

Factors Affecting Community Welfare

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Abstract

This study aims to identify the influence of village financial management accountability, village financial management transparency, village policies, and community participation on community welfare in Mlonggo Sub-district. The main focus of this study is to understand the extent to which these factors contribute to improving the welfare of the local community. This research uses quantitative methods with saturated sampling techniques. Data was collected through surveys by distributing paper questionnaires to village governments and village councils in all villages in Mlonggo District. and analyzed using SPSS version 22 software. The results showed that accountability of village financial management, transparency of village financial management, village policies, and community participation had a positive and significant effect on community welfare in Mlonggo District. This study has limitations because it only covers Mlonggo Sub-district, so the results may not be generally applicable to other areas. In addition, the use of questionnaires as a data collection method has the potential to cause bias from respondents which may affect the results of the study. This research can contribute to the development of village policies with a focus on improving the accountability and transparency of financial management, as well as encouraging active community participation. This research can serve as a reference for village governments in formulating more effective strategies to improve community welfare through good financial management and maximum participation from the community.

Keywords: *Accountability, Transparency, Policy, Participation, Community Welfare*

1. Introduction

The Indonesian government consists of many parts, one of which is the village government. A village, including a customary village, is a legal community unit that has territorial boundaries and is authorized to manage government affairs and the interests of the local community, based on community initiatives and traditional rights recognized in the government system of the Republic of Indonesia. This is articulated in Law No. 3 of 2024 regarding Villages. Article 67 paragraph 2 states that village obligations include protecting and maintaining village community harmony, developing democratic life and community empowerment as well as providing and improving services to the community.

The term "community welfare" refers to a community's overall level of well-being as determined by the living standards of its members. The community can be considered prosperous if basic needs are met, such as having a decent place to live, enough food and clothing, affordable healthcare and education, or circumstances that allow each person to maximize their utility within their means while also meeting their spiritual and physical needs (M. T. Sari & Mildawati, 2019). Community welfare can be described as a condition that is not only concerned with a certain aspect but for many aspects. According to Anggraeni et al. (2023) and Ardelia & Handayani (2022) community welfare factors include accountability, transparency of village financial management and community participation. Meanwhile, according to M. T. Sari & Mildawati (2019) community welfare factors include accountability in village financial management, transparency, and village policies.

Accountability refers to the obligation of those managing public activities to explain and respond to all elements concerning the actions, decisions, and processes undertaken, as well as to be answerable for the outcomes and performance achieved (Anggraeni et al., 2023). Accountability refers to the obligation of the government to be answerable to the public regarding its performance in fulfilling assigned responsibilities. This includes ensuring that all duties are executed according to the authority granted and that the allocated funds are managed efficiently and transparently to meet intended goals.

Accountability can grow and develop in a transparent and democratic environment with freedom of speech. Rukmana & Utami (2023) state that the government must be able to account for all types of activities carried out and provide accurate and reliable financial information. This is done in order to realize the rights of the community and aims to ensure community participation in the sustainability of government programs.

Rukmana & Utami (2023) say that in addition to the principle of accountability, the village government must also apply the principle of transparency or openness so that the public knows how the process in village financial management. Transparency is a principle that ensures that every individual has access or freedom to obtain information about government administration, including information about policies, decision-making processes, implementation, and results achieved (Anggraeni et al., 2023). Alom's (2018) opinion states that the government must consistently fulfill its obligations to its citizens to always carry out transparency and accountability measures. Through improved services and efforts to empower village communities, accountability and transparency in village financial management help achieve shared community welfare.

Improving community welfare is inseparable from the implementation of village policies. Development must be carried out in accordance with the plans made by the village apparatus with the community when implementing existing policies. Every government legally has the authority to make village policies, regardless of its small size and covers the village's own administrative area. (M. T. Sari & Mildawati, 2019). Village policy is one of the government policies that must be made by village officials to carry out village tasks that remain under the supervision of the city or regency (Asyik, 2019).

The success of village development depends on community participation. This is necessary so that village development can run according to plan and improve community welfare. Community participation is a voluntary contribution made by citizens in the decision-making process and program implementation, where they also enjoy the benefits of these programs and are involved in program evaluation to improve welfare levels (Anggraeni et al., 2023).

