

Financial Performance of Villages in Jambi Province: An Evaluation of Village Fund Realization and Efficiency in 2022

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Abstract

Village Financial, according to Law No. 6 of 2014, are all rights and obligations of the village that can be valued in money as well as all kinds of things related to the implementation of the rights and duties of the village and village obligations, which include the rights to the land and the natural resources above it, are managed by the village for the common good. Evaluating the financial performance of the village is crucial to understand the extent of the realization and efficiency of the use of village funds. This study aims to evaluate the realization and efficiency of village funds in Jambi Province in 2022. The method used in this research is quantitative analysis with a descriptive approach. The data used in this study comes from the financial reports of villages in Jambi Province. The results of the study indicate that the Pearson Correlation Coefficient (r), which is the analysis of the relationship between Village Fund Allocation in Districts and Cities in Jambi Province with the Total Realization of Infrastructure and Non-Infrastructure Facilities in villages in Districts and Cities in Jambi Province, has a correlation above 0.90.

Keywords: Effectiveness, Efficiency, Village Fund Realization.

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1. Introduction

The implementation of Law Number 6 of 2014 concerning Villages serves as a strategic legislative foundation in realizing village development aspirations; ranging from fulfilling the basic needs of the community, improving infrastructure, developing local economic potential, to managing natural resources and the environment sustainably. This law offers a systematic framework for planning, budgeting, and executing development, resulting in work plans and budgets aligned with local potential, prevailing issues, and addressing disparities in future development achievements.

In practice, the complex management of village funds demands coordination among various ministries. The Ministry of Finance, for instance, contributes to the management of village funds sourced from the State Budget (APBN). This is realized through regulations issued by the Finance Minister and adopted by the regulations of regional heads at the district or city level. Meanwhile, the Ministry of Home Affairs focuses on village financial management based on appropriate regulations, encompassing the planning, budgeting, execution, as well as reporting and accountability processes. The entire process must be carried out with community participation, transparency, accountability, and budgetary compliance and discipline based on cash-based accounting. On the other hand, the Ministry of Villages, Development of Underdeveloped Areas, and Transmigration is responsible for determining the priorities for the use of village funds, as set out in the related ministry regulations..

Village funds, as one of the strategic initiatives of the government, are expected to enhance the quality of life of the village community through effective and efficient governance. In 2022, the budgeted village funds reached 68 trillion rupiahs, with a disbursement realization of 66.47 trillion rupiahs or 97.77% of the total budget (source: sidkemendes.go.id). Currently, Jambi Province, through the Village Community Empowerment Agency, has conducted guidance for Village-Owned Enterprises (BUMDes), as shown in Table 1.

Table 1. Budget and Disbursement of Village Funds in 2022

No	Regency/City	Amount of Villages	Budget Allocation	Disbursement to RKD	Disbursement percentages
1	KERINCI	285	Rp.203.387.175.000	Rp.201.876.683.167	99,26%
2	MERANGIN	205	Rp.163.683.838.000	Rp.162.649.713.920	99,69%
3	SAROLANGUN	149	Rp.122.254.794.000	Rp.122.157.517.700	99,92%
4	BATANGHARI	110	Rp.92.059.465.000	Rp.91.574.729.040	99,47%
5	MUARO JAMBI	150	Rp.121.016.206.000	Rp.120.798.877.600	99,82%
6	TANJUNG JABUNG BARAT	114	Rp.95.700.485.000	Rp.92.973.294.100	97,89%
7	TANJUNG JABUNG TIMUR	73	Rp.64.480.357.000	Rp.62.819.316.000	98,70%
8	BUNGO	141	Rp.112.006.870.000	Rp.111.495.981.197	99,54%
9	TEBO	107	Rp.100.685.368.000	Rp.99.762.730.400	99,42%
10	KOTA SUNGAI PENUH	65	Rp.47.105.108.000	Rp.46.945.645.100	99,66%
Total		1.399	Rp.1.122.379.666.000	Rp.1.113.054.488.224	99,17%

Source: sidkemendes.go.id

In the context of village financial management, there are a series of significant challenges to be faced. One of them is the dynamic regulatory changes, which require a swift response and good adaptability on the part of the village. The professionalism and integrity of village officials are also of concern, where the technical ability and morality of the apparatus play a crucial role in accountable and transparent financial management. In addition, village institutions play a strategic role in activity planning, such as the Village Government Work Plan (RKP Desa) and the Village Revenue and Expenditure Budget (APBDes). Supervision issues at the village level also present their own challenges that require comprehensive solutions.

Table 1.2 Percentage of Realization of Regional Original Revenue Budget of Districts/Cities in Jambi Province in 2021 (in Billions)

No	Kabupaten/Kota	Anggaran/Pagu	Realisasi	Persentase (%)
1	Tanjung Jabung Timur	53,90	81,60	151,39
2	Bungo	145,14	198,75	136,94
3	Sungai Penuh	46,24	59,11	127,85
4	Tebo	77,13	92,92	120,47
5	Muaro Jambi	102,26	110,75	108,30
6	Batanghari	138,01	148,44	107,56
7	Merangin	108,34	107,88	99,58
8	Tanjung Jabung Barat	120,00	118,53	98,77
9	Kota Jambi	419,56	384,73	91,70
10	Kerinci	85,91	66,89	77,87
11	Sarolangun	106,39	63,59	59,77

Source: www.djpk.kemenkeu.go.id , Processed data,

Transparency and accountability in village financial management require the publication of information, systematic reporting, and accurate accountability. Guidance and supervision are also key in maintaining the integrity and effectiveness of village fund utilization. However, the challenges of village financial management have become more complex due to the impact of the COVID-19 pandemic.

