

Village government performance In village financial management IN PASURUAN DISTRICT, EAST JAVA PROVINCE

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ABSTRACT

The background of this research is based on the increasing budget managed by the Village Government, which comes from village's original income, central fund transfers, portion of the district taxes and retribution earns, village fund allocation, financial assistance from Provincial budgets, financial assistance from Regency budgets, grants and donations that are not binding from third parties, and other official village income. So that the Central Government issued the Minister of Home Affairs Regulation No. 20/2018 concerning Village Financial Management which was previously regulated through the Minister of Home Affairs Regulation No. 113/2014. This Minister of Home Affairs Regulation is also the basis for the Pasuruan Regency Government to issue Pasuruan Regent Regulation Number 31 of 2018 concerning Village Financial Management. The regulation is used by Village Government preparing the village budget and conducting village financial management, particularly in allocating or budgeting funds for environmental management in their respective villages. The research purpose is to analyze the Pasuruan Regency Village Government performance in managing village finances based on the Pasuruan Regent Regulation Number 31 of 2018 concerning Village Financial Management. This study using qualitative approach and descriptive type of research. The research was conducted in 3 villages with the status of disadvantaged, developing and advanced villages in Pasuruan Regency based on Build Village Index. The results of the study found that there were several villages that still negligent and had difficulty implementing these regulations. There are indications that financial management in several villages is not in accordance with the government standards, especially at the implementation stage.

Keywords: *performance, public policy, village financial management*

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1. INTRODUCTION

Villages are getting more and more attention from the government along with efforts to accelerate the creation of a prosperous society. The government realizes that the village community still has not optimally felt what the hopes and goals of the state are, namely a just, prosperous and prosperous society as mandated by the 1945 Constitution. Villages are also the main focus in development targets because most of the areas in Indonesia exist. in the countryside.

So far, the village community has not enjoyed maximum development results and inadequate health facilities and services. Meanwhile, the development in the city is increasing rapidly, which results in the high desire of rural communities to leave their hometowns for the cities. Village development tends to be neglected, which results in low productivity of rural communities, resulting in higher unemployment rates and ultimately forcing them to go to the cities to look for work.

Based on these conditions, the government always tries to find solutions so that the village grows and develops just like the city. The goal is that the village's potential can be maximally utilized, both its human potential and natural potential. So far, the potential of the village, especially nature, has often been explored on a large scale for the benefit of a group of people, to the point of destroying the environment, while the local villagers are only spectators.

Since 2004, in Indonesia, Regional Autonomy has been implemented as regulated in Law no. 33 of 2004. It is stated in the law that in order to carry out regional government in accordance with the mandate of the 1945 Constitution, government affairs are regulated and administered by the regional government according to the principles of autonomy and co-administration. Law Number 23 of 2014 concerning Regional Autonomy is the most recent amended law.

This Law stipulates that regions can regulate and manage the affairs, governance and interests of the local community which are the rights, authorities and obligations of the autonomous region as long as it is within the system of the Unitary State of the Republic of Indonesia. Regional autonomy is held so that regions better understand and understand the needs of the people in their regions. The following aspects such as the linkages between government structures and between regional governments, the potential and diversity of regions, the opportunities and challenges of global competition by giving the widest possible authority to the regions must be more concerned with so that the implementation of regional governance runs more efficiently and effectively. These steps are supported by the granting of rights and obligations to implement regional autonomy in a unitary state administration system including its implementation at the village government level.

The presence of Regional Autonomy, the development gap in Indonesia can be slightly overcome. development can evenly reach remote areas, the joints of the regional economy continue to grow accompanied by the development of infrastructure and an increase in services for the basic needs of the community.

It is hoped that the village can be independent by maximizing the existing potential. Prior to the existence of the Law on Regional Autonomy, villages had difficulty in carrying out development due to lack of funds. Now with this system several tasks of the central government have been delegated to regional governments which are carried out based on the Decentralization, Deconcentration and Assistance Tasks principles. Other benefits of the Regional Autonomy system that obtained by the Regional Government are the Regions get funds from the central government to carry out development.

The government also issued Law Number 6 of 2014 concerning Villages which regulates villages to be able to manage their government. This law is an effort to make the decentralization and regional autonomy programs succeed. Where regulated in Law Number 6 of 2014 concerning Villages, villages are units of legal communities that have territorial boundaries that are authorized to regulate and administer government affairs, the interests of local communities based on community initiatives, rights of origin, and / or recognized traditional rights and respected in the government system of the Republic of Indonesia.

According to Law Number 6 of 2014, the administration of village government finances is separate from district government finances. The separation in village financial administration is not only to delegate authority and funding from the central government to the regions, but also to increase the efficiency and effectiveness of financial resource management in order to improve welfare and services to the community. Based on this law, villages are given the authority to manage their governance independently, including managing their finances.

