

Evaluating village financial governance in top tourism destinations

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Abstract: Village fund management is important for village economy and welfare. Village funds in Gresik Regency, Indonesia In particular, for the 2022 period, the revenue budget is IDR. 2,355,638,000 in Pangkahkulon village, while Rp. 9,865,701,000 for Sekapuk village, demonstrating the principles of accountability and transparency for effective and sustainable development. Accountability and transparency in village fund management ensure clear financial reporting, community participation, and openness of information, despite still facing obstacles such as lack of resources and regulations. Lack of community participation reduces accountability, transparency in achieving good financial governance in 3 villages in Gresik Regency. This study proposes to assess the impact of financial governance in Sekapuk, Pangkahkulon, and Sidokumpul Villages, focusing on accountability, transparency, and community participation. Despite progress, challenges including resource constraints and regulatory changes remain. This study provides in-depth insights into the effectiveness of village financial management systems, emphasizing the importance of community participation in improving accountability and transparency and building public trust. This study explores the implementation of good financial governance in three Gresik villages, focusing on accountability, transparency, and community participation. The study design uses a phenomenological approach to understand perceptions related to transparency and accountability in village fund management in Gresik Tourism Villages through interviews and observations. Primary data were collected from village officials, and analysis was conducted using NVivo 12 Plus, prioritizing transparency and community participation. This study found that accountability in Gresik Tourism Villages requires a transparent and efficient financial system. The SISKEUDES application experienced technical problems that affected reporting, so technical improvements and staff training were needed. Transparency and community participation in meetings and discussion forums are key to increasing trust and effectiveness in village fund management. Thus, in achieving Good Financial Governance in Gresik Tourism Villages, a financial system that is accountable, transparent, and involves community participation is needed. Information technology, regular training, and supervision with NGOs are important for efficiency and transparency, and discussion forums strengthen community trust.

Keywords: Accountability, Community participation, SISKEUDES, Tourism village, Transparency.

1. Introduction

Village fund management is an important strategy in improving the economy and welfare of village communities through development and empowerment. (Andni & Hidayah, 2023; Yudiastio, 2021). Village funds, sourced from the APBN, are provided in accordance with procedures for village autonomy in managing regions and government affairs independently.(Hilmawan et al., 2023; Nurindah et al., 2023).

Village funds support economic development, community empowerment, and public services to reduce poverty and advance villages.(Afandi, 2019; Yang et al., 2023). The role of the village government in implementing good governance is very important to ensure accountability and transparency in the management of village funds. The implementation of good governance is needed to realize effective and responsible governance. Although village funds have great potential for

development, there are still shortcomings in the openness of information and citizen participation. This requires increased transparency, accountability, and the commitment of the village government to involve the community more fully in the decision-making process related to the budget and development. Accountability and transparency are the main pillars in the effective management of village funds. Accountability requires the village government to be clearly responsible for the use of funds (Wahyuandari et al., 2020). While transparency ensures openness of information, allowing the community to access and monitor village financial processes (Mutia Basri et al., 2020). However, deviations often occur due to the low level of understanding of village officials (Nugraha et al., 2018). This shows the importance of increasing their capacity. A good village financial system with the principles of good governance can improve the welfare of village communities and the effectiveness of development (Handayani et al., 2023).

Gresik Regency has 18 sub-districts, 26 urban villages, and 330 villages. Three villages made it to the top 300 of the 2021 Indonesian Tourism Village Award. Specifically, for the 2022 period, the revenue budget is IDR 2,355,638,000 in Pangkahkulon village, while IDR 9,865,701,000 for Sekapuk village. The management of village funds in Gresik Regency, especially in tourist villages, reflects the application of the principles of Good Financial Governance, including accountability and transparency. The significant increase in village funds in 2022 shows the government's commitment to empowering communities through village development. These principles, supported by the implementation of SISKEUDES, ensure transparent, effective, and accountable financial management. With good governance, the three tourist villages in Gresik, namely Sekapuk, Pangkahkulon, and Sidokumpul, are expected to be able to improve community welfare and encourage sustainable development.

Studies (Andni & Hidayah, 2023), the principle of good governance in Wates Village emphasizes accountability, responsibility, and transparency in accountability. Findings (Yudiatuti, 2021). The principles of good governance in Way Muli and Batu Balak Villages include accountability with financial reporting, information publication, and community involvement. Findings (Indrian et al., 2023), the principles of accountability and the supremacy of law are applied in village financial management, but accountability is only to the Regent. The budget is not published, although other principles are well implemented. Findings (Afriani et al., 2023), opportunity and justification, while pressure does not have a significant effect on financial reporting fraud. Findings (Ramadan & Priyanti, 2022), the Siskeudes application in Telukjambe Village is less effective due to resource and apparatus performance issues, although communication between stakeholders is good. The village government needs evaluation. Findings (Mutia Basri et al., 2020), Indicators that show, transparency, accountability, community participation, and quality of human resources (HR) have an influence on village financial management. This study contributes to effective practices in village financial management. Study (Wira Saputra et al., 2021), it uses the System Usability Scale (SUS) to measure the usability of SISKEUDES in villages in Purbalingga Regency, with 86% of village officials feeling satisfied. The study (Elfirar & Putri, 2024), Siskeudes in Nagari Selayo improves financial accountability, although obstacles such as lack of resources and regulatory changes slow down the reporting and data process. Study (Dudayev et al., 2023), revealed that participatory governance in fisheries is supported by Indonesian law, using a hybrid model. The study (Bekana, 2023), stated that improving the quality of governance drives significant development of the financial sector. This supports the findings (Kandpal & Okitasari, 2023), governance transformation towards SDG 11 in India with transition management approach shows progress in localization of SDG 11. Study (Handayani et al., 2023), in community participation, good governance, and positive perceptions of sustainable village government. Findings by (Dambra et al., 2023), explores the impact of GASB 68 on local government economic decisions and public spending to improve transparency and accountability. The study (Ramadan & Priyanti, 2022), the implementation of the Siskeudes application in Telukjambe Village is less effective, but in accordance with the regulations. Communication between stakeholders is good, but there are problems with the resources available to support the implementation of Siskeudes. Study (Andni & Hidayah, 2023), good governance is fulfilled in increasing accountability, responsibility, and transparency in Wates Village. Implementation of accountability process priority accountability, responsibility, and transparency. Study (ngason et al., 2022), investigates the shortcomings in the governance structure of public projects in Iceland and