The impact of the Covid-19 pandemic on regional economies, especially in the Districts/Cities of Jambi Province, has had significant implications. This impact can be analyzed through the phenomenon of the percentage increase or decrease in the realization of regional original revenue (PAD). This phenomenon reflects how the regional economy responds to the pandemic and to what extent the region is capable of maintaining its original revenue sources amid global economic uncertainty.

To mitigate the effects of COVID-19, the government provided a COVID-19 allocation fund to village governments throughout 2022, amounting to 1.3 trillion rupiahs (sidkemensa.go.id: 2022). Jambi Province received a COVID-19 village allocation fund of 7.99 billion in 2022. Table 3 shows the COVID-19 allocation funds received by villages in Jambi Province.

Table 1.3 Disbursement of COVID-19 Allocation Funds to Villages in Jambi Province in 2022

No	Regional/Location	Amount of Villages	Fund Allocation for Covid-19
1	KERINCI	285	Rp.2.246.800
2	MERANGIN	205	Rp.1.884.053.200
3	SAROLANGUN	149	Rp.1.076.400
4	BATANGHARI	110	Rp.484.732.800
5	MUARO JAMBI	150	Rp.219.322.000
6	TANJUNG JABUNG BARAT	114	Rp.2.626.802.800
7	TANJUNG JABUNG TIMUR	73	Rp.1.661.044.000
8	BUNGO	141	Rp.126.905.200
9	TEBO	107	Rp.830.720.800
10	KOTA SUNGAI PENUH	65	Rp.157.737.200
Total		1.399	Rp.7.994.641.200

Source: sidkemendes.go.id

Covid-19 tangibly and evidently impacts economic activities, as well as the financial performance of local and village governments. Although Covid-19 affects economic activities and results in performance decline, local and village governments must tap into their potential to enhance financial independence. Financial independence represents the ability of local governments to implement regional autonomy (Ishak, 2021).

The financial performance of village governments is a measure for assessing the ability to manage village finances. The tool used to analyze and evaluate the financial performance of village governments is through analysis using the ratio of the Budget Realization Report listed in the Revenue and Expenditure Budget (Mahmudi, 2019). With the enactment of regional autonomy authority, it is expected that all regions, including villages in Indonesia, can carry out all governmental and developmental affairs based on their Original Revenue. Some ratios used in financial analysis of the regional budget/village budget include: independence ratio (fiscal autonomy) to assess the financial independence of the region in financing the implementation of regional autonomy, efficiency and effectiveness ratios to measure efficiency and effectiveness in realizing regional revenue, harmony ratio to measure how much the local/village government spends its regional revenue, growth and proportion ratios to know the growth and development of regional government revenue and expenditure (Halim, 2007: 232).

The analysis of regional government performance independence in the regional budget (APBD) is conducted by comparing the results achieved from one period to the previous period to determine the prevailing trends. Several ratios that can be used in analyzing financial performance independence sourced from the APBD include: independence ratio to assess the level of regional financial independence in financing regional autonomy; effectiveness ratio describes the ability of local governments to achieve regional original revenue targets; efficiency ratio to measure efficiency in realizing regional revenue; harmony ratio to understand how the allocation of regional expenditure funds is distributed between regional apparatus expenditure and public service expenditure; growth ratio to determine the ability of local governments to maintain and enhance previous performance; and proportion ratio to see the proportion of regional government revenue and expenditure against its total (Halim, 2007:232).

Various studies have been conducted on regional financial performance. Ropa (2016) conducted an analysis of regional financial management for the Fiscal Years 2011-2014. From the analysis, it was found that regional financial management can be categorized as effective. However, regional financial independence is still at a low level. In line with this, regional financial activities also show a low level. Nevertheless, the growth of Regional Original Revenue (PAD) shows good performance. Conversely, the growth of routine expenditure and development expenditure has not shown optimal results.

Before the division, the effectiveness ratio stood at 75.71%, which then increased to 95.63% after the division. However, there's an indication of a decrease in the efficiency ratio in Bungo Regency and Merangin Regency.

Agnika et al. (2021) took a research sample from the APBD of Subang Regency for the Fiscal Years 2019 and 2020. From the analysis conducted, it was found that the level of regional financial independence is still in a low position. Furthermore, the pattern of regional financial relationships shows instructive characteristics. Interestingly, in 2019, the regional financial performance indicated significant inefficiency, which was largely influenced by the Covid-19 pandemic.

The Covid-19 pandemic has significantly impacted the national economic condition, especially concerning the Regional Original Revenue (PAD). Confirmation of this implication is reflected in Presidential Regulation No. 54 of 2020, which concerns the Changes in Posture and Details of the State Revenue and Expenditure Budget. It must be appreciated that PAD plays a crucial role in supporting regional development, which is a tangible manifestation of the performance of local governments in providing public services.

In the context of public sector accounting, fiscal decentralization becomes a focal point, especially in relation to demands for accountability and transparency in budget management. The concrete manifestation of local

government accountability is the Village Budget (APBDes), which is a financial blueprint outlining the revenue, expenditure, and financing of local governments. The process of compiling the APBDes requires in-depth budget analysis, considering that resource allocation policies must align with various programs and activities involving multiple parties in decision-making.

The primary focus in compiling the Village Budget (APBDes) is the performance approach, which emphasizes achieving work outcomes commensurate with cost allocation. Every planned fund allocation should correlate with the expected service or result. The purpose of performance measurement is to meet the public's expectations for accountability and transparency in resource management. As articulated by Peterson (1996), this effort focuses on creating local accountability in the distribution of resource allocations. Furthermore, Blanchard (2000) asserts that the orientation of budget compilation should support regional independence, reflecting the region's ability to identify revenue potential and allocate it through the Regional Budget (APBD) to enhance community welfare.

