

Transparency, Accountability and Responsibility in an Indonesia Village Financial Management

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Abstract

This study aims to explore how far the village officials understand and apply the principles of transparency, accountability and responsiveness in managing village finances. Village financial management consists of planning, implementation and accountability stages. This type of research is qualitative with interpretive paradigm. The research was conducted in Banaran Village, Grogol District, Sukoharjo District, Central Java Province, Indonesia. The focus of research is to deepen perceptions of the village apparatus on the principles of village financial management: transparency, accountability and responsiveness in the planning and financial reporting stages of the village. At the planning and implementation stage, the village officials of Banaran have not fully implemented the concept of development based on the principle of transparency and responsiveness / participation. At the stage of accountability, village financial management has been well managed both technically and administratively. Not in financial administration. Limitations due to the weakness of human resource competence as bookkeeping manager. This research has implications for the improvement of government policy to fix the administration of village bookkeeping with simple but still accountable. There has been no research on the perception of village officials regarding the overall management of village finances from the planning and reporting process in terms of accountability, transparency and responsiveness.

Keywords: Transparency, Accountability And Responsibility In An Indonesia Village Financial Management

1. Introduction.

Research related to the management of financial finance and village funds has become a trend in itself. Several studies have been conducted on accountability of village fund management (., Ni Kadek Sinarwati, & Made Arie Wahyuni, 2017; Lestari, Atmadja, & Adiputra, 2014; ROIS & Fanida, 2018). Village financial management is also linked to transparency. Research on the transparency of the use of village budgets is also widely studied (Kumalasari, 2017; Nahruddin, 2014; Rahman, Suwandi, & Hamid, 2016) This shows that the demands of good governance at village level are very strong. In January 2014, the government of Indonesia issued Law 6/2014 on Villages. Research found that there is potential for the law to increase government responsiveness—through a combination of strong financial management systems, new national institutional arrangements, and empowered citizens who can apply pressure on village governments to work in the interests of community (Antlöv, Wetterberg, & Dharmawan, 2016).

In reality, the implementation of village governance has not gone well. Proven by Furqani (2010) research, on Village Financial Management in Achieving Good governance (Study on Village Government of Kalimo District Kalianget Sumenep Regency). Results of research on financial management from the Village Kalimo Kalianget District Sumenep, transparency occurs only when planning only. Almost all processes do not fulfill the principle of responsibility because there are several matters in the process that are inconsistent with Permendagri No. 37/2007. While accountability is very low because the responsibility does not involve the community and Village Consultative Agency (BPD)

Research (Rahman et al., 2016) also indicates a failure to realize accountability in the administration of village financial management. The failure is due to the low administrative abilities of the village officials, the absence of strict sanctions and villagers who are less concerned about the accountability issues of village fund allocation (Alokasi Dana Desa-ADD).

Implementation of good governance has been proven to be successfully implemented in other villages. This was reported by Anwar and Jatmiko (2012), who concluded that village governance has taken care of village welfare and in treating the whole community in a fair and wise manner and has carried out village development activities efficiently and effectively and still utilizes finances appropriately.

From some of the above research, no one has conducted research on the perception of village officials related to the overall management of village finance from the planning and reporting process in terms of accountability, transparency and responsiveness. Therefore, this study explores the perception of village officials about the principles of accountability, transparency and responsiveness in village financial management. The selected location is Banara Village, in Sukaharjo local government of Central Java, Indonesia

Based on the results of the analysis of the document submission of accountability of village budget and the results of interviews with community leaders in Banaran village, it is known that Banaran Village is one of the

14 villages in Grogol Subdistrict, Sukoharjo Regency which has prepared the accountability report of village budget (APBDesa) in a timely manner.

Research on the perception of the village apparatus is focused on the principles of village financial management that is transparency, accountability and responsiveness in the planning and reporting stages of village finances in Banaran Village. With the implementation of these principles, the village is expected to be able to carry out development in accordance with the plan set musrenbang.

Management of village finances in accordance with the principles of transparency, accountability and responsiveness is one form of application of the principle of decentralization that encourages the realization of good governance. It can bring government closer to society and at the same time increase community participation (Subroto, 2009: 23).