According to Ardelia & Handayani (2022), accountability in managing village finances positively affects community welfare, whereas Utomo et al. (2022) found no such impact. For transparency, Anggraeni et al. (2023) observed a positive influence, while A. N. Sari & Wahidahwati (2018) found no effect. Research by M. T. Sari & Mildawati (2019) indicated that village policies positively impact welfare, but Novitasari & Asyik (2019) found no such effect. Likewise, Nisa et al. (2023) noted that community participation positively affects welfare, while Anami & Sari (2022) reported no influence.

According to the LKjIP of Mlonggo Sub-district 2023, one of the main problems faced by Mlonggo Sub-district is that the participation of village governments in development, empowerment, public peace, and the social environment is not optimal. The researcher is interested in learning how much transparency and accountability there is in village financial management, as well as how community involvement and village government policies can enhance the well-being of the community, particularly in Mlonggo District.

Based on the above problems and differences in the results of previous studies, researchers will review the factors that affect community welfare, with the research title "Factors Affecting Community Welfare"

2. Literature review and hypothesis development

2.1. Stewardship Theory

Stewardship theory assumes that people are inherently trustworthy, responsible, have integrity, and are honest with others. To achieve organizational goals, stewardship is an important type of leadership. According to this theory, managers or executives are motivated to act for the good of those they represent because they put the interests of the organization ahead of personal goals. As stewards, governments in government are responsible for acting in accordance with the expectations of society. The actions of managers demonstrate that they are committed to achieving corporate goals and will not give up on them. In addition, the government designs various plans and carries out activities with the aim of benefiting society. The goal in question here is the welfare of the community, which is the focus

of the stewards in achieving the goals of government organizations. The government strives to deliver optimal services to the community as the primary entity in fulfilling its responsibilities.

2.2. Village and Government

As outlined in Law No. 3 of 2024 regarding Villages, villages, including customary ones or those referred to by other names, are defined as legal community entities with established territorial boundaries. These entities hold the authority to organize and manage governmental functions and address local community interests, which are grounded in community initiatives, origin rights, and/or traditional rights. These rights are acknowledged and respected within the governance framework of the Unitary State of the Republic of Indonesia. According to KBBI, a village is a unit of territory inhabited by a number of families that has its own government system (headed by a village head).

2.3. Accountability of Village Financial Management

Accountability refers to the duty of the village financial management implementation team to the community, with the village head being the primary individual responsible (Sugista, 2017). In the opinion of Mardiasmo (2009) in A. N. Sari & Wahidahwati, (2018) In accountability, trustees are responsible for showing the performance of the organization or its leaders to those who need it. They must provide reports that can be accounted for the management of funding or finance using the principles of planning, implementation, accountability, and reporting. Accountability pertains to the administration of resources and the execution of policies assigned to the reporting entity in order to consistently achieve established objectives (government accounting standards, 2020) in (Khasanah & Marisan, 2022).

Accountability can be measured by several indicators according to (Sugista, 2017) indicators of village financial management accountability, namely: (1) The achievement of goals in village financial management, (2) The existence of supervision by the implementation team, (3) the existence of an accountability report, (3) The involvement of public actors. Meanwhile, according to (A. N. Sari & Wahidahwati, 2018) indicators of village financial management accountability are: (1) Planning, (2) implementation and supervision, (3) accountability.

Considering the indicators outlined above, the following criteria are employed to measure community welfare: (1) The achievement of goals in village financial management, (2) The existence of supervision by the implementation team, (3) the existence of accountability reports, (3) The involvement of public actors.

2.4. Transparency of Village Financial Management

Transparency is the open access for the public to obtain information about village financial planning, implementation, supervision and accountability (Sugista, 2017). According to Permendagri No. 113/2014, the most important principle of openness is transparency, which is referred to as the principle of village financial management. This is because this principle allows the public to know and obtain the widest possible information about village finances. This concept not only gives the public the right to obtain accurate and precise information, but also emphasizes how important it is that information is provided fairly. A transparent village government increases public trust. However, this principle of transparency must be followed by the applicable laws and regulations, so that the information provided remains within the boundaries of the law and does not violate privacy or data security. (A. N. Sari & Wahidahwati, 2018). This principle ensures the public's right to access accurate, transparent, and impartial information regarding the functioning of village governance, in compliance with applicable laws and regulations (Khasanah & Marisan, 2022).

