
The Effect of Supervision and Transparency Management of Village Funds on Community Trust in Kampung Yahim Jayapura District

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Abstract. Public trust in village governance is crucial for sustainable development, particularly in the management of village funds. However, issues such as lack of transparency and weak supervision in Kampung Yahim, Jayapura Regency, have raised concerns about fund misallocation and eroded community confidence. Addressing these challenges is essential to ensure accountability and foster trust in local governance. Using a quantitative approach, this research employs multiple linear regression analysis on data collected from 96 respondents selected via purposive sampling. Primary data were gathered through a Likert-scale questionnaire, measuring *supervisi* (X1), *transparansi* (X2), and community trust (Y). Statistical analysis was conducted using SPSS 22, including normality, multicollinearity, and heteroscedasticity tests to validate the regression model. The results of the research indicate that *supervisi* and *transparansi* in the management of village funds influence community trust in Yahim Village, Sentani District, Jayapura Regency. Effective *supervisi* and *transparansi* in village fund management are critical for building and maintaining community trust. Strengthening these aspects can mitigate misuse of funds and promote greater public engagement in local governance. The research recommends that village authorities enhance accountability mechanisms, such as regular audits and open financial reporting, to reinforce trust. Policymakers should institutionalize participatory monitoring systems to ensure sustainable and transparent fund management. These measures can serve as a model for improving governance in similar rural contexts.

Keywords: Community Trust; Supervision; Transparency; Village Funds.

INTRODUCTION

Public sector organizations play an important role in improving community welfare. The development of a region can be adjusted to the potential and specific characteristics of each area (Rahima & Amrul, 2018). In public sector organizations, the village government is a key component in administering public services (Khasanah & Marisan, 2022).

The Law of the Republic of Indonesia Number 6 of 2014 concerning Villages defines a *Village* as a legal community unit with territorial boundaries that has the authority to regulate and manage government affairs and the interests of local communities based on community initiatives, *hak asal-usul* (original rights), and/or recognized traditional rights, which are respected within the government system of the Unitary State of the Republic of Indonesia. This law implies that the village has the authority to regulate and carry out community management within its territory to achieve welfare, empowerment, and development goals, including physical and economic aspects (Dewi & Sapari, 2020).

The same law regulates village finances and assets in order to provide services to the community sourced from local regional income. Village Funds (*Dana Desa*) are direct financial assistance to the village government intended to improve community service facilities,

institutions, and village infrastructure according to community needs. The use and management of Village Funds are entrusted to the village head, who holds responsibility to the community (Herman & Ilham, 2018). However, misappropriation of Village Funds often occurs by parties who are supposed to be trusted to advance the progress and development of the village. Therefore, it is essential for the community to act as direct supervisors, and for the district government to monitor the village development properly. Good governance aspects are necessary to ensure effective management and implementation of village government activities (Herman & Ilham, 2018).

Supervision of village fund management is an integral part of building community trust in the management of Village Funds. According to Mardiasmo (2002), supervision refers to activities in which an external party is appointed as a supervisor to directly oversee and understand what is happening in the government's performance. It also involves the steps taken by external parties to monitor the actual conditions in carrying out specific tasks or activities to ensure compliance with applicable regulations. Transparency is the openness in presenting honest and clear financial information to the public, based on the principle that the public has the right to be fully informed about government responsibilities in managing resources and adhering to laws and regulations (Khasanah & Marisan, 2022). Transparency allows the public to access accurate, comprehensive, and open information regarding policies or programs implemented by the government, thereby improving the government's image and strengthening public trust.

The phenomenon observed in Yahim Village, Sentani District, Jayapura Regency, reveals that supervision and transparency in the management of Village Funds have not met the expectations of the public. An initial interview with a resident of Yahim Village regarding transparency indicated minimal community involvement in the village fund utilization program, which resulted in the community's lack of knowledge about the use and amount of Village Funds received. According to the official website of the Development Finance Monitoring Agency (*Badan Pengawasan Keuangan dan Pembangunan - BPKP*), an evaluation of Village Funds implemented with trial and error in 12 districts and 48 villages in Jayapura Regency showed persistent problems in the use of Village Funds, from planning to utilization, especially in handling Covid-19. This was confirmed by several news portals in Jayapura Regency, including *KabarPapua.com* (May 16, 2023), which reported that 139 village heads in Jayapura Regency signed an integrity pact for the management and allocation of village funds.