From a theoretical perspective, the formulation of the Village Budget (APBDes) can be examined through the theory of fiscal federalism. This theory, as proposed by Oates (1993), emphasizes the government's idealism in managing the Regional Budget (APBD) based on value for money, which is expected to drive regional economic growth. The evaluation of performance is not solely focused on aspects of budget utilization, but also encompasses various indicators that provide an overview of the efficiency and effectiveness of organizational objectives achievement. Thus, measuring the performance of local governments becomes a crucial instrument for all stakeholders, both principal and agent, in the decision-making process. In the research context, this becomes the primary driver to delve deeper into the performance analysis of APBDes in Jambi Province with the title "The Influence of Effectiveness, Efficiency, and Harmony on Village Financial Independence in Jambi Province". Subsequently, a different test will be conducted to understand the disparity of village independence between periods before and during the COVID-19 pandemic. Therefore, the researcher is interested in formulating the research problem as "How is the description of the evaluation of realization and efficiency of village funds in 2022 in Jambi Province?"

2. Literature Review

2.1 Decentralization

Decentralization is defined as the redistribution of authority and responsibility from the central government to regional governments or other entities. According to Prasojo et al., (2006), there are four types of decentralization: auxiliary tasks, devolution, delegation, and deconcentration. In the context of Indonesia, auxiliary tasks have been adjusted according to the national socio-political landscape. Although regions are given autonomous rights in managing resources, the central government still maintains control in setting its regulatory mechanisms. Regional apparatus organizations serve as mediators in the implementation of auxiliary tasks. The responsibility for reporting its implementation lies with the regional government, communicated to the central government. Funding, in this case, comes from the State Revenue and Expenditure Budget (APBN) or the Regional Revenue and Expenditure Budget (APBD) of the concerned region.

From a goal perspective, decentralization can be categorized into two dimensions: political and administrative. The political aspect relates to the empowerment of local democracy and the enhancement of community participation. Meanwhile, from an administrative standpoint, decentralization aims to improve the efficiency and effectiveness of public services (Elcock, 1994). In essence, decentralization leads to the provision of public services that are more responsive and in line with community needs. Local governments, in their capacity, offer services to address poverty, improve access to education, build health infrastructure, and provide access to clean water. The financing for these services largely comes from local taxes and levies, as well as fund transfers from the central government.

The basic law of regional autonomy in Indonesia, stipulated in Law Number 22 of 1999, which was later revised to Law Number 32 of 2004, affirms the authority of regional governments in managing mandatory and optional affairs. However, the realization of public service provision will certainly vary, depending on the sources of regional original revenue and the allocation of fund transfers from the central government.

The academic view supports the implementation of fiscal decentralization on the grounds that the most efficient provision of services is ideally carried out by local governments, given that they have a deep understanding of local needs. Decisions made by local governments will be more in line with community aspirations, thus potentially improving the efficiency of public funds usage. This situation is expected to stimulate local governments to be more innovative in maximizing sources of regional revenue.

2.2 Regional Financial Performance

Regional financial performance is a measure to assess the capability of financial management in the form of regional budget realization in implementing policies set by the central government based on legislation. Sucipto (2005) stated that the financial performance of local governments is the level of achievement of work results in

the field of regional finance, which includes regional revenue and expenditure, using a financial system set through a policy or statutory provision for one budget period. The purpose of regional financial performance is to see the extent to which local governments have used the budget in accordance with applicable rules, and this assessment is used as a basis for decision-making to maximize regional financial management in the next period.

2.3 Economic Efficiency Measurement

Budget decentralization has an impact on the ability of local governments to manage resources, as well as improve public services (Peterson, 1996). In other words, decentralization has a positive economic influence on the increase in such efficiency. This is the classic effect (Musgrave (1959) and Oates (1993)). So, this efficiency originates from the concept of budget decentralization, making local governments capable of identifying the needs of their communities, because they understand the characteristics of their society. Budget decentralization has a positive influence on the achievement of basic needs for the community and the improvement of community welfare, or as termed by Vazquez and McNab (2001) as economic efficiency or allocative efficiency.

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2.5 Economic Efficiency Measurement

Performance is a depiction related to the achievement of policy, program, and activity implementation in line with the vision, mission, objectives, and goals set out in an organization's strategic scheme. Evaluation of the implementation of policies, programs, and policies must be based on performance measurement. This metric becomes a tool for management to enhance the quality of accountability and decision-making. In other words, performance is the realization of what was planned. Good performance is when the achievement aligns with the plan. Conversely, performance is said to be poor if the achievement is not in line with or less than what was planned. This is also implemented to realize the vision and mission of the government (Marlina, Rahayu, and Yudi, 2012). Performance measurement is an instrument to evaluate government agencies concerning the programs or activities that have been carried out based on benchmarks that have been made, for example, the minimum standard of public services.

The benchmark for village financial performance is a measure to assess the ability of village financial management in the form of village budget realization in implementing policies set by the central government based on existing regulations. Sucipto (2005) stated that the financial performance of local governments is the level of achievement of a work result in the area of local finance, which includes revenue and regional expenditure, using a financial system established through a policy or regulatory provision for a budget period. According to researchers, the purpose of evaluating village financial performance is to see the extent to which the village government has used the budget in accordance with applicable rules. This assessment is used as a basis for decision-making to maximize local financial management in the next period.

In measuring financial performance, a ratio analysis can be used. According to Mahmudi (2019), the financial performance measurement of the government can use the APBD (Regional Budget) financial ratio with the following financial ratio analysis:

Regional Financial Dependency Ratio

1. Regional financial dependency is a measure of a region's ability to finance local development activities through the optimization of Local Revenue (PAD) without subsidies (Balancing Funds) from the central government (Wahab et al., 2015).

