International Journal of Social, Economic, and Business
Vol.1, No.2, 2024, pp. 10-22
Journal homepage: https://ejournal.lavishopulent.com/ojs/index.php/ijseb/index
E-ISSN: 3063-9832

Analysis of the Success of Village Financial System Implementation on Village Government Governance: Empirical Study in Tulungagung Regency, East Java, Indonesia

Sindi Yulika Putri[1]*, Loggar Bhilawa[2]

[1] Universitas Negeri Surabaya, Ketintang, Surabaya, Indonesia, sindiyulika@gmail.com
[2] Universitas Negeri Surabaya, Ketintang, Surabaya, Indonesia, loggarbhilawa@unesa.ac.id

Corresponding Author Email: sindiyulika@gmail.com

Received : 1 October 2024
Accepted : 1 December 2024
Published : 27 December 2024

Keywords:
SISKEUDES; DeLone & McLean IS Success Model; Trust in Technology; Operational Effectiveness; Village Governance

ABSTRACT

This research aims to find empirical evidence regarding the successful implementation of the Village Financial System (SISKEUDES) and its influence on village governance in Tulungagung Regency. This study employs a quantitative approach and evaluates a model based on the DeLone & McLean IS Success Model as well as the theory of trust and legitimacy. This success model includes variables such as information quality (IQ), system quality (SQ), service quality (SEQ), trust in technology (TIT), user satisfaction (US), operational effectiveness (OE), and village governance (VG). Data collection was carried out using a cluster sampling technique, obtaining 82 sample villages that use SISKEUDES. The analysis technique used in this research is SEM-PLS using SmartPLS. The research results show that IQ, SQ, and TIT have a positive effect on US, while SEQ has no effect on US. TIT and US have a positive effect on OE, while IQ, SQ. and SEQ have no effect on OE. OE is proven to have a positive effect on VG. The results of this research show that the implementation of SISKEUDES in Tulungagung Regency has been successful, and the implementation of SISKEUDES can improve village governance, especially accountability, transparency, and participation.

INTRODUCTION

Governance in public administration has emerged as a worldwide concern due to recurring issues like fraud, inefficiency, corruption, inadequate internal controls, and subpar financial management. The concept of governance applies to all public organizations, including villages. The acceleration of development to strengthen the economy from the village level led the central government to issue a policy to increase the Village Fund transfer budget to the Village Government. The amount of Village Funds allocated to the village government to be managed in the Village Budget is quite large and tends to increase every year, so it does not rule out the possibility of fraud or manipulation in the management of village funds (Aisyaturrahmi et al., 2021).

Based on data from Indonesia Corruption Watch (ICW) in 2023 (Anandya & Easter, 2023), from 2016 to 2022 corruption cases in the village sector continued to increase every year with a total of 682 cases and 959 suspects dominated by village heads and village officials. This shows that village governments are still failing in managing finances. Increasing village government accountability can encourage village officials to comply with applicable regulations and prevent fraud accounting in the management of village funds including corruption (Oktrivia et al., 2024).

The government needs to utilize technology to improve the quality of village governance, to increase transparency, community participation, and village government accountability (Onuigbo & Eme, 2015). In order to enhance the administrative functions within

the government, it is essential to implement a system that leverages information technology (Triani & Handayani, 2018). Consequently, BPKP and the Ministry of Home Affairs collaborated to create an online application-based financial system called the Village Financial System (SISKEUDES), which aims to fulfill the requirements of effective village financial management.

The implementation of SISKEUDES in Tulungagung Regency is considered to improve village governance as evidenced by several awards received by the district. However, there are still many cases of fraud and corruption in the village sector (Muttaqin, 2018); (Aziz, 2023); (Aryanto, 2023), which shows that the effect of SISKEUDES on village governance has not been objectively measured.

The effectiveness of a system enacted in the real world is evaluated through the notion of system success. The DeLone and McLean Information Systems Success model is utilized to gauge the fruitful implementation of information systems, including SISKEUDES (DeLone & McLean, 2003). Several prior studies employing the DeLone and McLean model to evaluate the success of information systems encompass research on Government to Citizen (G2C) e-Government information systems in Taiwan (Wang & Liao, 2008), tax payment systems in both Taiwan and Egypt (Chen, 2010; Floropoulos et al., 2010), e-Government systems addressing public complaints in India (Rana et al., 2015) and the reliability of public information systems in Poland (Tworek, 2018). In Indonesia, comparable studies have been carried out by various researchers, including At-tamimi & Siregar, (2021); Apsari & Astika, (2020); Kafrawi et al., (2022); and Ningsih et al., (2019). These investigations have similarly demonstrated that the DeLone & McLean model remains applicable in assessing the success of system implementation in Indonesia to date.

Hariwibowo & Setiawan, (2020) conducted research on the implementation of SISKEUDES in Wonogiri Regency, revealing that the quality of information, system quality, and service quality positively influence user satisfaction. Additionally, user satisfaction is shown to positively impact the performance of the SISKEUDES village government in Wonogiri Regency. On the other hand, Utmary & Agustin, (2020) found that both system quality and service quality do not significantly influence user satisfaction, nor does user satisfaction impact the actual use of SISKEUDES village government in Pariaman City. Amalia, (2023) identified a notable effect of system quality and service quality on user satisfaction, as well as the positive impact of user satisfaction on the net benefits of SISKEUDES in Ogan Komering Ilir Regency. However, no significant relationship was observed between information quality and user satisfaction. These three studies yielded varying results regarding the Delone & McLean system success variables.

SISKEUDES' relationship with the village government can be explained through legitimacy theory. Legitimacy is an important concept in understanding how governance contributes to government effectiveness and normative evaluation in achieving expected goals (Karlsson-Vinkhuyzen, 2016). Organizations seek to maintain legitimacy in various ways, such as through effective communication, participation in social activities, and transparency in governance (Suchman, 1995). The implementation of SISKEUDES significantly contributes to enhancing village governance by promoting community participation, transparency, accountability, and equity in the management of village government resources. Al-Attar, (2021) and Uyar et al., (2017) concur that the system has a positive influence on governance; however, other research findings indicate that the system, particularly the Accounting Information System (AIS), may not effectively enhance governance and plays a minimal role in governance improvement (Chalu & Kessy, 2011).

