

Jurnal Ranah Publik Indonesia Kontemporer

<https://rapik.pubmedia.id/index.php/rapik>

Beyond Administrative Formalities: Village Fund Oversight, Corruption, and Social Accountability in Bima Regency

Mukhlis Ishaka^{1*}, Rahmad Hidayat²

^{1,2}Program Studi Ilmu Administrasi Negara, Universitas Mbojo Bima, Jl. Piere Tendean No. 28 Mande II Kota Bima 84119, ² Program Studi Ilmu Administrasi Negara, Universitas Mbojo Bima, Jl. Piere Tendean No. 28 Mande II Kota Bima 84119.

Email: ¹mukhlis.ishaka@universitasmbojobima.ac.id, ²rahmad.hidayat@universitasmbojobima.ac.id

ARTICLE INFO

Article history:

Send 27/11/2025

Received 15/12/2025

Accepted 26/12/2025

Abstract

Existing studies on village governance and public accountability have largely focused on institutional and structural drivers of corruption, often overlooking the interplay between administrative practices, local power dynamics, and perpetrator motivations. Accountability failures are shaped by these interactions as much as by formal structures. This study examines village fund oversight in Mawu and Waduruka Villages, Bima Regency, Indonesia. Using a qualitative case study, the authors collected data through field observations, document analysis, and in-depth interviews with village officials, members of the Village Consultative Body (BPD), community representatives, government auditors, village facilitators, and corruption perpetrators. Key findings include: (1) Oversight is predominantly focused on procedures and compliance with regulations, which allows genuine accountability to be hidden; (2) Administrative approaches, along with limited ability of institutions to perform their functions, minimal resources for financial review (auditing), and deeply rooted relationships between patrons (people in power) and clients (dependent supporters), directly lead to fake documents, inflated budgets, and fictional activities; (3) Citizen participation is disjointed and mainly reactive, occurring after corruption comes to light; (4) The idea of the 'administrative formality trap'—where official systems for accountability exist but meaningful evaluation or enforcement is missing—shows that such systems can unintentionally allow corruption. These findings together offer a more complete view of why accountability fails and support recommendations for enhancing proactive monitoring, reforming institutions, ensuring unbiased auditing, and maintaining ongoing public involvement.

Keywords: *Accountability Gap, Elite Capture, Weak Oversight.*

*Penulis Korespondensi

E-mail : mukhlis.ishaka@universitasmbojobima.ac.id

INTRODUCTION

Over the past two decades, decentralization has become the dominant paradigm in public governance reform in developing countries, including Indonesia. The village fund policy, implemented since 2015, aims to redistribute fiscal resources to local governments based on the belief that closer proximity to communities improves efficiency, responsiveness, and accountability in development. While this policy has resulted in substantial allocations—reaching hundreds of trillions of rupiah in less than a decade—greater fiscal capacity at the village level has not always strengthened accountability (Rahayu & Ika, 2024). Empirical evidence points to frequent misuse of village funds, highlighting the challenge of translating fiscal decentralization into accountable governance (Permatasari et al., 2024; Wardhani et al., 2025).

This situation exposes a core issue in the current decentralization framework: the gap between the assumed and the actual effectiveness of oversight. Theoretically, village decentralization should strengthen accountability through institutional oversight (e.g., the Village Consultative Body and inspectorate) and social oversight (community participation) (Ambarwati & Shodiq, 2025; Ardiputra et al., 2025). In reality, formal institutional checks are often limited to administrative processes and tend to be reactive, while community participation is often superficial and ceremonial. Instead of reinforcing accountability, village decentralization can create new opportunities for misconduct, especially when formal institutional capacities and social controls develop unevenly (Antlöv et al., 2016).

The literature generally explains the phenomenon using a principal–agent framework, which focuses on information asymmetry (Popovic et al., 2012). The village government acts as the agent, while the community and supra-village government serve as principals. In such settings, the village head maintains dominant control over information and budget management, while oversight mechanisms often cannot fully verify the accuracy of reports (Jeddawi et al., 2025; Ma'ruf et al., 2020). However, this framework does not sufficiently address the complexities of local dynamics in areas with strong social structures. Integrating the patron–client relationship perspective is therefore essential. In this context, the village head is not only an administrative agent but also a social patron who manages resource distribution and fosters loyalty via personal and cultural ties (Aspinall & Berenschot, 2019; Hidayat et al., 2019; Hidayat & Sauki, 2023; Mączak, 2017; Taufiq & Hidayat, 2022). These relationships create power imbalances that shape bureaucratic behavior and determine whether community members and other local actors comply with or resist oversight (Rifai et al., 2024; Salahuddin et al., 2025).

Furthermore, in specific socio-cultural contexts, such as in Bima Regency, the village head holds symbolic significance that extends beyond administrative duties. Specifically, village heads represent family honor and social status. This cultural role both legitimizes the village head's authority and increases social pressure to appear successful, which, in some cases, may encourage budgetary mismanagement (Jannah et al., 2024). Despite its importance, this socio-cultural factor is seldom explored in existing literature, which usually frames patronage only within electoral politics and does not deeply connect it to budget management and social symbolism at the village level.

On the other hand, literature on social accountability shows that community participation controls public power (Fox, 2015). At the village level, participation is usually just procedural and ceremonial, as in village deliberation forums that are mainly formal and lack real discussion (Fritzen, 2007; Musgrave & Wong, 2016; Tian

et al., 2019). As a result, this participation does not create enough pressure to counter dominant village executives. When patron–client ties are strong, community participation is often co-opted or restricted by social norms and reliance on the village head. Thus, the "voice" mechanism is weak, and formal institutions' "teeth" mechanism is also ineffective (Butzlaff, 2020; Hidajat, 2025; Retnowati & Sundari, 2022).

There are three major gaps in the literature. First, existing studies rarely examine how the interaction between fiscal decentralization and weak oversight mechanisms leads to failures in village accountability. Second, scholarship has not yet adequately combined the principal–agent framework with patron–client relations to show how formal and informal power operate simultaneously in the management of village funds. Third, cultural factors—such as the village head's symbolic social status and ceremonial community participation—are understudied as influences on budget misuse.