Transparency can be measured by several indicators. According to (Sugista, 2017) indicators of transparency in village financial management, namely: (1) Availability and accessibility of transparent information on planning, implementation processes, and accountability measures, (2) Deliberations involving the community, (3) Openness of the management process, (4) Transparency in accessing documents related to village financial management. Meanwhile, according to (A. N. Sari & Wahidahwati, 2018) indicators of transparency in village financial management, namely: (1) The public's right to obtain information and (2) information disclosure.

Based on the above indicators, the indicators used to measure community welfare in this study are as follows: (1) Availability and accessibility of transparent information on planning, implementation processes, and accountability measures, (2) Deliberation involving the community, (3) Openness of the management process, (4) Transparency in accessing documents related to village financial management.

2.5. Village Policy

Village government policies are considered legal instruments since each village government possesses this authority, albeit on a smaller and more localized scale, pertaining specifically to its administrative area. According to the law, policies created within villages are referred to as village regulations (Hadi, 2019). Village policy is a decision made by the village government (village head and his staff) to be followed and obeyed and can affect many people in every decision and action to solve certain problems in the community (Ningrum & Septiani, 2022). Village policies are contained in village regulations that apply in the village area. Village regulations are not intended to exercise autonomy independently but rather to uphold the responsibilities of autonomy, as villages remain under the oversight of the district or city government (Kuswanti & Kurnia, 2020).

According to (Hadi, 2019) and (Ningrum & Septiani, 2022) village policy indicators are (1) Communication, (2) Resources, (3) Disposition, (4) Bureaucratic Structure.

The following indicators will be utilized to assess community welfare, derived from the aforementioned criteria: (1) Communication, (2) Resources, (3) Disposition, and (4) Bureaucratic Structure.

2.6. Community Participation

Community participation is the principle that grants every individual the right to engage in decision-making processes for all governance activities (Sugista, 2017). Participation refers to the engagement of the community in different processes and phases of decision-making related to government, politics, and state affairs. In this case, every community has the right to channel their aspirations in various stages and processes of development. Community participation and contribution in development is a part of realizing the goals of development itself which is oriented towards community welfare (Hadi, 2019).

Community participation can be measured by several indicators. According to (Sugista, 2017) the indicators of community participation are: (1) Community involvement in the planning process, (2) Community engagement throughout implementation, (3) Involvement in receiving and utilizing results, (4) Involvement in monitoring and assessing results. Meanwhile, according to (Hadi, 2019) the indicators of community participation are: (1) Participation in discussions or meetings, (2) Readiness to supply data and information, (3) Engagement in the formulation of draft development plans, (4) Participation in establishing the priority order for data requirements, (5) Involvement in decision-making.

Based on the indicators above, the indicators used to measure community welfare in this study are as follows: (1) Community involvement in the planning process, (2) Community engagement throughout implementation, (3) Involvement in receiving and utilizing results, (4) Involvement in monitoring and assessing results.

2.7. Community Welfare

Community welfare is a state that all members of society aspire to as part of being Indonesian citizens. Welfare is prosperity, happiness and quality of human life at the individual, group or community level (Markhamah et al., 2021). Law Number 11 of 2009 defines social welfare as the state of meeting citizens' material, spiritual, and social requirements in order to enable them to live well, grow as individuals, and perform their social duties (Rahmah et al., 2021).

Community welfare can be measured by several indicators. According to (A. N. Sari & Wahidahwati, 2018) indicators of community welfare are (1) Education, (2) Health, (3) Economy. Meanwhile, according to Soetomo, (2014) in (Rahmah et al., 2021) indicators of community welfare are (1) Social Justice (2) Economic Justice, (3) Democratic Justice.

The following indicators will be utilized to assess community welfare, derived from the aforementioned criteria: (1) Social Justice (2) Economic Justice, (3) Democratic Justice.