Village finance comes from the village's original income, central fund transfers, portion of the district taxes and retribution earns, village fund allocation, financial assistance from Provincial budgets, financial assistance from Regency budgets, grants and donations that are not binding from third parties, and other official village income (article 72 of Law Number 6 of 2014). With the support of this large source of income, the village government is required to manage it optimally for the community welfare purpose. Village financial management is the whole stage that includes planning, implementation, administration, reporting and accountability. Each of these activities is carried out with the transparency, accountability, participation, orderliness and budget discipline principles.

As a legal basis for village financial management, the government issues village financial management guidelines which are regulated in the Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management which regulates that village governments have broader authority in managing their villages.

Village financial management has undergone various regulatory changes from time to time. Finally, the regulation was amended by Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management. This change is an attempt by the Central Government to apply the village financial

management principles, namely Transparent, Accountable, Participatory, Orderly and Budgetary Discipline.

Regulatively, all village finances will be documented in the form of a Village Income and Expenditure Budget, which is the annual financial plan of the Village Government and its management following various statutory guidelines. This means that the Village Government is no longer carelessly managing village finances. Even though the authority as a Proxy of Budget Users and Budget Users rests with a Village Head.

The Village Government is obliged to compile a Realization Report on the Implementation of the Village Budget. This report is generated from a village financial management cycle, starting from the planning, implementation and administration, reporting, supervision and accountability for village financial management.

The Village Head is the Village Financial Management Power Holder and represents the Village Government in ownership of separated village property. As Village Financial Management Implementers, village officials get part of the power of village financial management from the village head.

In order for the successful of village development and for a prosperous community, good village financial management is needed. Moreover, there is an increase in the allocation of funds to villages each year. Good village financial management is management in accordance with the Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management.

The village government is expected to be able to improve performance optimally and be able to create the goals of a prosperous village community as an implication of the implementation of village autonomy which prioritizes performance accountability and improving public services. Performance is the achievement level of the implementation of an activity in realizing the goals, objectives, vision and mission of the organization as stated in the planning strategy of an organization. To measure the success of an organization can be seen from a financial perspective and its performance.. In the performance of village government organizations, what can be used as a benchmark is whether the development in the village has made the community prosperous or not.

Performance-oriented village financial management shows that there is performance accountability, where there is a relationship between the strategic goals to be achieved and the amount of funds allocated, so it can be assumed that good village financial management has an influence on the performance of an agency or organization. Good financial management will create good financial reports as well, this can indicate good performance in an organization. An adequate accounting system makes it easy to verify transactions that occur and whether the direction of the flow of funds is in accordance with the purpose of allocating these funds or not.

The seriousness of the Government in advancing the village requires support from all stakeholders and of course the availability of regulations. To support the success of village financial management, village heads and village officials who have the capacity are needed. They must understand and fully understand the contents of the regulations regarding villages. If not, surely village financial management will experience serious problems in the future.

The Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management is one of the basis of the Pasuruan Regent Regulation Number 31 of 2018 concerning Village Financial Management.

2. METHODS

This research method is descriptive research, which is a study that tries to provide a description or description (Sugiyono, 2014: 6). So this study describes the village government performance in implementing village financial management. The implementation of this study using quantitative methods with survey techniques where research activities use a questionnaire as the main instrument in field data collection. In addition, this research also uses other data collection techniques such as observation and literature study.

Respondents consisted of officials at the Community and Village Empowerment Service, especially in the Field of Finance and Wealth and Village Development and from elements of the Village Government as Technical Implementers of Village Financial Management represented by the Village Head, Village Secretary, Head of Affairs, Section Head, Village Consultative Body, Institutions Community Empowerment and Empowerment of Family Welfare from three villages classified as Underdeveloped, Developing and Advanced in Pasuruan Regency based on the Village Build Index. The Building Village Index is a composite index that is formed based on three indices, namely: Social Resilience Index, Economic Resilience Index and Ecological / Environmental Resilience Index. The Build Village Index will determine 5 status of Village progress and independence, which is called the Village Status Classification. The Village Classification

status consists of Independent Villages, Maju Villages, Developing Villages, Disadvantaged Villages and Very Disadvantaged Villages.

Data analysis in this research is quantitative descriptive using frequency tables. This method is used to analyze how the village government performance in the village financial management implementation. The research variables were measured using a Likert scale with respect to the variable indicators. These indicators are used as a starting point for the preparation of instrument items in the form of statements or questions.