The development of this research is based on Petter et al., (2013) which identifies information system success factors, one of which is trust. Trust, as defined by Mayer et al., (1995) refers to the willingness to rely on another party based on the expectation that the party will take specific actions that justify this reliance. To improve performance in activities carried out in organizations, users must first believe in the information system technology used (DeLone & McLean, 2003). Santa et al., (2019) found no direct impact of trust on user satisfaction, while Anggreni et al., (2020) and Pramudito et al., (2023) reported a positive influence of trust on user satisfaction.

This study aims to incorporate the variable of trust in technology into the model proposed byIndriani et al., (2020) to assess and understand the impact of the SISKEUDES system's success on village

governance in Tulungagung Regency. Given the inconsistent findings of prior research and the vital role of SISKEUDES in financial management and village governance, this study intends to measure and provide empirical evidence regarding the success of SISKEUDES and its implications for village governance, particularly in Tulungagung Regency. The outcomes of this research are anticipated to contribute to the development of theories pertaining to system success, with a specific focus on SISKEUDES.

LITERATURE REVIEW

Information Quality, User Satisfaction and Operational Effectiveness

The DeLone and McLean Information System Success Model emphasizes the importance of information quality in influencing user satisfaction and the net benefits associated with organizational operational effectiveness. Users of information systems tend to feel satisfied when the information provided is accurate, timely, relevant, and complete. Higher quality information enables government entities to make informed policy decisions and enhances internal management by streamlining report preparation, improving the quality of public services, and reducing both costs and processing time. This, in turn, allows organizations to be more agile in addressing emerging challenges (Evans & Lindsay, 2016). Good information quality makes user satisfaction increase supported by several previous studies on the success of information systems (Floropoulos et al., 2010); (Rana et al., 2015); (Wang & Liao, 2008). Indriani et al., (2020) and Santa et al., (2019) affirm that information quality positively impacts operational effectiveness.

H1: Information quality has a positive effect on User Satisfaction.
H2: Information quality has a positive effect on operational effectiveness.

System Quality, User Satisfaction and Operational Effectiveness

The DeLone & McLean Information System Success Model posits that system quality significantly influences user satisfaction and the net benefits to organizational operational effectiveness. The overall quality of an information system plays a crucial role in determining user satisfaction (Laumer et al., 2017). A high-quality information system enhances users' ability to perform their tasks efficiently and effectively, leading to increased satisfaction. When the tools employed are of superior quality, the resulting outputs are also improved. For instance, utilizing SISKEUDES for processing report data enables village governments to generate higher quality financial reports, which comply with legal standards, reduce manual processing time, eliminate waste, and decrease the cost of office supplies such as paper, ink, and printing. This ultimately enhances the performance of the village government. Supporting studies that demonstrate the correlation between system quality and increased user satisfaction and operational effectiveness include works by Santa et al., (2019); Indriani et al., (2020); Anggreni et al., (2020); Seta et al., (2018) and Floropoulos et al., (2010).

H3: System quality has a positive effect on user satisfaction.
H4: System quality has a positive effect on operational effectiveness.

Service quality, user satisfaction and operational effectiveness

The DeLone & McLean Information System Success Model posits that service quality can significantly influence user satisfaction and the net benefits derived from organizational operational effectiveness. Service quality is defined as the caliber of support offered by developers to system users (DeLone & McLean, 2003). In the context of e-government website implementation and development, such as SISKEUDES, the dimension of service quality, particularly empathy, is of paramount importance (Indriani et al., 2020). Users of SISKEUDES are likely to experience higher satisfaction levels when provided with high-quality services. Furthermore, enhanced service quality can lead to increased operational productivity; reliable support during system utilization can expedite operational processes and minimize the time allocated to administrative tasks, thereby allowing for greater concentration on other critical operational activities (Santa et al., 2019). The service quality rendered by SISKEUDES and its developers directly influences the services delivered by SISKEUDES users. Subsequently, the quality of these user-provided services impacts the operational performance and efficiency of the village government. This assertion is supported by Indriani et al., (2020); Floropoulos et al., (2010); Veeramootoo et al., (2018) and (Alkraiji & Ameen, 2022).

H5: Service quality has a positive effect on user satisfaction.
H6: Service quality has a positive effect on operational effectiveness.

Trust in technology, user satisfaction and operational effectiveness

Trust in technology fosters an environment where system users feel at ease and confident in utilizing the technology (Mayer et al., 1995). An increase in trust leads to greater user satisfaction, as users develop enhanced comfort and confidence in the system's ability to meet their needs effectively. Rakhmawati & Isharijadi, (2013); Grimmelikhuijsen et al., (2013) and Xiao et al., (2018) have indicated that user satisfaction is significantly influenced by trust, which also serves as a crucial factor affecting the interest in utilizing the system (J. V. Chen et al., 2015). A high level of trust in SISKEUDES technology encourages village government staff to engage with the system more intensively. When users perceive the system as an effective tool for facilitating their tasks, they are more likely to engage actively and utilize the various features offered. Hoki & Efriadi, (2022) discovered that trust in technology has a simultaneous impact on both individual and organizational performance, a finding that is further supported by Kasandra & Juliarsa (2016); Lukiman & Lestarianto (2016), and Lestari (2015).

H7: Trust has a positive effect on Operational Effectiveness.
H8: Trust has a positive effect on Operational Effectiveness.

User satisfaction and operational effectiveness

The DeLone & McLean information system success model indicates that user satisfaction can significantly impact the net benefits and operational effectiveness of an organization. User satisfaction is defined as the level of contentment users derive from the SISKEUDES system. Operational effectiveness pertains to the system's ability to execute its operational tasks both efficiently and effectively (Santa et al., 2019). When users experience satisfaction with SISKEUDES, they are more likely to utilize the system effectively. Elevated levels of satisfaction can enhance staff productivity, improve the accuracy of financial data, and enhance the quality of village financial reports, all of which are critical components of operational effectiveness (Santa et al., 2019). Futhermore, Santa et al., (2019) and Indriani et al., (2020) have noted a reciprocal relationship between user satisfaction and operational outcomes. Nasrudin & Widagdo (2020) have also emphasized that user satisfaction influences organizational impact, with one of the indicators being the enhancement of operational effectiveness and efficiency within the organization.

H9: User Satisfaction has a positive effect on Operational Effectiveness.