Therefore, effective supervision and transparency in the management of Village Funds are expected to realize good, pro-community governance by the Village government. By demonstrating good performance, the government can establish an institution that is transparent and accountable in every activity it undertakes, thereby improving public welfare. Proper government management in accordance with existing regulations will ultimately create optimal government performance.

Stewardship theory, as introduced by Donaldson and Davis (1991), explains that in management situations, responsible individuals are primarily motivated not by personal interests but by achieving organizational goals. This theory assumes a strong relationship between organizational success and owner satisfaction (Putro, 2013). In the context of village governance, the Village Government acts as a steward who is accountable, transparent, and committed to managing village funds effectively for the public interest. Trust, defined as an

individual's tendency to rely on a trusted source (Oktavia, 2020), is built on four elements: exhibiting trust, achieving results, acting with integrity, and demonstrating concern (Zakat et al., 2014).

Supervision, as stated in the Minister of Home Affairs Regulation No. 73 of 2020, ensures transparent, accountable, and participatory management of Village Funds, with indicators including supervisory input, process, and output (Setiyanningrum, 2017). Transparency, according to Minister of Home Affairs Regulation No. 113 of 2014, is the principle of openness that provides public access to financial information, reducing uncertainty and fraud (Oktavia, 2020). Village finances, as regulated, include planning, implementation, administration, reporting, accountability, and supervision (Khasanah & Marisan, 2022). Effective supervision influences development success and strengthens trust (Baswir, 2000), aligning with stewardship theory where the government, as steward, must responsibly manage Village Funds to serve the public (Making & Handayani Nur, 2021). This leads to the hypothesis H1: There is an influence of supervision of village fund management on community trust.

Transparency also plays a crucial role by involving openness in decision-making and facilitating public participation, thereby strengthening trust (Kuswanti & Kurnia, 2020; Oktavia, 2020). This leads to the hypothesis H2: Transparency in village fund management influences community trust. Furthermore, combining supervision and transparency, as explained by Mardiasmo (2013) in Mardiana et al. (2021), supports the stewardship perspective, where village officials entrusted with public resources must manage them with integrity and be accountable to the people as principals.

The objectives of this research are to examine the influence of supervision and transparency in the management of Village Funds on community trust in Yahim Village, Sentani District, Jayapura Regency. By analyzing these factors, the study aims to provide empirical evidence on how effective governance practices can enhance public trust and ensure the proper utilization of Village Funds. The benefits of this research include offering actionable insights for local governments to improve accountability and transparency, fostering greater community engagement, and ultimately contributing to the welfare and development of the village. Additionally, the findings can serve as a reference for policymakers and stakeholders in designing strategies to strengthen trust and governance in rural areas.

MATERIALS AND METHODS

This research employs a quantitative research method to examine the influence of supervision and transparency in village fund management on community trust. The research design is explanatory, as it aims to test hypotheses and establish causal relationships between the independent variables (supervision and transparency) and the dependent variable (community trust).

The population of this research is the entire community of Kampung Yahim, Sentani District, Jayapura Regency. The sample in this research was the people of Kampung Yahim, Sentani District, Jayapura Regency, Traditional Leaders, Community Leaders, Church Leaders and Women Leaders, totaling 100 respondents. The sample selection for this research was carried out using a nonprobability sampling technique using a purposive sampling technique, with the following sample selection criteria: 25-65 years old, knowledgeable about village funds, domiciled for a maximum of 3 or 4 years.

The type of data used is primary data, namely data obtained directly in the field by researchers as the object of writing. The data collection technique uses a questionnaire method with a Likert scale.