Regional Financial Independence Ratio

1. Regional financial independence illustrates the ability of local governments to self-finance governmental activities, development, and public services sourced from Local Revenue (PAD) (Kartika & Kusuma, 2015).

Local Revenue Effectiveness Ratio

1. The effectiveness of Local Revenue (PAD) depicts the ability of local governments to mobilize PAD receipts in line with the set target (Mahmudi, 2019).

Local Revenue Efficiency Ratio

1. The efficiency of Local Revenue (PAD) depicts the comparison level between the amount of costs expended for the realization of regional expenditure with the realized revenue received (Siregar & Mariana S, 2020).

This comprehensive review synthesizes the findings of various researchers concerning the financial performance

and management of local revenues in different regions, with a focus on the fiscal decentralization efforts and the resulting economic impacts.

Nadeak et al. (2022) discerned a beneficial influence of fiscal decentralization on economic growth within the Samosir Regency, suggesting that granting financial autonomy to local governments can bolster regional economies. Batara et al. (2022) found financial operations within Kerinci Regency to be efficient, although the effectiveness of local revenue management was deemed suboptimal. Supriyadi & Ahmad (2021) categorized the Regional Original Revenue (PAD) effectiveness ratio as effective, indicating a successful fiscal outcome. Onibala et al. (2021) reported that Minahasa Tenggara Regency's financial performance remained stable during the pandemic compared to the previous year.

Agnika et al. (2021) pointed out a very low level of financial independence in Subang Regency, which was affected by inefficient financial performance in 2019 due to the Covid-19 pandemic. Siregar & Mariana S (2020) provided a mixed assessment, noting that the fiscal decentralization degree was satisfactory, the effectiveness of PAD was very effective, but the efficiency of regional financial management was lacking. Harahap (2020) observed that the financial performance of the Tapanuli Tengah District Government was generally good, despite a high dependency on central/provincial governments.

The research of Oki et al. (2020) highlighted the extremely low financial independence of Belu District, while Herjanti & Teg Teg (2020) concluded that the effectiveness level of Hotel, Restaurant, and Entertainment Taxes in Bogor City met the criteria for effectiveness. Ariyanti & Yudhaningsih (2020) identified the regional tax in Kendal Regency as highly effective over the years 2014-2018, whereas Ainiyah et al. (2020) judged the Land and Building Tax collection in Banjarnegara Regency to be both effective and efficient. Prakoso et al. (2019) emphasized that regional financial independence positively influenced economic growth.

Kusmila et al. (2018) appraised the decentralization ratio in several regencies as very good, yet noted variances in financial efficiency and effectiveness post-administrative division. Pandjaitan et al. (2018) reported an increase in the Degree of Decentralization ratio, though with a high level of dependency and low self-reliance, accompanied by fluctuating efficiency in financial expenditure. Al-Aksari (2017) demonstrated that fiscal decentralization significantly boosted the financial performance of the Bungo Regency government, while Purnamasari & Rodiyah (2017) indicated that the financial independence of Sidoarjo Regency was still low.

Sunanto (2017) found that efficiency in the regional budget's performance was adequate, yet its effectiveness was questioned. Syahputra (2017) and Ali & Maisyuri (2017) reported low fiscal decentralization in Aceh Tamiang Regency and a substantial impact of fiscal decentralization on the financial performance of the North Aceh Government, respectively. Ramadhani (2016) observed an upward trend in financial independence in Tarakan City, with Putra & Hidayat (2016) noting a very low correlation between regional financial independence and economic growth.

Lohonauman (2016) assessed regional tax revenues as highly effective, whereas Ersita & Elim (2016) and Bawuna et al. (2016) evaluated the effectiveness of regional levies in North Sulawesi as suboptimal, though the regional tax revenue was very effective. Finally, Trianto (2016) and Ropa (2016) offered insights into the financial performance of Palembang City and regional financial management, with effectiveness being achieved but challenges remaining in efficiency and the balance between routine and development spending. These diverse studies highlight the nuanced challenges and successes across different regions in managing local revenues and achieving financial autonomy and efficiency.

3. Research Methods

The research employs a quantitative method, chosen for its use of statistical instruments through descriptive analysis. This involves calculating basic statistics such as the average, median, mode, standard deviation, and range for each numeric column. This method applies the concept to the 2022 village fund realization report. The study is conducted by considering village performance indicators within the Jambi Province. In this case, the research only calculates for 5 Regencies, namely: Batanghari Regency, Kerinci Regency, Bungo Regency, Sarolangun Regency, Merangin Regency, and 1 City, Sungai Penuh City.

The study employs two types of data sources:

1. **Primary Data:** Primary data refers to information that is collected firsthand by the researcher and directly pertains to the specific objectives of the study (Sugiyono, 2007:129). Within the context of this research, primary data encompasses a comprehensive portrait of Jambi Province, capturing insights and metrics specific to the region's characteristics and dynamics.
2. **Secondary Data:** This type of data originates from resources that do not provide information directly to the researcher but have been collected for other purposes (Sugiyono, 2007:129). The secondary data utilized in this research comprises the financial reports of the Revenue and Expenditure Budgets of villages across Jambi Province for the fiscal years 2014-2019, as well as the realization reports of the Village Funds for the year 2022, which provide a historical and recent financial performance snapshot of the villages within the province.

Observation constitutes a method of data collection characterized by direct engagement with the subject of

study, entailing detailed and systematic recording of observable phenomena. In this particular investigation, the observational technique entailed a thorough examination of archival and documentary materials. Specifically, the research involved scrutinizing financial documents, namely the reports of the Revenue and Expenditure Budgets of villages across Jambi Province for the Fiscal Year 2022, along with the realization reports of the Village Funds for the same year within the province. This approach enabled the collection of empirical data pertinent to understanding the financial management and operations within the targeted locales.