Good governance is an institutional framework for strengthening village autonomy, because substantively decentralization and village autonomy are not just a matter of dividing authority between levels of government, but rather bringing the country closer to society. Local government will not be strong and autonomy will not be meaningful and beneficial to local people if it is not sustained by transparency, accountability and responsiveness (Subroto, 2009: 23).

Based on the principles of good governance, the financial management in Desa Banaran always emphasizes on the principle of transparency and accountability and participation principle. In addition, Banaran Village Government also utilizes the principle as a community learning media so that it has a high awareness of the importance of development which is the joint responsibility between the government and the community. The success of good governance in the management of village finances is also determined by the implementers of activities at the village level as the spearhead of the implementation of activities directly. If the performance of the government apparatus is good then it will have an impact for a development and vice versa.

2. Research Method

This study is qualitative with an interpretive paradigm. The research location is Banaran Village, Grogol District, Sukoharjo District, Central Java Province, Indonesia. The research focus explores perceptions of the village apparatus on the principles of village financial management: transparency, accountability and responsiveness. Particularly at the planning, implementation and reporting stages of village finance.

Researcher full role as an observer, as well as interviewer by conducting interviews directly and in depth and open with village finance manager, and record all events and data and information which then used as the material of writing report of research result. The informants consist of the village head, village secretary, community consultative village agency, village community.

3. Results and Discussion

Banaran village is located in Grogol District, Sukoharjo Regency and directly adjacent to Surakarta City area. The total area of Banaran village is 131.0365 Ha, consisting of 0.5 Ha of dry land and the remaining dry land consisting of yards (59.58 Ha), sports field (1.13 Ha), HGB state land (65, 19 Ha), and others, rivers, roads and graves (4.62 Ha).

The population of Banaran is 8,503 inhabitants consisting of 4,184 male and 4,319 female. This is very important to consider, because in addition to the population is a development resource, as well as the subject and target of all development implementation. When viewed from the level of population density of Banaran Village Year 2014 of 142 soul / Ha and consists of 2,499 households.

Table 1. Banaran People Demography

No	Work	Amount
1.	Farmer	6
2.	Public servant	86
3.	Police/Military	15
4.	Private Employee	2.992
5.	Entrepreneur	273
6.	Bussinesman	22
7.	Worker	1.361
8.	Handycract	6
9.	Cattleman	6
10.	Mechanic	6
11.	Doctor	6
		4.780

The data obtained in this study were obtained from interviews with the village apparatus as a village financial manager directly and the community represented by the Chairman of BPD and Chairman of LPM. Interviews were conducted to selected respondents based on their main tasks and functions in village financial

management.

3.1. Transparency

The principle of transparency in budget planning has been implemented in Banaran Village. It can be seen from the statement as follows:

"Transparency in my opinion is a matter of openness. So in the case of development planning in Banaran Village, we are required to be open in terms of what will soon be built and what can be financed for all the proposals from the community. In the process of musrenbangdes, we as the Village Government is always open in accommodating the aspirations of the community and always we deliver details of what activities we will accommodate and can be budgeted. We always convey to the public if there is information from the Central, Provincial and District governments about the assistance or funding for activities in the village, to be included in the budget. Broadly speaking, we have been very transparent in the planning and budgeting process until the APBDesa is discussed and approved by BPD "

(Interview with Head of Banaran Village)

"..... in my opinion, transparency at the planning stage is essentially openness in terms of all stages starting from the process of raising the aspirations of the community, RT-level meetings to the drafting of the APBDesa and at the time of stipulation of the APBDesa by BPD. Openness in the sense, what problems are proposed by the community are discussed in musrenbangdes, then determined or ranked priority or level of problem. All these things are known openly and discussed in musrenbangdes. So we think everything is going transparently "

(Interview with Banaran Village Secretary)

In line with the description of the Village Head and the Village Secretary mentioned above, in relation to the commitment of the village officials to foster the principle of transparency in the financial management planning process in Banaran Village, also presented by Chairman of BPD and Chairman of community consultative institutions (LPM) as follows:

".... we feel everything is very transparent, all the problems in the village have been submitted and put together so that we all know what development activities will be implemented and funding from anywhere. Village officials are very open in the delivery of budget plans and in determining activities financed from APBDes "

(Result of interview with Chairman of Branch of Banaran Village)

"Transparently I think it is about the openness of the village officials in accommodating the aspirations of the problems in the whole village and the openness in determining the budget that will enter APBDes".