In this research, hypothesis testing uses multiple regression analysis. Multiple regression analysis is a statistical analysis that aims to find a linear model between independent variables or regressors on the response variable or dependent variable. Multiple regression analysis is used because there are more than 1 (one) independent variable, which consists of the Influence of Supervision (X1), the Influence of Transparency (X2), and the dependent (bound) variable is Community Trust (Y). The regression model for this research is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information:

Y = Public Trust

X1 = Supervision

X2 = Transparency

α = Constant

e = Error

β_1, β_2 = regression coefficients

RESULTS AND DISCUSSION

Descriptive statistical testing in this research was carried out using the SPSS version 22 program, the results of the descriptive statistical test can be seen as follows:

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Total X1	96	16	35	28.43	4,070
Total X2	96	23	40	33.08	3,478
Total Y	96	28	60	48.99	5,399
Valid N (listwise)	96				

Source: Researcher's processed data (2025)

Based on table 1, the results of the descriptive statistical analysis can be concluded that the minimum value for the Supervision variable (X1) is known to be 16 and the maximum value is 35. The average value (Mean) is 28.43 with a standard deviation of 4,070. The minimum value for the Transparency variable (X2) is known to be 23 and the maximum value is 40. The average value (Mean) is 33.08 with a standard deviation of 3,478. The minimum value for the Public Trust (Y) variable is known to be 28 and the maximum value is 60. The average value (Mean) is 48.99 with a standard deviation of 5,399.

The Normality Test was carried out using the Kolmogorov-Smirnov Test. Normality test results for 96 data that meet the sample criteria are presented in the following table.

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residuals
N		96
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	3.68395913
Most Extreme Differences	Absolute	.078
	Positive	.078

One-Sample Kolmogorov-Smirnov Test

	Negative	-.061
Statistical Tests		,078
Asymp. Sig. (2-tailed)		,180 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: SPSS 22 output, processed by researcher (2025)

Based on table 2, it can be concluded that the residual variables are normally distributed. This is indicated by the Asym value. Sig 0.180 > 0.05 is greater than the significance level, so it can be concluded that the residual variable is normally distributed.

The multicollinearity test in this study aims to test whether there is a correlation between the independent variables in the regression model. The results can be seen in the following table:

Table 3. Multicollinearity Test
Collinearity Statistics

Model	Tolerance	VIF
Total_X1	,647	1,545
Total_X2	,647	1,545

a. Dependent Variable: Total_Y

Source: Multiple linear regression analysis, processed by researcher (2025)

Heteroscedasticity testing is used to test whether the variants of the independent and dependent variables are similar (constant) or not similar. If the variance of the dependent variable value around the average value is constant for all independent values then heteroscedasticity does not occur. However, if the variances are not the same, it can be concluded that heteroscedasticity occurs.

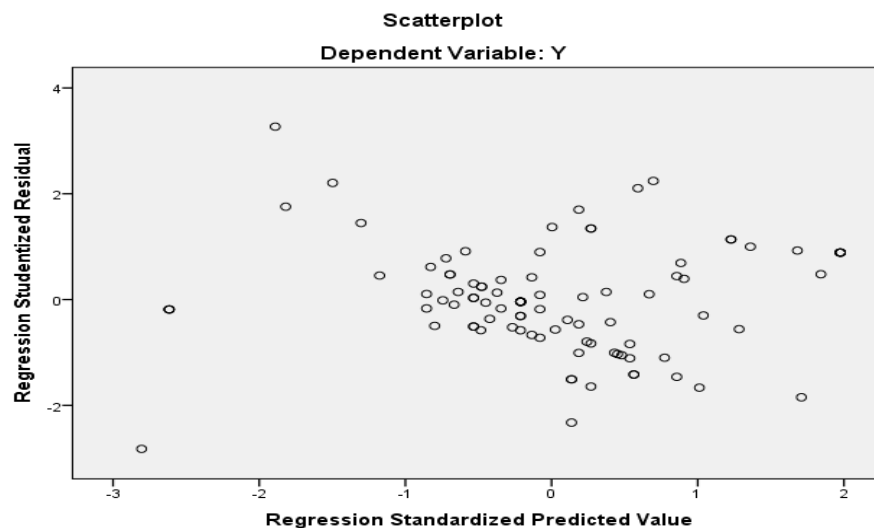


Figure 1. Heteroscedasticity Test

Source: SPSS 22 output, processed by researcher (2025)

Based on the heteroscedasticity test carried out using a scatterplot. In Figure 1 it can be seen that the distribution points occur on all sides and do not form a particular pattern. This means that there were no symptoms of heteroscedasticity in this study.

