

THE ANALYSIS OF MANAGEMENT AND ADMINISTRATION OF VILLAGE FUND: A CASE STUDY IN BARRU DISTRICT, BARRU REGENCY

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ABSTRACT

Village is a customary village, which may have other terms, and then it is called village as legal community that has a regional boundary and authority to regulate and to manage government affairs, the interest of the local community based on their willingness, origin rights, and traditional rights recognized and respected in governmental system of the Republic of Indonesia. It is stated that village fund comes from State Budget transferred through Regional State Budget. The management of village fund covers all activities consisting of planning, implementing, administrating, reporting, and making accountability report of village fund. However, this report only focuses on the management and administration of Village Fund in Barru District in 2017. This research is qualitative descriptive using field research conducted directly from the research location. After then, data is collected through: observation, questionnaires, interview, and library research. The research result shows that the implementation and administration of village fund in Barru District, Barru Regency are good enough even though they have not been conducted optimally.

Keywords: Implementation, Administration, Village Fund

INTRODUCTION

Recently, the development in countryside is still very minimal compared to that in urban area, so villages are still underdeveloped. Thus, one of the government policies to overcome problems and underdeveloped condition is Village Fund program based on Government Regulation Number 60 of 2014 concerning on Village Fund. It is stated that Village Fund is from State Budget addressed to villages, in which the fund is transferred through Regional State Budget.

Through Village Fund program, it is expected that a good and right management will open bigger opportunity for villages to grow and to get welfare. In fact, in spite of policies coming along with it, the management of village fund has generally not been conducted optimally, though some efforts have been performed based on the regulation. It can be seen in the research conducted by Corruption Eradication Commission (*Komisi Pemberantasan Korupsi* or KPK) in 2015. According to the Report of the Observation on the Management of Village Fund: the Allocation of Village Fund and Village Fund, Directorate of Research and Development, Jakarta, June 17, 2015, it is stated that Village Fund tends to provoke legal problems due to the following causes: (1) Village Law and its supporting Regulation is new and has not been understood by all related parties, (2) Village apparatus competence is various, (3) High potential of corruption in regional level, (4) There is a tendency to be intervened by political interest, (5) Based on the result of study and activity of Coordination

and Supervision of prevention of Corruption Eradication Commission (KPK) in regional level and low regional accountability management.

Thus, this research aims to focus on analyzing the management and administration of Village Fund in Barru District in fiscal period of 2017.

A. VILLAGE FUND POLICY

According to Nugroho (2014:25), it is stated that public policy never appears in “special space”. Public policy is not created in vacuum condition, and public policy is influenced by social and economic condition, applied political values and people’s mood in certain time, governmental structure, and national norm as well as local cultural norm.

In the context of the management of village fund, the government issues the Minister of Home Affairs Regulation No. 37 of 2007 concerning on Village Financial Management Guidelines of which purpose is to support the implementation of the management of village fund so that there is no multi-interpretation in it. After then, to establish guidance during the process and mechanism of the arrangement of Village Budget on the general guidelines for reporting procedure and accountability of administering village government, the Minister of Home Affairs Regulation No.35 of 2007 is issued. In the regulation, it is stated clearly who is responsible, to whom he/she is responsible, and how the responsibility is.

Furthermore, to give the guidance for village government in arranging Village Medium-Term Development Plan (*RPJM-Desa*) and Village Government Work Plan (*RPK-Desa*), the Minister of Home Affairs Regulation No. 66 of 2007 concerning on Village Development Plan is issued. This regulation is to make the process of composing village budget represent the background of decision making in determining general policy, priority scale and allocation determination, and resources distribution by involving the community’s participation.

Due to the importance of good management of village fund, the government issues the Ministry of Home Affairs Regulation No.113 of 2014 concerning on the Management of Village Fund. Based on that regulation, the government gives authority to the village government to manage its budget that comes from State Budget by determining Government Regulation No. 60 of 2014 concerning on Village Fund. After then, in the Ministry Regulation of Village No.5 of 2015 concerning on the Priority Determination of the Use of Village Fund, it is stated that village fund is allocated to fulfill the basic needs such as education and health, the development of facility and infrastructure for villages, the development of local economic potential, and the use of sustainable natural and environmental resources.