The quantitative data analysis technique used in this research involves conducting numerical evaluations of the collected financial data to directly address the issues that align with the stated objectives of the study. In this context, the following quantitative analysis techniques have been employed:

1. **Descriptive Analysis:** This technique involves calculating the distribution percentages of fund realization into defined ranges, specifically:
 - 0%-59%: This range signifies the lowest level of fund realization, suggesting that the usage of village funds has not attained 60% of the stipulated allocation.
 - 60%-79%: This intermediate range indicates that the utilization of village funds lies between 60% and 79% of the planned allocation.
 - 80%-100%: This range denotes the highest level of fund realization, implying that the usage of village funds is between 80% and 100% of the allocated amount.
2. **Realization Analysis:** This approach involves pinpointing villages with the highest and lowest percentages of fund realization, thereby shedding light on which villages are utilizing the allocated funds most effectively and which may require additional support or interventions.
3. **Analysis based on Sub-districts (Kecamatan):** This analysis consolidates data on a sub-district level to determine which sub-districts exhibit the highest and lowest average percentages of fund realization.
4. **Correlation Analysis:** This analytical method examines the relationship between the allocated Village Funds in villages and the total realization of SAPRAS (infrastructural facilities) & NON-SAPRAS (non-infrastructural activities). It aims to discern whether a positive or negative correlation exists between the volume of funds allocated and the extent of their realization. The Pearson Correlation Coefficient, often referred to as the product-moment coefficient of correlation, is utilized for this purpose. The formula for this coefficient is generally represented as:

$$r = \frac{\sum(X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum(X_i - \bar{X})^2 \sum(Y_i - \bar{Y})^2}}$$

Where:

r is Pearson correlation coefficient.

X_i dan Y_i are the value of the two variables being analyzed.

\bar{X} dan \bar{Y} are the average of variables X and Y, respectively.

\sum indicates summation.

4. Results and Discussion

This article provides an analysis of the utilization and efficiency of village funds in Jambi Province for the year 2022. With the advent of regional autonomy, there is an increasing call for transparency and accountability in the management of regional resources, including the Village Budget (APBDes). Notably, the allocation of village funds in Jambi Province is distributed on an annual basis. Between 2021 and 2022, a total of 1.1 trillion was allocated to 1,399 villages within the province (refer to Table 4.1). Such demands for accountability are justified in the pursuit of enhancing community welfare. Data analysis reveals that the indirect expenditure component for Jambi Province constitutes an average of 48.73% of the total expenditure, with employee-related expenses averaging 19.75% of indirect expenditures. The relatively modest figure for employee expenditure is indicative of the limited scope of local government services. This observation has served as a catalyst for undertaking the current research.

Table 4.1 Development of Village Fund Disbursement to Jambi Province in 2021-2022

No	Region / Location	Number of Villages	Total Distribution to RKD 2021	Total Distribution to RKD 2022
1	KERINCI	285	Rp.201.876.683.167	Rp.201.876.683.167
2	MERANGIN	205	Rp.162.649.713.920	Rp.162.649.713.920
3	SAROLANGUN	149	Rp.122.157.517.700	Rp.122.157.517.700
4	BATANGHARI	110	Rp.91.574.729.040	Rp.91.574.729.040
5	MUARO JAMBI	150	Rp.120.798.877.600	Rp.120.798.877.600
6	TANJUNG JABUNG BARAT	114	Rp.92.973.294.100	Rp.92.973.294.100
7	TANJUNG JABUNG TIMUR	73	Rp.62.819.316.000	Rp.62.819.316.000
8	BUNGO	141	Rp.111.495.981.197	Rp.111.495.981.197
9	TEBO	107	Rp.99.762.730.400	Rp.99.762.730.400
10	KOTA SUNGAI PENUH	65	Rp.46.945.645.100	Rp.46.945.645.100
Total		1.399	Rp.1.113.054.488.224	Rp.1.113.054.488.224

Source: jambi.bps.go.id

Based on the presented data, several key points can be identified:

1. Distribution of Number of Villages:

- The region with the most villages is Kerinci, with 285 villages.
- Sungai Penuh City has the fewest villages, which is 65.
- The total number of villages in all regions is 1,399.

2. Distribution of Funds to RKD 2021:

- The region with the largest disbursement in 2021 is Kerinci, with a total of IDR 201,876,683,167.
- Sungai Penuh City received the lowest disbursement in 2021, amounting to IDR 46,945,645,100.
- The total disbursement for all regions in 2021 is IDR 1,113,054,488,224.

3. Distribution of Funds to RKD 2022:

- The disbursement figures for each region in 2022 are exactly the same as in 2021.
- There is no change or increase in disbursement from 2021 to 2022.
- The total disbursement for all regions in 2022 remains the same as in 2021, which is IDR 1,113,054,488,224.

4. Relation between the Number of Villages and Disbursement:

- In general, regions with more villages tend to receive higher disbursements. However, this is not always the case. For instance, although Sarolangun and Muaro Jambi have almost the same number of villages, Sarolangun receives more funds than Muaro Jambi.

5. Consistency of Disbursement:

- It's striking that the disbursement figures for each region have not changed from 2021 to 2022. This indicates that there are no budget adjustments or resource relocations between regions from one year to the next.

The data indicates that the disbursement to RKD for each region from 2021 to 2022 remains consistent, without any adjustments. Although there is variation in the number of villages in each region, this doesn't always reflect the amount of disbursement received by each area. Furthermore, it is necessary to further analyze the underlying factors of this disbursement allocation, such as infrastructure needs, population, or other development indicators in each region.