(Result of interview with LPM Chairman of Banaran Village)

The informant's opinion above, signals a similar perception at the village apparatus and community leaders level, that in the Village Government of Banaran has applied the principle of transparency in the planning stage of village financial management. The APBDesa plan has been able to present information openly, clearly, and easily accessible to the public about the objectives, objectives, funding sources for each type of expenditure object and the relationship between the size of the budget and the benefits and outcomes to be achieved from a budgeted activity.

3.2. Community Responsiveness

This implies that decision-making in the process of formulating and determining the APBDesa as much as possible involves community participation so that the public knows its rights and obligations in the implementation of APBDesa. Preparation and determination of APBDesa is not the responsibility of village government and BPD only, but through community involvement. Development plans and implementation cost requirements are closely related to the interests of the community, so in determining the sources of income and expenditure should be done openly. The community should be able to read and understand the functions of the budget in the context of the village's jangkapanjang plan.

Program and activity planning in APBDesa is prepared through Forum of Village Development Planning (Musrenbangdes). The Musrenbangdes is a forum for discussion of proposals for development activities at the village level based on the principles of Village Community Participation Development Planning (P3MD). The principle requires the involvement of the community in decision-making and determines the development to be implemented, so as to accommodate or respond to the growing aspirations in the community.

The process of community participation is carried out in order to carry out the principle of responsive to the needs of the community so that the community will feel more have development. Thus will gradually materialize a society sufficient to

Table 2: Banaran Village Revenue

Code	Budget Item	Budget 2014	Realization 2014	Budget 2015
1.1	Village Original Revenue	147.327.000	131.731.000	119.107.000
1.2	Profit Sharing of Regional Taxes and Levies	-	-	-
1.3	Allocation of village funds	78.669.000	78.669.000	78.669.000
1.4	Financial Assistance from Government, Province and District	362.906.000	362.906.000	218.746.000
1.5	Grant	-	-	-
1.6	Third party donations	6.250.000	5.494.000	6.250.000
	Total	595.152.000	578.800.000	422.772.000

The village revenue management mechanism in Desa Banaran refers to the prevailing regulations. The source of Original Village Opinion in Banaran Village consists of:

- a. Result of village effort in the form of village kiosk;
- b. The result of village's wealth, in the form of: village cash land, village treasury land auctioned, crooked land of Village Head and Village Device, and village-owned building;
- c. Self-help outcomes and community participation;
- d. Other legitimate village original revenues, in the form of: pologoro, printing cost replacement, certificate and administrative fees, village levies and earth-surgery.

In addition to the Village's Original Income, Banaran's source of income derived from the Central, Provincial and District Governments has been determined in accordance with the budget and its use has been in accordance with its designation. All sources of income have been set forth in APBDesa, APBDeses Change and Realization Report of APBDesa Implementation. Implementation of the source of income derived from the original income village has a legal basis in the form of Village Regulations that have been established and legalized.

The revenue management mechanism sourced from the central, provincial and district governments is received directly into the village treasury account, while in the village revenue management is used through direct use mechanism. This is in accordance with the interviews of Banaran Village Treasurer as follows:

"In the original village revenue management consisting of the village business in the form of rent of village kiosk and the wealth of the village, managed directly by the village head. The Village Treasurer only receives reports on the details of the amount of receipts as well as the expenditure or use of the funds to be included in the accountability report".

(Result of interview with Bendahara Desa Banaran)

In line with what was stated above, an informant from a community leader conveyed the following:

"In the management of APBDesa, the Village Government of Banaran has applied the principle of transparency and has been running well that is with the socialization related APBDesa about the source of income and accountability. The problem that is still PR is the unregulated management of income from the asset of the village, that is, the absence of the decision of the Head of the Village related to the amount of the rental price of the asset causing problems related to the nominal rental price and there is no clarity on the rights and obligations of the village and its tenants".

