

Management of Village Funds by Applying the Principles of Good Governance

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ABSTRACT

The village fund program is an implementation of law no. 6 of 2014 about the village. Village funds must be managed as well as possible by applying the principles of Good Governance because there are still many villages that have not been transparent in managing village funds by providing information to the community. The purpose of this study was to analyze the management of village funds by applying the principles of Good Governance in terms of the principles of participation, transparency, accountability, and rule of law in Mendo Barat District, Bangka Regency. This study uses a descriptive qualitative approach. Data collection was done by interview, observation, and documentation study. The results showed that in villages in Mendo Barat District, in general, the management of village funds has not fully implemented the principles of Good Governance, especially with concerning the level of community participation in the APBDes preparation process is still low, transparency is the obstacle not yet providing APBDes information on the bulletin board. Weak supervision by the Bangka Regency Government over the discipline of APBDes spending has resulted in a large Silpa that has hampered the planned development program. Compliance with the law (rule of law) is still not optimal, especially community involvement, providing APBDes information to the community so that the condition of village officials is still low.

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1. INTRODUCTION

Law No. 6 of 2014 concerning Villages, legitimizes the granting of broad autonomy to village governments in absolute terms in regulating and managing their own household interests under the principles of autonomy and co-administration (medebewind). The issuance of the village autonomy law aims to achieve community welfare by granting rights and authority to manage the resources they own. On this basis, the central government issued a Village Fund (DD) policy as fiscal decentralization to village governments starting in 2015 which has become one of the village's largest sources of income.

In 2021 the State Budget allocates village funds of Rp. 72 trillion and in 2022 it will drop to Rp. 68 trillion which is prioritized for village-scale development, coaching, and community empowerment activities. The size of the village fund budget managed by each village still raises several problems. The Cabinet Secretariat of the Republic of Indonesia (2022) states that in general there are still several fundamental problems in managing village funds, namely :

1. planning aspect: frequent refocusing of village fund budgets caused by policy changes, frequent delays in the preparation and ratification of local regulations or perkedas due to vacancies in the position of the regional head or village head.
2. Implementation aspect: the use of village funds is not following the priority scale, and the utilization of village funds for Covid-19 is not optimal, where only photo documentation is carried out but activities are not carried out. There is still misuse of village funds by the village head, resulting in legal trouble.
3. Accountability aspect: there are still delays in reporting accountability by the village government and regional government so it has an impact on the distribution of village funds at a later stage (setkab.go.id, available on 19 February 2022).

The village fund program is one of the sources of APBDesa income which must be managed based on public sector management by applying the principles of good governance so that the goal of increasing the welfare of rural communities can be realized immediately. Based on the phenomenon of the problem as well as previous research studies that have been conducted, in this article, the researcher focuses on discussing the village fund management process on the four basic characteristics of good governance at the village level, namely participation, transparency, accountability, and the rule of law. Because the four principles of good governance are still ignored by the village government, the goal of providing village funds is still difficult to achieve. Based on the results of this thinking, then what becomes the purpose of this research is to analyze the management of village funds by applying the principles of good governance.

2. RESEARCH METHOD

The research approach used in this research is descriptive qualitative. The data collection technique uses interview techniques, observation, and documentation studies. The research locations were conducted in three (3) villages, namely Kace Timur Village, Cekong Abang Village, and Kace Village in Mendo Barat Sub-District, Bangka Regency on January 27 - April 10, 2022. The informants in this study were sub-district heads, village heads, village secretaries, village financial officers, BPD and village community elements or elements such as representatives of community leaders, religious leaders, and village youth leaders. Data analysis techniques in this study used four (4) stages, namely data collection, data reduction, data display, and drawing conclusions or verification.

3. RESULTS AND DISCUSSIONS

3.1. Society Participation

a. Participation in planning

The United Nations Development Programme (UNDP) states that governance is a form of exercising political, economic, and administrative authority in managing problems faced by a nation by involving all sectors. Thus, the most important sector in good governance is community participation. This is because the community plays a role in encouraging social, economic, and political interactions as well as increasing public participation (Mardiasmo, 2004).

The initial stages of managing village funds begin with planning involving the community. The village funds planning mechanism in Mendo Barat Sub-District starts from the hamlet meeting (musdus) to village meeting (musdes) which are a means to accommodate suggestions and aspirations of the community from some issues at the village level (top management) and to determine the direction of the RKPDes based on the priority scale adjusted to the RPJMDes. The village head and all members of the BPD as top leaders of the organization are responsible for determining plans, strategies, and direction for development programs following the interests of the village community.