The Management of Village Fund

Based on the Ministry of Home Affairs Regulation No.113 of 2014 concerning on the Management of Village Fund, it is stated that the Principles of the Management of Village Fund is based on the principles of transparency, accountability, participation, order, and discipline of budget. The management of village fund, as stated in Verse (1), is managed in 1 (one) fiscal year started from 1 January to 31 December. According to the Ministry of Home Affairs No. 113 of 2014 concerning on the Management of Village Fund, all activities related to the management of Village Fund consist of planning, implementing, administrating, reporting, and making accountability report. However, this research only focuses on the management and the administration of village fund.

The implementation of governance, especially in the management of state fund should be accounted for the government and people. And then, the management should be transparent, started from planning, implementing, controlling, and evaluating. According to Tomuka (2015), it is stated that good governance is an absolute need for the majority of people in order to create governance system that is more into the interest of people based on democratic principles universally.

Transparency

Transparency becomes an important thing for the implementation of government's functions as a mandate from citizen. As the government has the rights to make important decision that affect people, the government must provide complete information of its activities. Applying transparency, it is hard to hide deceit. Thus, transparency becomes an important instrument that can save people's money from corruption. In the Ministry of Home Affairs Regulation No.13 of 2006 concerning on the Guidance of the Management of Regional Fund, transparency is defined as a principle of openness which enables people to find out and to get access to the information about regional fund as much as possible.

Accountability

According to Astuti and Yulianto (2016), accountability is defined as an obligation to be responsible or to answer and to explain about performance and behavior of a leader of legal entity of an organization to the party that has the rights and authority to ask for explanation or accountability report.

According to LAN & BPKP (2000), accountability is defined as an obligation to be responsible or to answer and to explain about performance and behavior of a leader of legal entity of an organization to the party that has the rights and authority to ask for explanation or accountability report.

Participation

Participation from the community in determining public policy becomes motivation to accelerate the fulfillment of the accountability principle in the implementation of government in countryside. In making budget, participation from the community is important to prevent deviate policies. According to LAN and BPKP (2000), participation is defined as every citizen has voting rights in decision making, either directly or through intermediation of legitimate institution represented. This participation is built upon the basis of freedom of association and speech constructively.

B. IMPLEMENTATION AND ADMINISTRATION OF VILLAGE FUND

Implementation

Based on Article 24 (verse 1-3) in the Ministry of Home Affairs No.113 concerning on the Management of Village Fund, it is stated that all village revenue and expenditure as the realization of village authority is conducted through village cash bank account. For villages that do not have banking service in their area, the regulation is determined by the regional government. All revenue and expenditure as stated are supported by legal and complete proof.

Some regulations in the implementation of the management of village fund are as follow:

a. Article 25 (verse 1 -3).

- (1) Village government is prohibited from levying as village revenue except those stipulated in village regulations.

- (2) The treasurer can save money in the Village Cash at a certain amount in order to meet the operational needs of the village government.
- (3) Setting the amount of money in the village cash as referred to in paragraph (2) is stipulated in the Regulations of the Regent/Mayor.

b. Article 26 (verse 1-3),

- (1) Village expenditures resulting in the burden of the Village Budget cannot be carried out before the village regulation draft on the Village Budget is determined to be a village regulation.
- (2) Village expenditure as referred to in paragraph (2) does not include personnel expenditure that binds and operational in the office stipulated in village head regulations.
- (3) The use of unexpected costs must first be made into Budget Details; costs that have been approved by the Village Head.

c. Article 27 (verse 1- 3)

- (1) Implementers of Activities that submit funding to carry out activities must enclose documents including the Budget Plan.
- (2) The Budget Plan as referred to in paragraph (1) is verified by the Village Secretary and authorized by the Village Head.
- (3) The Implementers of Activity is responsible for the expenditure that causes the burden of the activity budget by using the cash ledger activities as the responsibility of implementing village activities.

d. Article 28 (verse 1- 2)

- (1) Based on the budget plan as referred to in Article 27 verse (1), the implementers of the activity submits a Request for Payment (SPP) to the Village Head.
- (2) Payment Request Letter (SPP) as referred to in verse (1) may not be performed before goods and or services are received.

d. Article 29

The submission of SPP as referred to in Article 28 verse (1) consists of:

- a. Payment Request Letter (SPP);
- b. Accountability Report; and
- c. Attachment of transaction receipt.