proposes reforms to ensure effective and efficient project delivery. The theoretical basis of the above research is the public project management model and public project governance structure. Desk analysis and interviews with selected public stakeholders. There are significant differences between the governance structures of public projects in Iceland and Norway. Iceland needs to reform its project governance structure for the sustainability of villages with non-high inflation finances. The study(Elfirar & Putri, 2024), The Siskeudes application has an important role in improving financial accountability in Nagari Selayo Village. The process of financial transfer and reporting involves relevant accountability and the application is run with a good structure. However, the obstacles faced include lack of resources and sudden changes in regulations. Study(Case et al., 2023), Research shows that the principles of accountability, transparency, and enforcement of the rule of law have been implemented but not optimally. The budget approved by the government is not announced to the public, but the government is open to suggestions and is responsible for financial management. The principles of responsibility, community participation, and justice and equality have been implemented well. Study(yudastiousbrj, 2021), good governance has been implemented in the financial management of Way Muli Village and Batu Balak Village, Rajabasa District, South Lampung. The principles of accountability, transparency, and participation are applied in the stages of planning, implementation, administration, and reporting as well as accountability. Study(Mutia Basri et al., 2020), transparency, accountability have a positive influence on village financial management. The four variables can explain 64% of the variance in village financial management.

The lack of complex community contribution in good financial governance results in low accountability and transparency. Without active community participation, financial management becomes less efficient, supervision is weak, and the risk of misuse of funds increases, reducing public trust. This study has not offered an in-depth contribution of community participation, because the community is needed as the main pillar in this study.

This research offers the impact of financial governance in rural areas with a focus on accountability, transparency, and community participation as a solid construction in three villages in Gresik—Sekapuk, Pangkahkulon, and Sidokumpul. Although the implementation of good governance principles improves accountability, challenges such as resource constraints and sudden regulatory changes remain. This study also highlights the lack of studies on the usefulness and effectiveness of financial management systems in villages, providing in-depth insights into the application of these principles in an under-researched context. This study offers an important contribution in understanding the robustness of financial governance principles in rural areas, with a focus on accountability, transparency, and community participation in Sekapuk, Pangkahkulon, and Sidokumpul Villages in Gresik(Mutia Basri et al., 2020). This study confirms that the implementation of the principle of accountability in village financial management has a significant impact on the quality of reporting and accountability. Through in-depth analysis, the study shows that these villages have succeeded in improving accountability by utilizing a systematic and structured system, although some challenges such as limited resources are still obstacles. In terms of transparency, this study reveals that financial management in these villages has improved significantly. The open financial reporting process and better access to information for the community strengthen public trust in the management of village funds. However, the researcher also noted that although transparency has increased, some sudden regulatory changes still disrupt the management and reporting process. This study highlights the importance of community participation in village financial management. By involving the community in the budgeting and monitoring process, these villages show progress in creating a more inclusive and participatory environment. Community participation not only improves the effectiveness of fund management but also strengthens the sense of shared responsibility for village development.

The purpose of this study is to explore the implementation of good financial governance with a focus on accountability, transparency, and community participation in three villages—Sekapuk, Pangkahkulon, and Sidokumpul—in Gresik Regency. This study will use qualitative methods to gain a deeper understanding of the practices and challenges in village financial management.

This study contributes to the theory by expanding the understanding of the implementation of good financial governance in the village context, especially related to accountability, transparency, and

community participation. Using a qualitative approach, this study enriches the literature on how these principles are applied in villages in Gresik Regency, as well as identifying the challenges faced.

Practically, the results of this study provide valuable insights for village governments and policy makers in designing more effective strategies to improve village financial management, encourage community involvement, and ensure transparency and accountability in village fund management.

2. Research Methodology

2.1. Design

This study uses a phenomenological approach to understand the perceptions of residents and village officials regarding transparency and accountability in managing village funds in Gresik Tourism Village.(Handari, 2016; Hartati, 2020; Sari & Nuvriasari, 2023). Through in-depth interviews and observations, researchers explore how the principles of good governance are applied.(Mahrani & Soewarno, 2018; Syafa'ah, 2021; Wahyuandari, 2020).

2.2. Research Informants

This research was conducted in three tourist villages in Gresik Regency, East Java, with research informants in the form of village officials, namely the village head, village treasurer, village secretary, and members of the Village Consultative Body (BPD).(Utomo et al., 2018). This is because the informant has high competence. The village head plays a role in decision making, the village treasurer manages finances and reports, the village secretary handles administration, while the BPD is tasked with supervising and providing input regarding village policies.

2.3. Procedures and Data Collection

Primary data were collected through structured and semi-structured interviews with village officials and communities from three Tourism Villages in Gresik, involving the village head, treasurer, secretary, and BPD. Secondary data came from village documents such as RKP, RPJM, and budget reports. The data collection procedures in this study included three main methods: observation, interviews, and documentation.(Folscher, 2010). Qualitative observations were conducted with researchers going directly into the field to observe behavior and activities related to village fund management in Tourism Villages, ensuring that its implementation is in accordance with applicable provisions. In-depth interviews were conducted with informants who have related knowledge to obtain detailed data on village fund management and the implementation of good financial governance.(für Internationale Zusammenarbeit, 2013; Indrian et al., 2023). In addition, documentation studies are used to analyze various documents, such as Village RKP, Village RPJM, and village fund budget realization reports.(Andni & Hidayah, 2023; Widuri Wulandari et al., 2023).

2.4. Validity of Data

This study uses several data validation techniques. Data triangulation compares primary data from interviews with secondary data from documents, ensuring consistency of results.(Ahmad & Warsitasari, 2023; Lei et al., 2023). Peer review involves discussions with relevant experts, providing criticism and suggestions to deepen the analysis. Extended participation allows researchers to remain involved in data collection longer, identifying historical factors that influence village fund management.(Hilmawan et al., 2023). The observation diligence was carried out by observing in a structured manner in the field, especially during interviews and observations, to understand the practice of village fund management and the implementation of good financial governance in three tourist villages in Gresik.(Afandi, 2019; Hilmawan et al., 2023).