Table 4. Multiple Linear Regression Test

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	13,616	3,708		3,672
	Total X1	,634	.117	,478	5,435
	Total X2	,524	.137	,338	3,842

a. Dependent Variable: Total_Y

Source: Primary data, analyzed with SPSS 22 (2025)

Based on table 4 of linear regression testing, the following regression equation model can be obtained:

$$Y=13.616 + 0.634 X1 + 0.524 X2 + e$$

" From the linear regression equation above, it can be explained as follows: The constant or β_0 of the linear regression equation is 13.616, which means that without supervision (X1) and transparency (X2), public trust (Y) is 13.616. The regression coefficient value of the supervision variable (X1) is 0.634, which means that if the supervision variable increases it will cause an increase in public trust of 0.634. The regression coefficient value for the transparency variable (X2) is 0.524, which means that if the supervision variable increases it will cause an increase in public trust of 0.524.

The t test is a partial test used to test whether there is an influence of supervision and transparency variables on public trust in Yahim Village, Sentani District, Jayapura Regency.

Table 5. T Test Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	13,616	3,708		3,672
	Total X1	,634	.117	,478	5,435
	Total X2	,524	.137	,338	3,842

a. Dependent Variable: Total_Y

Source: SPSS 22 regression output, processed by researcher (2025)

Based on the t test results above, it can be seen in the following explanation:

The value (sig) for the monitoring variable (X 1) is 0.000, which means it is smaller than the alpha value of 0.05, so it can be concluded that partially the monitoring variable has a significant effect on public trust in Yahim Village, Sentani District, Jayapura Regency. The value (sig) of the transparency variable (X 2) is 0.000, which means it is smaller than the alpha value of 0.05, so it can be concluded that partially the transparency variable has a significant effect on public trust in Yahim Village, Sentani District, Jayapura Regency.

The F statistical test, known as the simultaneous test, is a test that shows whether all the independent variables included in the model have a joint influence on the dependent variable (Ghozali, 2016).

Table 6. F Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1479.692	2	739,846	53,367	,000 ^b
	Residual	1289,298	93	13,863		
	Total	2768,990	95			

a. Dependent Variable: Total_Y

b. Predictors: (Constant), Total_X2, Total_X1

Source: SPSS 22 ANOVA, processed by researcher (2025)

Based on the table above, the results of the F (Anova) test show a significant value of 0.000, which is smaller than 0.05, so it can be concluded that the monitoring variables (X 1) and transparency (X 2) together have a significant effect on public trust (Y) in Yahim Village, Sentani District, Jayapura Regency.

The coefficient of determination R^2 is used to determine the percentage contribution of the supervision and transparency variables to public trust in Yahim Village, Sentani District, Jayapura Regency. The results of the Coefficient of Determination test (R^2) can be seen in the following table:

Table 7. Coefficient of Determination Test Results (R2)

Model Summary					
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	
1	.731 ^a	.534	.524	3,723	

a. Predictors: (Constant), Total_X2, Total_X1

Source: SPSS 22 model summary, processed by researcher (2025)

In the table above, the coefficient of determination or r square value obtained is 0.524 or 52.4%. This means that the ability of the supervision and transparency variables to influence public trust is 0.524 or 52.40% and the remaining 47.60% is influenced by the variables others not discussed in this study.

This research is an analytical study to determine the effect of monitoring and transparency in village fund management on community trust in Yahim Village, Sentani District, Jayapura Regency.

Results of Analysis of the Effect of Supervision of Village Fund Management on Community Trust

There is an influence of the monitoring variable for village fund management on community trust in Yahim Village, Sentani District, Jayapura Regency. In the results of partial test calculations, the sig result was 0.000, which is smaller than alpha 0.05, this shows that the monitoring variable has a significant effect on community trust in Yahim Village, District Sentani, Jayapura Regency.

In relation to the stewardship theory in monitoring village funds, it refers to the concept that the village government acts as a manager who is responsible for the use of village funds by upholding the public interest. In this context, stewardship theory states that the Village Government has an obligation to carry out its duties with full responsibility, ensure that there

is an effective monitoring mechanism, and provide transparency and accountability in the management of Village funds. Through a stewardship approach, it is hoped that the use of Village funds will be oriented towards the public interest and encourage the achievement of the welfare of the Village community.

