

The Influence of APIP Supervision on Village Government Effectiveness: The Mediating Role of Development Guidance

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Abstract

This study investigates the effect of APIP (Government Internal Supervisory Apparatus) supervision on the effectiveness of village government in Indragiri Hulu Regency, with development guidance as a mediating variable. Using a quantitative explanatory approach, data were collected from 160 village officials, including village heads and secretaries, through structured questionnaires. The analysis was conducted using Structural Equation Modeling with Partial Least Squares (SEM-PLS) to examine both direct and indirect effects. The findings reveal that APIP supervision has a significant direct influence on the effectiveness of village governance. Furthermore, it also positively affects the implementation of development guidance, which in turn significantly enhances governance performance. Notably, development guidance partially mediates the relationship between APIP supervision and village government effectiveness, indicating that structured follow-up actions such as training, facilitation, and mentoring play a crucial role in translating supervision into improved governance outcomes. The study highlights the need for integrated oversight and coaching mechanisms to optimize village administration, particularly in rural regions with limited resources. It recommends strengthening inspectorate capacity, institutionalizing development guidance, and fostering community involvement to promote more accountable and effective local governance.

Keywords: Accountability, ARKAS, BOS funds, Inspectorate supervision, Public education finance

1. Introduction

The effectiveness of village governance has become a central focus of public sector reforms in Indonesia, especially under the spirit of regional autonomy (*otonomi daerah*) and village empowerment. With the implementation of Law No. 6 of 2014 on Villages, village governments have been granted broader authority, responsibility, and budgetary control to manage their own administrative affairs and support local development. This autonomy, however, requires strong mechanisms of accountability and supervision to ensure that local governments operate transparently, efficiently, and in alignment with national development goals.

Effectiveness in the public sector, particularly in the context of village governance, refers to the ability of local institutions to deliver services, manage resources, and achieve development outcomes that align with both the expectations of the community and regulatory standards. As such, village government effectiveness is a multidimensional construct encompassing administrative performance, financial accountability, citizen satisfaction, and programmatic success.

However, ensuring the effectiveness of village governance in Indonesia presents numerous challenges. Many village administrations face issues such as limited human resource capacity, weak internal control systems, lack of access to technology, and inadequate understanding of complex regulatory frameworks. These challenges are further compounded by the decentralized nature of Indonesia's administrative system, which often results in inconsistent oversight and support for local governments.

In this context, the role of the **Aparat Pengawas Intern Pemerintah (APIP)**—or the Internal Government Supervisory Apparatus—becomes critical. APIP, operating under the authority of the Inspectorate, is responsible for conducting internal audits, evaluations, monitoring, and coaching to promote good governance across government institutions, including villages. As a strategic arm of local and regional governments, APIP's supervisory function is designed not only to detect irregularities or inefficiencies but also to support village administrations in improving performance through systematic feedback, training, and technical assistance.

Effective APIP supervision has been shown to correlate with improved governance outcomes in previous studies. For instance, supervision can reduce misuse of village funds, encourage timely reporting, and foster compliance with regulations. Furthermore, APIP supervision functions as both a control and a developmental tool—guiding village officials to align their administrative and financial management practices with broader governmental standards.

Nonetheless, the real impact of APIP supervision is not solely determined by its frequency or coverage but also by the presence of *development guidance (pembinaan)*—a complementary and often mediating component of the supervisory process. Development guidance refers to the structured support provided to village officials in the form of facilitation, consultation, training, and continuous mentoring. It aims to enhance the knowledge, skills, and competencies of local administrators so they can effectively implement governance functions, particularly in areas such as planning, budgeting, implementation, and reporting.

Development guidance plays a mediating role by translating the results of supervision into practical improvements. For example, if APIP identifies a gap in financial reporting during an audit, the corresponding coaching session can help village officials understand how to rectify the issue and avoid recurrence. Without such developmental support, the effectiveness of supervision risks being reduced to mere administrative checks without long-term improvement in capacity or institutional behavior.

Despite the importance of these two elements—supervision and guidance—empirical research examining their combined and interrelated influence on village governance

effectiveness remains limited. Most existing studies tend to analyze either the direct impact of APIP supervision or the general benefits of training programs in isolation. Furthermore, many of these studies are conducted in urban or well-resourced areas, while rural regions like Indragiri Hulu Regency in Riau Province remain underrepresented in governance research, despite facing unique structural and logistical challenges.