2.4. Research Procedures

This research uses the Miles and Huberman framework with the stages of data reduction, data presentation, propositions, and drawing conclusions.(Miles & Huberman, 1994; Sulistyadi et al., 2017). Primary data from interviews with village heads, treasurers, and communities, as well as secondary data from village documents were filtered to highlight the management of village funds in the Tourism

Villages of Pangkahkulon, Sekapuk, and Sidokumpul, Gresik. Relevant information is presented in a structured manner. The main proposition states that the implementation of good financial governance improves the effectiveness of village fund management and sustainable development. The conclusion shows good governance practices with a focus on transparency, accountability, participation, and information technology. This study uses NVivo 12 Plus for Windows to analyze financial governance in the Best Villages of Gresik, East Java(Istan, 2024; Wahid et al., 2023). The use of coding and node analysis allows for direct identification of important factors of transparency, accountability, community participation, and the effectiveness of the use of information technology in village financial management.(Truant et al., 2024). The data collected and analyzed show that the Best Village in Gresik implements an accountable and transparent financial management system, with active participation from the community in decision-making regarding the allocation of village funds.(Indrian et al., 2023; Wahyuandari et al., 2020). Visualization of results using project maps ensures structured and in-depth analysis results. Data analysis in this study follows the Miles and Huberman approach, which involves three main stages: data reduction, data presentation, and drawing conclusions.(Wahyuandari, 2020; Yudiastio, 2021). Data collected from exclusive interviews and documents related to village fund management in three Tourism Villages in Gresik Regency were summarized and focused on relevant aspects. After the data was reduced, the information was presented in the form of tables or brief descriptions to facilitate analysis. Conclusions were drawn based on qualitatively validated data, providing an in-depth understanding of the village financial system and the implementation of good financial governance.

3. Results and Discussion

3.1. Results

3.1.1. Descriptive Study

3.1.1.1. Accountability Aspect Findings

Accountability of 3 tourism villages is guaranteed if the village government can be accountable for their decisions and actions properly. The SISKEUDES application facilitates transparency and accountability, but budget limitations for application upgrades are often an obstacle (Figure 1).

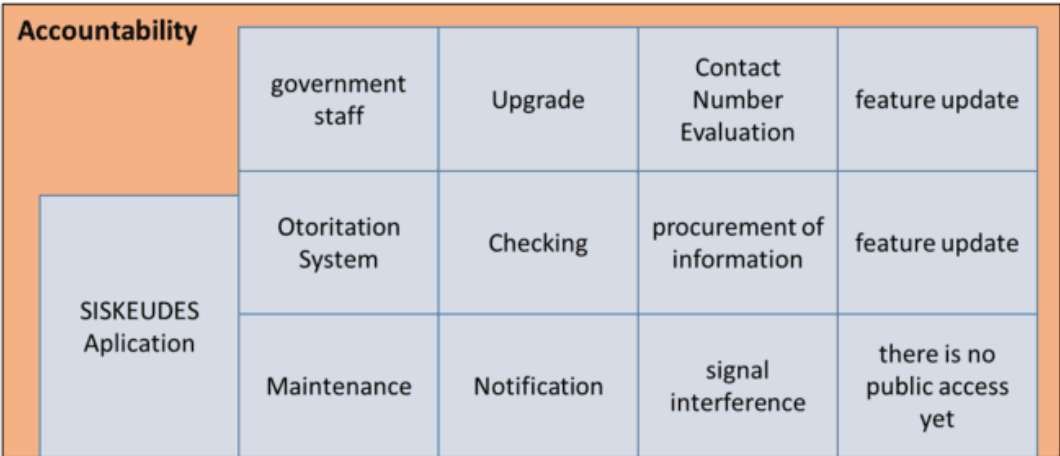


Figure1.
Accountability hierarchy chart.

Frequent application crashes can disrupt financial recording and reporting. Suggestion boxes, automated verification, and complaint forums increase participation and transparency. Internet signal disruptions need to be addressed, as well as upgrading staff skills and fixing critical technical issues. Notifications and cross-checking of data improve the accuracy of financial reports, while tiered authorization systems and internal audits maintain accountability.

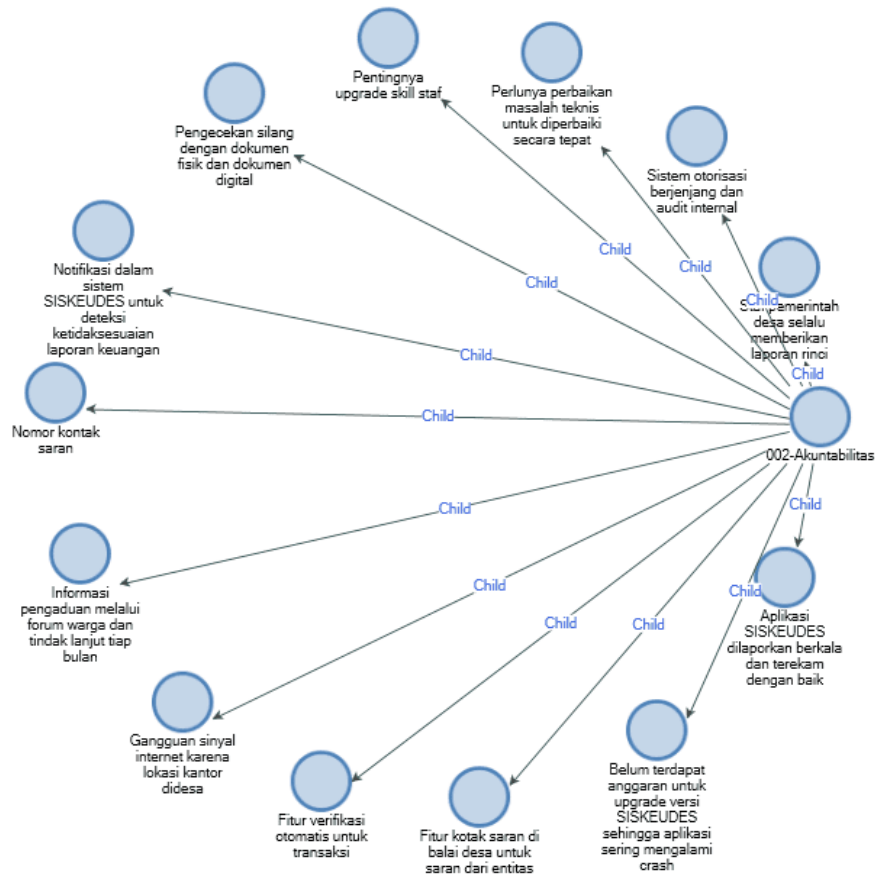


Figure 3.
Project maps modeling accountability.

Reports on project implementation realization and regular budget monitoring demonstrate commitment and certainty of accountability. Information available on the village website strengthens transparency with technological contributions. Committee organizations and cooperation with NGOs are attractive to other villages in Indonesia. Routine Village Deliberation (MusDes) activities increase the budget for village apparatus capabilities and tourism potential mapping with timely budget plans (Figure 3).