This study analyzes how village fund oversight mechanisms work in practice and why systematic budget misuse occurs. Using qualitative case studies in Mawu and Waduruka, it applies principal–agent, patron–client, and social accountability perspectives to examine the administrative, institutional, cultural, and structural dimensions. The study demonstrates that formal accountability often becomes a mere procedural formality, leaving room for manipulative practices. Thus, this research not only advances understanding of village governance but also provides a basis for developing more substantive, locally relevant oversight strategies.

Cases of misuse of village funds in Waduruka Village (Langgudu Subdistrict) and Mawu Village (Ambalawi Subdistrict) in Bima Regency highlight the vulnerabilities of village financial governance in practice. In the case of Waduruka Village, irregularities in the management of village funds for the 2017–2018 period were addressed through legal enforcement mechanisms, resulting in state losses of approximately Rp. 552 million based on an audit by the Financial and Development Supervision Agency, and ultimately leading to the prosecution of the village head and his staff by the Mataram Corruption Criminal Court. The Village Head of Mawu was also named a suspect in an alleged corruption case involving the management of village funds in 2017, with state losses amounting to approximately Rp. 600 million. The defendant was found guilty at the Mataram Corruption Criminal Court.

Irregularities in both cases followed a similar pattern: officials manipulated financial reports, inflated budgets, and included fictitious activities that were never actually carried out. While the financial reports appear neat and seem to meet all formal requirements, there is a clear discrepancy between the documentation and the actual implementation of activities. It highlights a significant gap between administrative accountability—focused on procedural compliance—and substantive accountability, which should reflect real-world outcomes. These two cases serve both as concrete empirical examples and as analytical tools for understanding how weak oversight, strong local power dynamics, and administrative formalism combine to foster corruption at the village level.

RESEARCH METHODS

This study employs a qualitative case study design to gain an in-depth understanding of the dynamics of village fund management and oversight within the context of local social and institutional frameworks (Priya, 2021; Rashid et al., 2019; Snyder, 2012; Younas et al., 2023). The choice of this approach is based on the study's objective, which is not only to identify patterns of irregularities but also to explain how such practices emerge through the interplay of institutional structures,

power relations, and the experiences of actors at the village level.

Informants were selected through purposive sampling based on their direct involvement in, or relevant knowledge of, village fund management. These informants included village officials, BPD members, community members, government auditors, village facilitators, and individuals involved in cases of budget misuse. In addition, snowball sampling was used sparingly to identify key actors who were difficult to access, especially those with direct experience in deviant practices. Aware of potential bias in purposive and snowball sampling—especially informants justifying their actions—this study used several mitigation strategies. First, informant selection used maximum variation sampling to ensure diverse perspectives and prevent a single narrative from dominating. Second, data from perpetrators was compared with information from auditors, community members, and documents. Third, interviews were conducted iteratively, using probing to test response consistency and reveal rationalizations or biases. Together, these measures aimed to increase validity by triangulating sources and perspectives.

Data were collected through in-depth interviews, field observations, and document analysis. Interviews used a semi-structured approach to flexibly explore informants' experiences and interpretations, while focusing on management and oversight of village funds. Observations helped understand administrative practices and social interactions that are not always revealed in interviews. Documents such as village financial reports, audit results, and planning documents verified information from informants.

Data analysis was conducted using an iterative thematic analysis approach (Naeem et al., 2023; Vaismoradi et al., 2013). Specifically, the analysis began with open coding, which involved labeling distinct segments of the data to identify discrete units of meaning from the interview material and documents. It was followed by grouping these codes into broader categories through axial coding—a process that links related codes together. Finally, the resulting themes were defined to represent patterns of oversight, deviant practices, and the dynamics of power relations. To enhance the reliability of the analysis, the coding process was conducted systematically. An initial coding framework was developed from the literature—particularly principal-agent theory (which examines relationships where one party delegates authority to another), patron-client relations (which focus on hierarchical exchanges of resources and loyalty), and social accountability (which refers to mechanisms by which citizens hold public officials accountable). This framework was then inductively adapted based on field findings. Coding consistency was maintained through peer debriefings and periodic code reviews to ensure alignment between data and interpretation. Furthermore, the integration of the theoretical framework and empirical data was explicitly carried out by mapping each theme to relevant analytical concepts. This sequence enabled a descriptive and explanatory analysis. This study adheres to the principles of qualitative research ethics, including informed consent (participant consent), meaning participants are fully aware of the research purpose and agree to participate; anonymity, meaning personal identities are not revealed; and data confidentiality, or the secure handling of information. Because the topic is sensitive and some informants are perpetrators of misconduct (individuals who have engaged in improper or illegal actions), researchers took extra care to protect their identities and avoid questions that could cause legal or social risks.

In addressing ethical dilemmas, particularly when informants justify corrupt actions, the researcher maintains a neutral, non-confrontational stance while clarifying issues through follow-up questions. Reflexivity, or the ongoing self-

examination of one's role, assumptions, and biases, becomes particularly important when evaluating narratives from perpetrators. To further minimize such biases, data interpretation is not based solely on a single source but is tested through triangulation—comparing data from multiple sources—and critically discussed within the research team.

RESULTS AND DISCUSSION

Village fund governance in Mawu and Waduruka Villages cannot be understood solely through formal administrative procedures. Instead, it involves a complex mix of institutional arrangements (the established rules and structures for managing funds), social relations (the networks and interactions among villagers), and local power dynamics (the distribution of authority and influence). The findings show that misuse of village funds stems from weak oversight (insufficient monitoring and accountability), maladministration (poor management or abuse of administrative processes), limited citizen participation (low involvement of villagers in decision-making), and rationalization by perpetrators (justifications or excuses made by those misusing funds). To provide a structured overview of these interconnected findings, Table 1 summarizes the key dimensions, empirical patterns, and their implications. The problem of village fund governance is multidimensional and cannot be attributed to a single factor. Instead, administrative weaknesses, institutional limitations, and socio-political dynamics interact to create conditions that enable and sustain misuse.