Indragiri Hulu Regency presents a particularly relevant case for studying the dynamics of village governance. The regency comprises 178 villages spread across a wide geographic area, many of which are located far from the administrative center and face difficulties in accessing infrastructure and public services. According to the 2023 performance report of the local Inspectorate, the APIP team in Indragiri Hulu operates with limited personnel—only 32 out of the 96 needed—resulting in restricted coverage and frequency of audits and evaluations. Additionally, only a fraction of villages receive annual supervision or development support, raising concerns about the consistency and equity of governance improvement efforts across the regency.

Challenges in supervision are not only logistical but also institutional. The lack of structured follow-up after audits, inadequate socialization of updated regulations, and limited budget allocations for development guidance programs all contribute to the suboptimal implementation of APIP's role. These constraints are particularly concerning given the growing complexity of village financial management, especially with increased fund transfers from the central government through programs such as Dana Desa.

Given these conditions, there is an urgent need to explore how APIP supervision can be optimized—not only through direct oversight but also through the integration of robust development guidance mechanisms. Understanding the mediating role of guidance can provide critical insights into how capacity-building initiatives amplify the effectiveness of APIP interventions and, in turn, improve village governance outcomes.

This research aims to examine the extent to which APIP supervision influences village government effectiveness and whether development guidance mediates this relationship. Specifically, it investigates (1) the direct effect of APIP supervision on the effectiveness of village government operations, (2) the influence of APIP supervision on the implementation and quality of development guidance, (3) the impact of development guidance on governance effectiveness, and (4) the mediating role of guidance in the relationship between supervision and effectiveness.

By focusing on these questions, the study contributes to the broader discourse on public sector performance in decentralized governance systems. It also offers practical implications for policymakers and supervisory institutions. For instance, findings could inform efforts to strengthen APIP capacity, allocate resources for village-level training, and design integrated supervision and development frameworks that reflect local needs and capacities.

Moreover, the research emphasizes the need to move beyond compliance-based supervision toward a more developmental and participatory model. In such a model, supervision is not just about identifying failures but also about building the competencies needed to prevent them. This aligns with modern public administration theories that highlight the importance of organizational learning, adaptive governance, and stakeholder empowerment in achieving sustainable institutional performance.

In conclusion, village governance effectiveness is a multidimensional issue that cannot be addressed by supervision alone. It requires a combination of oversight and empowerment—represented in this study by the interaction between APIP supervision and development guidance. Through a quantitative approach employing path analysis and mediation testing, this research seeks to provide empirical evidence for a more integrated and context-sensitive model of local governance oversight. The findings are expected to offer valuable insights for

improving public administration practices not only in Indragiri Hulu but also in other rural areas facing similar governance challenges.

2. Literature Review and Hypotheses Development

A. Village Government Effectiveness

Effectiveness, in the context of public administration, refers to the extent to which an organization or its personnel are able to achieve predetermined goals efficiently and in alignment with the expectations of stakeholders. In village governance, effectiveness is a multidimensional construct involving service quality, financial accountability, leadership performance, and the ability to deliver tangible development outcomes to local communities.

According to Steers (2020), effectiveness can be assessed through several key dimensions, including adaptability, achievement, satisfaction, quality, and external evaluation. These dimensions reflect how well an organization performs relative to its objectives and the environment in which it operates. Hasibuan (2019) further suggests that organizational effectiveness is demonstrated through quality and quantity of output, timeliness, resource efficiency, discipline, adaptability, and cooperation.

In the village government context, these indicators translate to measurable elements such as the accuracy and timeliness of reporting, successful implementation of village programs, appropriate fund usage, and the degree of community involvement. Effective village leadership, particularly from the village head, is central to this process. The ability to inspire, manage, and deliver public services determines the extent to which village institutions can fulfill their mandates. Harahap (2020) notes that a village head's effectiveness is reflected in their capacity to align their team and community toward shared goals, ensuring governance that is both participatory and results-driven.

B. APIP Supervision

Supervision is a key component of management, particularly in public institutions, where it serves as both a control and developmental function. Siagian (2018) defines supervision as a series of actions taken to monitor the execution of tasks to ensure alignment with predetermined plans and regulations. It includes audits, reviews, evaluations, and monitoring activities designed to measure performance, detect irregularities, and guide corrective actions.

APIP (Aparat Pengawas Intern Pemerintah), as the internal supervisory apparatus within the Indonesian government, plays a vital role in ensuring the effectiveness, accountability, and transparency of local governments, including village administrations. APIP's role is outlined in Government Regulation No. 60 of 2008, which mandates internal supervision in the form of financial audits, performance reviews, monitoring, and risk-based evaluations.