2.8. Framework of Thought

Considering the theoretical foundation presented earlier, an overview of the framework is outlined below:

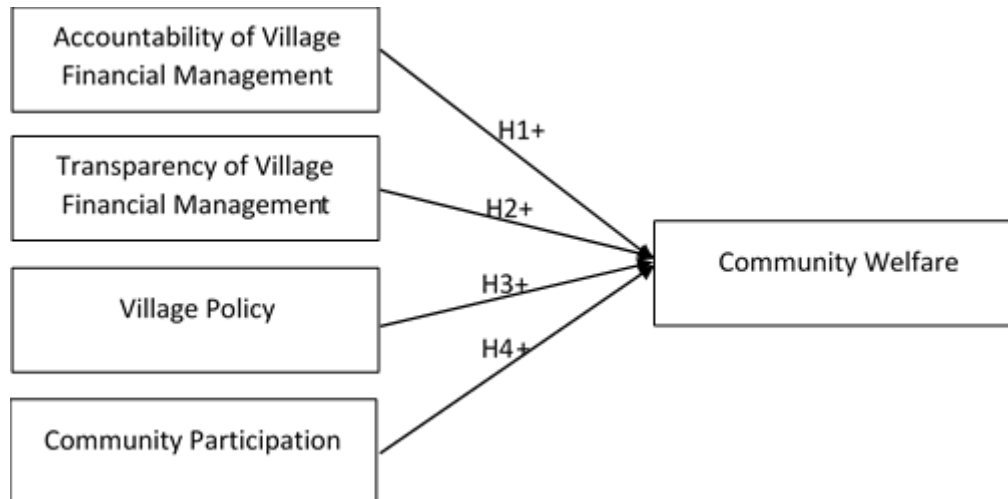


Figure 1 Framework of Thought

2.9. Hypothesis Development

2.9.1. The Effect of Village Financial Management Accountability on Community Welfare

Accountability means that the organizers of public activities are responsible for explaining and responding to all elements related to the actions and processes carried out, in addition to being accountable for their results and performance. The performance of the government and its officials reflects the quality of public services that improve people's quality of life. Through the provision of high-quality services, accountability improves people's welfare. Research conducted by Anggraeni et al., (2023), Ardelia & Handayani, (2022), A. N. Sari & Wahidahwati, (2018) indicates that accountability significantly and positively influences community welfare. Thus, the first research hypothesis is:

H1: Accountability has a significant and positive effect partially on community welfare.

2.9.2. The Effect of Transparency of Village Financial Management on Community Welfare

Transparency is a principle that guarantees everyone the right to access information regarding government administration, which encompasses details about policies, decision-making procedures, implementation, and the outcomes achieved. Good transparency improves public welfare because it allows budgets and resources to be used efficiently and in accordance with community needs by providing clear and open access to information about policies and decisions. Research conducted by Anggraeni et al., (2023), Rukmana & Utami, (2023), A. N. Sari & Wahidahwati, (2018) indicates that transparency significantly and positively influences community welfare. Thus, the second research hypothesis is:

H2: Transparency has a significant and positive effect on community welfare.

2.9.3. The Effect of Village Policy on Community Welfare

Village policies are legal products that can be made by any government, even if it is small and covers the village's own administrative area. Village regulations are the elaboration and follow-up of higher regulations and serve to provide autonomy and responsibility. Effective policies will improve the quality of public services, such as health, education, and infrastructure, so that people can feel

improvements in their standard of living. Research on village policies has been studied by Utomo et al., (2022), M. T. Sari & Mildawati, (2019) demonstrating that village policies positively impact community welfare. So the third research hypothesis is:

H3: Village policy has a significant and positive effect on community welfare.masyarakat.

2.9.4. The Effect of Community Participation on Community Welfare.

Community participation is a voluntary contribution made by citizens in the decision-making process and program implementation. In this participation, they also enjoy the benefits of the program and are involved in assessing the program to improve welfare. This involvement helps the village government assess how effective the program is and determine which areas need improvement to improve the overall welfare of the community. In this way, the village government can create a more inclusive environment and adapt to the needs of its citizens. Research on community participation has been studied by Anggraeni et al., (2023), Nisa et al., (2023), Ardelia & Handayani, (2022) demonstrating that community participation is indicated to partially exert a meaningful and beneficial influence on community welfare. So the fourth research hypothesis is:

H4: Village policies have a significant and positive effect on community welfare.