Accountability in tourism village management is a crucial concept that ensures that every step and decision taken by the village government can be effectively accounted for. One of the main aspects in this effort is the Village Financial System (SISKEUDES) application which is reported periodically to ensure transparency in financial management. However, limited budget for upgrading the application has caused crash issues that disrupt financial recording and timely reporting. In addition, the suggestion box feature in the village hall provides residents and other entities with a platform to provide input, increasing community participation in the decision-making process. The automatic verification feature for transactions and notifications in SISKEUDES is important to reduce the risk of errors and correct discrepancies quickly. However, challenges such as internet signal disruptions and the need to upgrade village staff skills require further addressing to improve the efficiency of the financial management system and ensure accurate reporting.

3.2. Transparency Aspect Findings

Transparency in tourism village management is important to build community trust. Financial information such as income, expenses, and cash balances must be available and easily accessible to all community members (Figure 4).

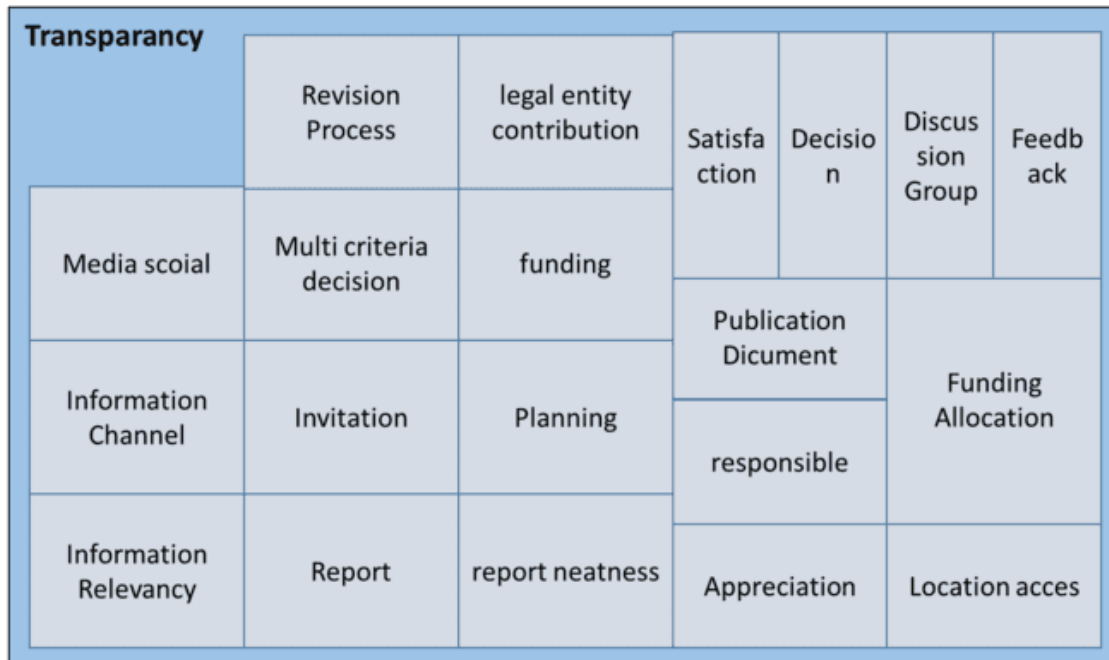


Figure4.
Financial transparency hierarchy chart.

Village budget allocation must be accompanied by clear documents and approved by various parties for transparency. Data and financial reports must be available and accessible to the public for free. Community involvement in monitoring and feedback and the use of modern communication channels are important for transparency and satisfaction.

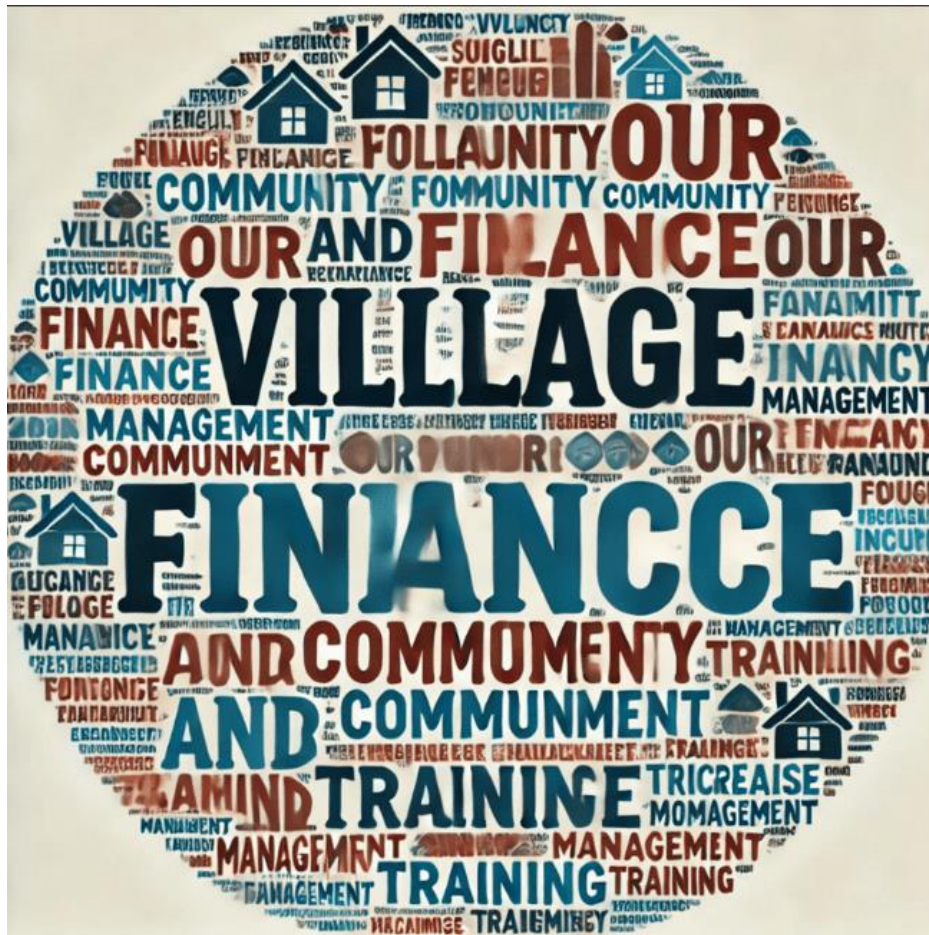


Figure 5.
World cloud financial transparency.

Financial Transparency Word Cloud, the most frequently appearing words are "information", "community", "report", "village funds", and "budget". This shows that financial transparency is an important aspect that needs to be considered in managing village funds. Village communities have the right to receive clear and transparent information about the use of village funds. Reports on the use of village funds must be made periodically and easily accessible to the community (Figure 5).