(Result of interview with LPM Chairman of Banaran Village)

In line with the perception of the Treasurer and Chairman of LPM, based on information from the Chairman of BPD which states as follows:

"In Desa Banaran there are problems that become homework every year, which is about garbage, grave and problems about village kiosk. The problem arises because of the lack of strict regulations on the management of village assets, including the absence of strict sanctions on the village kiosk transferred rented to other people let alone to people who are not Banara Village residents. And in the case of the lease agreement the village's assets have not been explicitly regulating what rights and obligations are between the Banaran Village Government and the tenants".

(Result of interview with Chairman of Branch of Banaran Village)

The informant's opinion above suggests that in the management of income, Banaran Village has applied transparent and accountable principles, especially income from the Government above it but in the management of village original revenues has not been fully transparent. It can be known by the direct use of the income by the Village Head. Based on the above information, the Village Treasurer has so far only served as a recorder on all revenues and expenditures so as not to have so far no authority in cash cash management.

Manament of village assets is very important in increasing village income. The Village Government of Banaran has not set specific regulations on the management of village assets so that the implementation has no clear provisions.

a. Expenditure

The village expenditure includes all expenditures from village accounts which are village obligations within 1 (one) fiscal year that the village will not be repaid. Village Expenditure consists of:

1) Direct expenditure consisting of:

- Employee Expenditures;
- Goods and Services Expenditure
- Capital Expenditure.

2) Indirect expenditure, consisting of:

- Employee / Fixed Income;
- Subsidy Spending;
- Grants Expenditure
- Financial Aid Expenditure
- Unexpected Expenditure

Any expenditure spent on APBDesa shall be supported by full and valid evidence. Such evidence shall be approved by the Village Secretary of the material truth arising from the use of such evidence.

The disbursement of village cash that resulted in the burden of the APBDesa can not be done before the village regulation draft on the APBDesa is set into village regulations. However, it is excluded for binding village expenditure and village expenditure

Table 3. Banaran Village Expenditure

Code	Budget Item	Budget 2014	Realization 2014	Budget 2015
2.1	Indirect Expenditure			
2.1.1	Employee Expenditure	222.096.500	220.396.500	238.156.100
2.1.2	Subsidized Expenditure	-	-	-
2.1.3	Social Expenditure	8.700.000	1.800.000	7.800.000
2.1.4	Financial Aid Expenditure	159.200.000	156.220.000	74.100.000
2.1.5	Unpredicted Expenditure	2.000.000	-	2.000.000
2.2	Direct Expenditure			
2.2.1	Employee Expenditure	40.860.000	40.222.500	10.097.500
2.2.2	Goods and services Expenditure	160.616.500	148.057.000	102.137.000
2.2.3	Capital Expenditure	5.000.000	2.765.000	5.000.000
	Total	598.473.000	569.461.000	439.290.600

The mechanism of management of expenditure in Desa Banaran is in accordance with the existing provisions. This was stated by the Village Secretary as follows:

"Every expenditure must be accompanied by complete evidence including notes and receipts and other supporting evidence. In terms of size of the expenditure must be in accordance with the existing budget. Every month there is an evaluation in the realization of the budget and if there is a certain budget perceived less meet, there will be changes in the budget through the process of change APBDesa. In the year 2014, there is a change of budget due to adjustment of budget realization and additional income derived from the assistance of Sukoharjo Regency. For the year 2015, this first semester there has been no change of APBDesa and for the village funds listed in Law No. 6 of 2014 has not been included in the budget.

Any expenditure, there must be an endorsement from the Village Secretary and the Village Head. The obstacles in the management expenditure here is if there are development activities, for example ADD, sometimes the executor of the activity is still confused in the classification of expenditure.

(Interview with Banaran Village Secretary)

Based on the above perception, the management of village expenditure in Desa Banaran has been orderly and in accordance with the existing provisions. Any expenditure through the process of evaluation and approval of authorized officials. The mechanism of budget changes in APBDesa has been done in accordance with existing procedures, namely among other things that cause should be shifted between types of expenditure.