Administration

The village head in carrying out the administration of village fund must determine the village treasurer. The determination of village treasurer must be made before the start of the relevant fiscal year and based on the decision of the village head.

In Article 35 (verse 1–4) in the Ministry of Home Affairs No. 113 of 2014 concerning on the Management of Village Fund, it is stated that:

- (1) Administration is performed by Village treasurer
- (2) The Village Treasurer must record every receipt as well as expenditure and close the book at the end of each month orderly.

- (3) The Village Treasurer must account for money through the accountability report.
- (4) The accountability report as referred to in paragraph (3) is submitted every month to the Village Head no later than the 10th of the following month.

In Article 36, it is explained that the administration of revenues and expenditures as referred to in Article 35 verse (2), uses:

- a. General cash book;
- b. Tax Assistant cash book; and
- c. Bank account book.

In the Ministry of Home Affairs Regulation No. 113 of 2014 concerning on the accountability report that must be made by the village treasurer is as follows:

a. General Cash Book

Cash book is commonly used to record various activities involving cash receipts and disbursements, both in cash and credit, and used to record bank transfers or bookkeeping errors. General cash books may become the source of transaction documents.

b. Tax Assistant Cash Book

Tax book is used to help general cash books, in the context of tax-related receipts and expenses.

c. Bank account book

Bank account book used to help general cash books, in the context of receipts and expenses related to bank money.

The Use of *SIMDA Desa* Application

In order to improve the quality and professionalism of the management of village fund technically, the government issues a *SIMDA Desa* application. *SIMDA* is an application developed by the Financial and Development Supervisory Agency (BPKP). Previously, this application was developed by BPKP Representatives of West Sulawesi Province as a pilot project in the BPKP in May 2015. However, starting on July 13, 2015 the development of this village financial application has been taken over by the Deputy of Central BPKP Regional Financial Management Supervision in Jakarta after passing Quality Assurance (QA) stage by the appointed Team.

C. VILLAGE FUND

The definition of village fund in accordance with the Ministry of Home Affairs Regulation No.113 of 2014 concerning on the Management of Village Fund is the fund obtained from the State Budget intended for villages transferred through the Regional Budget and is used to finance government administration, implementation of development, community development, and community empowerment.

The Village Fund Budget is a part of the non-ministerial/agency Central Expenditure Budget as a Reserve and Village post. It means that village fund is specifically budgeted in the State Budget, not within the ministry so that it can be called privileges compared to other village financial sources, for example ADD originating from balancing fund to finance decentralized government activities in regions, especially rural areas.

The use of Village Fund is specifically regulated in Government Regulation No. 60 of 2014 concerning on Village Funds obtained from the State Budget. It is stated in Article 19 (1) that

the Village Fund is used to finance the administration, development, community empowerment, and community. (2) Village Fund as referred to in verse (1) is prioritized to finance development and community empowerment.

RESEARCH METHODOLOGY

This research is conducted in 5 villages in the Barru District of Barru Regency, namely Anabanua, Palakka, Galung, Tompo, and Siawung. The study is conducted for 2 months (November - December 2017). The type of research used is descriptive, which aims to provide a clear explanation about the implementation of good governance in the management of Village Fund in Barru District, Barru Regency. The type of research is field research, namely research that is directly at the research location.

The research population is all the components involved in the Management of Village Fund of 5 villages. After then, the research sample is adjusted to the opinion of Sugiyono in Jamaluddin Ahmad (2015: 140). If the population is less than 100 people, it is taken from the whole, but if the population is more than 100 people, then the sample is taken at 10%, 20%, 25% or more. Based on that opinion, since the population is more than 100 people, a random sample is used by taking samples from members of the population randomly regardless of the degree in the members of the population, that is, as many as 10% of the population, amounting to 90 people. Whereas the informant is:

a. Village Head	= 5 people
b. Staff	= 10 people
c. Activity Management Team	= 10 people
d. Public Figure	= 5 people
e. Village Consultative Body	= 10 people
f. Officers of Agency	= 2 people
Total	= 42 people

To obtain accurate data, the researcher uses several data collection techniques, namely: Observation, Questionnaire, Interview, and library research. Based on the objectives of this study, the data is analyzed descriptively and quantitatively. The analytical model used uses frequency tables and Likert scale as a measuring instrument.