Table 1. Summary of Key Findings

Dimension	Empirical Findings	Indicators	Implications
Oversight Mechanisms	Weak and reactive	No in-depth audit; complaint-based monitoring	Limited preventive control
Administrative Practices	Formalistic and procedural	Reports prepared for compliance only	Illusion of accountability
BPD Role	Weak capacity and influence	Limited budget literacy; patronage pressure	Ineffective checks and balances
Maladministration	Systematic manipulation	Markups, forged documents, fictitious activities	High vulnerability to corruption
Citizen Participation	Symbolic and constrained	Limited access; fear of criticism	Weak social accountability
Perpetrator Rationalization	Justified misconduct	Perceived opportunity; normalization	Systemic moral hazard

Source: Field Data, 2025.

Weaknesses in Oversight Mechanisms: Between Formal Compliance and Substantive Failure

The first key finding concerns the weakness of village fund oversight mechanisms. Internally, village officials generally view financial reports as an administrative burden rather than a substantive evaluation tool. In Mawu Village, a village official

frankly admitted: "We always make monthly reports, but honestly, it is more to complete the paperwork. There is never an in-depth audit. Only when there is a problem are we investigated more seriously" (Mawu Village Official, interview 2025). This statement highlights the gap between formal procedures and the substance of oversight. Internal audits are rarely conducted in-depth, and routine reports are viewed more as an "administrative requirement" than a means of early detection of potential irregularities.

The role of the BPD in both villages is also weak. While the BPD's authority is normatively quite substantial, in practice, BPD members often lack the technical capacity to review budget reports. In Waduruka, a community leader stated, "The BPD actually exists, but they do not understand the budget. Sometimes they sign it without asking many questions. Even if they do raise objections, they usually remain silent for fear of being perceived as opposing the village head" (Waduruka community leader, interview 2025). This quote confirms that the BPD's limited capacity, combined with cultural factors—such as patronage relations and a sense of deference toward the village head—results in an ineffective oversight function.

External oversight also shows significant limitations. The Bima Regency Inspectorate and the Community and Village Empowerment Office (*Dinas Pemberdayaan Masyarakat dan Desa/DPMD*) conduct audits but are often reactive. A DPMD official stated, "The Inspectorate only comes when there is a case report. If there is no report, it is scarce. Other villages also need supervision, but there are few officers" (Bima Regency DPMD employee, interview 2025). Given the many villages in Bima Regency, this statement highlights a structural problem of limited human resources and oversight. As a result, there is ample room for misconduct because perpetrators feel they are being monitored only when a case becomes public.

At this point, a critical reflection on the paradox of oversight effectiveness is necessary. Although the disclosure of two corruption cases in Mawu and Waduruka Villages demonstrates the functional success of the Bima Regency Inspectorate, this effectiveness is essentially reactive and symbolic, rather than preventive and systemic. The Inspectorate's interventions occur after public reports or complaints are received, rather than through routine, anticipatory audits. Theoretically, this pattern reflects a post-factum accountability mechanism, namely, supervision that occurs after irregularities have already occurred, rather than as an early warning system (Rolewska, 2023). Limited human resources, the vast scope of its work, and implicit political pressure limit the Inspectorate's capacity to detect irregularities proactively. As a result, the Inspectorate's role is more akin to a "firefighter" responding to a crisis, rather than a supervisor capable of preventing irregularities.

Within the framework of principal-agent theory, this phenomenon indicates the continued information asymmetry between the "agent" (the village government), which has complete control over financial information, and the "principal" (the Inspectorate and the community), who can only act after information is leaked or a case becomes public. In this context, formal oversight mechanisms often serve as instruments for fulfilling administrative obligations rather than as substantive control tools. Meanwhile, from a social accountability perspective (Fox, 2015), this situation illustrates the existence of teeth without voice—that is, the existence of institutional sanctions and investigations, but without balanced citizen participation and intense social pressure. Thus, these two corruption cases do not demonstrate the strength of the oversight system, but instead reveal the fragility of local oversight governance: law enforcement is effective, but prevention fails. Actual effectiveness can only be achieved through the transformation of reactive oversight into ongoing

monitoring supported by information transparency, citizen engagement, and independent audit capacity.

Motives and Modes of Corruption

The subsequent empirical finding concerns the motives and methods of misuse of village funds in Mawu and Waduruka. Personal economic needs do not solely drive the motives, but are also influenced by social status and pressures from local political culture. A resident in Waduruka stated, "Why do they dare to misuse village funds? Because they think it is an opportunity, and the community does not know about it. There is also the reason of prestige, to appear successful as village head" (Waduruka resident, interview 2025). This statement suggests that corruption in the village is not solely oriented towards financial gain but also linked to the social symbolism of the village head as a representation of family or group success. In the Bima Regency cultural context, the position of village head is often viewed as the pinnacle of social prestige.

Regarding methods, the research findings reveal similar patterns in both villages: forged signatures, project budget markups, and fictitious activities. A Mawu resident stated, "The report shows a road rebate project with a large budget, but the results on the ground are minimal. There are even activities listed in the documents, but we never see them in the village" (Mawu Village resident, interview 2025). An Inspectorate auditor corroborated this with a technical explanation: "The most common methods are forging signatures, manipulating material prices, and creating fictitious activities. The documents are neat, but when checked in the field, they do not match" (Bima Regency Inspectorate Auditor, interview 2025). These quotes demonstrate that the worst maladministration practices occur not because the administrative system is nonexistent, but because the system is too easily manipulated. Documents are structured to appear legitimate, but do not reflect reality on the ground.

Citizen Participation: Symbolic, Constrained, and Reactive

In addition to administrative and institutional weaknesses, another problem is the low level of community participation, which is often more symbolic than substantive. Communities in Mawu and Waduruka generally lack sufficient knowledge about the flow of village funds. Information is provided through notice boards or village meetings, but it is symbolic in practice. A Mawu resident explained: "We do not know how much village funds are coming in. There is an information board, but the numbers are written in small print." Besides, if you ask too much, you will be accused of going against the village government (Mawu Village Resident, interview 2025). This statement confirms the information asymmetry between village officials and the community. Barriers to citizen participation include technical issues (e.g., financial literacy) and fear stemming from the dominance of the village head and local patronage structures.