The results of this research are in line with research from (Making & Handayani Nur, 2021) , a journal entitled The Influence of Accountability, Transparency and Supervision on Village Fund Management. The results of this research also show that the first variable, namely supervision, has a positive effect on the management of village funds. It can be concluded that monitoring the management of Village funds is very important to prevent misuse of Village funds and that Village funds can be channeled to priorities that have been prepared and discussed within the Village. Increasing supervision in the management of village funds aims to increase public trust in the village government in Yahim Village, Sentani District, Jayapura Regency.

Results of Analysis of the Effect of Transparency in Village Fund Management on Community Trust

There is an influence of transparency in the management of village funds on community trust in Yahim Village, Sentani District, Jayapura Regency. Through the results of partial test calculations, the sig 0.000 result was smaller than alpha 0.05, this shows that the draft hypothesis was accepted, namely that transparency in village fund management influenced community trust in Yahim Village, Sentani District, Jayapura Regency. sdhhd"

In relation to Stewardship Theory, it is explained that public sector organizations are prepared to meet the information needs of stewards and principals. The people are the principal, and the government is the steward, which is a relationship that is created because there are human characteristics that can be trusted, responsible, have integrity and are honest towards other parties. Based on this theory, government management is required to provide services (act as stewards/servants) for the interests of the principal, namely the community and agencies.

The results of this research are in line with research by (Oktavia, 2020) , (Oktavia, 2020), thesis entitled The Influence of Accountability and Transparency of Village Funds on Community Trust in Talang Kebun Village, Lubuk Sandi District, Selumba Regency. The results of this research show that the second hypothesis, namely transparency, has a significant effect on community trust, which means that transparency in village fund management influences community trust. However, the results of this research are not in line with research from (Making & Handayani Nur, 2021) , the results of hypothesis testing which show that transparency has no effect on village fund management. hfghtht"

Results of Analysis of the Effect of Supervision and Transparency in Village Fund Management on Community Trust

There is a simultaneous influence between supervision and transparency in the management of village funds in Yahim Village, Sentani District, Jayapura Regency. The results of the simultaneous test obtained a significant value of 0.000, which is smaller than 0.05, this shows that the variables of supervision (X1) and transparency (X2) together have a significant effect on public trust (Y), so the third hypothesis states Supervision and Transparency of fund management The village simultaneously influences the community's acceptance of trust. This

means that the better the monitoring and transparency variables, the better the community trust variables in Yahim Village, Sentani District, Jayapura Regency.

Linked to *stewardship theory* in monitoring and transparency in the management of Village funds, it refers to the concept that the Village Government is fully responsible for supervising and ensuring transparency in the use of Village funds. This theory states that the Village Government must act as a responsible manager of Village funds by prioritizing the public interest.

The Yahim Village government has carried out supervision and transparency in the management of village funds, this is supported by several supervisory actions which always involve the Sentani district in monitoring the decline in village funds and evaluating work programs for the bamuskam and transparency carried out by village officials, such as holding distribution meetings. Village funds, put up billboards for budget use in the current year. This can increase public trust in the government in Yahim Village, Sentani District, Jayapura Regency.

In the coefficient of determination test, a value of 0.524 or 52.40% was obtained, which means that the monitoring and transparency variables have contributed to influencing public trust in Yahim Village, Sentani District, Jayapura Regency. So the results can be concluded that the influence of monitoring and transparency variables has a significant effect on community trust in Yahim Village, Sentani District, Jayapura Regency, amounting to 52.40% and the remaining 47.60% is influenced by other variables not discussed in this research.

CONCLUSIONS

This research analyzed the influence of supervision and transparency in the management of village funds on public trust in Yahim Village, Sentani District, Jayapura Regency. The findings indicate that both supervision and transparency individually have significant positive effects on community trust, and together they jointly influence public trust in the village's governance. For future research, it is recommended to explore additional factors such as community participation, accountability mechanisms, and the role of digital technology in enhancing transparency and supervision to provide a more comprehensive understanding of what drives public trust in rural fund management.

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