Operational effectiveness and governance of Village Government

Legitimacy theory underscores the importance of community support and recognition for the existence and success of institutions. When village governments effectively utilize SISKEUDES to manage village finances in a transparent, accountable, and efficient manner, it can enhance public trust in their legitimacy and competence. Public trust is essential for the successful implementation of good governance (Andhika, 2017). High operational effectiveness in the use of SISKEUDES can also foster greater community participation in the decision-making processes of the village government. With improved transparency and access to financial information, communities are better positioned to monitor village government activities and contribute meaningful feedback. This fosters an environment in which village governance is more inclusive and responsive to community needs. Juardi et al., (2018) observed that SISKEUDES significantly improved the reporting process, accountability, and engagement of village officials in fulfilling their responsibilities. SISKEUDES is recognized as a valuable tool that aids village officials in their duties and promotes good village governance. This assertion is further supported by Indriani et al., (2020), which identified a positive correlation between operational effectiveness and village government governance.

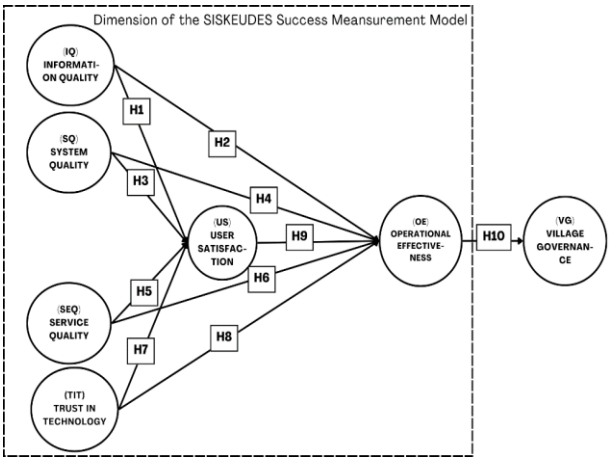
H10: Operational effectiveness has a positive effect on village governance

METHOD

This research employs a quantitative methodology. The testing was conducted utilizing a model developed from the DeLone & McLean IS Success Model, along with trust and legitimacy theory. The variables incorporated in the success model include information quality (IQ), system quality (SQ), service quality (SEQ), trust in technology (TIT), user satisfaction (US), operational effectiveness (OE), and village governance (VG). The population for this study comprises all villages in

Tulungagung Regency that utilize SISKEUDES, totaling 257 villages. Data collection was performed using a cluster sampling technique, resulting in a sample of 82 villages that employ SISKEUDES. The analytical technique applied in this research is Structural Equation Model-Partial Least Square (SEM-PLS), utilizing SmartPLS software version 4.1.0.6. PLS-SEM is a technique in Structural Equation Modeling that is based on an iterative approach that maximizes the explained variance of each endogenous variable. PLS-SEM has several advantages compared to covariance-based SEM methods. PLS-SEM can be used to analyze data that cannot meet the assumption of data normality, or there is little research data. This method can also be used to analyze reflective construction variables (Hair et al., 2014).

Conceptual model:



Source: Visio output, processed by researcher (2024)

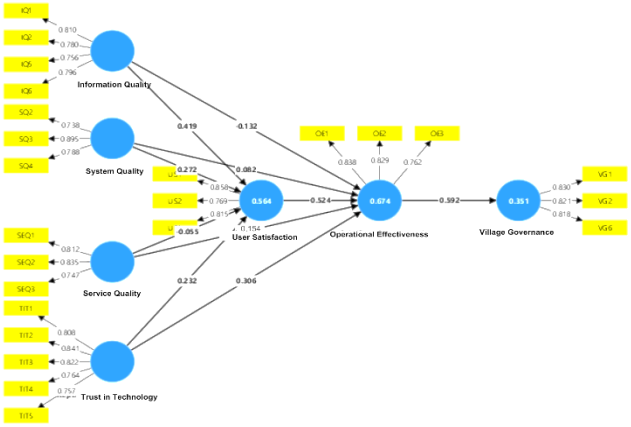
Figure 1. Conceptual Model

RESULT

The results of data analysis using SEM-PLS with SmartPs version 4.1.0.6 found that there was an initial model mismatch. Researchers conducted a trimming method by removing 6 indicators to improve model construction to qualify as a hypothesis test model. The purpose of trimming is to increase the parsimony of the mod el without losing validity and accuracy. Furthermore, the reconstructed and qualified model consisting of 24 indicators was tested again.

Measurement Model Evaluation (Outer Model)

The outer model undergoes a comprehensive evaluation consisting of three stages: convergent validity, discriminant validity, and composite reliability. This model illustrates the relationship between the latent variables and their corresponding indicators. The findings from the outer model evaluation are presented in Figure 1.



Source: SmartPLS Output, processed by researcher (2024)

Figure 2. Outer Model Test Result

Convergent validity with reflective indicators is seen from the correlation between indicator scores and variable scores. Tables 1 and 2 present the comprehensive results of the validity and reliability tests.

Table 1. Outer Model Test Result

Construct	Items	Loading Factor	AVE	Comp. Reliability	Cronbach α
Information Quality (SQ)	IQ1	0,810	0,617	0,795	0,866
	IQ2	0,780			
	IQ5	0,756			
	IQ6	0,796			
System Quality (SQ)	SQ2	0,738	0,655	0,735	0,850
	SQ3	0,895			
	SQ4	0,788			
Service Quality (SEQ)	SEQ1	0,812	0,638	0,715	0,841
	SEQ2	0,835			
	SEQ3	0,747			
Trust in Technology (TIT)	TIT1	0,808	0,638	0,858	0,898
	TIT2	0,841			
	TIT3	0,822			
	TIT4	0,764			
	TIT5	0,757			
User Satisfaction (US)	US1	0,858	0,664	0,746	0,856
	US2	0,769			
	US3	0,815			
Operational Effectiveness (OE)	OE1	0,838	0,656	0,738	0,851
	OE2	0,829			
	OE3	0,762			
Village Governance (VG)	VG1	0,830	0,677	0,762	0,863
	VG2	0,821			
	VG6	0,818			

Source: SmartPLS Ouput, processed by researchers (2024)

Table 2. Fornell-Larcker Criteria Test Results

	EO	TIT	US	IQ	SEQ	SQ	VG
EO	**0,810**						
TIT	0,682	**0,799**					
US	0,744	0,569	**0,815**				
IQ	0,535	0,524	0,687	**0,786**			
SEQ	0,624	0,659	0,549	0,601	**0,799**		
SQ	0,615	0,565	0,640	0,662	0,735	**0,810**	
VG	0,592	0,613	0,432	0,461	0,585	0,457	**0,823**

Source: SmartPLS Ouput, processed by researchers (2024)

The validity of the model is confirmed when the Average Variance Extracted (AVE) value for each variable exceeds 0.50, and the loading factor for each indicator is greater than 0.70. As presented in Table 1, the AVE values for all variables surpass 0.50, and the loading factor values for all indicators exceed 0.70. This indicates that the model adheres to the criteria for the convergent validity test. The discriminant validity is assessed using the Fornell-Larcker criterion (Hair et al., 2014) which establishes that the model is valid if the correlation value of the Fornell-Larcker criterion indicator with its corresponding construct is greater than its correlation with other constructs. The results displayed in Table 2 confirm that the correlation value for the indicator with its construct is indeed greater than its correlation with other constructs, establishing validity.

