

STAKEHOLDER'S PERCEPTION OF TRANSPARENCY IN VILLAGE FUND MANAGEMENT IN TOTO SELATAN VILLAGE, KABILA DISTRICT, BONE BOLANGO REGENCY

Rizal¹⁾, Sartin Katili²⁾, and Aryati Hamzah³⁾
^{1,2,3)} Bina Mandiri University Gorontalo
E-mail: rizal@ubmg.ac.id

ABSTRACT

This study aims to determine stakeholder perceptions of the Transparency of Village Fund Management in South Toto Village, Kabila District, Bone Bolango Regency, with reference to the Minister of Home Affairs Regulation No. 20 of 2018 concerning Village Financial Management.

This research method uses descriptive research with a qualitative approach. Data collection techniques used in this study was through observation, in-depth interviews and documentation.

The results of this study indicate that stakeholder access in the budget accountability report has been carried out in the form of a Transparency Board / Billboard, so that all activities and their budgets can be seen by stakeholders. The weakness is that if there is a change in activities and budgets, then stakeholders do not have access to these changes. Independent audit involvement in budget transparency has been carried out. The audit was carried out by the Regency Inspectorate regarding finances and accountability reports for all activities that had been carried out. The weakness is that most stakeholders do not know the results of the examination or audit. Stakeholder involvement in budget decision making has been carried out, every planning stage always involves the BPD, LPM and the community. The weakness is that community involvement is only in the form of providing ideas and proposals related to the needs in each hamlet, but the stages of determining them are no longer involved.

Keywords: perception, transparency, village fund management

INTRODUCTION

The village as a legal community unit that has territorial boundaries that has the authority to regulate and manage government administration affairs, development, and the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. Indonesia (NKRI) [12].

Since the implementation of the government system from a centralized system that was in effect throughout the New Order

era to a decentralized system that has been in effect since the reformation period, there have been policy changes in governance and local government authority. The distribution of authority from the central government to local governments in a decentralized system is intended to address unequal development and to improve the functions of government services to the community. This makes the village an important object related to development in Indonesia.

Therefore, the role of local government is very vital in regional autonomy because the village has the right to freedom to make

Stakeholder Perceptions on Transparency of Village Fund Management in Toto Selatan Village, Kabila District, Bone Bolango Regency

regulations and rules in village life before being regulated by the local government. The role of the local government is expected to be able to guide and supervise every policy and program carried out by the village government so that the authority given to the village government can be accounted for by the village apparatus to the community and to the government.

The village government is required to be able to manage and regulate its own affairs, including the management of village funds starting from planning, implementation, administration, accountability and the benefits of programs managed by the village government. Therefore, the village head and the existing village apparatus are required to understand the Main Duties and Functions (Tupoksi) to improve the performance of the village government for the better. So that the programs that have been planned by the village government run effectively and efficiently. The village government is currently one of the objects of supervision in its performance.

To support existing programs in villages, the central government issued nine priority agendas called the Nawa Cita program. One of the programs from Nawa Cita is to build Indonesia from the periphery by strengthening several regions and villages within the framework of a unitary state. The program was created because villages were not given enough attention by the government in the previous era so that infrastructure development was not evenly distributed [5].

Nawa Cita program, the central government allocates aid funds for each village that is intended for infrastructure development. To finance government administration, development implementation, community development, and community empowerment [12].

Each village will manage an additional budget in the form of a Village Fund which will be received in stages. The distribution of

the Village Fund is calculated based on four factors, namely population, area, poverty rate and geographical difficulties. The Village Fund is prioritized to finance the implementation of local village-scale programs and activities in the field of village development such as housing facilities and infrastructure, food security, health, education and to finance the field of community empowerment, namely programs that aim to increase the capacity of rural communities in entrepreneurial development, income generation, and expansion of the economic scale of individual citizens or community groups.

In its implementation, the village funds are regulated through the policies of several ministries. For the implementation of the allocation of Village Funds, Regulation of the Minister of Finance Number 222/PMK.07/2020 concerning Village Fund Management has been followed up with Regulation of the Minister of Finance of the Republic of Indonesia Number 69/PMK.07/2021 concerning Amendments to Regulation of the Minister of Finance Number 222/ PMK.07/2020 concerning the management of village funds, which is followed up with a Regency/City Head Regulation, with a focus on fostering Village Fund Management, as a source of Village income originating from the APBN which is followed up with a Permenkeu which is stipulated annually.