Performance measurement of an organization is a vital instrument in ensuring accountability, transparency, more effective organizational management, and improving the quality of service to the community. The results of this performance measurement are presented as essential information for all stakeholders. Furthermore, performance evaluation is also interpreted as a form of accountability from the organization's implementation. The problem of performance measurement is not only focused on the budget and its realization but also integrates informative aspects related to the value for money principle of organizational performance (Michel and Troy, 2000). The importance of performance measurement, especially at the village government level, is crucial for the Village Consultative Body (BPD), which functions as the representation of the village people in overseeing and evaluating the performance of the village government. This condition underlies the urgency of research on village financial independence.

So far, most research on performance in public sector accounting tends to focus on budget aspects and their realization, or the comparison between regional government budget plans and achievements (as presented by Maryanti, 2002; Sardjito and Mufthaer, 2007; and Munawar, 2006). Based on observations, there is a lack of research specifically targeting the financial performance of villages and village financial independence. Previous studies often focus their research objectives on regional governments at the Provincial or Regency/City level. This

opens an opportunity for researchers to delve deeper into the performance and financial independence of villages.

The data obtained is secondary data from the Jambi Provincial Office for Women's Empowerment, Child Protection, and Population Control, in the form of progress data on the disbursement of village funds and the realization per village of the APBDEs in Jambi Province against the report of the realization of APBDEs in Jambi Province for 2022, which consists of 10 Regencies, 128 Sub-districts, and 1,399 Villages (Data attached in appendix 1). In summary, the realization of the use of village funds in Jambi Province in 2022 is as follows:

Table 4.2 Realization of Village Fund Usage in Jambi Province for the Year 2022.

No	Sector	Realization	(%)
1	Village Infrastructure and Facilities	542,838,984,623	56.64%
2	Basic Social Service Infrastructure	199,064,564,470	20.77%
3	Economic Infrastructure Facilities	24,808,305,595	2.59%
4	Environmental Infrastructure Facilities	19,647,332,924	2.05%
5	Other Infrastructure Facilities	44,027,535,574	4.59%
6	Community Empowerment	87,743,782,942	9.16%
7	Village Government Administration	6,962,055,176	0.73%
8	Community Development	33,322,143,093	3.48%
Total Realization		958,414,704,397	100%

Source: jambi.bps.go.id

From the data above, we can see that "Village Infrastructure" has the largest allocation and realization of funds with a percentage of 56.64% of the total realization. On the other hand, "Village Government Administration" has the smallest allocation and realization of funds with only 0.73% of the total realization. The low allocation for "Village Government Administration" suggests several possible interpretations:

1. Low Priority: There may be other priorities that are considered more urgent or important by the village government than the operational costs or routine activities of village administration.
2. Efficiency: The village government may have been successful in running its operations at a relatively low cost, indicating efficiency in fund management.
3. Allocation to Other Activities: A larger portion of the funds may be allocated to infrastructure projects, community empowerment, or other initiatives that are deemed to have a more direct impact on the village community.
4. Limited Funds: There may be limited funds available for "Village Government Administration" due to a larger allocation for other needs.
5. Fund Management: There may be specific fund management policies or strategies that result in a smaller allocation for "Village Government Administration" compared to other budget categories.

Results of Realization Analysis, Correlation Analysis for Each Subdistrict and Village per Regency (only 5 Regencies and 1 City are analyzed in this article) can be explained as follows:

1. Batanghari Regency

Batanghari Regency consists of 8 Subdistricts with 110 Villages. A total of 110 Villages were analyzed based on the provided data.

Based on the Realization Analysis, villages with the highest realization percentage of expenditure are Rantau Gedang Village in Mersam Subdistrict with a realization of 109.77% of the allocation, followed by Rantau Kapas Tuo Village in Muara Tembesi Subdistrict with a realization of 140.08% of the allocation, Paku Aji Village in Batin XXIV Subdistrict with a realization of 122.17% of the allocation, Simpang Kubu Kandang Village in Batin XXIV Subdistrict with a realization of 120.47% of the allocation, and Bungku Village in Bajubang Subdistrict with a realization of 119.47% of the allocation.

Meanwhile, villages with the lowest realization percentage are Lubuk Ruso Village in Pemayung Subdistrict with a realization of 32.94% of the allocation, followed by Sungai Ruan Ulu Village in Maro Sebo Ulu Subdistrict with a realization of 40.68% of the allocation, Olak Village in Muara Bulian Subdistrict with a realization of 59.06% of the allocation, Padang Kelapo Village in Maro Sebo Ulu Subdistrict with a realization of 69.20% of the allocation, and Ladang Peris Village in Bajubang Subdistrict with a realization of 82.29% of the allocation.

From the analysis above, it can be observed that some villages have realized more than their allocated funds, while others have significantly lower realizations. This may indicate efficient fund utilization in some villages or potential implementation challenges in villages with low realizations.

Based analysis Correlation Analysis (Pearson Correlation Coefficient (r)), The correlation analysis between the Village Fund Allocation in Batanghari Regency and the Total Realization of Village Infrastructure and Non-Village Infrastructure in Batanghari Regency shows a correlation of approximately 0.92. This indicates a very strong and positive correlation, meaning that when the Village Fund allocation in villages increases, the total realization of Village Infrastructure and Non-Village Infrastructure in Batanghari Regency

tends to increase as well, and vice versa.

Therefore, based on the provided data, it appears that villages receiving larger Village Fund allocations tend to have higher realizations, and this holds true across all villages in Batanghari Regency. In other words, this high correlation suggests that villages in Batanghari Regency, in general, have efficiently and consistently utilized the allocated funds.

Distribution Analysis of All Villages in Batanghari Regency **Based on Realization Percentage** (0-59%, 60-79%, 80-100%):

- Realization of Village Funds 0-59%: 3 villages
- Realization of Village Funds 60-79%: 14 villages
- Realization of Village Funds 80-100%: 83 villages

From this analysis, it can be observed that the majority of villages in Batanghari Regency have relatively high realization percentages, falling within the range of 80-100%. However, there are still some villages with lower realization percentages, particularly in the 60-79% and 0-59% ranges.