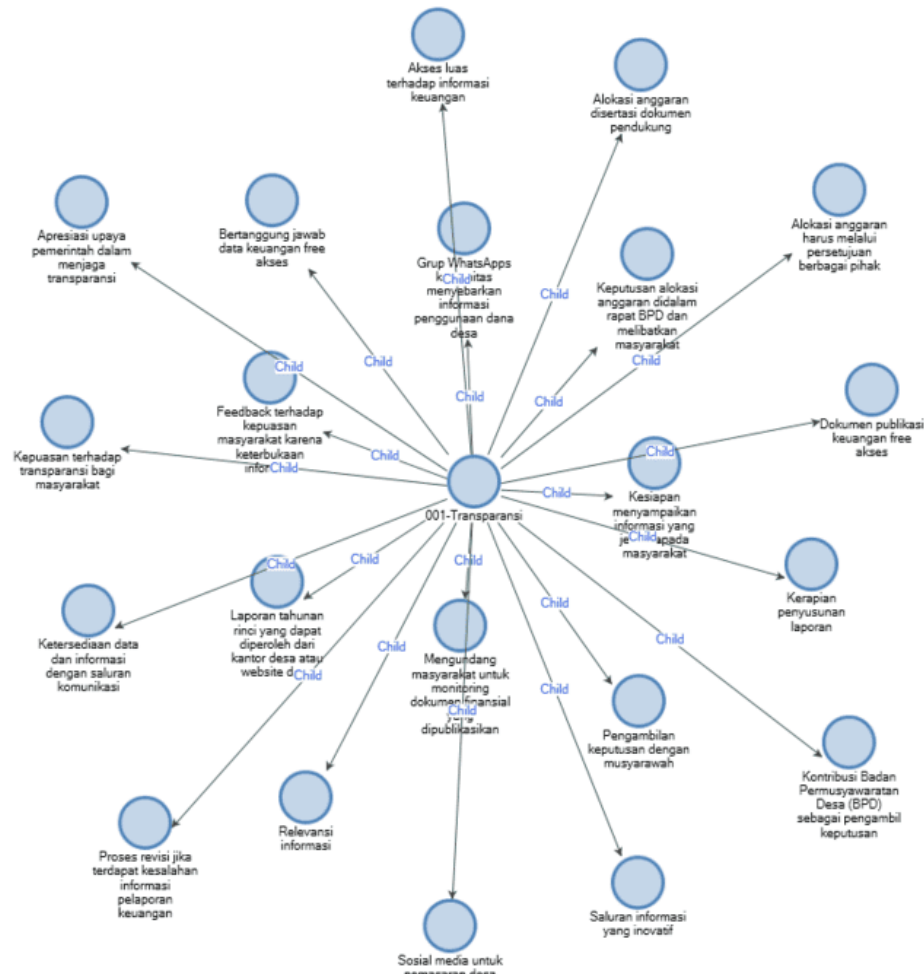


Figure6.
Project maps modeling transparency.

Mentoring in training and the role of the committee team also support in ensuring the efficiency and effectiveness of the use of village funds. The existence of a mechanism to accommodate complaints or input from the community also helps create a harmony of perception between residents and the village government. The use of technology is also an effective means of increasing transparency, although limited human resources are still a challenge. Strict supervision of the implementation of the Village Budget and routine meetings every three months on Village Budget topics are important strategies in preventing misuse of village funds (Figure 6).

Transparency in managing tourism villages is essential to build trust and community participation. Village financial information must be easily accessible to all parties, including income, expenditure, and cash balances. Budget allocations must be supported by clear documents and approved by various parties, including the Village Consultative Body (BPD). Financial data must be free and accessible, while financial reports must be neat and easy to understand. Villages need to provide community feedback mechanisms and use innovative communication channels such as social media and WhatsApp groups to disseminate information. Good transparency will increase community satisfaction and ensure accountable fund management.

3. Community Participation Aspect Findings

Community participation in managing tourism villages is an important element to ensure the success and sustainability of existing programs. The following is an explanation of community participation in tourism villages related to the points mentioned (Figure 7).

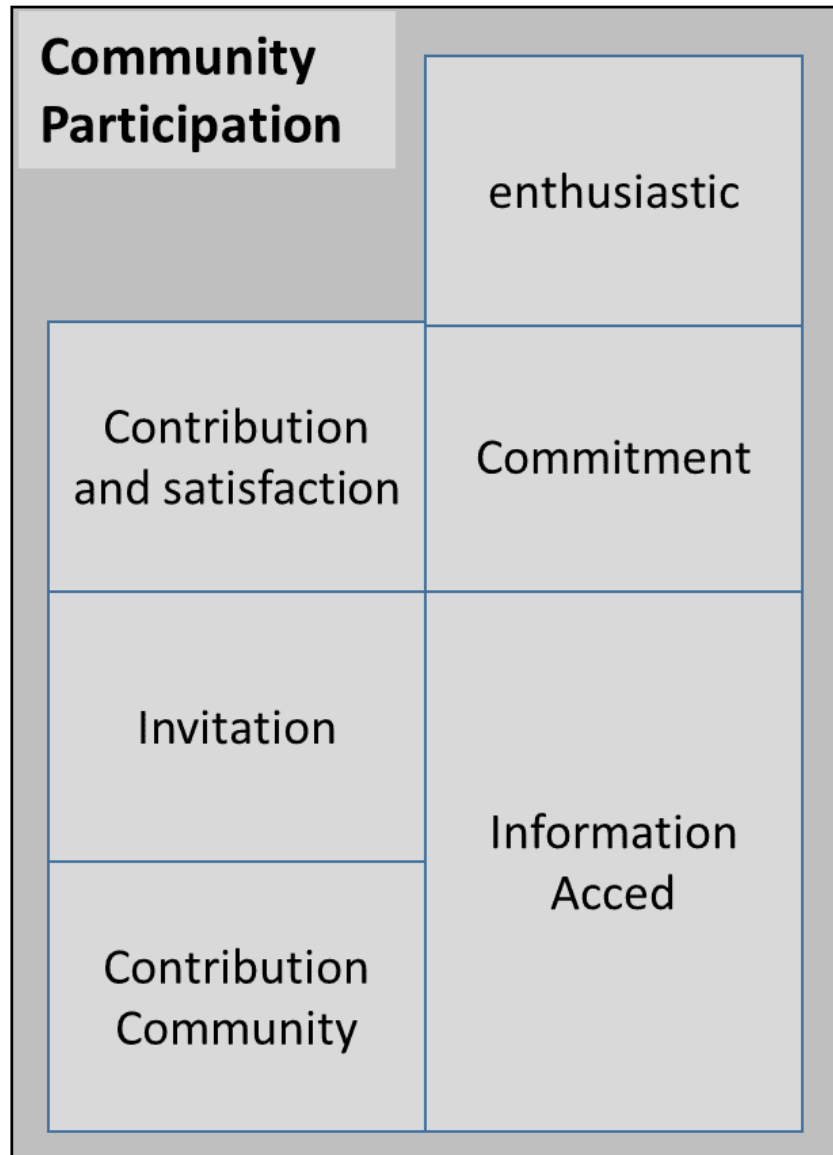


Figure 7.
Community participation hierarchy chart.

