

## Management of Village Funds in Lok Suga Village, Haur Gading District, North Hulu Sungai Regency

Anna Maryati<sup>1</sup>, Norhidayah<sup>2</sup>, Nasripani<sup>3</sup>

<sup>1,2,3</sup> Sekolah Tinggi Ilmu Administrasi Amuntai, Indonesia



OPEN ACCESS



DOI : <https://doi.org/10.61796/ijeirc.v1i12.445>

### Sections Info

#### Article history:

Submitted: October 23, 2024  
Final Revised: November 11, 2024  
Accepted: December 06, 2024  
Published: December 30, 2024

#### Keywords:

Village fund management  
Financial accountability  
Transparency  
Village governance  
Qualitative study  
Indonesia

### ABSTRACT

**Objective:** This study aims to determine the Management of Village Funds in Lok Suga Village, Haur Gading District, Hulu Sungai Utara Regency and determine the factors that influence it. **Method:** This research uses a qualitative approach with a descriptive-qualitative research type. Data collection techniques used are interviews, observation, and documentation. Data sources were taken using the snowball sampling technique, totaling 16 people. After the data is collected, it is then analyzed using techniques including data reduction, data presentation and conclusion. Tests for the credibility of the data used are extended observations, triangulation, analysis of negative cases, use of references, and member checks. **Results:** The results of the study show that village fund management in Lok Suga village, Haur Gading district, Hulu Sungai Utara district is good in terms of strategy for achieving goals, activity plans, implementing research activities, recording expenses, and preparing reports. As for the aspects that have not gone well, namely recording income, submitting reports, monitoring the preparation of the budget, and monitoring the utilization of the budget. Furthermore, the factors that influence the management of village funds in Lok Suga village for the inhibiting factors are budget plans that are not in accordance with the budget, and there is no supervision from the BPD. And for the supporting factors, namely the preparation of good reports and effective action plans. **Novelty:** The novelty of this study lies in its comprehensive qualitative evaluation of village fund management by simultaneously examining planning, implementation, administration, reporting, accountability, and supervision, while explicitly identifying both inhibiting and supporting factors at the village governance level, particularly the absence of BPD supervision and the non-existence of BUMDes as structural constraints in village financial management.

## INTRODUCTION

Background The legal and formal existence of villages is recognized in Law Number 23 of 2004 concerning regional government and Law Number 6 of 2014 concerning villages. Based on these provisions, a village is a legal community unit with defined territorial boundaries that has the authority to regulate and manage government affairs and the interests of the local community based on community initiative, ancestral rights, and traditional rights that are recognized and respected within the system of the Unitary Republic of Indonesia. The above understanding of the village places it as a governmental organization that politically possesses certain authority to manage and regulate its residents and community. With this position, the village plays a very important role in supporting the success of national government and national development more broadly. The village is at the forefront of achieving success in all matters and government programs. According to the Minister of Home Affairs Regulation No. 113 of 2014 concerning Village Financial

Management, Article (1) Paragraph (5) explains that village finances are all rights and obligations of the village that can be valued in money, as well as all things in the form of money and goods related to the implementation of village rights and obligations. Article (1) Paragraph (6) explains that village finances are all activities including planning, implementation, administration, reporting, and accountability of village finances.

The most effective management approach is to involve the community and government elements that have more reactive development policies, prioritizing the needs of village residents in budget allocation so they can utilize the potential of their respective regions. In order to support the smooth operation of the Village Fund management system, it is hoped that regions/villages can exercise their rights, authorities, and obligations in determining the capabilities and potential of the community in a transparent and highly accountable manner. The principle of accountability dictates that every activity carried out has an end result that can be accounted for to the community or the people, who are the highest holders of state sovereignty in accordance with applicable laws and regulations. Based on the observations conducted by the researcher, the following problem phenomena were identified: 1. The absence of BUMDes (Village-Owned Enterprises) means that Lok Suga village has no income other than the funds received from the central government. 2. The village government still faces difficulties in preparing administrative accountability, leading to delays in submitting the Accountability Report (LPJ). The accountability in question refers to the management of village funds, requiring relevant officials to work overtime to complete the Accountability Report (LPJ). 3. Lack of transparency, utilization, and allocation of existing funds, causing the community to be unaware of how village funds are used because they are not disclosed in detail and openly. Problem Formulation The research questions to be investigated are: 1. How is village fund management in Lok Suga Village, Haur Gading District, North Hulu Sungai Regency? 2. What factors influence the management of village funds in Lok Suga Village, Haur Gading District, North Hulu Sungai Regency?