3. Methodology

3.1 Type of Research

In this study the authors used quantitative research. Quantitative research is considered a positivistic approach since it is grounded in the philosophy of positivism. This method is utilized to analyze specific populations or samples through random sampling, employing research instruments for data collection. It involves the analysis of quantitative data with the objective of testing established hypotheses (Sugiyono, 2013). The research objects in this study are Village Financial Management Accountability (X1), Village Financial Management Transparency (X2), Village Policy (X3), Community Participation (X4) and Community Welfare (Y).

3.2 Population and Sample

As stated by Sugiono (2013), a population is defined as a broad category that encompasses objects or subjects with particular qualities and traits identified by the researcher for analysis and to draw conclusions. The population considered in this research consisted of all village governments and BPDs located in eight villages within Mlonggo District.

The sample reflects a segment of the population in terms of both size and characteristics. For this study, the sampling technique used was saturated sampling, which involves including all members of the population as part of the sample (Sugiyono, 2013).

3.3 Data Collection Technique

This study utilized a data collection method involving direct observation, where paper questionnaires were distributed to collect responses from the respondents. The questionnaires distributed to the villages were 100 questionnaires, while the questionnaires that returned and could be processed in this study were 78 questionnaires with details of 61 village governments and 17 village consultative bodies. The primary goal is to determine if the independent variables have an impact on the dependent variable.

3.4 Data Analysis Technique

The research utilized multiple regression analysis for data analysis, employing SPSS software for data processing. The primary data was collected through the distribution of questionnaires that employed a Likert Scale. Before conducting multiple linear regression analysis, researchers must first carry out a classical assumption test. Data is regarded as satisfying classical assumptions if it passes various tests, including the normality test, multicollinearity test, and heteroscedasticity test.

3.5 Scoring Technique

Each participant was given a list of answer options with a score for each option. To generate the scores, a Likert scale from 1 to 5 was used. This scale allows researchers to conduct in-depth

quantitative analysis, so that the results obtained can provide a clear and unbiased picture of the variables under study. In addition, this method allows researchers to evaluate the relationship between variables more accurately, and provides a solid basis for drawing conclusions and making relevant recommendations based on the findings.

4. Results and discussion

4.1. Data Analysis Results

4.1.1. Validity Test

Validity testing is conducted using the r-table value, derived from the product-moment table based on the degree of freedom ($df = n - 2$), where n represents the total number of respondents. A 5% significance level is applied. In this study, with an initial sample of 78 respondents, the r-table value obtained is 0.2227.

Table 1 Validity Test Results

Variables	Statements	R count	R _{table}	Criteria
Accountability of Village Financial Management	X1.1	0.832	0.2227	Valid
	X1.2	0.877	0.2227	Valid
	X1.3	0.904	0.2227	Valid
	X1.4	0.864	0.2227	Valid
Transparency of Village Financial Management	X2.1	0.782	0.2227	Valid
	X2.2	0.730	0.2227	Valid
	X2.3	0.814	0.2227	Valid
	X2.4	0.773	0.2227	Valid
Village Policy	X3.1	0.729	0.2227	Valid
	X3.2	0.832	0.2227	Valid
	X3.3	0.786	0.2227	Valid
	X3.4	0.780	0.2227	Valid
	X3.5	0.736	0.2227	Valid
Community Participation	X4.1	0.731	0.2227	Valid
	X4.2	0.685	0.2227	Valid
	X4.3	0.794	0.2227	Valid
	X4.4	0.720	0.2227	Valid
	X4.5	0.812	0.2227	Valid
	X4.6	0.770	0.2227	Valid
	X4.7	0.546	0.2227	Valid
Community Welfare	Y1	0.715	0.2227	Valid
	Y2	0.590	0.2227	Valid
	Y3	0.774	0.2227	Valid
	Y4	0.660	0.2227	Valid
	Y5	0.627	0.2227	Valid

Source: Questionnaire 2024, processed

The results of data processing show that almost all question items in the research variables are considered valid, because the calculated r value exceeds 0.2227.

4.1.2. Reliability Test.

Table 2 Reliability Test Results

Variable	Cronbach Alpha	Criteria
Accountability of Village Financial Management	0.892	Reliable
Transparency of Village Financial Management	0.773	Reliable
Village Policy	0.819	Reliable
Community Participation	0.838	Reliable
Community Welfare	0.695	Reliable

Source: Questionnaire 2024, processed

From the table above, it can be seen that each variable has a Cronbach's Alpha value greater than (>) 0.60 so that it can be said to be consistent / reliable.