However, after the corruption case was uncovered, a new awareness emerged. A Waduruka community leader stated, "After the corruption case was uncovered, we residents tried to hold a small meeting at the village leader's house. The goal was to share information about the budget. Although it was not official, there was an effort from the community" (Waduruka community leader, interview 2025). A village facilitator also confirmed this new dynamic: "Initially, the community was passive, but now there is a new awareness. They are starting to ask questions and are curious, although they are still afraid of being too open" (Village Facilitator, interview 2025). This phenomenon demonstrates the potential for growing social accountability, although it remains limited and not formally organized. Citizen participation only

emerges in response to a trigger, such as a corruption case, rather than through regular mechanisms.

Perpetrator Perspective: Rationalization and Opportunity Structures

Another important dimension is seen from the perspective of the perpetrators, which illustrates how weak oversight systems are exploited as opportunities for corruption. The perpetrators revealed that their actions stemmed from a sense of security due to weak oversight and the justification that similar practices were being carried out in other villages. One perpetrator admitted: "At first, I thought it was okay, because the documents could be arranged. Besides, all the other villages do the same. Nevertheless, after I was caught, I realized my mistake. It not only harms the state, but also makes people lose trust in the village" (Perpetrator, interview 2025). Another perpetrator added, "If the oversight system were strong, maybe I would not have dared. Nevertheless, at that time, I saw that no one was supervising. So I exploited that loophole" (Perpetrator, interview 2025). The perpetrators' reflections reinforce the argument that corruption is both a manifestation of individual moral hazard and a consequence of a weak oversight system that creates ample opportunities for misconduct. This admission is a crucial lesson: systemic reform must strengthen oversight capacity, conduct independent audits, and enhance village literacy.

Administrative Formality Trap: A Conceptual Interpretation

This study introduces the "administrative formality trap" (Figure 1), a situation in which accountability mechanisms are primarily used to complete administrative procedures rather than to ensure effective oversight and control. Thus, while formal rules, reports, and procedures are present, they do not guarantee genuine transparency and accountability. Rather, they give only the appearance that governance is effective (Dando & Swift, 2003; Prencipe, 2025). Formal compliance can substitute for substantive control in governance systems.

Village-level administrative systems do exist, but their function is distorted. While financial reports are prepared, documents are completed, and procedures followed, these activities focus on meeting compliance rather than evaluating substance (Ginting et al., 2023; Muti'ah et al., 2025). As a result, the intended control function of the system has shifted to merely legitimizing deviant practices.

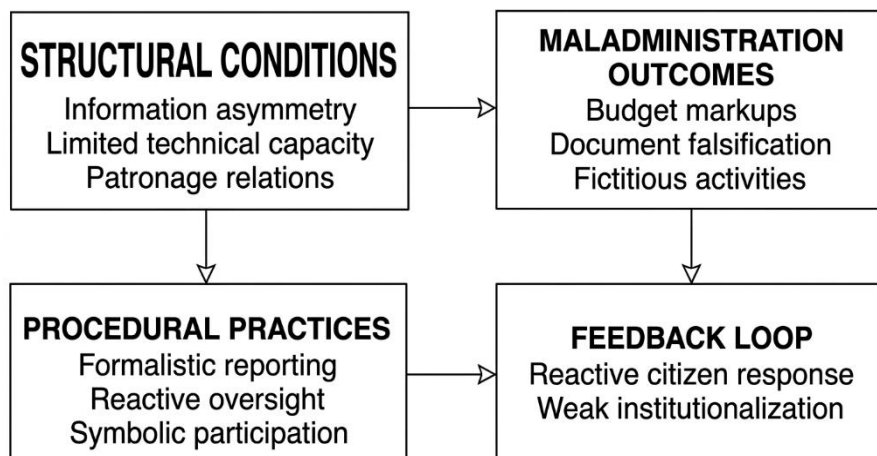


Figure 1. Administrative Formality Trap in Village Fund Governance
Source: Authors' Conceptualization, 2025.

The figure illustrates how structural conditions—such as information asymmetry, limited technical capacity, and patron–client relationships—give rise to formalistic institutional practices. These practices include administrative reporting without in-depth verification, reactive oversight, and symbolic citizen participation. As a result,

various forms of maladministration, such as budget inflation, document forgery, and fictitious activities, occur and are ultimately reinforced by weak feedback within the oversight system (Boufounou et al., 2024).

Analytically, the root of the problem is not the lack of an accountability system, but rather how the system operates in a given social and institutional setting. In particular, the village government, as the main actor, can control information without enough checking, because others do not have the same information. At the same time, limited skills and knowledge—both within the Village Council (BPD) and in the community—make it hard to monitor what is happening. Lastly, strong personal ties between leaders and followers create loyalty and dependence, making it harder for people to challenge or check those in power. In this context, administrative practices such as financial reporting and formal audits do not serve as early-warning mechanisms; instead, they function as rituals that confer procedural legitimacy. Consequently, misconduct—for example, markups, document manipulation, and fictitious activities—can systematically occur without immediate detection. Thus, the system functions administratively, but not substantively. In other words, institutional mechanisms exist but fail to generate meaningful enforcement (Mkhize, 2025).

Furthermore, the idea of the administrative formality trap shows the weakness of feedback loops in the oversight system. Citizen participation that happens after a case is discovered is only reactive, not built into the system. External oversight also tends to arrive too late, after problems have already happened. As a result, there is no lasting way to prevent these practices from recurring. This imbalance between citizen voice and institutional enforcement echoes the “voice versus teeth” problem in accountability systems (Fox, 2015). Thus, the model explains the key issue in village fund management. Specifically, having a formal accountability system does not always stop corruption; sometimes, it can even hide rule-breaking by making things look proper. Therefore, reform efforts should go beyond strengthening formal rules and instead focus on enhancing substantive verification, building local capacity, and fostering meaningful citizen engagement capable of transforming procedural accountability into effective control.