The reliability of the model is evaluated through two criteria: composite reliability and Cronbach's Alpha. A variable is considered reliable if either the Composite Reliability or Cronbach's Alpha value exceeds 0.70. The findings in Table 2 indicate that both the composite reliability and Cronbach's Alpha for all research variables are above 0.70. Therefore, it is concluded that the tested model is both valid and reliable.

Structural model evaluation (inner model)

Structural model testing is conducted using various methods, including R-square, Goodness of Fit, and hypothesis testing. Hypothesis testing involves evaluating the significance of the relationships between variables (direct effects) through bootstrapping techniques.

The results of the R-square test reveal that the Adjusted R-Square value for the first endogenous variable, User Satisfaction (US), is 0.541, while the Adjusted R-Square for Operational Effectiveness (OE) is 0.652, and the Adjusted R-Square for Village Governance (VG) is 0.343. These findings indicate that the research model in this study is classified as moderate.

Goodness of Fit serves as a tool for validating the overall structural model. The GoF index is intended to assess the performance of the combined measurement and structural models. The GoF value is calculated using the following formula:

Gof value = √ (average AVE × average R2)

= √ (0,650 ×0,512)

= √ 0,3326

= 0,5767

According to Haryono (2016), a GoF value of 0.36 indicates a large fit, a value of 0.25 signifies a medium fit, and a value of 0.10 represents a small fit. In this study, the GoF value falls within the "large" category. A substantial Goodness of Fit (GoF) value in the SEM-PLS model suggests that the tested model aligns well with the observed data.

In addition to Gof, the SRMR value can also be used to evaluate the goodness of the model. The result of the SRMR value of the tested model is 0.097 <0.10. This shows that the model meets the criteria as a model that is suitable for testing research hypotheses or has met the Goodness of Fit model requirements so that the constructed model can be used for hypothesis testing.

Hypothesis testing can be evaluated through the T-statistical value and the probability value derived from bootstrapping calculations. The hypothesis is accepted or significant if the P-value is smaller than 0.05 and the T-statistic is greater than 1.96. If the P-value is greater than 0.05 or the T-Statistic is smaller than 1.96, the hypothesis is rejected or not significant. The bootstrapping analysis results can be seen in Table 3.

Table 3. Direct Effect Test Result

Hip.	Relationship between Variables	Ori. Samp. (O)	T stat.	P values	Description
H1	IQ→US	0,419	4,085	0,000	Significant
H2	IQ→OE	-0,132	1,235	0,108	Not Significant
H3	SQ→US	0,272	1,978	0,024	Significant
H4	SQ→OE	0,082	0,703	0,241	Not Significant
H5	SEQ→US	-0,055	0,385	0,350	Not Significant
H6	SEQ→OE	0,154	1,318	0,094	Not Significant
H7	TIT→US	0,232	1,962	0,028	Significant
H8	TIT→OE	0,306	3,594	0,000	Significant
H9	US→OE	0,524	4,895	0,000	Significant
H10	OE→VG	0,592	9,485	0,000	Significant

Source: SmartPLS Ouput, processed by researchers (2024)

DISCUSSION

Effect of Information Quality on User Satisfaction

The results of the hypothesis testing indicate that the information quality variable (IQ) positively influences user satisfaction (US) with t-statistic value of 4.085 greater than 1.96, p-value of 0.000 smaller

than 0.05, and path coefficient of 0.419, so the first hypothesis is accepted (H1 accepted). SISKEUDES is designed to provide accurate, timely, and relevant financial information for village financial managers. Users such as village officials, treasurers, and village financial managers require high-quality information for efficient financial planning and reporting. High information quality allows users to present clear and transparent reports, thereby increasing user satisfaction because it supports their responsibilities in managing village finances. Delone & McLean's theory suggests that good information quality will increase users' positive perceptions of the system. When users perceive that the information provided by SISKEUDES aligns with their expectations, it fosters an increased sense of satisfaction. This observation is consistent with the findings of the research conducted by Mahmud et al., (2023); (Utmary & Agustin, 2020); Vigim, (2019) and Hariwibowo & Setiawan, (2020).

Effect of Information Quality on Operational Effectiveness

The results of the hypothesis testing indicate that information quality (IQ) does not significantly impact on operational effectiveness (OE) with t-statistic value of 1.235 smaller than 1.96, p-value of 0.108 greater than 0.05, and path coefficient is -0.132, so the second hypothesis is rejected (H2 rejected). Information available in SISKEUDES is primarily confined to financial and administrative data, which may not fully meet the diverse information requirements necessary for enhancing village operational effectiveness, such as demographic data, infrastructure conditions, and community needs. If SISKEUDES fails to deliver data that aligns with specific operational needs, the effect on operational effectiveness will not be significant. A considerable number of SISKEUDES users utilize the system solely for financial administration, rather than for strategic analysis, resulting in a limited influence of information quality on overall operational effectiveness. According to Delone & McLean's theory, the test results indicate that the quality of information provided by SISKEUDES does not significantly affect the net benefits of the organization or the operational effectiveness of the village government (DeLone & McLean, 2003). This finding contrasts with previous research conducted by (Indriani et al., 2020) and Santa et al., (2019) that found information quality has a positive effect on operational effectiveness.