The planning process in Mendo Barat Sub-District has been running according to Terry's statement (2008) which explains that in management planning is an initial picture in determining activities that will be carried out together to achieve goals and determine attitudes by combining a number of facts using forecasts related to the future to achieve the desired results.

It was concluded that as a whole the village fund planning process in Mendo Barat Sub-District had fulfilled the principle of participation which was initiated through the hamlet meeting forum (musdus) at the hamlet level and the village meeting (musdes) at the village level by inviting members of the village community. However, based on the report of the 2021 Musrenbangdes implementation, the level of community participation is still low and there are no open opportunities for the general village community to participate in planning village funds. All meeting participants present were also given the opportunity to convey their proposals and aspirations based on a priority scale.

Table 1. List of Attendees for the 2021 Musrenbangdes

No	Village	Musrenbangdes 2021	
		Invitation	Present
1	Cekong Abang	100	52
2	Kace	100	85
3	Kace Timur	100	64

Source: Processed Data (2022)



Figure 1. Village Conference Activities in Kace Village in 2022

Source: Kace Village Office (2022)



Figure 2. Musrenbangdes activities in Kace Timur Village in 2022

Source: Cekong Abang Village Office (2022)

Actually, participation according to Mardiasmo (2004) is the involvement of components or elements of society in the decision-making process of making public policies, planning, implementing, and monitoring. This is a process of empowering people's power in development and one of the joints to measure whether a country is democratic or not from the point of view of involvement and public awareness.

b. Participation in Program Implementation.

The process of community participation in the implementation of development programs in Mendo Barat Sub-District has formed an Activity Implementation Team (TPK) which includes members of the community. Every development implementation must involve the community which is facilitated directly by the village head and Village Community Institutions (LKD) such as LPM, RT, and Karang Taruna to recruit local people in areas where development activities are carried out. Development activities for the fiscal year 2021 at Mendo Barat Sub-District are minimal in development activities since most of the village fund budget is intended for handling the Covid-19 pandemic which reaches 68% of the total budget. These budget limitations affect community involvement in development activities caused by the refocusing of the village fund budget.

In addition to participating in development activities using a self-management mechanism by empowering the community at the construction site as an effort to provide wide employment opportunities to the community. In addition, the importance of participation in self-help development and mutual cooperation is a form of community service by providing donations in cash or in material form that is comparable to the utilities that will be felt by the community later. Community participation in self-help development and mutual cooperation in Mendo Barat Sub-District, seen from the source of Village Original Income (PADes), is still nil because the community believes that the village government carrying out development already has a budget from the government so it does not need donations from the community.

Community participation in development activities has been mandated by Law No. 6 of 2014 concerning Villages. Thus, the village head must involve the community to be directly involved. The low level of community involvement will affect the success of the development program. Thus, the village head as the leader of the organization is obliged to provide direction (actuating) to the community to be actively involved, according to Terry's explanation (2008) actuating is important to start and continue the program of activities that have been planned by planning members as well as organizing in each activity so that targets and goals can be achieved.

c. Participation in the Utilization of Development Results

In addition to community-based participatory development activities oriented to the interests and needs of the community. Furthermore, the challenge for the community is to take advantage of the results of development by maintaining and caring for the results of development so that they can be enjoyed sustainably. Community participation in maintaining and caring for development outcomes

in Mendo Barat Sub-District is still low, this can be seen from some of the results of development using village funds that have been left neglected, not utilized, and damaged without any maintenance.

The village government as the administrator and executor of development thinks that the completion of development activities can provide benefits to the community. However, this is contradictory to the reality that occurs in the field because the community does not understand the meaning and benefits of any results of development activities so the benefits of development that have been carried out cannot be seen. Therefore it is necessary to guide (actuating) the community by providing direct socialization regarding the objectives and benefits of development results that must be increased. Thus, it can be concluded that community participation in utilizing development results has not met the principle of participation.

d. Participation in Supervision

The community oversight function is contained in Article 82, Law No. 6 of 2014 concerning Villages, which explains that the community has the authority to carry out monitoring activities on the actualization of development and the community can disclose the results of their supervision and various complaints to the village government and the Badan Permusyawaratan Desa (BPD). The process of community participation in controlling development activities in Mendo Barat Sub-District is still low because the community thinks they have handed over supervision and evaluation to the BPD and the village government themselves.