2. Kerinci Regency

Kerinci Regency comprises 16 Districts with a total of 285 Villages. The total number of villages analyzed amounts to 285 (based on the provided data).

Based on the Analysis of Realization, the village with the highest expenditure realization percentage is Maliki Air in Hamparan Rawang District, with a realization percentage of 110.92%. This is followed by Pendung Hiang Village in Tanah Kampung District with a realization percentage of 104.76%, and Debai Village in Kumun Debai District with a realization percentage of 103.12%. Several villages have a realization higher than the allocation (for instance, more than 100%), which may indicate the presence of additional funding or the use of funds from the previous year.

Meanwhile, the village with the lowest realization percentage is Mekar Jaya in Hamparan Rawang District, with a realization percentage of 46.75%, followed by Sandaran Galeh Village in Kumun Debai District with a realization percentage of 48.36%, and Koto Dian Village in Hamparan Rawang District with a realization percentage of 47.99%.

Based on the Pearson Correlation Coefficient (r), the analysis of the relationship between the Village Fund Allocation in Kerinci Regency and the Total Realization of Infrastructure and Non-Infrastructure Facilities in the villages of Kerinci Regency exhibits a correlation of approximately 0.95. This indicates a very strong and positive correlation, implying that as the Village Fund Allocation in the villages increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of Kerinci Regency also tends to increase, and vice versa. Consequently, this high correlation suggests that the villages in Kerinci Regency have generally utilized the funds allocated to them efficiently and consistently.

Further, the **Distribution Analysis** across all villages in Kerinci Regency based on the percentage of realization with categories 0-59%, 60-79%, 80-100% reveals that there are 12 villages with a Village Fund realization of 0-59%, 14 villages with a realization of 60-79%, and 40 villages with a realization of 80-100%.

From this analysis, it is observed that the majority of villages in Kerinci Regency exhibit a relatively high realization percentage, specifically between 80-100%. This indicates that most villages in Kerinci Regency have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%.

3. Bungo Regency

Bungo Regency consists of 16 Districts with a total of 141 Villages. The total number of villages analyzed is 141 (based on the provided data).

According to the **Expenditure Realization Analysis**, the village with the highest expenditure realization percentage is Bukit Kemang with a realization of 128.78%, followed by Tebing Tinggi Uleh with a realization of 117.44%, and Lubuk Niur with a realization of 102.06%. On the other hand, the village with the lowest realization percentage is Sirih Sekapur with a realization of 38.98%, followed by Rantau Ikil with a realization of 43.42%, and Muaro Tebo Pandak with a realization of 43.42%. From the above analysis, it can be seen that there are several villages with realizations above 100%, indicating that they have utilized more funds than allocated. Conversely, there are some villages with realizations below 50%, showing that they have not utilized most of the allocated funds.

Based on the **Pearson Correlation Coefficient (r)**, the analysis of the relationship between Village Fund Allocation in Bungo Regency and the Total Realization of Infrastructure and Non-Infrastructure Facilities in the villages of Bungo Regency shows a correlation of around 0.93. This indicates a very strong and positive correlation, meaning that as the Village Fund Allocation in the villages increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of Sarolangun Regency also tends to increase, and vice versa.

Thus, this high correlation suggests that the villages in Sarolangun Regency have generally utilized the funds allocated to them efficiently and consistently.

Further, the **Distribution Analysis** across all villages in Bungo Regency based on the percentage of realization with categories 0-59%, 60-79%, 80-100% reveals that there are 5 villages with a Village Fund realization of 0-59%, 22 villages with a realization of 60-79%, and 71 villages with a realization of 80-100%.

From this analysis, it is observed that the majority of villages in Bungo Regency exhibit a relatively high realization percentage, specifically between 80-100%. This indicates that most villages in Bungo Regency have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%.

4. Sarolangun Regency

Bungo Regency consists of 16 Districts with a total of 141 Villages. The total number of villages analyzed is 141 (based on the provided data).

According to the **Expenditure Realization Analysis**, the village with the highest expenditure realization percentage is Bukit Kemang with a realization of 128.78%, followed by Tebing Tinggi Uleh with a realization of 117.44%, and Lubuk Niur with a realization of 102.06%. On the other hand, the village with the lowest realization percentage is Sirih Sekapur with a realization of 38.98%, followed by Rantau Ikil with a realization of 43.42%, and Muaro Tebo Pandak with a realization of 43.42%. From the above analysis, it can be seen that there are several villages with realizations above 100%, indicating that they have utilized more funds than allocated. Conversely, there are some villages with realizations below 50%, showing that they have not utilized most of the allocated funds.

Based on the **Pearson Correlation Coefficient (r)**, the analysis of the relationship between Village Fund Allocation in Bungo Regency and the Total Realization of Infrastructure and Non-Infrastructure Facilities in the villages of Bungo Regency shows a correlation of around 0.93. This indicates a very strong and positive correlation, meaning that as the Village Fund Allocation in the villages increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of Sarolangun Regency also tends to increase, and vice versa.

Thus, this high correlation suggests that the villages in Sarolangun Regency have generally utilized the funds allocated to them efficiently and consistently.

Further, the **Distribution Analysis** across all villages in Bungo Regency based on the percentage of realization with categories 0-59%, 60-79%, 80-100% reveals that there are 5 villages with a Village Fund realization of 0-59%, 22 villages with a realization of 60-79%, and 71 villages with a realization of 80-100%.

From this analysis, it is observed that the majority of villages in Bungo Regency exhibit a relatively high realization percentage, specifically between 80-100%. This indicates that most villages in Bungo Regency have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%.