Theoretical Interpretation of Empirical Findings

The issue of village fund oversight is not a simple phenomenon that a single factor can explain. The budget corruption cases in both villages exhibit multidimensional and layered symptoms. From an administrative perspective, the financial reporting mechanism does operate, but it is often viewed as a procedural obligation rather than a control instrument. Reports prepared by village officials become merely formal documents to be fulfilled, rather than a means of identifying potential irregularities. It creates the illusion of accountability, where everything appears orderly from a document perspective, but in practice, substantive oversight is rarely conducted.

The institutional dimension also exacerbates the weak oversight. The BPD, which is normatively designed to represent residents and oversee village policies, cannot fulfill its role optimally. The limited technical capacity of BPD members to understand financial reports makes them a mere accessory to the administrative process. In some cases, personal closeness or patronage relationships between BPD members and the village head discourage this institution from taking a critical stance. External oversight by the Inspectorate and the DPMD exacerbates the situation. The limited number of auditors, high workloads, and the tendency for reactive audits—only conducted after a case has surfaced—make the external oversight function

ineffective. Thus, from an institutional perspective, there is a gap in the checks and balances function, which should be the central pillar of village financial accountability.

In addition to administrative and institutional factors, cultural dimensions also play a significant role in shaping the weak oversight of village funds in Mawu and Waduruka. In the social context of Bima Regency, the village head serves as an administrative leader and a symbol of power and social prestige. Strong patron-client relationships discourage community criticism, even when they recognize irregularities. The BPD, which is supposed to oversee the situation, often finds itself in a similar dilemma: whether to fulfill its institutional function or maintain loyalty to the village head. In such circumstances, the patronage culture creates a loyalty trap that leads residents and village officials to choose silence over speaking out critically (Aspinall & As'Ad, 2015; Berenschot & Aspinall, 2020; Simandjuntak, 2012).

The structural dimension further illustrates the fragility of the village fund oversight system. Limited technical capacity, both at the village and Regency levels, opens up significant opportunities for manipulation. Village officials who understand the loopholes in this system can easily compile neat accountability reports, complete with signatures and supporting documents, without fear of in-depth field verification. One perpetrator even openly admitted that he dared to commit irregularities because he felt he was being monitored only by documents, not the reality on the ground. Such statements demonstrate that the problem lies not only with individuals intent on corruption, but also with the system that allows such opportunities to remain open.

Thus, village fund oversight in Mawu and Waduruka remains far from adequate. Each actor—village officials, the community, supervisory institutions, and perpetrators—views this issue differently. However, all converge on one conclusion: weak oversight has become a key entry point for the worst maladministration practices. Village officials view reporting as a mere administrative obligation; the BPD acknowledges limitations and patronage pressures; the Inspectorate feels hampered by minimal resources, while the community chooses to remain silent for fear of confronting the village head. Even perpetrators who ultimately become entangled in cases assert that the weak oversight system is a factor that emboldens them to deviate.

The weakness in village fund oversight cannot be understood simply as an administrative failure, but rather as a consequence of the social, political, and institutional structures that shape power relations at the local level. From a governance theory perspective, this phenomenon demonstrates an accountability deficit stemming from two factors: first, the dominance of the village head as the central actor with near-absolute authority in budget planning and management; and second, weak checks and balances exist among the BPD, the community, and external institutions. The concept of the principal-agent problem is relevant to explaining such a pattern. The village head (agent) is responsible for managing village funds in the best interest of the public (principal). However, information asymmetry, weak transparency, and minimal oversight capacity leave agents ample room for opportunistic behavior. Document manipulation, markups, and fictitious projects are examples of opportunistic behavior in situations of weak oversight.

From a patron-client theory perspective, social relations in Bima Regency also play a crucial role. The village head functions not only as an administrator but also as a political patron controlling the distribution of resources. At the same time, residents or other officials often assume the client's position, depending on the patron. It explains why the BPD is reluctant to be critical, and the community

frequently remains passive: patronage relationships create a loyalty trap that weakens the oversight function.

Furthermore, these findings reinforce the argument in the literature on the co-production of accountability that public accountability at the local level is only effective if there is a synergistic interaction between voice (social control from citizens) and teeth (sanctions from formal institutions) (Fox, 2015; Schatz, 2013; Vieira, 2023). In Mawu and Waduruka, community voices emerged after the cases were uncovered, but they had not yet been institutionalized. At the same time, formal institutions (the Inspectorate, DPMD) had blunted teeth due to limited human resources and political interference.

In Table 2, the authors summarize the connection between empirical findings and the theoretical frameworks discussed. It presents an analytical synthesis linking village-level deviance to key concepts in principal-agent theory, patron-client relations, and social accountability. Such a summary enables systematic identification of how each problem dimension—such as information asymmetry, local power dominance, and weak participation—contributes to village fund misuse. The table serves both as a summary of findings and as an analytical tool, showing how empirical evidence aligns with theoretical explanations.

Table 2. Theoretical Integration of Empirical Findings

Theory	Key Concept	Empirical Evidence	Interpretation
Principal-Agent	Information asymmetry	Village controls financial data	Enables opportunistic behavior
Patron-Client	Loyalty & dependency	BPD & citizens reluctant to challenge	Weakens oversight
Social Accountability	Voice vs. Teeth	Weak voice, reactive enforcement	Imbalanced accountability

Source: Authors' Synthesis, 2025.

The findings of this study can be understood through an interrelated causal mechanism, in which information asymmetry (unequal access to critical information), institutional capacity constraints (limitations in resources or abilities of organizations), and patron-client relationships (networks of influence where benefits are exchanged for loyalty) do not merely exist as standalone factors, but simultaneously shape formalistic governance practices. In this context, financial reporting that appears orderly and complete functions as an instrument of administrative legitimacy, masking deviations at the implementation level. This condition represents what this study refers to as the “administrative formality trap”—a situation where accountability systems become ensnared in the logic of procedural compliance, thereby losing their substantive function as a control mechanism.

These findings reveal a paradox in village-level accountability. More comprehensive administrative procedures do not always mean better oversight. Instead, they can increase manipulation by creating an illusion of compliance. This paradox deepens when feedback loops fail: community participation is reactive rather than institutionalized, and external oversight usually arrives too late. As a

result, there is no continuous corrective process, so maladministration recurs and becomes normalized.