Handoko (2021) emphasizes that supervision helps identify errors and prevent systemic weaknesses by ensuring that every activity adheres to organizational and regulatory standards. The supervision types—internal vs. external, preventive vs. corrective, and active vs. passive—allow for diverse oversight strategies tailored to different needs. APIP supervision, especially at the village level, serves not only to ensure compliance but also to educate and support village officials in managing public resources responsibly.

Research indicates that effective supervision improves financial discipline and reduces the risk of corruption and mismanagement (Susilo, 2020; Setyawan, 2021). However, the effectiveness of APIP supervision is often constrained by limited resources, inadequate staff, and logistical challenges, particularly in rural areas such as Indragiri Hulu Regency.

C. Development Guidance as a Mediating Variable

Development guidance (*pembinaan*) refers to structured capacity-building efforts aimed at improving the skills, knowledge, and behavior of government officials. It includes facilitation, consultation, training, and applied coaching to ensure the continuous professional development of public servants. According to Mathis (2018), development guidance is essential for aligning individual performance with organizational goals, particularly in the public sector.

Hasibuan (2019) describes guidance as a combination of education, training, and mentoring processes designed to elevate individual and group performance. For village governments, development guidance is typically provided by APIP or other supervisory bodies and aims to strengthen competencies in areas such as budgeting, planning, reporting, and legal compliance.

Nugraha (2021) asserts that effective guidance results in better administrative discipline, reduced risk of misreporting, and stronger institutional integrity. Through regular facilitation and consultation, APIP is expected to help village heads and their teams understand and apply complex regulations more confidently. This process builds a culture of accountability and encourages proactive problem-solving, ultimately improving governance outcomes.

Development guidance plays a critical mediating role between supervision and effectiveness. While supervision identifies performance gaps and irregularities, guidance offers the tools and knowledge necessary to address them. Supriyanto (2022) suggests that supervision without corresponding guidance may lead to compliance in form but not in substance. Therefore, combining supervision with structured development efforts provides a more holistic approach to performance improvement.

D. The Interplay between Supervision, Guidance, and Effectiveness

Existing literature supports the interconnectedness between APIP supervision, development guidance, and governance effectiveness. Wibowo (2023) highlights that APIP's preventive supervision model relies heavily on education and mentoring to address root causes of mismanagement rather than merely penalizing failures. Similarly, Pratama (2023) found that intensive supervision combined with ongoing training can significantly improve the quality of village financial management and service delivery.

However, gaps still exist in the empirical understanding of how guidance functions as a mediating factor. Most studies assess the direct effects of supervision or training on governance outcomes, but few examine the full causal chain linking these variables. Moreover, little attention has been paid to the contextual challenges of under-resourced regions like Indragiri Hulu, where geographic barriers, staffing shortages, and infrastructure limitations can hinder the reach and impact of APIP programs.

Thus, this study seeks to bridge that gap by examining the mediating role of development guidance in the relationship between APIP supervision and village government effectiveness. By doing so, it contributes to a more nuanced understanding of how capacity-building and oversight mechanisms work together to support accountable, transparent, and efficient village governance.

3. Method

This study employed a quantitative explanatory design to examine the influence of APIP supervision on the effectiveness of village government, with development guidance acting as a mediating variable. The research was conducted in Indragiri Hulu Regency, a rural district in Riau Province, Indonesia, which comprises 178 villages. The primary subjects of this study were village heads and village secretaries, as they hold key responsibilities in managing village

governance and finances. A total of 160 respondents were selected using purposive sampling, targeting individuals who had direct experience with APIP supervision and capacity-building programs.

Data were collected through a structured questionnaire distributed to the selected respondents. The questionnaire was designed to measure three main constructs: APIP supervision, development guidance, and village government effectiveness. Responses were recorded using a five-point Likert scale ranging from “strongly disagree” to “strongly agree.” To ensure the quality of the instrument, preliminary tests for validity and reliability were conducted. Items with Pearson correlation values above the critical threshold were retained, and Cronbach's alpha coefficients for all variables exceeded 0.70, indicating acceptable internal consistency.

The APIP supervision variable was measured using five indicators in accordance with Government Regulation No. 60 of 2008, namely audit, review, evaluation, monitoring, and other supervisory activities. Development guidance, as a mediating variable, was measured through indicators such as facilitation, consultation, education and training, as well as research and development. Meanwhile, village government effectiveness was operationalized based on a combination of theoretical frameworks from Steers and Hasibuan, incorporating indicators such as quality and quantity of work, timeliness, efficiency, discipline, adaptability, and teamwork.