### **Theoretical Basis**

1. Definition of Management Management comes from the word "kelola," which means "to manage," according to the Kamus Besar Bahasa Indonesia Kontemporer (Contemporary Indonesian Dictionary) by Petir Salim and Yenny Salim [1], [2]. This means a leader controls, manages, organizes, strives for improvement, progress, etc., and is responsible for specific tasks. The word "management" can be equated with "governance," which also means arrangement or administration [3]. Management is defined as a series of tasks or efforts undertaken by a group of people to perform a set of activities in order to achieve a specific goal. It is said that management is a process of planning and decision-making, organizing, leading, and controlling human, financial, physical, and informational resources of an organization to achieve organizational goals efficiently and effectively. According

to George R. Terry, "management is a distinct process consisting of planning, organizing, leading, and controlling organizational members to achieve predetermined goals thru the utilization of human and other resources. [4]"

From Government Regulation No. 43 of 2014 and Minister of Home Affairs Regulation No. 113 of 2014, it can be seen that the accountability report that must be prepared by the Village Head must be fully integrated to show the sources of funds obtained by the village. Unlike the previous rules, which required villages to prepare reports on the accountability of fund usage based on their source. The Village Law lays down the basic principles for conducting village development supervision, which includes supervision by supra-village entities (downroad accountability), supervision by village institutions, and supervision by the community (upward accountability). There are several oversight and monitoring mechanisms as follows:

1) Oversight by the supra-village level, hierarchically by the District/City Government and by the central government, in this case, the Ministry of Home Affairs, the Ministry of Villages, and the Ministry of Finance (Article 26 of Government Regulation No. 60 of 2014). In its operations, supervision by the District/City government is the responsibility of the Regent/Mayor. To the Sub-district Head and the District/City Inspectorate. The results of the District/City government's supervision are submitted to the Central Government regarding the elements of supervision. Village development supervision is submitted to the Ministry of Villages, and government supervision is submitted to the Ministry of Home Affairs. 2) Other supra-village supervision includes supervision from the Audit Board of the Republic of Indonesia (BPK) and the Financial and Development Supervisory Agency (BPKP). This is based on Law No. 15 of 2004 concerning the examination of management and responsibility, which requires villages to prepare reports on the accountability of fund usage based on their source. The Village Law lays down the basic principles for the implementation of village development supervision, including supervision by supra-village entities (downward accountability), supervision by village institutions, and supervision by the community (upward accountability).

Accountability for village financial management is carried out at the end of each fiscal year and submitted to the Regent/Mayor and within the village consultative forum. This is done to convey matters related to the work results that have been achieved during a specific period, as a form of accountability for the duties and authority granted. Village Financial Management is a document used by the village treasurer for village financial administration and filling instructions, Law of the Republic of Indonesia Number 6 of 2014 concerning Villages, Government Regulation of the Republic of Indonesia Number 43 of 2014 concerning the implementation of Law Number 6 of 2014, and Government Regulation of the Republic of Indonesia Number 60 of 2014 concerning village funds sourced from the State Revenue and Expenditure Budget. Then, in this study, the researcher tends to refer to the opinion of Mulyawan and Enceng, who state that activities or the creation

of targeted goals in financial management in the region, especially in the village, are: planning, implementation, administration, reporting, accountability, and supervision [5].