Effect of System Quality on User Satisfaction

The results of hypothesis testing indicate that the system quality variable (SQ) positive influences user satisfaction (US) with t-statistic value of 1.978 greater than 1.96, p-value of 0.024 smaller than 0.05, and path coefficient of 0.271, so the third hypothesis is accepted (H3 accepted). A system that demonstrates reliability, user-friendliness, security, and high performance creates a favorable experience for users, enabling them to complete tasks with ease, efficiency, and without hindrances. This, in turn, enhances users' ability to manage village finances effectively, fosters trust in the system, and affirms that it meets users' needs and expectations. The effective utilization of SISKEUDES in carrying out village financial functions results in a satisfying experience for users and the entire village government. According to Delone & McLean's theory, the analysis reveals that superior system quality simplifies the management of village financial data, enhancing both productivity and user satisfaction, thereby supporting the successful implementation of SISKEUDES within village governance (DeLone & McLean, 2003). These findings align with the results of prior research conducted by Santa et al., 2019); Indriani et al., (2020); Anggreni et al., (2020); and Seta et al., (2018)

Effect of System Quality on Operational Effectiveness

The results of hypothesis testing indicate that the system quality variable (SQ) does not affect operational effectiveness (OE) with t-statistic value of 0.703 smaller than 1.96, p-value of 0.241 greater than 0.05, and path coefficient of 0.082, so the fourth hypothesis is rejected (H4 rejected). Some operational tasks in village government involve complex procedures and multiple parties. Despite a good system, operational effectiveness does not improve if it does not support complex workflows. Human resources with different backgrounds and competencies also affect operational processes. Traditional work cultures can find it difficult to accept new information systems in village operations. Based on Delone & McLean's theory, the test results show that good system quality such as system speed, reliability, and flexibility are not strong enough to affect the effectiveness of village government operations (DeLone & McLean, 2003). This finding contradicts the results of previous research conducted by Floropoulos et al., (2010), Indriani et al., (2020) and Santa et al., (2019).

Effect of Service Quality on User Satisfaction

The results of hypothesis testing indicate that service quality (SEQ) does not significantly impact on user satisfaction (US) with t-statistic value of 0.385 smaller than 1.96, p-value of 0.350 greater than 0.05, and path coefficient of -0.055, so the fifth hypothesis is rejected (H5 rejected). In the implementation of SISKEUDES, service support may not always be fast or consistent due to various limitations, such as limited support staff or network or technology limitations. This can make users tend to rely on personal ability or written guidance rather than services. User satisfaction seems to be influenced more by the system's ease of use and reliability than by the quality of support services. Furthermore, if the service is perceived as standard or lacks ongoing benefits, users may not experience a substantial impact on their overall satisfaction. According to the framework proposed by Delone & McLean, the testing results suggest that the quality of service delivered by the SISKEUDES application and the government as the developer is insufficient to directly influence user satisfaction (DeLone & McLean, 2003). These findings stand in contrast to previous research conducted by Hariwibowo & Setiawan, (2020); (Veeramootoo et al., 2018); and Alkraiji & Ameen, (2022).

Effect of Service Quality on Operational Effectiveness

The results of the hypothesis testing indicate that the service quality variable (SEQ) does not significantly impact operational effectiveness (OE) with t-statistic value of 1.318 smaller than 1.96, p-value of 0.094 greater than 0.05, and path coefficient of 0.154, so the sixth hypothesis is rejected (H6 rejected). Instead, operational effectiveness appears to be more influenced by internal procedures and system usage than by the quality of supporting services. When procedures and systems are already functioning effectively, the contribution of additional services toward achieving operational goals may become minimal. In the context of SISKEUDES implementation, the success of financial recording and reporting relies more on system performance and user proficiency than on supplementary services, such as complaint assistance from village facilitators. As long as the system adequately supports village financial management tasks, the impact of additional services on overall outcomes is limited. According to Delone & McLean's theory, the findings suggest that the quality of services encompassing technical assistance, training, or ongoing maintenance does not sufficiently enhance net benefits for the organization or the operational effectiveness of the village government (DeLone & McLean, 2003). This conclusion aligns with the findings of previous research conducted by Santa et al., (2019) and contrasts with studies by Indriani et al., (2020) and Floropoulos et al., (2010), which suggested that enhancing operational effectiveness necessitates different considerations.

Effect of Trust in Technology on User Satisfaction

The results of hypothesis testing indicate that the trust in technology (TIT) has a positive influence on user satisfaction (US) with t-statistic value of 1.962 greater than 1.96, p-value of 0.028 smaller than 0.05, and path coefficient of 0.232, so the seventh hypothesis is accepted (H7 accepted). Trust in technology, such as SISKEUDES, is important in village financial management to prevent data errors and increase accountability and transparency. Confidence in the security and accuracy of technology makes users feel comfortable and satisfied with its use. Based on the theory of trust Mayer et al. (1995), the results showed that SISKEUDES users who feel confident in the ability, integrity, and security of the technology system used will be more satisfied and tend to continue using the technology to support village financial operations. This finding aligns with previous research conducted by Grimmelikhuijsen et al., (2013) and Xiao et al., (2018), which similarly established that trust in technology positively affects user satisfaction.

Effect of Trust in Technology on Operational Effectiveness

The results of hypothesis testing indicate that the trust in technology (TIT) has positive influence on operational effectiveness (OE) with t-statistic value of 3,594 greater than 1.96, p-value of 0.000 smaller than 0.05, and path coefficient of 0.306, so the eighth hypothesis is accepted (H8 accepted). Trust in SISKEUDES technology can improve village operational efficiency by reducing user anxiety and doubt in using the system. This trust can also reduce administrative burdens, strengthen data-based decision-making, and increase compliance with standards in village financial operations. Based on trust theory according to Mayer et al., (1995), the analysis found that when village governments believe that SISKEUDES technology can fulfill the functions of financial recording, reporting, and analysis, they can rely on the system in carrying out operational processes. Trust in technological capabilities reduces the time and effort required to manually verify data, thus speeding up workflow and increasing productivity. This study's results align with previous

research conducted by Hoki & Efriadi, (2022); Kasandra & Juliarsa, (2016); Lukiman & Lestarianto, (2016), and Lestari, (2015) which underscores the positive influence of trust on operational effectiveness and organizational performance.

Effect of User Satisfaction on Operational Effectiveness

The results of hypothesis testing indicate that the user satisfaction variable (US) has a positive influence on operational effectiveness (OE) with t-statistic value of 4,895 greater than 1.96, p-value of 0.000 smaller than 0.05, and path coefficient of 0.524, so the ninth hypothesis is accepted (H9 accepted). User satisfaction with the system is followed by increased involvement in using technological features to the fullest. When users are satisfied with SISKEUDES, both in terms of ease of use, system performance, and service quality, the village government will be more enthusiastic about utilizing existing features optimally. Optimal utilization of features increases operational effectiveness because operational tasks become more automated and efficient. Based on DeLone and McLean's theory, SISKEUDES user satisfaction supports operational effectiveness by increasing engagement, reducing administrative burden, accelerating decision-making, increasing compliance, and strengthening accountability (DeLone & McLean, 2003). This finding aligns with previous research conducted by Nasrudin & Widagdo (2020), Santa et al., (2019) and Indriani et al., (2020) which similiarty established that user satisfaction has a positive effect on operational effectiveness.