4.2. Classical Assumption Test

4.2.1. Normality Test

Data is considered normally distributed if the Asymp. Sig. (2-tailed) for residuals is greater than 0.05.

Table 3 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		78
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.90641063
Most Extreme Differences	Absolute	.068
	Positive	.068
	Negative	-.054
Test Statistic		.068
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Questionnaire 2024, processed

According to the table, the data has a normal distribution because the Kolmogorov-Smirnov significance value is 0.200, which is higher than 0.05.

4.2.2. Multicollinearity Test

When the tolerance value surpasses 0.10 or the VIF remains below 10, it signifies the absence of any correlation or interdependence among the independent variables. This condition ensures that multicollinearity is not present, thereby validating the independence of each variable within the model.

Table 4 Multicollinearity Test Result

Coefficients ^a		Collinearity Statistics	
Model		Tolerance	VIF
1	Accountability of Village Financial Management	.649	1.540
	Transparency of Village Financial Management	.546	1.832
	Village Policy	.535	1.868
	Community Participation	.556	1.798

a. Dependent Variable: Community Welfare

Source: Questionnaire 2024, processed

According to the test criteria, all independent variables show tolerance values greater than 0.01 and VIF values below 10, confirming the absence of multicollinearity..

4.2.3. Heteroscedasticity Test

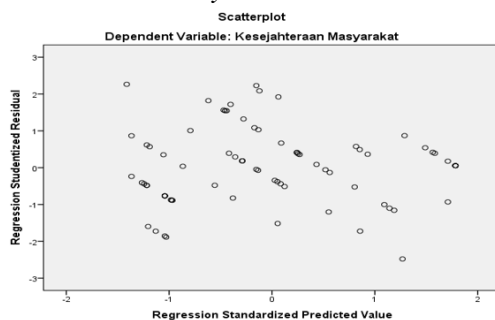


Figure 2 Heteroscedasticity Test Results

Source: Questionnaire 2024, processed

Referring to the results of the heteroscedasticity test, data points are distributed both above and below the zero line. This pattern indicates that the regression model employed in this study is not

influenced by issues of heteroscedasticity. Consequently, it can be inferred that the model has satisfied the classical assumptions required for the test, ensuring the reliability of the analysis conducted.

4.3. Hypothesis Test

4.3.1. Multiple Linear Regression Analysis

Table 5 Multiple Linear Regression Test Result

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.703	1.363		2.716	.008
	Accountability of Village Financial Management	.301	.070	.323	4.305	.000
	Transparency of Village Financial Management	.263	.080	.268	3.274	.002
	Village Policy	.243	.064	.316	3.823	.000
	Community Participation	.111	.055	.163	2.008	.048

a. Dependent Variable: Community Welfare
Source: Questionnaire 2024, processed

The results of data processing are obtained with the following equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = 3,703 + 0,301X_1 + 0,263X_2 + 0,243X_3 + 0,111X_4 + e$$

- 1) The level of community welfare will be at a value of 3.703 under the assumption that the variables of village financial management accountability, transparency, village policy, and community participation remain unchanged or constant (0). This is indicated by the constant value of 3.703.
- 2) Village Financial Management Accounting has a regression coefficient value of 0.301, meaning that, under the assumption that all other variables remain constant, a 1% increase in Village Financial Management Accounting will result in a 0.301 percent rise in Community Welfare..
- 3) Village Financial Management Transparency has a regression coefficient value of 0.263, which indicates that, if all other variables remain fixed, a 1% increase in Village Financial Management Transparency will result in a 0.263 percent rise in Community Welfare.
- 4) Village Policy's regression coefficient value is 0.243, meaning that, under the assumption that all other variables remain constant, a 1% rise in Village Policy will result in a 0.243 percent increase in Community Welfare.
- 5) With all variables held constant, the Community Participation regression coefficient of 0.111 indicates that a 1% increase in Community Participation will result in a 0.111 percent rise in Community Welfare.