- a. Planning: Planning is a benchmark to make it easier for managers to achieve a goal, develop strategies to reach the goal, and develop a work activity plan for a government organization. Planning is the most important process of all management functions because without planning, the other functions will not run smoothly.
- b. Implementation: The execution or implementation of a carefully and detailed plan, usually carried out after the planning is considered ready.
- c. Administration: Activities that are almost carried out throughout the fiscal year. This activity is based on the duties and responsibilities of the treasurer. Precision and accuracy are requirements for carrying out this activity. Administration is the recording of all financial transactions, both receipts and expenditures of money, within a single fiscal year.
- d. Reporting: Reporting is an activity carried out by subordinates to convey matters related to the results of work performed during a specific period. Reporting is done to the superior to whom the subordinate is responsible.
- e. Accountability: Accountability is the knowledge and existence of responsibility for every action, product, decision, and policy, including public administration in government and its implementation within the scope of roles or work positions in an office or government agency.
- f. Supervision: Supervision is the process of setting performance standards and taking actions that support achieving the expected results in accordance with the established performance. Supervision is carried out to ensure that all policies comply with applicable regulations, allowing us to determine whether the planning is effective.
- g. Definition of Village Funds: According to the Village Law, Village Funds are defined as funds sourced from the State Budget (APBN) allocated for Villages, transferred thru the District/City Regional Budget (APBD), and used for government administration, development implementation, community development, and community empowerment. The philosophy of Village Funds is to improve the welfare of people in villages and ensure equitable development in villages with enhanced public services, a thriving village economy, and reduced development disparities between villages. In addition, the community is also made a subject in development, not just an object.

## Framework



**Figure 1.** Research Conceptual Framework.

## RESEARCH METHOD

**Research Approach** This research is qualitative research. In Sugiyono (2017:8), "This research method is used to study natural object conditions." As its opposite is an experiment where the researcher is the key instrument, data collection techniques are triangulated (combined), data analysis is inductive, and qualitative research results emphasize meaning rather than generalization. Because of the qualitative approach, the research itself becomes the instrument or tool for the study.

**Research Type** The research type used in this study is descriptive qualitative research, which aims to provide a description or present data in line with expectations to obtain a comprehensive overview in accordance with the research objectives to be achieved. Descriptive research is research that explains something that is the target of the study in depth. Sahya Anggara states that "the research was conducted to uncover everything or various aspects and research objectives. [6]"

Data collection can be done thru interviews, observations, or document data. Data collection thru questionnaires can be done thru direct questioning or via phone, SMS, email, or by distributing the questionnaire. Interviews can also be conducted via phone, video conference, or face-to-face. The benefits of this research are that it can obtain various information and the results can be used for other purposes. The participants in this study numbered 16 people. Data Analysis Techniques According to Miles and Huberman in Sugiyono, there are three qualitative data analysis techniques: data reduction, data presentation, and drawing conclusions. This process continues throughout the research, even before the data is fully collected [7], [8].

- a. Data Reduction: Data reduction is one of the techniques used in qualitative data analysis. Data reduction is a form of analysis that sharpens, categorizes, directs, eliminates unnecessary information, and organizes data in such a way that final conclusions can be drawn. Reduction doesn't necessarily mean quantifying data.
- b. Data Display: Data display is one of the techniques for analyzing qualitative data. Data display is the activity of arranging a collection of information so that it allows for drawing conclusions. Many qualitative data presentations are in the form of narrative text, matrices, graphs, networks, and charts.
- c. Drawing conclusions: Drawing conclusions is one of the techniques for analyzing qualitative data. Drawing conclusions is the result of analysis that can be used to take action.