5. Sungai Penuh City

Sungai Penuh City consists of 8 Districts with a total of 65 Villages. The total number of villages analyzed is 65 (based on the provided data).

According to the **Realization Analysis**, the highest realization is in Maliki Air Village in Hamparan Rawang District, with a realization of 110.92% of the allocation. Next is Srimenanti Village in Koto Baru District, with a realization of 107.33% of the allocation, and Pendung Hiang Village in Tanah Kampung District, with a realization of 104.76% of the allocation. On the other hand, the village with the lowest realization percentage is Sandaran Galeh Village in Kumun Debai District, with a realization of 48.36% of the allocation. This is followed by Mekar Jaya Village in Tanah Kampung District, with a realization of 46.75% of the allocation, and Amar Sakti Village in Sungai Penuh District, with a realization of 47.10% of the allocation. Some villages have exceeded their realization from the allocated funds, while others have realizations far below the allocation. This indicates variations in fund utilization across different villages.

Based on the **Pearson Correlation Coefficient (r)**, the analysis of the relationship between Village Fund Allocation in Sungai Penuh City and the Total Realization of Infrastructure and Non-Infrastructure Facilities in the villages of Sungai Penuh City shows a correlation of around 0.93. This indicates a very strong and positive correlation, meaning that as the Village Fund Allocation in the villages increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of Sungai Penuh City also tends to increase, and vice versa. Thus, this high correlation suggests that the villages in Sarolangun Regency have generally utilized the funds allocated to them efficiently and consistently.

Further, the **Distribution Analysis** across all villages in Sungai Penuh City based on the percentage of realization with categories 0-59%, 60-79%, 80-100% reveals that there are 12 villages with a Village Fund realization of 0-59%, 14 villages with a realization of 60-79%, and 40 villages with a realization of 80-100%.

From this analysis, it is observed that the majority of villages in Sungai Penuh City exhibit a relatively high realization percentage, specifically between 80-100%. This indicates that most villages in Sungai Penuh City have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%.

6. Merangin Regency

Merangin Regency consists of 24 Districts with 205 Villages. The total number of villages analyzed is 86 (based on the provided data).

According to the **Realization Analysis**, the village with the highest expenditure realization percentage is Koto Rayo Village in Tabir District, with a realization percentage of 123%. On the other hand, the village with the lowest realization percentage is Pulau Rengas Village in Bangko Barat District, with a realization percentage of 43.00%.

Based on the **Pearson Correlation Coefficient (r)**, the analysis of the relationship between Village Fund Allocation in Merangin Regency and the Total Realization of Infrastructure and Non-Infrastructure Facilities in Sungai Penuh City shows a correlation of around 0.93. This indicates a very strong and positive correlation, meaning that as the Village Fund Allocation in the villages increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of Merangin Regency also tends to increase, and vice versa. Thus, this high correlation suggests that the villages in Merangin Regency have generally utilized the funds allocated to them efficiently and consistently.

Further, the **Distribution Analysis** across all villages in Merangin Regency based on the percentage of realization with categories 0-59%, 60-79%, 80-100% reveals that there are 15 villages with a Village Fund realization of 0-59%, 22 villages with a realization of 60-79%, and 49 villages with a realization of 80-100%. From this analysis, it is observed that the majority of villages in Merangin Regency exhibit a relatively high realization percentage, specifically between 80-100%. This indicates that most villages in Sarolangun Regency have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%."

5. Conclusion

The importance of performance measurement, especially at the village government level, becomes crucial for the Village Consultative Body (Badan Permusyawaratan Desa - BPD), which functions as the representation of the village populace in overseeing and evaluating the performance of the village government.

1. **Village Fund Utilization Performance:** The majority of villages in the analyzed districts demonstrate a high fund realization rate, particularly between 80-100%, indicating efficient fund usage. This is evident from the budget realization exceeding the allocation in several villages.
2. **Variation in Fund Realization:** There is a significant variation in the realization of village funds among different villages. Some villages have realizations exceeding 100%, indicating the use of more funds than allocated, while others have realizations below 50%, suggesting suboptimal utilization of funds.
3. **Correlation between Fund Allocation and Realization:** Analysis based on the Pearson Correlation Coefficient shows a very strong and positive correlation between the allocation of village funds and the realization of infrastructure and non-infrastructure facilities in villages. This indicates that an increase in fund allocation tends to be followed by an increase in infrastructure and other facility realizations. Based on the Pearson Correlation Coefficient (r), the analysis of the relationship between the allocation of Village Funds in the districts and cities of Jambi Province and the Total Realization of Infrastructure and Non-Infrastructure Facilities in the villages of these districts and cities shows a correlation above 0.90. This indicates a very strong and positive correlation, meaning that as the allocation of Village Funds in a village increases, the total realization of Infrastructure and Non-Infrastructure Facilities in the villages of the districts and cities in Jambi Province also tends to increase, and vice versa.
4. **Efficiency in Fund Usage:** The high correlation between fund allocation and infrastructure realization suggests that, in general, villages have used the funds allocated to them efficiently and consistently.
5. **Need for Improved Management in Some Villages:** Although the majority of villages show efficient fund usage, there is a need to enhance management and fund realization in villages with lower realization percentages, especially in the ranges of 60-79% and 0-59%.

According to the Realization Analysis, the village with the highest expenditure realization percentage is Rantau Gedang Village in Mersam District, with a realization of 109.77% of the allocation. The majority of villages in the districts and cities of Jambi Province have a high realization percentage, specifically between 80-100%. This suggests that most villages in the districts and cities of Jambi Province have utilized funds efficiently. However, there are still some villages with lower realization percentages, particularly in the ranges of 60-79% and 0-59%. This conclusion provides an overview of the efficiency of village fund usage in the analyzed districts and highlights areas requiring attention.

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