The technical analysis of the data is carried out using the frequency tabulation approach, namely:

$$P = F/n \cdot 100 \%$$

Where P : Percentage

F : the Number of Frequency of Respondent

n : the number of sample

to measure the interval:

$$\text{Score} = \text{Frequency} \times \text{Value}$$

The average score = $\frac{\text{Total Score}}{\text{Total Respondents}}$

The average of percentage = $\frac{\text{The average score}}{\text{Characteristics of answer}} \times 100 \%$

Furthermore, the qualification of the assessment is taken based on the level of division, namely:

1. Score 1 – 25.99 is categorized as poor/never/equal to value 1
2. Score 26 – 50.99 is categorized as less good/rare/equal to value 2
3. Score 51 – 75.99 is categorized as good/often/equal to value 3
4. Score 76 – 100 is categorized very good/always/equal to value 4

After then, the data validation techniques used are extension of participation, persistence of observation, triangulation, peer checking, case analysis, adequacy of references, member checking, detailed description, and member check.

RESEARCH RESULT AND DISCUSSION

A. Result and Discussion

Based on data and information from interview, observation data, and documentation data, then organizing data is conducted and generates several things related to the implementation and administration of village funds, namely:

First, the government's commitment to support and to facilitate the management of village fund is in a high level. It can be seen from the existence of regulations reflected in the Regents' Regulatory Authority and several other supporting regulations since the commencement of village fund disbursement in Barru Regency. Strong commitment from the local government as a form of support is very important and needed in supporting the management of village fund so that village government is directly involved in the accountability of the management of village fund according to the applied legal and legislative regulations.

Second, to improve the ability and skills of village fund managers, they have carried out several trainings and Technical Guidance. Based on the information in the field, it is known that the implementation of training and BinteK is facilitated by the BPMD and carried out both in the regency capital and in the provincial capital. Additionally, in order to technically run the management of village funds as it should, the government has recruited trained personnel, namely experts and village assistants. This shows the government's efforts to make the management of village fund run orderly, smoothly, and appropriately.

Transparency

In the management of village funds, transparency on all information is needed, although it still maintains the confidentiality of the institution and privacy of individuals. The form of transparency performed by village fund managers is seen through various activities, including: conveying information through mass media, places of worship, and other social media, and making bulletin boards installed in open places so that they can be accessed easily by society.

Accountability

Accountability is one of the absolute things, especially in every budget management. The real manifestation of accountability that has been carried out is strengthening the institutional structure of the management of village fund through upholding the function of Activity Management Team and implementing activities. Similarly, in the reporting aspects, budget realization and accountability reports have been carried out quite well, on time, and in accordance with the prepared format.

Participation of the Community

Participation of the community cannot be separated from planning, implementing, and evaluating development, including in the management of village funds. The real form of community participation from village fund managers that has been carried out is by involving them in planning meeting. Then, in the implementation, it is the community who carry out the activities/projects. Additionally, to anticipate the community aspirations regarding the management of village fund, public complaints mechanisms have been prepared.

Regarding the management of village fund in Barru Regency, one of the weaknesses found in this study based on the results of interviews is that in the practice of the management of village fund, the Village Government does not yet have an Operational Procedure Standard (SOP) as a technical reference for the implementation. However, with the use of *SIMDA* application, the managers are quite helpful, so that the implementation, administration, and accountability report can be resolved quite well, on time and in accordance with the rules.

The Implementation and Administration of Village Fund

Based on the data obtained, the implementation and administration of village funds in Barru District, Barru Regency is included in the Regulations of Barru Regency No. 3 of 2016, and Regulations of Barru Regency No. 6 of 2017 concerning on the Procedures for Distributing and Determining Details of Village Funds. The nominal amount received by the villages in Barru Regency is: Rp27,457,668,000.00 in the Fiscal Year of 2016, and increased up to Rp34,627,614,000.00 in the Fiscal Year of 2017. Specifically, Barru District consists of 5 villages that have received and managed village funds of Rp3,368,011,000.00 in the Fiscal Year of 2016, and increased up to Rp4,251,251,400.00 in the Fiscal Year of 2017.