One of the obstacles in spending implementation is classification per type of expenditure. The weak competence of the village apparatus and other implementers of activities is one of the causes of delayed administration of expenditure management.

In order to realize financial governance capable of supporting transparent and accountable disclosures, village government finance governance requires the support of information systems facilitated by information technology to achieve the accuracy and speed of village financial management. The information system is an integrated system capable of providing useful information for its users or an integrated system or human-machine system, to provide information in order to support operations, management within an organization (Pranolo, 2013).

Budget Implementation Stage in Banaran village proves that the implementation of the principle of transparency and financial accountability in the implementation phase has been running well from the side of

physical responsibility, while from the administration side has not been fully done in accordance with the provisions. In Revenue management, Desa banaran has applied transparent and accountable principles, especially income from the Government above it (Central Government, Province and District) but in the management of village original revenues has not been fully transparent. It can be known by the direct use of the income by the Village Head. Management of village assets is very important in increasing village income. The Village Government of Banaran has not set specific regulations on the management of village assets so that the implementation has no clear provisions. In the process of village expenditure management in Banaran Village has been orderly and in accordance with existing provisions. Any expenditure through the process of evaluation and approval of authorized officials

3.3. Accountability

The last stage in the village finance budgeting cycle is the budget reporting and evaluation stage. This stage is related to accountability of budget management. Stages of planning and implementation of budgets related to the operational aspects of the budget, while the stage of reporting and evaluation associated with accountability principles.

The principle of accountability in accountability contains the obligation of a government to explain or report all activities and activities carried out in the field of financial administration (wikipedia). In the principle of accountability, the village government is obliged to account for its financial management with a trust and in accordance with the trust given to it (Kusumo, 2015).

The use of budgets must be accounted for and controlled through established reporting mechanisms. Communities are also entitled to hold accountable for the plan or implementation of the budget.

The village head in carrying out responsibility for the administration of village finances should establish the Village Treasurer. The Village Treasurer's determination must be made before the start of the fiscal year and based on the village head's decision.

Administration of regional finance is an accounting system implemented both manually and information-based systems implemented to perform the process of recording, administration, and reporting done in the framework of execution of income, expenditure, and

4. Conclusion

Based on the results of this study, it can be drawn conclusions related to the perception of the Banar village apparatus in the management of village finances. Planning in village financial management in Banaran Village has not fully implemented the development concept based on the principle of transparency and responsiveness / participation. Implementation of activities in the financial management process in Desa Banaran has not been fully implemented in accordance with the principles of transparency and accountability. Accountability of village financial management is technically and administratively good, but in the case of financial administration accountability, human resource management of bookkeeping is the main obstacle.

There are three recommendation proposed to Indonesia Government. First, to improve the success of the village financial management planning process, it is necessary to take the following steps: Banaran Village Government should to immediately formulate and establish strategic village plan (RPJM and RKP Desa) in order to have clearer and more planned and sustainable references in village development. Increase deliberation village and involve citizens with from various circles, especially the younger generation in capturing the aspirations of the community. The involvement of the young generation is also possible for the regeneration of village apparatus and community leaders, so that it is possible to increase the competence of the village apparatus and the development executor in the village.

Second, in the process of implementation, the steps that need to be implemented are as follows: Banaran Village Government to immediately identify village assets and review the lease agreement by considering the eligibility of the rental rate and the tenant's eligibility. The asset valuation and renewal of the asset lease agreement is expected to increase the village's original revenue. The Desa Banaran government should immediately establish village regulations on the management of village assets as a whole.

Third, the existence of training for the Village Apparatus as the executor of activities on the management and administration of good village financial management. It is needed continuous monitoring and evaluation to improve performance on all sides both physical, technical as well as in the administration of accountability. There is guidance for the implementers of village activities and apparatus which are the most effective means of successful village financial management. Increased understanding of the principles of accountability, transparency and responsiveness in financial management should be as effective as possible for village government officials, village controllers, village community institutions, community leaders and religious leaders in the village to enhance their spirit, motivation and creativity in village development. Need to rebuild the level of public confidence in village governance by increasing the transparency of development and financial management, and by implementing the principle of responsiveness to the needs and proposals of the community

and realize in the form of other development activities in the village.

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