4.3.2. Capital Feasibility Test (F)

Table 6 Capital Feasibility Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	174.084	4	43.521	50.221	.000 ^b
	Residual	63.262	73	.867		
	Total	237.346	77			

a. Dependent Variable: Community Welfare

b. Predictors: (Constant), Community Participation, Accountability of Village Financial Management, Transparency of Village Financial Management, Village Policy

Source: Questionnaire 2024, processed

Data presented in the earlier table indicates that F's significance level is 0.000, which falls below 0.05. These findings confirm the validity of this research paradigm, meaning that both methodology and traits associated with independent and dependent variables align with expectations. Since the significance level is under 5%, it can be concluded that this research model is well-founded and appropriate for analysis.

4.3.3. Partial Test T

T test is performed by comparing the computed t value with t table at 5% significance level. Degrees of freedom (df) are calculated to yield a t table value of 1.993, specifically $df = n - k = 78 - 4 = 73$.

Table 7 Partial T Test Result

Model		Coefficients ^a			T	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.703	1.363		2.716	.008
	Accountability of Village Financial Management	.301	.070	.323	4.305	.000
	Transparency of Village Financial Management	.263	.080	.268	3.274	.002
	Village Policy	.243	.064	.316	3.823	.000
	Community Participation	.111	.055	.163	2.008	.048

a. Dependent Variable: Community Welfare
Source: Questionnaire 2024, processed

Judging from the table of hypothesis testing results, each independent variable partially on the dependent variable can be analyzed as follows:

- 1) Hypothesis Test Results of the Effect of Village Financial Management Accountability (X1) on Community Welfare (Y)
The first hypothesis suggests that community welfare is significantly influenced by accountability in village financial management. This finding is reinforced by a t value of 4.305, which exceeds the t table value of 1.993, and a significance level of 0.000, which is below the 0.05 threshold.
- 2) Hypothesis Test Results of the Effect of Transparency of Village Financial Management (X2) on Community Welfare (Y)
The second hypothesis suggests that transparency in village financial management has a significant impact on community welfare. This conclusion is supported by a t value of 3.274, which is higher than the t table value of 1.993, and a significance probability of 0.002, which is below the 0.05 level.
- 3) Hypothesis Test Results of the Effect of Village Policy (X3) on Community Welfare (Y)
The third hypothesis indicates that village policy significantly affects community welfare. This is supported by a t value of 3.823, which is greater than the t table value of 1.993, and a significance probability of 0.000, which is below the 0.05 threshold.
- 4) Hypothesis Test Results of Community Participation (X4) on Community Welfare (Y)
The fourth hypothesis suggests that community welfare is notably impacted by community participation. This is supported by a significance probability of 0.048, which is below the 0.05 threshold, and a t value of 2.008, which is higher than the t table value of 1.993.

4.4. Coefficient of Determination

The coefficient of determination is used to measure the degree to which the independent variable affects the dependent variable. In this research, the Adjusted R Square value from the model summary is used as the coefficient of determination.

Table 8 Coefficient of Determination Test Result

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856 ^a	.733	.719	.93091

a. Predictors: (Constant), Community Participation, Accountability of Village Financial Management, Transparency of Village Financial Management, Village Policy

b. Dependent Variable: Community Welfare

Source: Questionnaire 2024, processed

The Adjusted R Square value is 0.719, which translates to 71.9%. This indicates that the independent variable X has a simultaneous effect on the dependent variable Y of 71.9%. The remaining 28.1% (100% - 71.9%) is attributed to other variables not included in this regression equation.

4.5. Discussion

4.5.1. The Effect of Village Financial Management Accountability on Community Welfare

The results of the hypothesis testing indicate that the village financial management accountability variable has a t value of 4.305 and a significance level of 0.000. This suggests that the accountability of village financial management positively affects community welfare.

The research shows that the village government gains the trust of the community due to proper and effective financial management. This increases public participation in development. In addition, the proper use of funds prevents waste and abuse, so that the community can feel the benefits of development directly. Finally, good village governance results from high accountability and consistently improves the quality of life and welfare of the community.

This aligns with the findings of a study by Anggraeni et al. (2023), which concluded that financial reports that are transparent and accountable can enhance public trust in the village government.

4.5.2. The Effect of Transparency of Village Financial Management on Community Welfare

The hypothesis testing results indicate that the village financial management transparency variable has a t value of 3.274 and a significance level of 0.002. This suggests that the transparency of village financial management positively influences community welfare.