4. RESULTS AND DISCUSSION

However, with various kinds of regulations issued by the Government for the convenience of the Village Government in managing its finances, there are still obstacles and problems faced by the Village Government. The village government has several problems including limited human resources who are less competent in understanding and carrying out their duties and functions. Often the funds were distributed late because the Village Income and Expenditure Budget preparation process was delayed, so that the preparation of financial reports was delayed. This happened because the time span between implementation and reporting was short and ultimately hampered the implementation of further activities. This happens because the resources owned are still very low or the regulations change too. The Village Government, especially the Activity Implementation Team, as the activity executor of the Village Income and Expenditure Budget, does not understand the rules and regulations that apply in implementing and being accountable for these activities. The village government also has difficulty understanding tax administration. There is a mismatch of financial reports between planning and financial reports of activities that have been carried out, even a fictitious Letter of Accountability was found in implementing the Village Budget, and did not apply the principles of village financial management such as transparency, accountability, participation, order and budget discipline.

Another obstacle faced by village officials in realizing the implementation of transparent and accountable village financial management is that the implementation still adopts the old system, namely that all village finances are held and controlled by the Village Head. Village Head still felt that the funds that go into the village are owned by the Village Head.

These things can occur because of the lack of socialization and training by the Regional Government. The Village Government must comply with several provisions related to the revenue and expenditure of APBDesa in the implementation of financial management. The financial management process must be in accordance with applicable regulations.

The village government must work harder to fulfill its obligations and adhere to the village financial management cycle. If you still want to maintain vertical legitimacy and public trust in the village government, you also don't have the opportunity for late reporting in the following fiscal year.

The thing that is very important in implementation activities is orderly administration. Administrative disorder during the implementation stage resulted in weak administrative activities which in turn would make it difficult for village officials to prepare village financial accountability reports. Administrative order is one form of implementing the principle of accountability in village financial management. As stated by Abidin (2015), the disorderly implementation of village financial administration is vulnerable to being used as an object of corruption by village heads / officials. In addition, the financial management mechanism that has been established by the government has also become inoperable. As a result, the village did not succeed in realizing its accountability, both vertically and horizontally. In other words, administrative order and compliance in implementing mechanisms according to provisions are the manifestation of village accountability in managing their finances. Administrative order, either in the accountability report for the realization of the village budget implementation or the administration form in any activities related to village financial management, can make it easy for the public to access the required information. So that the village is said to be implementing the principle of transparency if it fulfills these public rights.

With transparency, the community can participate in overseeing village financial management in order to prevent abuse of authority or budget. Apart from that, transparency is also useful for open opportunities for the community to understand and even take part in the dynamics that occur in the village. The success in realizing transparent and accountable financial management ensures the smooth running of activities up to the stages of compiling and completing accountability reports in a timely manner.

5. CONCLUSION

The conclusion that can be drawn having regard to the description of previous research results and discussions are that in general the performance of the Village Government in Pasuruan Regency is quite good and they already understand the concepts and principles of Village Financial Management mandated in Pasuruan Regent Regulation Number 31 of 2018. However, the implementation is still found obstacles and shortcomings. The performance of the Village Government organization with village financial management is an inseparable unit and has mutual bonds. Good village financial management can improve the performance of village government organizations. Meanwhile, a good performance of village government organizations can also make village financial management successful. The role of the Village Head is very important in improving the performance of its apparatus, because the Village Government must keep abreast of the development of policies from the Central Government which also adjusts to the times and technology, while maintaining the wealth of the origin of the village.

6. SUGESTION

The role of the Central and Regional Governments is needed in assisting, guiding and training the Village Government periodically and sustainably to improve the quality of human resources. This is because there are regulations that often change and increase. Regional governments can give awards to villages that have good financial management performance and are disciplined in reporting village financial accountability, thereby stimulating the enthusiasm of village officials.

7. ACKNOWLEDGMENT

This paper is an output of the science project Village Government Performance In Village Financial Management In Pasuruan District (Policy Evaluation Study Based on Pasuruan Regent Regulation Number 31 of 2018 about Village Financial Management) submitted for the International Journal organized ICONISS.

In completing this paper, the authors received a lot of assistance from various parties. For that, the author would like to express his sincere gratitude to: Prof. Dr. Drs. H.M. Tauchid Noor, SH., MH., M.Pd. and Dr. Kridawati Sadhana, MS. as a supervisor who assists the author in providing ideas, suggestions and criticism; Dr. Roos Widjajani, M.Si, who always gives encouragement, support and advice; Mr. Nurul Huda, S.Sos, MM, as the Head of the Pasuruan District Community and Village Empowerment Service who provided convenience and guidance during writing; The Head of Village Finance and Wealth Development, Community and Village Empowerment Service of Pasuruan Regency along with the ranks of the Head of Section who assisted the author in obtaining data.

Finally, the author realizes that there are still many shortcomings and weaknesses. Therefore, constructive criticism and suggestions will help make this paper better.

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