The data analysis consisted of both descriptive and inferential techniques. Descriptive statistics were used to summarize the demographic characteristics of respondents and provide an overview of their perceptions. To test the structural relationships between variables, the study applied Structural Equation Modeling with the Partial Least Squares method (SEM-PLS 4). This approach was chosen due to its suitability for complex models involving latent variables and its robustness in handling non-normally distributed data. Path coefficients were assessed to evaluate both direct and indirect effects among variables, while the significance of each relationship was tested using a bootstrapping procedure with 5,000 resamples.

The analysis focused on four main hypotheses: (1) APIP supervision has a significant direct effect on village government effectiveness; (2) APIP supervision significantly influences the implementation of development guidance; (3) development guidance significantly contributes to village government effectiveness; and (4) development guidance mediates the relationship between APIP supervision and effectiveness. The goodness-of-fit of the model was assessed using R-square values, composite reliability, average variance extracted (AVE), and discriminant validity measures.

Throughout the research process, ethical considerations were upheld. All respondents were informed of the purpose of the study, and their participation was entirely voluntary. Anonymity and confidentiality were maintained to ensure that individual responses could not be traced or misused. In sum, the research design was structured to provide empirical evidence regarding the interplay between supervision, guidance, and performance in the context of village governance, offering insights that may inform future policy and practice.

4. Result and Discussion

This study analyzed the relationships among APIP supervision, development guidance, and village government effectiveness using Structural Equation Modeling–Partial Least Squares (SEM-PLS). Four hypotheses were tested to explore both direct and mediated effects. The results are summarized in the table below:

Table 1. Hypothesis Testing Results

No.	Hypothesis	T-Statistic	P-Value	Significance ($\alpha = 0.05$)
1	H1: APIP Supervision → Village Government Effectiveness	5.049	0.000	Significant
2	H2: APIP Supervision → Development Guidance	25.253	0.000	Significant
3	H3: Development Guidance → Village Government Effectiveness	2.000	0.046	Significant
4	H4: APIP Supervision → Effectiveness (Mediated by Development Guidance)	2.050	0.040	Significant

A. APIP Supervision Directly Improves Village Government Effectiveness

The result of hypothesis H1 shows a significant direct influence of APIP supervision on village government effectiveness ($t = 5.049$, $p < 0.001$). This implies that villages which receive regular and structured oversight demonstrate better performance in administrative and financial governance. Supervision serves to prevent mismanagement, ensure regulatory compliance, and foster a disciplined bureaucratic culture. These findings affirm previous research suggesting that internal oversight improves accountability and institutional efficiency in local governance (Siagian, 2018).

In the case of Indragiri Hulu, where the number of APIP inspectors is below standard (32 available versus 96 required), these results also suggest that even limited supervision can yield meaningful improvements, especially when applied consistently and transparently.

B. Supervision Strongly Predicts Development Guidance Implementation

Hypothesis H2 tested the link between APIP supervision and the provision of development guidance. The relationship was strongly significant ($t = 25.253$, $p < 0.001$), indicating that supervision and guidance are often interlinked processes. Villages that are monitored closely tend to receive follow-up support, such as facilitation, consultation, and training.

This finding supports the notion that supervision is not merely an evaluative function but also developmental, as it often identifies capacity gaps that are subsequently addressed through structured guidance. The APIP model, when implemented effectively, not only detects problems but also drives solutions.

C. Development Guidance Enhances Governance Effectiveness

Hypothesis H3 confirmed that development guidance has a direct and positive impact on village government effectiveness ($t = 2.000$, $p = 0.046$). This underscores the importance of capacity building—through training, coaching, and mentoring—in enabling village officials to perform their duties more competently.

Guidance improves technical understanding of financial regulations, enhances reporting accuracy, and fosters confidence in administrative decision-making. In under-resourced regions, such interventions are essential for bridging the competency gap, especially among village staff with limited formal education or exposure to government systems.

D. Mediation: Development Guidance as the Bridge between Supervision and Effectiveness

The most critical contribution of this study lies in hypothesis H4, which examined whether development guidance mediates the relationship between APIP supervision and

governance effectiveness. The mediation effect was statistically significant ($t = 2.050$, $p = 0.040$), indicating that supervision leads to better governance outcomes not only directly but also indirectly by enabling development guidance.