In this context, actors' behavior is not solely individual deviance (i.e., actions that go against prevailing rules or norms), but also adaptation to structural opportunities (i.e., the legal, institutional, or societal frameworks that enable such actions). Rationalizations like “similar practices also occur in other villages” show how deviance becomes normalized, with deviations seen as acceptable within certain limits. Thus, corruption of village funds results from a dialectical interaction between agency (individual choices and actions) and structure (systemic features and constraints): actors exploit systemic weaknesses, while the weak system indirectly reproduces this behavior. Thus, weaknesses in accountability at the village level do not merely reflect administrative or institutional failures but also indicate broader governance failures encompassing procedural, relational, and systemic dimensions. Therefore, improvement efforts should not be limited to strengthening formal regulations but must also include transforming oversight mechanisms toward substantive verification, strengthening the capacity of local actors, and creating channels for participation that translate voices into effective collective pressure on village government officials.

These empirical findings are consistent with various previous studies in Indonesia highlighting the issue of village fund corruption. Antlöv et al. (2016) asserted that village fund programs often create tension between the potential for community empowerment and the risk of misuse due to weak oversight. They emphasized that the capacity of local institutions, particularly the BPD and the village deliberation forum, heavily influenced accountability at the village level. The evidence in Mawu and Waduruka confirms this: oversight becomes a formality when the BPD lacks technical capacity.

Harun et al. (2021), Purba et al. (2022), and Triyono (2020) found similar patterns in their study of village corruption in several Indonesian regions, including document forgery and project markups, as well as local patronage as a driver of opportunistic behavior. A similar phenomenon emerged in Bima Regency, with an added cultural dimension, where village heads are positioned as symbolic figures for families or groups, thereby increasing social pressure to maintain power through financial means. Another study by Aspinall and Berenschot (2019) on clientelism and democracy in Indonesia demonstrates how patronage and money politics are prevalent patterns in state-society relations at the local level. The findings from Bima Regency support this argument, indicating that patron-client ties play a significant role in electoral contexts and post-election village budget management. Furthermore, this research adds empirical evidence to the global literature on grassroots accountability. Lucas (2016) claimed that citizen participation in development oversight is highly vulnerable to elite capture, especially when citizens' technical capacity is low and social structures are hierarchical. The situation in Mawu and Waduruka reflects this: participation emerged after the case, but remained sporadic and limited.

Consequently, this study offers a distinct theoretical contribution by extending and clarifying existing accountability frameworks within decentralized village governance. Prior studies on principal-agent theory, patron-client relations, and social accountability often frame accountability failures as results of fragile institutions or minimal citizen participation. In contrast, this study demonstrates that accountability mechanisms can be exploited as procedural tools that legitimize—rather than restrict—misconduct. It introduces and develops the concept of an administrative formality trap. It also refines existing theories by

redirecting focus from institutional absence to manipulation in their practical application.

The findings reveal how accountability failure is reproduced in village fund governance. Structural conditions—such as information asymmetry, limited technical capacity, and entrenched patronage relations—shape daily practices. These practices tend to be mainly formal, including procedural reporting, reactive oversight, and symbolic participation. Consequently, maladministration arises from budget markups, document falsification, and fictitious activities. Because there is little effective feedback—due to weak institutional enforcement and lack of citizen voice—corrective interventions do not occur. It then enables misconduct to continue over time.

Overall, corruption persists not only due to individual moral hazard but also because governance systems unintentionally support and normalize opportunistic behavior. By clarifying this causal chain, the study reframes current accountability debates. It shows that the issue is not just weak oversight but the transformation of accountability into a formal routine lacking real control.

CONCLUSION

Issues with village fund management in Mawu and Waduruka stem not just from administrative failures but from complex interactions between institutional, social, and structural factors shaping local power. Accountability mechanisms exist—financial reporting, BPD oversight, and external audits—but often serve only as procedural formalities. This gap between administrative and substantive accountability allows maladministration, such as document manipulation, budget inflation, and fictitious activities. Weak oversight results not only from technical capacity limitations but also from patron–client relationships that hinder social control. The Village Council (BPD) cannot perform its oversight role effectively due to limited budgetary understanding and social pressure not to criticize the village head. Reactive external oversight and officials' limited resources prevent effective early detection. Community participation is mostly symbolic and gains strength only after corruption cases surface, thereby failing to become institutionalized as a sustainable accountability system. Moreover, perpetrators misuse village funds not only for economic reasons but also because they see opportunities, face weak oversight, and observe similar practices around them. This shows that village-level corruption is systemic, where individual moral hazard meets weak oversight structures. Conceptually, this study introduces the “administrative formality trap” to explain how formal accountability systems can become ensnared in a logic of procedural compliance that masks deviations. This concept underscores that the existence of rules and procedures does not automatically guarantee effective accountability, especially when administrative practices lack substantive verification, transparency, and meaningful citizen participation. Thus, the primary contribution of this study lies in its integration of principal–agent, patron–client, and social accountability perspectives to explain accountability failures at the local level. The implications of these findings show that reforms in village fund governance require more than stronger administrative regulations. A deeper transformation is needed. This includes enhancing oversight institutions' technical capacity, supporting the Village Council's (BPD) independence and role, and building inclusive, substantive ways for community participation. External oversight should shift from a reactive stance to sustainable, prevention-based monitoring. Without changes to these structural and social aspects, accountability efforts may again get stuck in ineffective formalities.

ACKNOWLEDGEMENT

The authors thank the Directorate of Research, Technology, and Community Service (*Direktorat Riset, Teknologi, dan Pengabdian Kepada Masyarakat*) of Ditjen Riset dan Pengembangan Kementerian Pendidikan Tinggi, Sains, dan Teknologi (*Kemdiktisaintek*) Republik Indonesia for the financial support through the scheme "Penelitian Dosen Pemula (PDP) Tahun 2025".