## RESULTS AND DISCUSSION

An organization is established because it has goals that it wants and must achieve. In achieving its goals, every organization is influenced by organizational behavior, which is a reflection of the behavior and attitudes of the actors within the organization [9]. Planning a. Strategies to Achieve Goals The strategies to achieve the goals are already good because after being informed of the village fund ceiling by the county government, the first step taken was to break down/allocate the amount of money according to the predetermined activities [10]. The allocation of money was in accordance with the established regulations. The second step was to break down the number of activities and the allocation of the amount of money that had been discussed with the community. And the third step was to set the implementation time for the activities, then hold discussions with the parties involved and for the management of the implementation by activity area [11].

This is in accordance with the theory of Mulyawan and Enceng, which states that strategies to achieve goals must be planned as carefully as possible to facilitate the achievement of an objective [12].

Activity Plan The activity plan planned by the village officials, such as the organization of posyandu, distribution of BLT funds, and distribution of seeds and fertilizers to farmers, is already good because the village officials invited the Village Consultative Body (BPD) and neighborhood heads (RT) when creating the activity plan. This is in accordance with the theory of Mulyawan and Enceng, which states that planning is one of the basic things that needs to be created by an institution to achieve a goal [13].

Implementation a. Activity Implementation The implementation of village fund management activities in Lok Suga village has been running well because several plans that were made have been realized successfully. The plans in question are the distribution of BLT funds, the distribution of seeds and fertilizers to farmers, the Family Hope Program, and others. This is in accordance with the theory of Mulyawan and Enceng, which states that the implementation of activities must be

carried out according to what has been determined so that the desired goals can be achieved effectively and efficiently [14]. Administration a. Recording income The administration of village fund expenditures is good because the funds spent by the village have been recorded in expenditure receipts, and the village has also created a banner displaying village fund expenditures to make it easier for residents to know about village fund spending. This is in line with the theory of Mulyawan and Enceng because recording expenditures is an important part of managing village finances.

Reporting a. Report Preparation It was concluded that the preparation of reports in Lok Suga village experienced almost no obstacles because each village official had records of purchases and expenditures of village funds for one month, and at the end of the year, these files were collected to be compiled into the village's annual report. This is in accordance with the theory of Mulyawan and Enceng, which states that the preparation of financial reports is presenting relevant information regarding budget realization, surplus, cash flow, and changes in reporting that are useful for users [15]. Accountability a. Report Submission The submission of reports in Lok Suga village is not running smoothly because of the numerous revisions or corrections to the fund reports in Lok Suga village, which results in a reduction in the funds received by the village in the following year. This is not in accordance with the theory of Mulyawan and Enceng, which states that the presentation of a report must contain facts about a matter, whether orally or in writing. Supervision a. Supervision of budget preparation Supervision of budget preparation in Lok Suga village is not running well because this supervision should be carried out by the Village Consultative Body (BPD), but the BPD itself is often not present at the village office, so supervision of reports cannot be carried out comprehensively [16].

This is not in accordance with the theory of Mulyawan and Enceng, which states that this is an action to ensure that the preparation of regional finances runs according to goals and plans. b. Supervision of budget utilization The utilization of the village budget in Lok Suga has not been running well because the supervision from the BPD is not optimal, and this can raise issues in the community regarding village funds being used by the village for village development needs instead of for personal use. This is not in line with the theory of Mulyawan and Enceng, which states that oversight of budget utilization aims to increase the prevention of deviations in the use of funds received by an agency [9]. Hindering Factors a. Community demand that has passed the budget change deadline b. Lack of supervision from the BPD Supporting Factors a. Good report preparation b. Effective activity plans