The low level of community participation in supervision is in line with Hasniati's (2016) research results which are influenced by several factors such as employment, education, age, skills, and information related to participation. In essence, supervision from the community is very important to measure the level of democratization of village administration so that transparency and accountability are realized in the management of village funds.

3.2. Transparency

a. Ease of Access to Information

Based on the analysis and interpretation of data, in supporting transparency by providing easy access to information related to the implementation of village funds and public services, the village government in Mendo Barat Sub-District has organized, namely the Village Financial Management Executor (PPKD), namely the village head to the village secretary (sekdes), head of affairs (kaur), head of section (kasi), village financial officer and assisted by other village officials such as regional implementers and village apparatus staff and the Activity Implementation Team (TPK) which consists of village officials, LKD and village communities.

Organizing according to Terry (2008) is the relationship between the components of activities in a group by a manager to establish authority among groups or organizational units to manage all the resources needed including the human element so that work can be completed properly.

The active role of the community as the target of development implementation in gaining access to information is very important, this is because the community has been involved from the start in the planning to monitoring process so that development goals can benefit the public interest. Openness in obtaining information according to the UNDP is how independence in obtaining information relating to the public interest can be quickly accepted by the public who want it (Mardiasmo, 2004).

b. Publication Media and Information Dissemination

Based on the results of data analysis and interpretation, in support of the transparency process, each village government in Mendo Barat Sub-District has been equipped with a tool or media for the publication of information in the form of a bulletin board (announcement board) near the village office to inform the public which includes the APBDes until its realization. However, not all villages in Mendo Barat Sub-District adhere to regulatory guidelines regarding information publication, because they do not post APBDes information on bulletin boards and village websites as a medium for disseminating information that is never updated.



Figure 3. APBDes Announcement Board in Cekong Abang Village for 2021

Source: Processed Data (2022)



Figure 4. Notice Board in Kace Timur Village in 2021

Source: Processed data (2022)

The low quality of transparency by the village government is in line with the research results of Simanjuntak, et al (2020) which states that the transparency of village development regarding detailed information on the use of village funds has not been implemented properly in the form of banners or other announcement media.

The village government as the public sector must truly understand the importance of public information disclosure for stakeholders. Explanation regarding openness or transparency according to Mardiasmo (2004) namely the owner of the authority to manage public funds related to the making of financial policies so that they can be supervised by the public directly or through representative institutions. Transparency is a form of financial management which results in horizontal accountability by the government to the public so that it has an impact on the interests of society and the achievement of good governance.

Therefore, In ensuring openness or transparency in the implementation of village funds, it is important to apply the principle of transparency or openness to managing village funds which needs to be implemented by the village government as an effort to maintain the professionalism and integrity of village officials as the person in charge of managing village funds. Referring to Perbup No. 68 of 2018 concerning Village Financial Management, Article 39 states that the village head provides

information related to the APBDes and the implementation of activities to the public using an information publication facility.

c. Implementation and Administration Administration Activities

Based on the results of data analysis and interpretation, in the process of transparency and accountability in every implementation of village activities in Mendo Barat Sub-District, village financial officers have administered the monthly reports, semi-annual reports and annual reports and activity realization reports. It should also be noted that the village government in Mendo Barat Sub-District apart from carrying out manual administration mechanisms and administrative activities is also supported by an accounting information system, namely the Sistem Keuangan Desa (SISKEUDES). The use of the siskeudes application for the village government is seen as effective and efficient by the village treasurer as an effort to minimize errors and delays in making reports and reporting processes in real time or on time sent to the Regional Government of Bangka Regency every month.

Public sector management, namely administration as an effort to implement openness and accountability in the use of village funds. In support of administration and public accounting activities according to Mardiasmo (2004) explains that local governments are given the authority to manage public finances so they are required to provide financial information in an accurate, significant, on time and credible manner. Therefore, the government must have information media in the form of a system to properly record financial (accounting) activities. If the financial recording system used is still low, it will have an impact on the standardization of the information provided.