REFERENCES

- Ambarwati, D., & Shodiq, M. J. (2025). Legal politics of village fund supervision in preventing potential corruption in Indonesia. *Sociological Jurisprudence Journal*, 8(2), 189–197. <https://doi.org/10.22225/scj.8.2.2025.189-197>
- Antlöv, H., Wetterberg, A., & Dharmawan, L. (2016). Village governance, community life, and the 2014 village law in Indonesia. *Bulletin of Indonesian Economic Studies*, 52(2), 161–183. <https://doi.org/10.1080/00074918.2015.1129047>
- Ardiputra, S., Milyan, M., Akhmad, Z., Sulthan, M., & Ardiputra, M. A. (2025). Optimizing budget policy in Village Fund Allocation (ADD): A governance and public administration perspective on rural development. *Frontiers in Political Science*, 7. <https://doi.org/10.3389/fpos.2025.1581806>
- Aspinall, E., & As'Ad, M. U. (2015). The patronage patchwork: Village brokerage networks and the power of the state in an Indonesian election. *Bijdragen Tot de Taal-, Land- En Volkenkunde*, 171(2–3), 165–195. <https://doi.org/10.1163/22134379-17102004>
- Aspinall, E., & Berenschot, W. (2019). *Democracy for sale: Elections, clientelism, and the state in Indonesia*. Cornell University Press. <https://doi.org/10.7591/9781501732997>
- Berenschot, W., & Aspinall, E. (2020). How clientelism varies: Comparing patronage democracies. *Democratization*, 27(1), 1–19. <https://doi.org/10.1080/13510347.2019.1645129>
- Boufounou, P., Eriotis, N., Kounadeas, T., Argyropoulos, P., & Pouloupoulos, J. (2024). Enhancing internal control mechanisms in local government organizations: A crucial step towards mitigating corruption and ensuring economic development. *Economies*, 12(4), 78. <https://doi.org/10.3390/economies12040078>
- Butzlaff, F. (2020). Between empowerment and abuse: Citizen participation beyond the post-democratic turn. *Democratization*, 27(3), 477–493. <https://doi.org/10.1080/13510347.2019.1707809>
- Dando, N., & Swift, T. (2003). Transparency and assurance: Minding the credibility gap. *Journal of Business Ethics*, 44(2–3), 195–200. <https://doi.org/10.1023/A:1023351816790>
- Fox, J. A. (2015). Social accountability: What does the evidence really say? *World Development*, 72, 346–361. <https://doi.org/10.1016/j.worlddev.2015.03.011>
- Fritzen, S. A. (2007). Can the design of community-driven development reduce the risk of elite capture? Evidence from Indonesia. *World Development*, 35(8), 1359–1375. <https://doi.org/10.1016/j.worlddev.2007.05.001>
- Ginting, A. H., Widianingsih, I., Mulyawan, R., & Nurasa, H. (2023). Village government's risk management and village fund administration in Indonesia. *Sustainability*, 15(24), 16706. <https://doi.org/10.3390/su152416706>
- Harun, H., Graham, P., Kamase, H. P., & Mir, M. (2021). A critical analysis of the impacts of financial literacy and NPM on village funds initiative in Indonesia.

- International Journal of Public Administration*, 44(4), 336–345.
<https://doi.org/10.1080/01900692.2020.1722165>
- Hidayat, T. (2025). Village fund corruption mode: An anti-corruption perspective in Indonesia. *Journal of Financial Crime*, 32(2), 444–455.
<https://doi.org/10.1108/JFC-01-2024-0042>
- Hidayat, R., Hendra, H., & Iptidaiyah, M. (2019). The steep road to institutionalizing negotiable governance in the management of village development. *Journal of Governance*, 4(1), 45–67. <https://doi.org/10.31506/jog.v4i1.5369>
- Hidayat, R., & Sauki, M. (2023). Studi derajat partisipasi dan literasi anggaran kelompok rentan dalam pengelolaan pembangunan desa. *Journal of Governance and Local Politics*, 5(1), 33–39. <https://doi.org/10.47650/jglp.v5i1.801>
- Jannah, A. I., Mustari, N., & Taufik, A. (2024). Symbolic domination: Study of the interaction of noble power in the election of village heads. *Journal of Contemporary Local Politics*, 3(1), 50–58.
<https://doi.org/10.46507/jclp.v3i1.620>
- Jeddawi, M., Madjid, U., & Sahyana, Y. (2025). Collaborative governance in prevention of village fund corruption crimes in Indonesia: A case study in Bandung Regency West Java Province. *Journal of Humanities and Social Sciences Studies*, 7(2), 68–86. <https://doi.org/10.32996/jhsss>
- Lucas, A. (2016). Elite capture and corruption in two villages in Bengkulu province, Sumatra. *Human Ecology*, 44(3), 287–300. <https://doi.org/10.1007/s10745-016-9837-6>
- Maćzak, A. (2017). *Unequal friendship: The patron-client relationship in historical perspective*. Peter Lang International Academic Publishers.
<https://doi.org/10.3726/978-3-653-02368-8>
- Ma'ruf, M. F., Pradana, G. W., & Eprilianto, D. F. (2020). *Study of village funding control at East Java Province Inspectorate through village management consulting*. In A. Frinaldi, A. Mubarak, B. Saputra, N. E. Putri, I. Ifdil, & R. Rahim (Eds.), *Proceedings of the International Conference on Public Administration, Policy and Governance 2019* (pp. 216–227). Atlantis Press.
<https://doi.org/10.2991/aebmr.k.200305.202>
- Mkhize, N. (2025). Plans without action? Politics and institutional challenges of anti-corruption reforms in the BRICS countries. *Journal of Economic Criminology*, 10, 100197. <https://doi.org/10.1016/j.jeconc.2025.100197>
- Musgrave, M. K., & Wong, S. (2016). Towards a more nuanced theory of elite capture in development projects. The importance of context and theories of power. *Journal of Sustainable Development*, 9(3), 87–103.
<https://doi.org/10.5539/jsd.v9n3p87>
- Muti'ah, D., Habibullah, Abd. W., Djunarto, Y., & Cahyono, L. B. E. (2025). Reconceptualisation of state financial losses to prevent misuse of village funds. *Trunojoyo Law Review*, 7(2), 361–390.
<https://doi.org/10.21107/tlr.v7i2.29856>
- Naeem, M., Ozuem, W., Howell, K., & Ranfagni, S. (2023). A step-by-step process of thematic analysis to develop a conceptual model in qualitative research. *International Journal of Qualitative Methods*, 22, 1–18.
<https://doi.org/10.1177/16094069231205789>
- Permatasari, P., Budiarmo, A., Dartanto, T., Samosir, A. P., Saputro, B., Ekayana, D., Agustono, E. D., Alim, T. E., Hartono, L., Wahyuputri, F. W., & Wardhana, I. W. (2024). Village fund management and reporting systems: Are they