Regular village meetings, announcements, and high community participation ensure transparency and accountability in the management of village funds. Community enthusiasm and involvement increase the effectiveness of the tourism village program, although invitations to participate are sometimes not optimal. Community commitment and satisfaction strengthen village development relationships and outcomes.



Figure 8.
World cloud community participation.

Community Participation Word Cloud, the most frequently appearing words are "community", "village", "deliberation", "participation", and "development". This shows that community participation is an important factor in village development. Village communities must be involved in the planning, implementation, and supervision of village development (Figure 8).

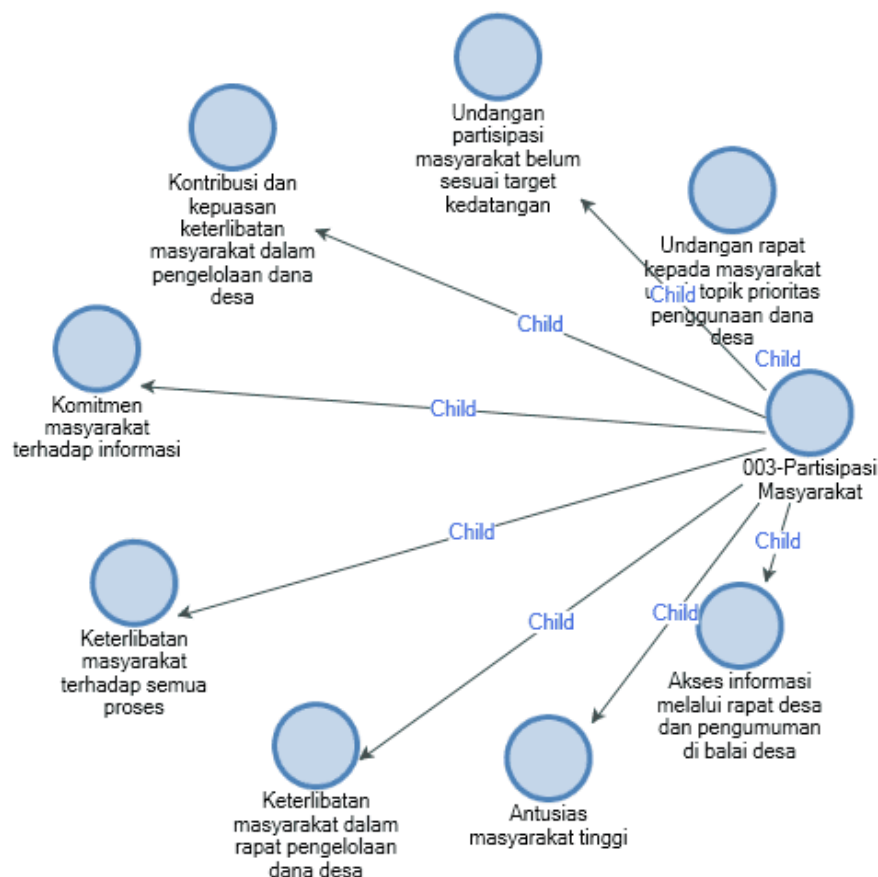


Figure 9.
Project maps modeling community participation.

Regular mentoring and financial literacy education are also provided to village managers, while recommendations for improvement and managerial training are offered to improve the quality of tourism services and products. Thus, the program ensures transparency and accountability to the community in village financial management, encourages active participation, and improves the quality of local resource management (Figure 9).

Community participation in the management of tourism villages is a crucial element to ensure the success and sustainability of related programs. Through various mechanisms such as regular village meetings and announcements in the village hall, the latest information is conveyed transparently to all residents, reducing misunderstandings and increasing trust between the community and village managers. The high enthusiasm of the community is reflected in their active participation in meetings, activities, and providing ideas, which in turn strengthens the effectiveness of the tourism village program. Involvement in the management of village funds not only ensures the proper use of funds, but also increases the sense of ownership and responsibility of the community towards village development. In addition, full community involvement from planning to program evaluation ensures the relevance and effectiveness of these programs in improving village welfare. Community commitment to information also plays an important role in better coordination and implementation of village activities, while their satisfaction with involvement in village fund management strengthens future participation. Although sometimes invitations to participate do not reach the target, improving the socialization strategy can increase its effectiveness in the future. Inviting broad participation in meetings to discuss priorities for the use of village funds ensures decisions based on consensus and shared needs, encouraging shared responsibility for development outcomes. Overall, active and enthusiastic

participation from the community is the main key to managing a tourist village successfully and sustainably, ensuring that village development is in line with their expectations and needs.

4. Discussion

4.1. Accountability

Realizing Good Financial Governance in Gresik Best of The Best Tourism Village requires a series of strategic steps involving accountability, transparency, and active community participation. Accountability in village financial management is very important to ensure that every inflow and outflow of funds can be accounted for. A transparent and accountable financial system provides certainty that every expenditure is carried out in accordance with the budget plan that has been agreed upon through routine village deliberations (MusDes). Village financial training for village officials is the key to improving their capabilities in managing village budgets. This will support development priorities and village needs appropriately. Development based on community empowerment ensures that every development program and project provides direct benefits to villagers, improving their welfare and quality of life.(Hadiwijaya et al., 2016).

Community trust in village financial management is highly dependent on the accuracy of project management and development priorities. Each project must be carefully planned, including mapping tourism potential and its budget design, to ensure proper and effective fund allocation. A standardized village financial system and the use of information technology to manage village funds will increase transparency and ease of access to information for the community. Information published regularly on the village website regarding budget use and implementation realization reports will strengthen the certainty of accountability. The commitment of village officials to carry out honest and open financial management is an important foundation for creating a healthy financial system.

Supervision of budget use and periodic reporting are important mechanisms in maintaining trust and ensuring that village funds are used according to their intended use. The formation of a supervisory committee organization involves community elements and cooperation with NGOs (Non-Governmental Organizations) to ensure that village fund management is in accordance with government regulations and policies. Routine MusDes activities become a forum for the community to participate in decision-making and supervision. Active community participation is also an important form of contribution to transparent village financial management. With timely reports on the realization of implementation and accurate records, the community can find out and assess the performance of village officials in managing the budget.