Effect of Operational Effectiveness on Village Governance

The results of hypothesis testing indicate that the operational effectiveness variable (OE) has a positive effect on village governance (VG) with t-statistic value of 9.485 greater than 1.96, p-value of 0.000 smaller than 0.05, and path coefficient of 0.592, so the tenth hypothesis is accepted (H10 accepted). Operational effectiveness includes the ability of the system to perform financial functions efficiently, quickly, and accurately, thereby increasing transparency in village financial management. Clear, well-documented, and accessible financial processes allow villages to account for their budgets more openly. When village governments can demonstrate transparency in the management of village budgets, public trust tends to increase and will strengthen legitimacy. Accountability is improved because accurate and organized financial data in SISKEUDES facilitates reporting and monitoring by the community or external oversight parties. With a system that allows the village government to be more accountable, the community feels that the village government is performing its duties by expected norms. An effective SISKEUDES system also directly contributes to increased transparency, accountability, efficiency, community participation and reduced risk of corruption. This can strengthen village government governance. Based on legitimacy theory, village governments that run governance by community expectations will gain support and be considered legitimate (Karlsson-Vinkhuyzen, 2016). Operational effectiveness in the implementation of SISKEUDES not only increases internal productivity but also creates governance that is in line with community values. This provides strong legitimacy, increases community trust, and supports long-term support for village governments. This finding aligns with previous research conducted by Malahika1 et al., (2018), Juardi et al., (2018), and Indriani et al., (2020). Improving the quality of village government governance through the effective use of SISKEUDES can strengthen trust and support from the community, which is essential for the success and sustainability of village governance.

CONCLUSION

Based on the research findings presented in the preceding chapter, the evaluation of the dimensions of implementation success, derived from a study involving 82 respondents who are users of the SISKEUDES system in Tulungagung Regency, demonstrates that information quality, system quality and trust in technology have a positive effect on SISKEUDES user satisfaction. While service quality does not affect user satisfaction. Trust in technology has a positive effect on operational effectiveness, while information quality, system quality, and service quality do not affect the operational effectiveness of village governments. Notably, user satisfaction with SISKEUDES has a positive relationship with the operational effectiveness of village governments, which, in turn, positively influences overall village governance. The findings indicate that the implementation of the SISKEUDES (Village Financial System) in Tulungagung Regency has been relatively successful and has yielded positive benefits for village governance. SISKEUDES plays a vital role in enhancing transparency, accountability, efficiency, community participation, and reducing the risk of

corruption, all of which support effective village governance.

It is important to note that this study concentrated solely on the perspectives of village government staff, which may limit the comprehensiveness of the findings. Future research should consider incorporating input from a broader range of stakeholders, including village communities, auditors, and independent financial examiners. This inclusion would provide a more diverse and holistic assessment of the success of SISKEUDES and the factors influencing operational effectiveness and governance within village administrations. Furthermore, introducing additional variables such as information technology infrastructure, user competence, and attitudes towards technology could enhance the research model and increase the coefficient of determination.

Author contribution

Author 1: Conceptualization and Research Design, Data Collection, Methodology, Whole Paper Writing, Data Collection and Analysis.

Author 2: Supervision, Conceptualization, Editing and Layout.

Declaration of interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Acknowledgements

The authors would like to thank the anonymous referees for their helpful comments and suggestions.

References

Aisyaturrahmi, A., Nuswantara, D. A., Prastiwi, D., Bhilawa, L., & Md Daud, S. A. M. (2021). Transparency and Accountability of a Village Fund Management During COVID-19 Crisis. *International Journal of Service Management and Sustainability*, *6*(2), 189. https://doi.org/10.24191/ijsms.v6i2.15580

Al-Attar, K. A. A. (2021). The effect of accounting information system on corporate governance. *Accounting*, *7*(1), 99–110. https://doi.org/10.5267/j.ac.2020.10.008

Alkraiji, A., & Ameen, N. (2022). The impact of service quality, trust and satisfaction on young citizen loyalty towards government e-services. *Information Technology and People*, *35*(4), 1239–1270. https://doi.org/10.1108/ITP-04-2020-0229

Amalia, R. (2023). The Implementation of the Village Financial Information System. *Journal of Accounting Auditing and Business*, *6*(2), 35–44. https://doi.org/https://doi.org/10.24198/jaab.v6i2.45301

Anandya, D., & Easter, L. (2023). *Laporan Hasil Pemantauan Tren Penindakan Kasus Korupsi Tahun 2022 "Korupsi Lintas Trias Politika."*

Andhika, L. R. (2017). Perbandingan Konsep Tata Kelola Pemerintah : Sound Governance, Dynamic Governance, Dan Open Goverment (Comparative Concept Of Governance : Sound Governance , Dynamic Governance , And Open Government). *Jurnal Ekonomi & Kebijakan Publik*, *8*(2), 87–102.

Anggreni, N. M. M., Ariyanto, D., Suprasto, H. B., & Dwirandra, A. A. N. B. (2020). Successful adoption of the village's financial system. *Growing Science : Accounting*, *6*(6), 1129–1138. https://doi.org/10.5267/j.ac.2020.7.005

Aryanto, R. (2023, July 28). *Kasus Dugaan Korupsi APBDes Batangsaren Masih Berlanjut, Kejari Tulungagung Tunggu Hasil Audit BPKP*. Afederasi.Com. https://afederasi.com/kasus-dugaan-korupsi-apbdes-batangsaren-masih-berlanjut-kejari-tulungagung-tunggu-hasil-audit-bpkp

At-tamimi, R. M. R., & Siregar, T. E. (2021). Measurement of Successful Implementation of Institution Level Financial Application System (SAKTI) Web Full Module with DeLone and McLean Information System Success Model Aprroach. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, *4*(4), 10098–10107. https://doi.org/https://doi.org/10.33258/birci.v4i4.303210098

Aziz, M. N. (2023, January 25). *Belasan Saksi Diperiksa Atas Dugaan Penyelewengan Dana Desa di Desa Tambakrejo Tulungagung*. Radartulungagung. https://radartulungagung.jawapos.com/tulungagung/763474588/belasan-saksi-diperiksa-atas-dugaan-penyelewengan-dana-desa-di-desa-tambakrejo-tulungagung