- accountable? *Transforming Government: People, Process and Policy*, 18(4), 512–528. <https://doi.org/10.1108/TG-07-2023-0098>
- Popovic, M., Kuzmanovic, M., & Gusavac, B. A. (2012). The agency dilemma: Information asymmetry in the “Principal-Agent” problem. *Management: Journal for Theory and Practice of Management*, 17(62), 13–22. <https://doi.org/10.7595/management.fon.2011.0005>
- Prencipe, A. (2025). Accountability between compliance and legitimacy: Rethinking governance for corporate sustainability. *Sustainability*, 17(20), 9305. <https://doi.org/10.3390/su17209305>
- Priya, A. (2021). Case study methodology of qualitative research: Key attributes and navigating the conundrums in its application. *Sociological Bulletin*, 70(1), 94–110. <https://doi.org/10.1177/0038022920970318>
- Purba, R. Br., Aulia, F., Tarigan, V. C. E., Pramono, A. J., & Umar, H. (2022). Detection of corruption in village fund management using fraud analysis. *Quality - Access to Success*, 23(190), 120–128. <https://doi.org/10.47750/QAS/23.190.14>
- Rahayu, I. R. S., & Ika, A. (2024). Selama 2015-2024, Pemerintah kucurkan Rp 609,9 Triliun dana desa [During 2015-2024, the Government disbursed IDR 609.9 Trillion in village funds]. *Kompas.Com*. <https://money.kompas.com/read/2024/10/12/080000326/selama-2015-2024-pemerintah-kucurkan-rp-609-9-triliun-dana-desa>
- Rashid, Y., Rashid, A., Warraich, M. A., Sabir, S. S., & Waseem, A. (2019). Case study method: A step-by-step guide for business researchers. *International Journal of Qualitative Methods*, 18. <https://doi.org/10.1177/1609406919862424>
- Retnowati, A., & Sundari, E. (2022). The active-participation of community in corruption countermeasures through private investigation: Obstacles and propose for Indonesia. *Journal of Legal, Ethical and Regulatory Issues*, 25(3), 1–17. <https://heinonline.org/HOL/LandingPage?handle=hein.journals/jnlolletl25&div=62&id=&page=>
- Rifai, R., Kamaluddin, K., & Hidayat, R. (2024). Exploring the roots and solutions of maladministration, power abuse, or corruption in contemporary Indonesian villages. *Pertanika Journal of Social Sciences and Humanities*, 32(3), 1115–1140. <https://doi.org/10.47836/pjssh.32.3.15>
- Rolewska, A. (2023). *Networks of constitutional watchdogs in the post-devolution UK (Doctoral dissertation, Aberystwyth University)*. https://pure.aber.ac.uk/ws/portalfiles/portal/67407702/Rolewska_Anna.pdf
- Salahuddin, S., Rifai, R., & Hidayat, R. (2025). Leadership, corruption, and inequality: Village development in a non-democratic context. *The International Journal of Politics and Sociology Research*, 12(4), 256–266. <https://doi.org/10.35335/ijopsor.v12i4.270>
- Schatz, F. (2013). Fighting corruption with social accountability: A comparative analysis of social accountability mechanisms’ potential to reduce corruption in public administration. *Public Administration and Development*, 33(3), 161–174. <https://doi.org/10.1002/pad.1648>
- Simandjuntak, D. (2012). Gifts and promises: Patronage democracy in a decentralised Indonesia. *European Journal of East Asian Studies*, 11(1), 99–126. <https://doi.org/10.1163/15700615-20120008>
- Snyder, C. (2012). A case study of a case study: Analysis of a robust qualitative research methodology. *Qualitative Report*, 17(26), 1–21. <https://eric.ed.gov/?id=EJ974849>

- Taufiq, M., & Hidayat, R. (2022). The constraining dynamics to promote the inclusive village governance in an autocratic leadership setting. *Journal of Governance and Local Politics*, 4(1), 55–69. <https://doi.org/10.47650/jglp.v4i1.442>
- Tian, T., Speelman, S., & Zuo, T. (2019). From elite capture to marginalization of the poorest: A new social exclusion in anti-poverty programmes in China. *Journal of Chinese Economic and Business Studies*, 17(1), 91–102. <https://doi.org/10.1080/14765284.2018.1521594>
- Triyono, A. (2020). Framing analysis of village funding corruption in media suaramerdeka.com in central java, Indonesia, 2019. *International Journal of Criminology and Sociology*, 9, 1154–1163. <https://doi.org/10.6000/1929-4409.2020.09.136>
- Vaismoradi, M., Turunen, H., & Bondas, T. (2013). Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study. *Nursing and Health Sciences*, 15(3), 398–405. <https://doi.org/10.1111/nhs.12048>
- Vieira, J. B. (2023). How social accountability fosters public integrity: The role of public policy councils in curbing corruption. *Revista de Sociologia e Politica*, 31(e017), 1–26. <https://doi.org/10.1590/1678-98732331E017>
- Wardhani, R. S., Altin, D., & Suhdi, S. (2025). Diagnosing accountability challenges in Indonesia's Village Fund: A PESTEL-PRMT multi-case analysis in post-decentralization governance. *Public Organization Review*. <https://doi.org/10.1007/s11115-025-00922-0>
- Younas, A., Fàbregues, S., Durante, A., Escalante, E. L., Inayat, S., & Ali, P. (2023). Proposing the “MIRACLE” narrative framework for providing thick description in qualitative research. *International Journal of Qualitative Methods*, 22, 1–13. <https://doi.org/10.1177/16094069221147162>