Good Financial Governance in Gresik Best of The Best Tourism Village can be an inspiration for other villages in Indonesia. By prioritizing the principles of transparency, accountability, and community participation, other villages can learn and adopt best practices in village financial management. Increasing the village budget for village apparatus capabilities through training and capacity building will help them manage village funds better. In addition, the use of information technology in the village financial system will simplify the administration process and increase transparency. With a joint commitment between the village government, community, and other elements, tourism villages can develop sustainably, attract more tourists, and improve the welfare of their citizens.

This study is in line with(Ye et al., 2023), the impact of energy efficiency and sharing economy on sustainable economic development with dominant development priorities worth 3%-4%, management accuracy of 2%-3%, public trust of 2%-3%. The dominant coding is a standardized system worth 6%-7%, Village Budget worth 6%-7% and report making of 4%-5%. High-value coding is the formation of organizations with a value of 6%-7%, NGO cooperation, technological contributions worth 4%-5%, while inspiration from other villages is 3%-4%. The study is in line with(Dambra et al., 2023), explores the impact of GASB (Governmental Accounting Standards Board) financial statement disclosure on local government economic decision-making. The influence of GASB 68 policy on local government economic decisions. This study uses a naturalistic experimental method. GASB pension liability disclosure affects local government public spending and workforce. The main objective of GASB 68 is to improve transparency, consistency, and accountability in reporting government pension liabilities. The

study is in line with (purnamasari et al., 2024), investigating the relationship between internal control, information system implementation, good governance, village performance accountability, and sustainable rural development. The relationship between internal control, information system implementation, good governance, village performance accountability, and sustainable rural development. Quantitative research investigating the relationship between internal control, information system implementation, good governance, village performance accountability, and sustainable rural development. Positive correlation between internal control, information system implementation, village performance accountability, and sustainable rural development. The study is in line with (Alvarez-fern, 2024), management plan in marine protected area performance. MPA management depends on proper governance, management and resource allocation. Case study on 125 MPAs in the NE Atlantic with 56 MgP using 8 indicators and correlation analysis. "Accountability of MPAs depends on effective governance processes and investment in quality management. The study is in line with (Volume, 2018), analyzing accountability, transparency, and responsiveness of financial management in Campurasri Village. The theoretical basis of the research can be explained through the concept of accountability, transparency, and responsiveness in village financial management. The research method used is descriptive qualitative with purposive sampling technique and data analysis through flow model analysis. Financial management in Campurasri Village is not optimal in terms of accountability, transparency, and responsiveness.

4.2. Major Propositions

To realize Good Financial Governance in the Gresik Best of The Best Tourism Village, a financial management system is needed that is accountable, transparent, and involves active community participation.

4.3. Minor Proposition

1. Village financial training for village officials is very important to improve their capabilities in managing village budgets in an accountable and transparent manner.
2. Supervision of budget use and periodic reporting by a supervisory committee involving community elements and cooperation with NGOs ensures that village funds are used according to their intended use.

The use of information technology in the village financial system increases transparency and facilitates public access to information on budget use and implementation realization reports.

4.4. Transparency

Financial transparency is a key element in realizing Good Financial Governance in Gresik Tourism Village. With transparency, the community can monitor the use of village funds openly and clearly. Implementation of technology is the main solution in increasing this transparency. For example, a digital-based village financial information system can provide access for residents to view financial reports in real time. In addition, periodic publication of financial audit results and community involvement in the decision-making process regarding village funds are also important aspects. Quarterly meetings discussing the Village Revenue and Expenditure Budget (APBDes) and discussion forums to accommodate complaints or input from the community can ensure that village financial management runs well and in accordance with community expectations.

The multi-tourism potential in Gresik Tourism Village can be optimized through proper financial management. The diversity of tourism potential, from natural beauty to local culture, requires efficient and effective fund management. A clear and structured financial management policy will enable the village to develop adequate tourism facilities and implement sustainable development programs. A performance-based financial system can be implemented to ensure that every expenditure has a positive impact on village development. Thus, the allocation of funds can be focused on projects that provide high added value to the economy and welfare of the village community. (Wahyuandari et al., 2020).

Supervision of the implementation of the Village Budget is a crucial aspect in preventing misuse of village funds. Therefore, assistance in training for village officials and committee teams responsible for

village financial management is very necessary. Routine training and seminars will increase the capacity of village human resources, so that they are able to manage finances more professionally and accountably. In addition, periodic financial audits by external parties and the publication of the audit results will increase the level of public trust in the management of village funds. This strict supervision will also ensure that every policy taken is based on valid and accountable data.

Community contribution in the village fund decision-making process is very important to create equality of perception between residents and the village government. Active participation of residents in village meetings discussing fund allocation will increase a sense of ownership and shared responsibility for development results. Gresik Tourism Village must also pay attention to the limitations of existing human resources, by providing intensive and ongoing training so that they are able to adapt to technological developments and modern financial management. In addition, adequate geographical access needs to be considered so that all residents can participate optimally in activities organized by the village. All these efforts, if managed properly, will realize solid and sustainable Good Financial Governance, supporting Gresik Tourism Village to become the "Best of The Best".

This study is in line with (Bahruddin et al., 2024), explores how emerging jurisdictional initiatives promote change towards more sustainable commodity production, and the influence of political, environmental governance and economic contexts on implementation. That jurisdictional approaches contribute to three main pathways of change in more sustainable commodity production on the financial transparency model, particularly the role of training and committee formation.

This study is in line (Dambra et al., 2023), explores the impact of GASB (Governmental Accounting Standards Board) financial statement disclosure on local government economic decision-making. The influence of GASB 68 policy on local government economic decisions. This study uses a naturalistic experimental method. GASB pension liability disclosure affects local government public spending and workforce. The main objective of GASB 68 is to improve transparency, consistency, and accountability in reporting government pension liabilities. The study is in line with (Ramos et al., 2024), governance practices and financial transparency in family businesses to ensure sustainability. The influence of corporate governance practices on financial transparency in family businesses. Case studies with quantitative and descriptive approaches and using Pearson correlation. There is a significant relationship between corporate governance practices and financial transparency in family businesses. Study (ibrahimy et al., 2024), identifying and analyzing blockchain-based governance models that can address corruption and increase transparency. The use of blockchain for transparency and anti-corruption in government systems. Systematic literature review (SLR) found seven blockchain governance models for village transparency. The study (Hammond & Opoku, 2023), investigates the mediating role of going concern and corporate reporting in the relationship between corporate governance and investor trust in financial institutions. The theoretical basis of the study is the importance of transparency and disclosure in corporate reporting practices with the role of sustainability reporting and governance in investor confidence. Corporate governance, corporate reporting, and going concern between investor confidence in financial institutions.