Furthermore, Village Financial Management, starting from the Planning, Budgeting, Activity Implementation and Budgeting Stages, Administration, Reporting and Accountability, can be carried out in a participatory, transparent, accountable, and orderly and budgetary discipline based on cash accounting, with a focus on Management Development Village Finance whose implementation is followed up by a District/City Head Regulation [15]. Namely, the regulation of the Regent of Bone Bolango

number 67 regarding the procedures for distributing and determining the details of village funds for each village in the Bone Bolango Regency for the fiscal year 20-21. Likewise, the Ministry of Villages, PDT and Transmigration, through the Minister of Village Regulation PDTT Number 13 of 2020 concerning the Priority of Village Funds in 2021 focused on Priority policy for the use of Village Funds which is followed up by the stipulation of the Permendesa, PDTT every year.

The five principles of village financial management include: 1) planning; 2) implementation; 3) administration; 4) reporting and 5) accountability must reflect the aspects of involvement, accountability and transparency [15]. Regional financial reports can be said to be transparent if they meet the following requirements: 1) ADD realization reports and accountability reports for ADD implementation are informed to the public in writing; 2) realization reports and accountability reports for the implementation of ADD are informed by information media that are easily accessible to the public, including bulletin boards, community radio and other information media; 3) realization reports and accountability reports on the realization of ADD implementation are submitted to the Regent through the sub-district head; 4) the accountability report on the realization of ADD implementation is submitted no later than one month after the end of the current budget year [15].

Other indicators that can be used in transparency include: 1) whether there is a legal framework for transparency; 2) the existence of public access; 3) the existence of an independent and effective audit; and 4) stakeholder/community involvement in budget decision making. Several parties and stakeholders who need to be involved in the preparation of the village fund budget include: 1) the village head ; 2) finances; 3) planning

force; 4) village head; 5) BPD; 6) LPM; 7) community/religious/customary shops [15].

With the Village Fund, the source of income in each village will increase. Increased village income provided by the government to improve the living standards of rural communities. However, the existence of the Village Fund also raises new problems in management, the village government is expected to be able to manage in accordance with the laws and regulations efficiently, economically, effectively and transparently and responsibly by paying attention to a sense of justice and compliance and prioritizing the interests of the community.

Management of Village Funds in Bone Bolango Regency is regulated in Bone Bolango Regent Regulation No. 67 of 2020 concerning Procedures for Distribution and Determination of Details of Village Funds throughout Bone Bolango Regency for Fiscal Year 2021. However, problems in its management are still found, especially in the management of village funds. in South Toto Village, Kabila District, Bone Bolango Regency. From the results of observations based on initial observations, there are problems related to transparency in terms of financial management of village funds, including:

First, community access. Realization reports and accountability reports for the implementation of the village fund budget are not communicated through information media that is easily accessible by the public . The community does not have information in writing or through information boards related to the realization reports and accountability reports for the implementation of ADD.

Second, an independent and effective audit. The results of the audit conducted by the inspectorate and BPK found that there was financial administration that was not managed properly so that in the 2020 audit there were financial practices that violated LKPP No. 13 of 2013 on amendment No. 22, namely

Stakeholder Perceptions on Transparency of Village Fund Management in Toto Selatan Village, Kabila District, Bone Bolango Regency

payments for the implementation of goods/services in a self-managed manner through goods providers/services that are not supported by complete and valid evidence. In this case, the total loss from the overpayment of materials for the drain work and the construction of latrines amounting to Rp. 5,477,474 is not accompanied by valid evidence. In addition, payments were also found that had not been supported by complete and valid evidence with details of Rp. 250,000 for the payment of billboards/banners/structures for the operational activities of the village healthy house.

Third, community involvement in budget decision making. In the preparation of the RPJMDes, only a small part of the community was present, namely representatives from each hamlet to simply provide comments and ideas that were needed, but after that not all of them could be realized.

Management

The word management can be defined in French from management, which means the art of managing. Management can also be defined in English, namely management which means making decisions in an organization. Meanwhile, in the Indonesian sense, management means the process of using resources effectively in order to achieve what the organization has achieved [4].

Stakeholder Perception

Perception is observations about objects, events or relationships obtained by inferring information and interpreting messages [6].