The study shows that transparency in village financial management increases public trust in the village government. By having clear information about budget allocations, the community can understand the benefits received and encourage them to participate in development. In addition, it reduces the possibility of abuse of authority and corruption, so that resources are used optimally. Thus, information disclosure is good for people's quality of life and increases trust.

This supports the results of research by Anggraeni et al. (2023) which concluded that transparency in village financial management can increase public trust in village government because the information provided can be accounted for.

4.5.3. The Effect of Village Policy on Community Welfare

The hypothesis testing results indicate that the village policy variable has a t-value of 3.823 and a significance level of 0.000. Thus, it can be concluded that village policies positively affect community welfare.

This policy ensures that programs are relevant and successful by meeting community needs through careful planning and active involvement. Targeted accuracy increases community participation and provides a sense of ownership to the program. This results in improved living standards and quality of life in the village.

This aligns with the findings of a study by Utomo et al. (2022), which concluded that improved village policies lead to enhanced community welfare.

4.5.4. The Effect of Community Participation on Community Welfare

The results of the hypothesis testing show that the community participation variable has a t value of 2.008 and a significance level of 0.048. This indicates that community participation positively influences community welfare.

The active involvement of citizens in program planning and implementation increases transparency and accountability. When people participate in decision-making, they feel they have rights and responsibilities, which makes them supportive of policies. Because people feel involved in the processes that affect their lives, this can improve the quality of life and community welfare.

This aligns with the findings of a study by Anggraeni et al. (2023), which concluded that when individuals feel acknowledged and valued, they are more inclined to participate in social and economic activities, ultimately leading to enhanced welfare.

5. Conclusion

5.1. Conclusion

The results of the multiple linear regression analysis indicate that accountability, transparency, community participation, and village policies positively and significantly affect community welfare. With accountable financial management and information disclosure, community trust increases and active participation in development increases. Appropriate and effective village policies also improve socioeconomic conditions, and can increase community participation that fosters a sense of ownership and responsibility. Overall, the results of this analysis confirm the importance of accountable and transparent management, as well as active community participation in village policies, as keys to improving community welfare. Efforts to improve the quality of management and community involvement need to be continuously made by the village government so that the results of development can be felt equally by all levels of society.

5.2. Limitation

This research has been carried out in accordance with applicable scientific procedures, but still has several limitations that need to be considered. These limitations are as follows:

1. **Limited Use of Variables:** This study only tested four variables, namely village financial management accountability, village financial management transparency, village policy, and community participation. Although these four variables are important to analyze, there are many other variables that can also affect community welfare.
2. **Data Collection Methods:** This research employed questionnaires as the primary tool for gathering data from respondents, which included both village government officials and members of the village council. Nevertheless, this method did not include interviews, which could have enhanced the study by providing more in-depth insights and contextual nuances about the participants' responses. Interviews can uncover nuanced perceptions, personal experiences, and deeper reflections that are often difficult to capture through standardized questionnaire responses alone. Consequently, by relying exclusively on questionnaires, there is a possibility that the collected data may not provide a complete or fully accurate representation of the actual conditions and experiences occurring in the field.
3. **Focus on One Location:** This study was carried out in a single sub-district, specifically Mlonggo District, which narrows the research scope and limits its applicability. Focusing on just one area may affect the extent to which the findings can be generalized to other sub-districts or different settings. Each sub-district has its own distinctive characteristics and socio-economic dynamics, meaning that the factors influencing community welfare in Mlonggo District might vary significantly from those in other regions. As a result, conclusions drawn from this research may not fully capture or represent the conditions present in other sub-districts, making it necessary to consider regional differences when interpreting the findings. Expanding future research to cover

multiple locations could provide a broader and more representative understanding of the factors affecting community welfare.

5.3. Suggestion

Based on the research results and conclusions obtained from this study, the suggestions given for further research are (1) Future researchers are advised to increase the number of variables analyzed in the study. In addition to accountability, transparency, village policies, and community participation, other variables such as education, health, and economic conditions can provide a more comprehensive picture of the factors that influence community welfare. (2) Conducting research in more than one kecamatan or kabupaten will provide a greater variety of data, so that the results can be more easily generalized. This would also allow comparisons between kecamatan with different characteristics. (3) Adding respondents, namely village communities.

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