Chalu, H., & Kessy, S. S. A. (2011). Accounting Information System And Governance Issues In

local Goverment Authorities In Tanzania. *Business Management Review*

Chen, C. W. (2010). Impact of quality antecedents on taxpayer satisfaction with online tax-filing systems-An empirical study. *Information and Management*, *47*(5–6), 308–315. https://doi.org/10.1016/j.im.2010.06.005

Chen, J. V., Jubilado, R. J. M., Capistrano, E. P. S., & Yen, D. C. (2015). Factors affecting online tax filing - An application of the IS Success Model and trust theory. *Computers in Human Behavior*, *43*, 251–262. https://doi.org/10.1016/j.chb.2014.11.017

DeLone, W. H., & McLean, E. R. (2003). The DeLone and McLean Model of Information Systems Success: A Ten-Year Update. *Journal of Management Information System*, *19*(4), 9–30. https://doi.org/10.1016/0012-1606(78)90250-6

Evans, J. R., & Lindsay, W. M. (2016). *Managing for Quality and Performance excelent* (10th ed.). Cengage Learning.

Floropoulos, J., Spathis, C., Halvatzis, D., & Tsipouridou, M. (2010). Measuring the success of the Greek Taxation Information System. *International Journal of Information Management*, *30*(1), 47–56. https://doi.org/10.1016/j.ijinfomgt.2009.03.013

Grimmelikhuijsen, S., Porumbescu, G., Hong, B., & Im, T. (2013). The effect of transparency on trust in government: A cross-national comparative experiment. *Public Administration Review*, *73*(4), 575–586. https://doi.org/10.1111/puar.12047

Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. In *European Business Review* (Vol. 26, Issue 2, pp. 106–121). Emerald Group Publishing Ltd. https://doi.org/10.1108/EBR-10-2013-0128

Hariwibowo, I., & Setiawan, W. J. (2020). Evaluating the Implementation of the Rural Financial System (SISKEUDES) in Wonogiri Regency, Indonesia: Success or Failure? *Review of Integrative Business and Economics Research*, *9*(3), 101–114.

Haryono, S. (2016). *Metode SEM Untuk Penelitian Manajemen AMOS LISREL PLS* (Cetakan Pertama). Badan Penerbit PT. Intermedia Personalia Utama.

Hoki, S., & Efriadi, A. R. (2022). Pengaruh Efektivitas Penggunaan dan Kepercayaan atas Teknologi Sistem Informasi Akuntansi terhadap Kinerja Karyawan di Perusahaan Besi Beton di Jakarta. *International Journal of Digital Entrepreneurship and Business*, *3*(1), 39–48. https://doi.org/10.52238/ideb.v3i1.74

Indriani, M., Nadirsyah, Fuadi, R., & Evayani. (2020). Can Siskeudes support village governance in Aceh Province of Indonesia? (Collins G. Ntim Reviewing editor). *Cogent Business & Management*, *7*(1). https://doi.org/10.1080/23311975.2020.1743617

Juardi, M. S. S., Muchlis, M., & Putri, R. A. (2018). Evaluasi Penggunaan Aplikasi Siskeudes Dalam Upaya Peningkatan Kualitas Akuntabilitas Keuangan Desa (Studi Pada Desa Jenetallasa Kec. Pallangga Kab. Gowa). *Jurnal Ilmiah Akuntansi Peradaban*, *4*(1). https://doi.org/https://doi.org/10.24252/jiap.v4i1.5159

Kafrawi, S., Firmansyah, R., Hartono, R., & Budiman, K. (2022). Evaluasi Sistem Informasi keuangan Universitas Negeri semarang dengan Pendekatan Delone dan Mclean. *Capital: Jurnal Ekonomi Dan Manajemen*, *5*(2), 2598–9618. https://doi.org/10.25273/The

Karlsson-Vinkhuyzen, S. I. S. E. (2016). Legitimacy In Ansell, C. & Torfing, J. (eds.). In *Handbook on Theories of Governance* (2nd ed., pp. 194–204). Edward Elgar.

Kasandra, M. N. A. A., & Juliarsa, G. (2016). Pengaruh Kualitas Penerapan SIA, Pemanfaatan dan Kepercayaan Teknologi Informasi Pada Kinerja Karyawan. *E-Jurnal Akuntansi Universitas Udayana*, *14*(1), 539–547.

Laumer, S., Maier, C., & Weitzel, T. (2017). Information quality, user satisfaction, and the manifestation of workarounds: A qualitative and quantitative study of enterprise content management system users. *European Journal of Information Systems*, *26*(4), 333–360. https://doi.org/10.1057/s41303-016-0029-7

Lestari, W. I. (2015). Pengaruh Teknologi Sistem Informasi Keuangan Daerah terhadap Kinerja Individual Dengan Kepercayaan Sebagai Variabel Moderating. *Jurnal Akuntansi Dan Sistem Teknologi Informasi*, *11*(1), 25–32.

Lukiman, R. H., & Lestarianto, JB. W. (2016). Pengaruh Penerapan Sistem Informasi Akuntansi, Pemanfaatan Sistem Informasi, efektivitas Penggunaan Sistem Informasi akuntansi, Kepercayaan atas Teknologi sistem Informasi Akuntansi, dan Teknologi Informasi Terhadap Kinerja Individu Karyawan (Studi

Empiris pada Perusahaan Manufaktur di Wilayah Tangerang). *Ultima Accounting*, *8*(2), 46–65. https://doi.org/https://doi.org/10.31937/akuntansi.v8i2.581

Mahmud, A., Prayogo, D., Susilowati, N., Handayani, B. D., & Mardi, M. (2023). Analyzing the Effects of System Quality on the Net Benefits of the Village Financial System (Siskeudes): Information Quality and User Satisfaction as Mediating Variables. *Management and Accounting Review*, *22*(1), 105–127. https://doi.org/10.24191/mar.v22i01-05

Malahika1, J. M., Karamoy2, H., & Pusung, R. J. (2018). *Penerapan Sistem Keuangan Desa (Siskeudes) Pada Organisasi Pemerintahan Desa (Studi Kasus Di Desa Suwaan Kecamatan Kalawat Kabupaten Minahasa Utara)*. *13*(4), 578–583.