The expression of perception in research is the perception of the stakeholders that the researcher uses as research informants. Stakeholder theory says that the company is not an entity that only operates for its own sake, but must provide benefits to its stakeholders such as shareholders, creditors, consumers, suppliers, government, society, analysts, and other parties [3].

In stakeholder theory, all stakeholders have the right to be provided with information about how organizational activities affect stakeholders, even when stakeholders choose not to use the information and when stakeholders cannot directly carry out a role in the survival of the organization [1]. Stakeholders in this study were Village Government Officials, BPD, LPM and the South Toto Village Community.

Village

The village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected in the system of Government of the Unitary State of the Republic of Indonesia [11].

Village Fund Management

Village funds are funds sourced from the APBN that are intended for villages, which are transferred through the district/city regional budgets. These funds are used to finance government administration, development implementation, community development, and village community empowerment. Village funds are allocated from the APBN based on Article 72 Paragraph 1 Letter b of Law No. 6/2014 concerning Villages.

Minister of Finance Regulation Number 48/PMK.07/2016 dated March 29, 2016, concerning the Management of Transfers to Regions and Village Funds also regulates transfer funds including Transfers to regions consisting of Balancing Funds, DID, and Special Autonomy Funds and Special Regions Privileges Funds, Special Transfer Funds and General Transfer Funds such as DBH and DAU to BOS Funds. There are 3 types of APBDes in the management of village funds, namely, as follows:

Village income Includes all money received through village accounts which are village rights within 1 (one) fiscal year that do not need to be repaid by the village. Village

income is classified according to groups and types;

Village shopping. There are several matters relating to village expenditures including all expenditures from village accounts which are village obligations within 1 (one) fiscal year which will not be repaid by the village. Village expenditures are used to fund the implementation of village authority and are classified according to groups, activities, and types.

Village financing, for village financing includes all receipts that need to be repaid and/or expenses that will be received back, both in the relevant fiscal year and in the following budget years. Village financing consists of Financing Receipts and Financing Expenditures which are classified according to groups and types.

Village Fund Management Transparency

One of the main elements in good financial management is transparency. Transparency is the principle of openness that allows the public to know and gain access information as widely as possible about village funds. With transparency guarantee access or freedom for everyone to obtain information about the administration of government, namely information about policies, processes making, and its implementation as well as the results achieved [14].

Based on the description of the background above, the researchers raised a thesis research proposal with the title: "Stakeholder Perceptions of Transparency in Village Fund Management in Toto Selatan Village, Kabila District, and Bone Bolango Regency"

Research Focus and Sub-Focus

Based on the above background, the focus of research in this study is how the Stakeholder Perceptions of the Transparency of Village Fund Management In South Toto Village, Kabila District, Bone Bolango Regency. With a sub focus referring to village

fund management regulations, in accordance with Minister of Home Affairs Regulation No. 20 of 2018 concerning Village Financial Management, including, as follows: 1) stakeholder access in budget accountability reports; 2) independent audit involvement in budget transparency; and 3) stakeholder involvement in budget decision making.

Research purposes

The purpose of the study was to determine the perception of stakeholders on the Transparency of Village Fund Management In South Toto Village, Kabila District, Bone Bolango Regency, with reference to the Minister of Home Affairs Regulation No. 20 of 2018 concerning Village Financial Management.

RESEARCH METHODS

Approach and Type of Research

This research is a type of descriptive research with a qualitative approach. Qualitative research method is a research method based on the philosophy of positivism, used to examine the condition of natural objects, (as opposed to experimentation) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalization [9].

This research has been carried out for 2 months, from October to December 2021. The location of this research was carried out in Toto Selatan Village, Kabila District, and Bone Bolango Regency.

Primary data sources are data obtained directly from the source [9]. Primary data in this study were obtained through interviews with research informants.

Secondary data sources are sources of data obtained not directly from the source [9]. Secondary data is in the form of a Village Fund Allocation (ADD) implementation guide document such as the Village RPJM (Medium-Term Development Plan), Village

Stakeholder Perceptions on Transparency of Village Fund Management in Toto Selatan
Village, Kabila District, Bone Bolango Regency

RKP (Government Work Plan), Accountability Report or ADD Realization Report 2020.

Data collection techniques used in this study were observation, in-depth interviews (indept interviews) and documentation [9]. There are three lines of qualitative data analysis carried out, namely, Data Condensation, Data Display, and Conclusion Drawing/Verifications [9].