4.5. Major Propositions

Financial transparency is a key element in realizing Good Financial Governance in Gresik Tourism Village.

4.6. Minor Proposition:

1. Implementation of technology, such as a digital-based village financial information system, allows communities to access financial reports in real-time.
2. Regular publication of financial audit results and community involvement in the decision-making process regarding village funds increases accountability and community trust.

Quarterly meetings to discuss the Village Revenue and Expenditure Budget (APBDes) and discussion forums to accommodate input from the community ensure transparent village financial management that is responsive to the needs of residents.

4.7. Community Participation

Good Financial Governance is one of the important pillars in the development of a region, including the Gresik Best of The Best Tourism Village. To realize this, community participation is the main key. By activating community participation, through routine socialization every two months, the Village can ensure that every citizen is involved in decision-making related to Village financial management. The importance of community involvement is also reflected in the formation of the Village Financial Management Team. This team is tasked with managing and supervising the use of Village funds in a transparent and accountable manner. With this team, it is hoped that more efficient and targeted financial management will be created, so that it can improve community welfare.(Odhiambo & Musakwa, 2024). In addition, the Village also needs to encourage the community to actively contribute to the Village deliberation. Through this forum, the community can provide input and ideas for better financial management. The adoption of community participation can also be integrated with examples of success from other Villages, as inspiration and motivation for the residents of Gresik Tourism Village.

Improving financial literacy is also key to realizing Good Financial Governance. Through regular training and education, the community can better understand the importance of good and proper financial management. Thus, the Village can produce accurate financial reports and can be accounted for transparently to the community. In addition, managerial training is also needed to improve the quality of services and development of tourism products, so that it can increase the overall income of the Village. With these steps, the Gresik Best of The Best Tourism Village can be a good example in realizing Good Financial Governance.

This study is in line(Bekana, 2023), because it shows that improving the quality of governance encourages the development of the financial sector, so that it is able to provide a role for community participation in various aspects at the village level studied through certain codes. Informants from the Village Consultative Body (BPD) highlighted the certainty of transparency, recommendations for improvement, and managerial training as dominant aspects in community participation. The Village Treasurer highlighted community contributions, mentoring, and financial literacy education as dominant aspects in community participation. The Village Head highlighted the need for management training, tourism management, and fund transparency as dominant aspects in community participation. The Village Secretary highlighted socialization, team formation, increasing sense of ownership, and community encouragement in managing village funds as dominant aspects in community participation. The study is in line with(Handayani et al., 2023), village community participation, good governance, and positive perceptions of village government performance. The theory that underlies the research is the relationship between village community participation, good governance, and positive perceptions of village government performance. The research method above is a survey with analysis using structural equation modeling. Positive relationship between good governance and positive community perceptions of village government. The study is in line with(Yu et al., 2023), improving rural land use, increasing income, and protecting the environment. Theoretical basis: utilization of ecosystem services for economic value and poverty alleviation. The above study uses an empirical approach. The study shows that the liangshan bank model can improve governance efficiency by coordinating different institutional policies and reducing uncertainty and transaction costs through a government-led, market-dominated, and community-involved mechanism. The study is in line with(Rocca & Zielinski, 2022), the relationship between community-based tourism, social capital, and governance in a post-conflict context in Colombia. Community-Based Tourism Development, Social Capital, and Governance. A case study using social indicators can better understand the relationship between community-based tourism, social capital, and governance in a post-conflict context. Community-based tourism development requires strong social capital and structured governance. The study is in line with(Chen et al., 2023), the quality of minority tourism destinations in Guizhou Province. Community-based tourism destination development. The research method with a sequential mixed method approach was used. This study concluded that factors such as tourism resources, tourism locations, and tourism innovation are key to the development of minority tourism destinations.

4.8. Major Propositions:

Good Financial Governance is one of the important pillars in the development of a region, including the Gresik Best of The Best Tourism Village, which aims to manage finances in a transparent, accountable and efficient manner in order to improve community welfare.

Minor Proposition:

1. Good Financial Governance is one of the important pillars in the development of a region, including the Gresik Best of The Best Tourism Village.
2. Community participation is the main key to realizing Good Financial Governance in Gresik Tourism Village.
3. The formation of the Village Financial Management Team is tasked with managing and supervising the use of Village funds in a transparent and accountable manner.

With the existence of the Village Financial Management Team, it is hoped that more efficient and targeted financial management will be created.

5. Conclusion

This study identified that accountability in Gresik Tourism Village requires a transparent and efficient financial system. The SISKEUDES application used for accountability often experiences technical problems, such as crashes and signal interference, which affect recording and reporting. Information technology and feedback forums can improve transparency, but need technical improvements and staff skills enhancement. Transparency in village financial management must be ensured by providing clear access to information on income, expenditure, and cash balances, as well as documentation of budget allocations. Community participation through meetings and discussion forums strengthens program effectiveness and increases trust and involvement in village development. Challenges related to less than optimal invitations to participate must be addressed to ensure broader and more effective involvement in village fund management. This study revealed that to achieve Good Financial Governance in Gresik Tourism Village, an accountable, transparent financial management system that involves community participation is needed. Training, supervision, and information technology support this goal. Financial transparency is the key to Good Financial Governance in Gresik Tourism Village, namely Sekapuk, Pangkahkulon, and Sidokumpul villages. Information technology, periodic audit publications, and community discussion forums improve accountability, trust, and responsiveness in village financial management. Good Financial Governance is an important pillar of Gresik Tourism Village development, with community participation as the key. The Village Financial Management Team is expected to improve transparency, accountability, and efficiency of village fund management.

This study shows that to achieve Good Financial Governance in Gresik Tourism Village, the financial management system must prioritize accountability, transparency, and community participation. The implementation of information technology and training for village officials will strengthen financial management, increase transparency, and facilitate access to information for the community. Supervision involving the community and cooperation with NGOs have also proven effective in ensuring the use of village funds according to their intended use. This means that the development of Gresik Tourism Village will depend heavily on the integration of good financial governance principles, which include accountable management and responsiveness to community needs. This study requires regular training for village officials to include accountability, transparency, and information technology for efficiency. Strengthening internal supervision with community committees and Non-Governmental Organizations, as well as periodic publication of audit results, is very important. Periodic discussion forums will increase community participation and strengthen trust. In-depth research is needed to explore the influence of information technology on village financial transparency and efficiency, the effectiveness of apparatus training, and factors that influence community participation in village financial management and the impact of discussion forums on financial decisions.

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