Table 7. Analysis of Village Financial Governance in Manyar Subdistrict

Empirical Findings (Field Reality)	Analysis Interpretation	Risk Implications	Recommendations
Input failures & recording errors - Three villages were found to be non-compliant. Specifically, two villages failed to upload reports, and one village was found to have made recording errors.	Limitations in Accounting Literacy & Systems - Officials faced challenges in navigating the complexity of the SISKEUDES application.	Data Inaccuracies & Lack of Oversight - The data presented does not accurately reflect reality, resulting in the village administration lacking access to comprehensive oversight results	Regency DPMD - Promotes the professional development of officials through education, mentoring, and technical guidance. Additionally, it encourages the finance department to engage in self-directed learning.
Funds Left Unaccounted For - All villages had findings related to delays in depositing remaining activity funds. The return of these remaining funds consistently exceeded the specified timeframe	Weak internal controls & indications of moral hazard – a reflection of the “agency theory” problem, where budget implementers act in an undisciplined manner due to weak oversight	Vulnerability to Misuse & Reporting Realities – Low security for physical cash creates an opening for misuse. This slows down the reporting chain, which impacts the disbursement of funds for subsequent activities.	Village Head – The role of the village head is not only as a leader but also as a supervisor of potential risks faced. Regular oversight of documents and processes is highly recommended to ensure proper administrative procedures are followed.
Crisis of Participation & Demotivation Among Officials – Officials who possess the necessary competencies show little interest in contributing.	Workload Imbalance – High standards for legitimacy and accuracy in fund management are not matched by the necessary competencies, resulting in a perceived heavy workload	Dependency & Performance Stagnation – The tendency for villages to continue relying on higher-level authorities for improvements in reporting performance reflects the low level of governance autonomy that is intended to be achieved	Community – The community expects residents with the necessary competencies to contribute and play a role in village governance, and they are expected to be willing to participate in the selection of village officials.
Administrative compliance – generally, all 23 villages were	Institutional legitimacy with substantive quality – this compliance is	The illusion of accountability—operational weaknesses are	Supervision at the subdistrict level—adjusting the work pattern from

recorded as “compliant” at every stage, namely planning, implementation, record-keeping, reporting, and accountability	driven by regulatory requirements for the disbursement of funds for subsequent activities. This reflects that formal reports exhibit a level of accountability that is demonstrably weak in practice	masked by final reports showing compliance rates ranging from 87% to 100%, so the root causes of problems often escape the focus of improvement efforts.	supervision conducted at the end of activities to periodic (process-based) monitoring.

Source: Data processed by the researcher, NotebookLM, 2026.