## CONCLUSION

**Fundamental Finding:** The study indicates that village fund management in Lok Suga village, Haur Gading sub-district, North Hulu Sungai district, is performing well in aspects like goal-setting strategies, activity planning, research implementation, expenditure recording, and report preparation. However, challenges remain in areas

such as income recording, report submission, and budget preparation and utilization oversight. Key inhibiting factors include mismatched budget plans and a lack of supervision from the Village Development Bank (BPD), while supportive factors include effective report preparation and action plans. **Implication:** The findings suggest that enhancing the management of village funds in Lok Suga requires improvements in accountability mechanisms, particularly in ensuring that budgets align with actual expenditures. Strengthening BPD supervision and increasing transparency in the utilization of funds could enhance overall village governance and community trust. **Limitation:** The research focused on qualitative methods with a limited sample size of 16 participants. This small-scale sample may not fully capture the broader issues or nuances of village fund management across different villages or sub-districts. **Future Research:** Future studies could expand the sample size to include other villages within the region or conduct comparative studies across different districts. Additionally, exploring the role of community participation in improving fund management and the long-term effects of BPD supervision on village fund accountability could provide further insights into enhancing governance practices.

## REFERENCES

- [1] Anonim, *Undang-Undang Republik Indonesia Nomor 6 Tahun 2014 Tentang Desa*.
- [2] Anonim, *Undang-Undang Nomor 15 Tahun 2004, Tentang Pemeriksaan Pengelolaan Dan Tanggung Jawab Yang Mewajibkan Desa Untuk Menyusun Laporan Pertanggung Jawaban Penggunaan Dana Berdasarkan Sumber Dananya*.
- [3] H. Pasolong, *Teori Administrasi Publik*, Bandung: Alfabeta, 2016.
- [4] Chabib Soleh, *Pengelolaan Keuangan Dan Aset Daerah*, CV. Gaza Publishing, 2010.
- [5] Sugiyono, *Memahami Penelitian Kualitatif*, Bandung: CV. Alfabeta, 2015.
- [6] G. R. Terry, *Prinsip-Prinsip Manajemen*, Jakarta: Bumi Aksara, 2012.
- [7] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*, Bandung: CV. Alfabeta, 2017.
- [8] L. Lestari, "Membedah Akuntabilitas Praktik Pengelolaan Keuangan Desa Pakraman, Kecamatan Kabut Ambahan, Kabupaten Buleleng, Provinsi Bali," *Jurnal Akuntansi*, vol. 2, no. 1, 2014.
- [9] I. K. G. Rudiarta, I. W. Arthaya, and L. P. Suryani, "Pengelolaan Alokasi Dana Desa Dalam Pemerintahan Desa," *Jurnal Analog Hukum*, vol. 2, no. 1, pp. 63-67, 2020.
- [10] Mulyawan, R., and Enceng, H., *Manajemen Keuangan Desa*, Jakarta: Bumi Aksara, 2015.
- [11] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*, Bandung: CV. Alfabeta, 2017.
- [12] Terry, G. R., *Prinsip-Prinsip Manajemen*, Jakarta: Bumi Aksara, 2012.
- [13] Pasolong, H., *Teori Administrasi Publik*, Bandung: Alfabeta, 2016.
- [14] Chabib Soleh, *Pengelolaan Keuangan Dan Aset Daerah*, CV. Gaza Publishing, 2010.
- [15] Mulyawan, R., and Enceng, H., *Teori Perencanaan dan Implementasi dalam Manajemen*, Bandung: Alfabeta, 2015.
- [16] Lestari, L., "Membedah Akuntabilitas Praktik Pengelolaan Keuangan Desa Pakraman, Kecamatan Kabut Ambahan, Kabupaten Buleleng, Provinsi Bali," *Jurnal Akuntansi*, vol. 2, no. 1, 2014.

**Anna Maryati**

Sekolah Tinggi Ilmu Administrasi Amuntai, Indonesia

Email: [maryatianna3@gmail.com](mailto:maryatianna3@gmail.com)

**\*Norhidayah (Corresponding Author)**

Sekolah Tinggi Ilmu Administrasi Amuntai, Indonesia

Email: [norhidayahsosma@gmail.com](mailto:norhidayahsosma@gmail.com)

**Nasripani**

Sekolah Tinggi Ilmu Administrasi Amuntai, Indonesia

Email: [nasripani1@gmail.com](mailto:nasripani1@gmail.com)

---