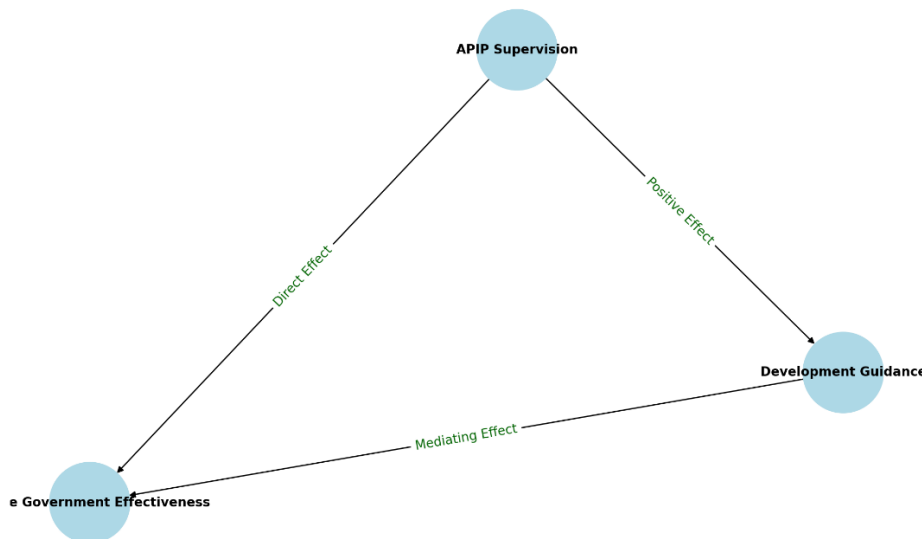
This mediation mechanism shows that the effectiveness of supervision is amplified when it is accompanied by structured support, rather than functioning in isolation. Without adequate guidance, the impact of supervision may be limited to compliance checks, whereas with guidance, the learning and corrective potential of supervision is maximized.

E. Model Strength and Implications

The model's explanatory power is notable, with an R^2 value of 0.750 for the village government effectiveness construct. This means that 75% of the variance in governance effectiveness can be explained by the combined influence of APIP supervision and development guidance, leaving only 25% attributable to external or unobserved factors.

These findings emphasize that internal government mechanisms—when functioning synergistically—can substantially improve village-level governance. For policymakers, this implies that investment in inspectorate capacity (e.g., hiring more auditors, improving transport for remote supervision) and in systematic development programs (e.g., e-learning modules, regional training centers) could significantly elevate the quality of governance at the village level.

Figure 1. Conceptual Model of the Study



5. Conclusion

This study concludes that APIP supervision plays a significant role in enhancing the effectiveness of village government, both through direct mechanisms and indirectly via development guidance. Effective supervision, when implemented in a structured and consistent manner, fosters compliance with regulations, strengthens administrative discipline, and improves overall governance performance. However, the research findings also highlight that supervision alone is insufficient to achieve sustainable improvements. It is through development guidance—comprising activities such as training, facilitation, mentoring, and consultation—that the lessons and recommendations from supervisory activities are translated into practical improvements at the village level. This mediation underscores the need for supervision and guidance to be seen not as separate functions, but as a unified and continuous system that collectively supports institutional growth, especially in decentralized and resource-constrained environments like Indragiri Hulu Regency.

From a policy perspective, several implications emerge. First, it is essential to strengthen the capacity of inspectorate institutions by increasing the number of APIP personnel and addressing logistical limitations, particularly in remote and geographically dispersed regions. Without adequate human and operational resources, supervision coverage and intensity will remain uneven. Second, development guidance must be institutionalized within the supervisory cycle. Follow-up activities such as targeted training, one-on-one coaching, and technical assistance should be formally embedded into the post-audit process to ensure that identified weaknesses are addressed constructively. Third, while the integration of digital tools like ARKAS offers opportunities for efficiency and transparency, these platforms should complement—not replace—direct human supervision. The digital systems must be aligned with field realities and supported by ongoing oversight and feedback mechanisms.

Furthermore, community involvement must be promoted to foster participatory governance. Engaging village councils (BPD) and local residents in the supervision-feedback process can enhance accountability, ensure transparency, and promote shared ownership of governance outcomes. Lastly, there is a pressing need to invest in the continuous capacity building of village officials. Training should be systematic, recurring, and context-sensitive, with delivery modes that include both face-to-face sessions and online learning modules to address varying levels of access and education. By combining strong supervision, meaningful development support, community participation, and digital integration, village governance can be made more effective, transparent, and responsive to local needs.

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