate budget targets in specific and measurable terms, link each target to responsible implementers, time frames, resource allocations, and verifiable outputs, and disclose progress in a manner that can be understood by stakeholders. Community participation should be strengthened by providing access to realization information, documenting citizen input, creating clear feedback channels, and recording follow-up on public concerns. Future research should expand the geographical coverage and sample size, distinguish the stages and quality of participation, and compare respondent groups through multigroup or stratified analysis. Longitudinal or mixed-method designs can also examine how information access, government responsiveness, internal control, competence, reporting quality, and digital financial systems shape the relationship between participation and accountability over time.

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AUTHOR CONTRIBUTIONS

All authors contributed substantially to this study. The authors jointly developed the research concept and design, prepared the research instrument, coordinated the data collection, and reviewed the empirical data. The authors also participated in the data analysis and interpretation, preparation of the theoretical framework, discussion of the findings, and formulation of the conclusions and research implications. All authors contributed to drafting and critically reviewing the manuscript, approved the final version, and agreed to be accountable for the integrity and accuracy of the work presented.

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