3.3. Accountability

a. Accountability Report

Based on the results of analysis and interpretation of data, then the village head accountability reporting process in Mendo Barat Sub-District vertically has provided an accountability report related to the realization of the APBDes to the regent through the head sub-district (camat) at the end of the fiscal year which is delegated no later than 3 months after the end of the fiscal year which is implemented through village regulations (perdes) which contain reports on the realization of the APBDes, activity realization reports, activities that have not been completed or not achieved, the remaining budget and accountability reports on the use of village funds horizontally have been provided to the BPD and the community.

Reporting of village financial accountability in the APBDes as a whole in Mendo Barat Sub-District has used the siskeudes application which was provided to the BPD and the head sub-district and the Bangka Regency Village Administration Office in monthly, quarterly, semiannual and year-end forms which include reports on village funds. Specifically for the village fund report, there is also a separate or separate report that is reported manually to the BPKAD of the Bangka Regency Government which contains a report on the realization of absorption of village funds to be input into the OMSPAN application. Thus, it can be concluded that the process of reporting accountability for the use of village funds has fulfilled the principle of accountability.

Village financial accountability is the last cycle in managing village funds which is used as a controlling element of financial policy. Accountability According to Mardiasmo (2004) declared as an effort of local government activities in accountability for its financial performance to stakeholders with efforts to provide information and disclosure. Accountability specifically indicates that there is an act of decision-making according to the mandate that has been given so that the process of collective policy formulation and the results of the policy become entry points and are connected vertical accountability and horizontal accountability as well as possible.

b. Human Resources (HR)

Based on the results of analysis and interpretation of data, Human Resource (HR) competencies include skills, abilities and main tasks and functions of village officials in Mendo Barat Sub-District, which can be seen from the educational qualifications that the majority of important positions such as village secretary, planning department and village financial officer have mostly filled with village apparatus. who have a bachelor degree, especially in the fields of management and economics and are in accordance with their respective functions.

In an effort to develop human resource skills in the Mendo Sub-District, over the past few years, the Bangka Regency government has routinely provided guidance to the village government in the Mendo Barat Sub-District in supporting the village fund accountability process, namely

1. Financial management guidance;
2. Guidance on increasing the capacity of village apparatus;
3. Technical Guidance (Bimtek) to strengthen the capacity of village cadres;
4. Legal awareness enhancement training;
5. Siskeudes application development training and much more to increase capacity, competence to village government professionals.

According to Astuti (2016) in his article states that Human Resources (HR) is a fundamental obstacle in realizing Good Governance, this is due to a lack of competent human resources in managing village finances. Human Resources (HR) or village officials who are professional and competent in their respective fields can be a major force in implementing the principles of accountability. Increasing the competence and professionalism of village human resources is very important in the course of the village financial management process from the village financial planning stage to the accountability stage. At the accountability stage, village officials are required to understand the public accounting process so that financial recorders, both income and expenses, can be carried out in an accountable manner.

c. Internal and External Supervision

Based on the results of data analysis and interpretation, the process of external (vertical) supervision in Mendo Barat Sub-District has been carried out by Mendo Barat Sub-District, BPKAD and the Bangka Regency Village Government Office, Inspectorate, Corruption Crime Police and other supervisory institutions directly and periodically, but not yet. carried out optimally which resulted in low quality of participation, transparency and implementation of development programs by a number of villages.

At the internal (horizontal) level, the role and function of oversight in Mendo Barat Sub-District has been carried out by the community directly or through the BPD as a village-scale people's representative institution, namely by discussing and approving draft village regulations (*perdes*) between village heads and absorbing and expressing wishes or proposal from the village community. However, the supervision carried out has not been carried out optimally or is still low so that the impact on the success of development has not been on target according to the wishes of the community.

Supervision is carried out as a form of attention to the village government so that the process of implementing village funds and the results of activities are in accordance with the initial plan or in accordance with what was planned and as an effort to improve evaluation, prevent irregularities in the use of village funds and strengthen a sense of responsibility for the use of village funds.

According to Terry (2008) explaining the importance of carrying out the supervisory or monitoring function (controlling) is a continuation of the scope of work to correct activities or activities carried out based on what has been previously planned to be evaluated to avoid unexpected mistakes so that targets and objectives can be successful properly.

d. Realization of the Development Program

Based on the results of analysis and interpretation of research data, then the implementation of the village fund program is mostly used to support the acceleration of improvement in the national economy affected by the Covid-19 pandemic so that the majority of the village fund budget in Mendo Barat Sub-District for the 2021 to 2022 Fiscal Year is used to provide BLT village funds to the rural poor, overcoming the Covid-19 pandemic as well as food and animal security reaching 68% and the remaining only 32% of the village budget for education, health and so on which can be used in accordance with village authority.