The first thing the researchers did in this study was to collect primary data through interviews and secondary data related to management which includes the administration, reporting, and accountability processes. Then after the data was obtained, the researcher condensed the data. Data condensation or classifying all documents related to administration, reporting and accountability.

The second step taken by the researcher was the presentation of the data. Data presentation is an organization, a collection of information that allows conclusions and actions. Presentation of data helps in understanding what is happening and for planning further work, including more in-depth analysis or taking action based on understanding. The form of presentation of qualitative data is in the form of narrative text (in the form of field notes), matrices, graphs, networks and charts. In this process, the presentation of the results of the interview in the form of video text and poured in text form will be carried out.

Then the documents that have been obtained are evaluated using indicators that are in accordance with Minister of Home Affairs 20 of 2018. These indicators include: Planning, Budgeting, Implementation of Activities and Budgeting, Administration, Reporting and Accountability.

The third important analytical activity is drawing conclusions and verification. Conclusions are linked to the guidelines for

the ADD management law so that they can be said to be transparent.

RESEARCH RESULT

This research focuses on Stakeholders' perceptions of the Transparency of Village Fund Management In South Toto Village, Kabila District, Bone Bolango Regency. With a sub focus referring to village fund management regulations, in accordance with Minister of Home Affairs Regulation No. 20 of 2018 concerning Village Financial Management.

Stakeholder access in the budget accountability report. The interview above explains that the informant knows all activities along with the amount of the budget and has been submitted through the transparency board. The various research findings above illustrate that stakeholder access in the budget accountability report has been implemented in the form of a Transparency Board/Billboard, so that all activities and their budgets can be seen by stakeholders. The weakness is that if there is a change in activities and budgets, then stakeholders do not have access to these changes.

The involvement of an independent audit in budget transparency. The interview above explains that the informant only knows if the inspection is often carried out by the Inspectorate, but only the inspection is not known. The various research findings above illustrate that the involvement of an independent audit in budget transparency has been carried out. The audit was carried out by the Regency Inspectorate regarding finances and accountability reports for all activities that had been carried out. The weakness is that most stakeholders do not know the results of the examination or audit.

Stakeholder Involvement in Budget Decision Making. The interview above explains that every planning always involves the BPD, LPM and the community. The various research findings above illustrate that the involvement of stakeholders in budget

decision making has been carried out, each planning stage always involves the BPD Institution, LPM and the community. The weakness is that the community's involvement is only in the form of giving ideas and suggestions related to the needs in each hamlet, but the stages of determining them are no longer involved.

DISCUSSION

Access stakeholders in budget accountability reports

The research findings illustrate that stakeholder access in the budget accountability report has been carried out in the form of a Transparency Board/Billboard, so that all activities and their budgets can be seen by stakeholders. The weakness is that if there is a change in activities and budgets, then stakeholders do not have access to these changes.

The information gap could be due to the non-delivery of written accountability reports to be one of the factors causing differences in perceptions between stakeholders [7]. Accountable budget management is needed both in terms of physical and program management [2].

Public access to budget transparency can be done in the form of 1) openness in the budget framework (budgeting process); 2) announcement of every budget policy; 3) publication of the results of the budget report (which has been audited by the authorized institution); 4) the existence of good budget documentation containing several fiscal indications; and 5) disclosure of information about actual spending [10].

Independent audit involvement in budget transparency

The research findings illustrate that the involvement of an independent audit in budget transparency has been implemented. The audit was carried out by the Regency Inspectorate regarding finances and accountability reports for all activities that had been carried out. The

weakness is that most stakeholders do not know the results of the examination or audit.

The information gap could be due to the non-delivery of written accountability reports to be one of the factors causing differences in perceptions between stakeholders [7].

There is a need for planning, implementing and making accountability in accordance with the activities carried out accompanied by valid evidence [8]. An independent institution will carry out its audit and control functions in the event of irregularities in financial management [8]. Financial management must demonstrate accountable and transparent implementation [2].

Financial management requires an independent and effective audit, a statistical office with quality data accuracy and an early warning system in case of poor execution or budget decisions [10].

Stakeholder involvement in budget decision making

The research findings illustrate that the involvement of stakeholders in budget decision making has been carried out, each planning stage always involves the BPD, LPM and the community. The weakness is that the community's involvement is only in the form of giving ideas and suggestions related to the needs in each hamlet, but the stages of determining them are no longer involved.

It is necessary to have planning, implementation and accountability in accordance with the activities carried out accompanied by valid evidence [8].