Mayer, R. C., Davis, J. H., & David Schoorman, F. (1995). An Integrative Model of Organizational Trust. *The Academy of Management Review*, *20*(3), 709–734. https://doi.org/https://doi.org/10.2307/258792

Muttaqin, A. (2018, September 12). *Kasus Dugaan Korupsi Dana Desa Kades Tulungagung Dinyatakan P21*. DetikNews. https://news.detik.com/berita-jawa-timur/d-4208802/kasus-dugaan-korupsi-dana-desa-kades-tulungagung-dinyatakan-p21

Nasrudin, E., & Widagdo, A. K. (2020). Determinan Kepuasan Pengguna Sistem Aplikasi Keuangan Tingkat Instansi dan Pengaruhnya Terhadap Individu dan Organisasi. *Jurnal Manajemen Perbendaharaan*, *1*(1), 69–94. https://doi.org/https://doi.org/10.33105/jmp.v1i1.351

Ningsih, V. Y., Hakim, A., & Wanto, A. H. (2019). Kesusksesan Sistem Informasi Rencana Kerja dan Anggaran (SIREKA) Menggunakan Model DeLone & McLean (Studi pada Universitas Brawijaya). *Jurnal Ilmiah Administrasi Publik (JIAP)*, *5*(2), 135–145. https://doi.org/https://doi.org/10.21776/ub.jiap.2019.005.02.1

Oktrivia, C., Ginting, R., Yunita, K., & Akuntansi, J. (2024). Moral Sensitivity dan Accountability:Berperankankah Menecgah Fraud Accounting? *Jurnal Akuntansi AKUNESA*, *12*(2). https://doi.org/10.26740/akunesa

Onuigbo, R. A., & Eme, O. I. (2015). Electronic Governance & administration In Nigeria : Prospect & Challenges. *Arabian Journal of Business and Management Review (OMAN) Chapter*, *5*(3), 18–26. https://doi.org/10.12816/0019110

Petter, S., Delone, W., & McLean, E. R. (2013). Information systems success: The quest for the independent variables. *Journal of Management Information Systems*, *29*(4), 7–62. https://doi.org/10.2753/MIS0742-1222290401

Prabadewi Apsari, I. A., & Putra Astika, I. B. (2020). Pengaruh Kualitas Informasi, Kualitas Sistem Informasi, dan Perceived Usefulness pada Kepuasan Pengguna SIMDA. *E-Jurnal Akuntansi*, *30*(3), 611. https://doi.org/10.24843/eja.2020.v30.i03.p05

Pramudito, D. K., Titin Sumarni, A., Diah Astuti, E., Aditi, B., & Magdalena. (2023). The Influence of User Trust and Experience On User Satisfaction Of E-Commerce Applications During Transactions in Mini Markets Using Delon and McLean Method. *Jurnal Sistim Informasi Dan Teknologi*, *5*(4), 1–7. https://doi.org/10.60083/jsisfotek.v5i4.310

Rakhmawati, S., & Isharijadi. (2013). Pengaruh Kepercayaan, Persepsi Kegunaan, Persepsi Kemudahan, Dan Persepsi Kenyamanan Terhadap Minat Penggunaan Sistem Internet Banking Pada Nasabah Bank Muamalat Cabang Pembantu Madiun. *ASSETS: Jurnal Akuntansi Dan Pendidikan*, *2*(2). https://doi.org/http://doi.org/10.25273/jap.v2i2.1200

Rana, N. P., Dwivedi, Y. K., Williams, M. D., & Weerakkody, V. (2015). Investigating success of an e-government initiative: Validation of an integrated IS success model. *Information Systems Frontiers*, *17*(1), 127–142. https://doi.org/10.1007/s10796-014-9504-7

Santa, R., MacDonald, J. B., & Ferrer, M. (2019). The role of trust in e-Government effectiveness, operational effectiveness and user satisfaction: Lessons from Saudi Arabia in e-G2B. *Government Information Quarterly*, *36*(1), 39–50. https://doi.org/10.1016/j.giq.2018.10.007

Seta, H. B., Wati, T., Muliawati, A., & Hidayanto, A. N. (2018). E-learning success model: An extention of delone & mclean is' success model. *Indonesian Journal of Electrical Engineering and Informatics*, *6*(3), 281~291. https://doi.org/10.11591/ijeei.v6i3.505

Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review*, *20*(3), 571–

610. https://doi.org/https;//doi.org/10.5465/amr.1995.9508080331

Triani, N. N. A., & Handayani, S. (2018). Praktik Pengelolaan Keuangan Dana Desa. *Jurnal Akuntansi Multiparadigma*, *9*(1). https://doi.org/10.18202/jamal.2018.04.9009

Tworek, K. (2018). Reliability of information systems in organization in the context of banking sector: Empirical study from Poland. *Cogent Business and Management*, *5*(1), 1–13. https://doi.org/10.1080/23311975.2018.1522752

Utmary, N., & Agustin, H. (2020). Evaluasi Keberhasilan Sistem Keuangan Desa Menggunakan Delone & Mclean Is Succes Model. *Jurnal Eksplorasi Akuntansi*, *2*(3), 3216–3235. https://doi.org/10.24036/jea.v2i3.278

Uyar, A., Gungormus, A. H., & Kuzey, C. (2017). Impact of the Accounting Information System on Corporate Governance: Evidence from Turkish Non-Listed Companies. In *AABFJ* (Vol. 11, Issue 1).

Veeramootoo, N., Nunkoo, R., & Dwivedi, Y. K. (2018). What determines success of an e-government service? Validation of an integrative model of e-filing continuance usage. *Government Information Quarterly*, *35*(2), 161–174. https://doi.org/10.1016/j.giq.2018.03.004

Vigim, J. A. (2019). Remuneration Information System Success In State University As Legal Entity (PTN-BH) Using Delone and Mclean Model. *AKRUAL: Jurnal Akuntansi*, *11*(1), 36. https://doi.org/10.26740/jaj.v11n1.p36-43

Wang, Y. S., & Liao, Y. W. (2008). Assessing eGovernment systems success: A validation of the DeLone and McLean model of information systems success. *Government Information Quarterly*, *25*(4), 717–733. https://doi.org/10.1016/j.giq.2007.06.002

Xiao, L., Fu, B., & Liu, W. (2018). Understanding consumer repurchase intention on O2O platforms: an integrated model of network externalities and trust transfer theory. *Service Business*, *12*(4), 731–756. https://doi.org/10.1007/s11628-018-0370-0