To support and to facilitate the management of village funds, the Regional Government has formed a Village Fund Facilitation Team through the Facilitation Team consisting of technical SKPD (Regional Work Unit) such as Revenue Service, Regional Asset and Financial Management, Public Work Agency, Village Community Empowerment Agency, Health Office, Development Section, Legal Section, Regional Inspectorate and several other SKPD.

a. The Implementation

According to article 24 (a. 1- 3) in the Ministry of Home Affairs Regulation No.113 of 2014 concerning on The Management of Village Fund, it is explained that all village receipts and expenditures during the implementation of village authority are carried out through village cash accounts. Especially for villages that do not yet have banking services in their area, the regulation is determined by the Regional/City Government. All village receipts and expenditure as intended must be supported by complete and legal evidence. Village revenue and expenditure during the implementation of village authority is carried out through the village cash account.

Based on the observation and information in the field, it can be seen that the implementation aspect has run quite well. All transactions in the form of village receipts and expenditures have been enclosed with complete and legal evidence attached in the village cash account. Thus, it can be said that the managers of village fund have shown good performance.

b. Administration

In Article 35 (verse 1 - 4) in the Ministry of Home Affairs Regulation No.113 of 2014 concerning on the Management of Village Fund, it is explained that: (1) Administration is

carried out by the Village Treasurer; (2) The Village Treasurer is required to record every receipt as well as expenditure and close the book at the end of each month orderly; (3) The Village Treasurer must be responsible for money through an accountability report (4) The accountability report as referred to in verse (3) should be submitted every month to the Village Head no later than the 10th of the following month. Then in Article 36, it is explained that the administration of revenues and expenses as referred to in Article 35 verse (2), uses: a. general cash book, b. Tax Assistant Cash book; and c. Bank account book.

Based on the Ministry of Home Affairs Regulation adjusted to the objective facts in the field, it is known that in terms of the administration aspect, the management of village fund in Barru District has been carried out quite well. In this case, the village treasurer orderly records each receipt as well as expenditure and closes the book at the end of each month. Each recording activity is contained in the general cash book, Tax Assistant Cash book, and the bank account book. Furthermore, a monthly accountability report has been submitted to the village head. Therefore, it can be illustrated that in terms of administration aspect, the village treasurer has worked and shown satisfactory results

CONCLUSION

Based on results of research and discussion and in-depth analysis, it may be concluded that:

1. The implementation of the Village Fund in 5 villages in Barru District for the fiscal year of 2017 has been carried out quite well even though it has not been maximally as it should be based on the regulations. There are still technical weaknesses; not all work is carried out according to the administrative procedure. In addition, the Village Government does not yet have a standard operating procedure related to the implementation of village fund as a means of supporting the implementation of the village fund program.
2. Administration of Village Fund in 5 villages in Barru District for the fiscal year of 2017 basically has run quite well because the SIMDA Application is very helpful for village fund managers in completing their duties and responsibilities.

Thus, based on the overall results of the research, it can be concluded that the implementation and administration of village funds in Barru District have been carried out quite well though they still have not yet been conducted optimally. This conclusion is also supported by the fact that there are no complaints from the community. Supported by the results of the examination of BAWASDA and other examining institutions, there is no significant misuse of the budget for the management of village funds

SUGGESTIONS

Based on the conclusions of the results of research in analyzing the implementation and administration of village funds, there are some suggestions to increase the accountability of the implementation and administration of village funds in Barru District, namely:

1. In order to realize the objectives of the management of village fund and budget that are in order and discipline, it is expected that the Village Head can improve the capacity of PTPKD and TPK in terms of orderly administration during the implementation and administration of village funds through training.
2. It is expected that the technical support facilities in the form of SOP can be immediately realized because it is a standard for the implementation and administration of village fund as a support for the management of village fund to run smoothly, orderly, and accountably.

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