In financial management, there needs to be community involvement in budget decision making, information disclosure during the budget preparation process, as well as opportunities for civil society to participate in the budgeting process [10].

CONCLUSIONS AND SUGGESTIONS

Conclusion

From the results of the study, conclusions were obtained, as follows:

Stakeholder Perceptions on Transparency of Village Fund Management in Toto Selatan
Village, Kabila District, Bone Bolango Regency

- Stakeholder access in the budget accountability report has been implemented in the form of a Transparency Board/Billboard, so that all activities and their budgets can be seen by stakeholders. The weakness is that if there is a change in activities and budgets, then stakeholders do not have access to these changes.
- Independent audit involvement in budget transparency has been carried out. The audit was carried out by the Regency Inspectorate regarding finances and accountability reports for all activities that had been carried out. The weakness is that most stakeholders do not know the results of the examination or audit.
- Stakeholder involvement in budget decision making has been carried out, every planning stage always involves the BPD, LPM and the community. The weakness is that the community's involvement is only in the form of giving ideas and suggestions related to the needs in each hamlet, but the stages of determining them are no longer involved.

Suggestion

From the conclusions above, the researcher's suggestions are, as follows:

- As accountability to the public, all village fund management activities from planning to accountability must involve all stakeholders, including if there are changes to activities and budgets.
- The audit findings must be communicated to all stakeholders, so that they are aware of the results of the audit or audit.
- Involving all stakeholders, especially the community, in the stages of managing

village funds, from planning to report on accountability for the use of funds.

- For further researchers, they can develop research related to village funds by examining other indicators such as accountability and participation.

BIBLIOGRAPHY

- [1] Aida, RN, & Rahmawati, E. (2015). The Effect of Intellectual Capital and Its Disclosures on Firm Value: The Intervening Effect of Firm Performance. *Journal of Accounting and Investment*, Vol. 16 No. 2, P. 96-109
- [2] Astuti Puji, Rochmi Widayanti and Ratna Damayanti, 2021. Transparency and Accountability of Village Fund Management in Achieving Good Governance: A Case Study of Cepogo Village, Boyolali Regency. *Maksipreneur Journal: Management, Cooperatives, and Entrepreneurship*. Vol 10 No 2. June 2021
- [3] Ghozali, Imam. And Anis Chariri. 2016, *Accounting Theory*, Diponegoro University Publishing Agency, Semarang
- [4] Indartono, Setyabudi, 2015. *Introduction to Management. Character Inside*. Faculty of Economics. Yogyakarta State University
- [5] Prasetyo, Andhika. 2017. "Rearranging Village Fund Allocation." *Indonesian media*. <http://www.mediaindonesia.com/read/detail/128167-menata-ulang-allocation-dana-desa> (July 27, 2021)
- [6] Grace, Jalaluddin. 2011. *Communication Psychology*, (Bandung: PT Teen Rosdakarya)
- [7] Saputra Komang Ari, Nyoman Trisna Herawati and Made Arie Wahyuni, 2017. Analysis of Internal and External Stakeholders' Perceptions on Transparency and Accountability of Financial Management in Pakraman Sidetapa Village, Banja District, Buleleng Regency, Bali Province (A

- Phenomological Study on Non-Governmental Public Organizations) e-Journal S1 Ak Ganesha University of Education Majoring in Accounting Undergraduate Program (Vol: 7 No: 1 Year 2017)
- [8] Singerin Sarlota, 2016. Stakeholders' Perceptions of Transparency and Accountability of School Financial Management (Case Study at SMA Salahutu District). Scientific Works Concert Proceedings, Vol 2 August 2016. ISSN 2460-5506
- [9] Sugiyono. 2018. Quantitative, Qualitative, and R&D Research Methods. Bandung: Alfabeta
- [10] Widiyanti. Arista, 2017. Accountability and Transparency of Village Fund Allocation (Study in Sumberejo Village and Kandung Village in Wonongan District, Pasuruan Regency). Essay. Maulana Malik Ibrahim State Islamic University (UIN) Malang
- [11] Law No. 32 of 2004 concerning local government
- [12] Law No. 6/2014 on Villages
- [13] Permendes PDTT Number 13 of 2020 concerning Village Fund Priorities
- [14] Permendagri Number 113 of 2014, concerning Village Fund Management
- [15] Permendagri Number 20 of 2018, concerning Village Fund Management