In addition to the village government being required to provide vertical and horizontal accountability or accountability reports on the realization of the implementation of the APBDes, the village government in Mendo Barat Sub-District is required to report the realization of activities which contain the achievements of the program of activities and details of the absorption of the budget that has been used. Realization of activities for the 2021 Fiscal Year in several villages in Mendo Barat Sub-District found that most of the village funds had been used in accordance with the determined

priority program regulations. However, each year in the village of Cekong Abang, Kace Village, Kace Timur Village in Mendo Barat Sub-District, it is found that there is still a large amount of SILPA due to the lack of implementation of program activities and budget efficiency.

3.4. Law Supremacy (Rule Of Law)

a. Guidelines and Regulations

Based on the results of data analysis and interpretation, compliance with guidelines and regulations, a number of villages in Mendo Barat Sub-District, particularly in the management of village funds, have not fully followed the regulations that have been set. This is due to the fact that there are still villages in Mendo Barat Sub-district neglecting to provide information related to the APBDes and the implementation of the APBDes to the community, the obligation to involve the community in the preparation of the APBDes which has been mandated in regulations on village financial management to the discipline level of village officials is still low.

The low compliance of the village government with regulations, especially regarding participation and transparency in Mendo Barat Sub-District, is in line with the results of research in the article Arman, et al (2019) who explained that the management of village funds had not run optimally because the community was rarely involved in the program formulation process and management had not been carried out openly so that it was not in line with the objectives of Law No. 6 of 2014 concerning Villages.

Guidelines and regulations are the legal framework or legal supremacy that guarantees the implementation of public policies so as to foster fair and indiscriminate commitments. Actually regulations that provide guidelines for the ongoing implementation of village governance, specifically the management of village funds to avoid abuse of authority and ensure accountability and transparency. Apart from having to refer to the state constitution, namely the 1945 Constitution, the village government in administering government, especially village financial management, must refer to Law No. 6 of 2014 concerning Villages, which is followed by laws and regulations from both the central government level and the regional government level.

b. Freedom of Expressing Opinion and Organizing

Based on the results of analysis and interpretation of data, then Community involvement in several villages in Mendo Barat Sub-district as a whole is still passive or low, this is due to the lack of alignments or opportunities for the community to convey aspirations in accordance with their interests as subjects and objects of development. The community is forced to comply with regulations regarding the application of village funds which must refer to priority regulations for the use of village funds that are not in line with the interests and needs of the community. Thus, there are restrictions on the rights of village communities so that community welfare is difficult to achieve, this is due to the lack of community freedom in expressing aspirations.

According to the village law, the village government has the authority to run the government, it is obligatory to include community participation as an important element because society is the subject of village development. Thus the importance of community involvement in the planning, implementation and monitoring processes so that village funds are used in accordance with the interests of the community. The village law has provided a mandate to involve the community in village head elections, village meetings and making village regulations. This is a form of village democratization in fulfilling community rights protected by laws and regulations.

4. CONCLUSION

Based on the results of an analysis related to the management of village funds by applying the principles of good governance in Mendo Barat Sub-District, Bangka Regency, it can be concluded that the level of community participation in the APBDes preparation process, implementation and supervision is still low, so that development programs or plans carried out by the village government are often not in accordance with the interests or the real needs of the local community. A number of villages have not fully complied with the regulatory guidelines (rule of law), especially regarding the publication of information by providing information on their APBDes to the public which has an impact on the quality of transparency. In addition, the discipline in using APBDes is still low which has an

impact on program accountability. This can be seen in Silpa which is still high every year because it is not in accordance with the initial planning.

Based on the research results, there are several suggestions that might be taken into consideration as input materials for optimizing community participation, transparency and accountability in Mendo-Barat Sub-District as follows. Providing understanding to the community regarding the importance of community participation in the APBDes preparation process.

1. The need for strict sanctions against village governments who do not publish APBDes information to the public. Increasing the role and function of supervision by the BPD and the Bangka Regency Government regarding the implementation of village funds so that they are used according to what has been planned in the APBDes.

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