

Village Financial Management Policy In Realizing Good Governance (Case Study of Purwodadi Village, Tegalrejo District, Magelang District)

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Abstract

The Village Government has a strategic role and position in public services and community empowerment. Therefore, to be able to empower the community and carry out service functions, villages must be empowered and empowered in any sector, one of which is managing village finances. This research answers about village financial management policies in realizing good governance. This type of research is empirical juridical research, which examines the legal provisions that apply and what has happened in people's lives. The research results conclude that the affirmative policy of Law Number 6 of 2014 concerning Villages has a positive effect on the effectiveness of village government in Magelang Regency. Where village financial management policies are good in the planning, implementation and accountability processes guided by the principles of financial management that apply the principles of good governance, such as professionalism, accountability, transparency, efficiency, and effectiveness through making regulations and/or policies and acceptable to the whole community, in purpose of achieving the vision and mission of the village "Achieving village harmony to build" independently, independently, independently and self-managed.

Keywords: management, village finance, good governance

Introduction

The Constitution of the Republic of Indonesia Article 18 paragraph (1) Affirms that Indonesia is a Unitary State in the form of a Republic, divided into provinces and the provinces are divided into regencies and cities, each of which has a regional administration, which is regulated by law. In Article 18 paragraph (2) and paragraph (5) of the 1945 Constitution of the Republic of Indonesia states that the Regional Government has the authority to regulate and manage its own Government Affairs according to the Principles of Autonomy and Co-administered Tasks and the regions are given the widest possible autonomy.

The formulation of Article 18 of the 1945 Constitution does not regulate villages. The existence of a village in the 1945 Constitution can be found in Article 18B paragraph (2) which states that; "The state recognizes and respects customary law community units and their traditional rights as long as they are still alive and in accordance with the development of society and the principles of the Unitary State of the Republic of Indonesia, which are regulated

in law". It is hoped that the enactment of Law Number 6 of 2014 and its implementing regulations will further strengthen village autonomy and accelerate development. This Law has mandated Village Governments to be more independent in managing government and various natural resources owned including Village financial management. Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management defines a Village as a Village and a customary Village or what is referred to by another name, hereinafter referred to as a Village, is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected within the system of government of the Unitary State of the Republic of Indonesia.

In practice related to village finances, the enactment of Law Number 6 of 2014 is considered a breath of fresh air for villages in Indonesia. This is because there are 3 features in Law Number 6 of 2014, namely the amount of funds flowing to the village (Article 72); income of the Village Head (Article 66) and authority of the Village Head in managing village finances (Article 75). With the passing of this Law on Villages, each village will receive disbursement of funds from the central government through the APBN of approximately 1 billion per year.

At present there has been a paradigm shift in village financial management. Before the issuance of Law Number 6 of 2014 concerning Villages, the position of the Village was only as a top down development object. The interests and needs of the Village are often not accommodated considering that the flow or process of development in the Village is often dominated by parties who have certain interests. The situation in the village has now changed. In the current conditions, the Village is given the widest possible authority to regulate all needs which are truly real and authentic needs, one of which is managing Village finances. With the condition of an increasingly autonomous village, the village's challenges are even greater.

In this case the problem to be examined is village authority which is more focused on village financial management policies. The reason why the researcher chose the title Village financial management policy in Purwodadi Village, Tegalrejo District, Magelang Regency, is the abundance of original wealth in Purwodadi Village which can be used as a source of village income to improve development and the standard of living of the community, especially in Purwodadi Village; the various economic and educational levels of the community members in Purwodadi Village and the vulnerability to irregularities in the management of wealth owned by the Village. The results showed that legal threats could be a weakness of law in Indonesia¹

The goal to be achieved in this research is to find out the village financial management policies in Purwodadi Village, Tegalrejo District, Magelang Regency according to Law Number 6 of 2014 concerning Villages; Knowing the factors that support and hinder the implementation of village financial management policies in Purwodadi Village, Tegalrejo District, Magelang Regency according to Law Number 6 of 2014 concerning Villages.

Methods

The approach method in this writing is normative juridical, which is an approach that emphasizes the study or legal research of existing literature regarding village financial management policies in Purwodadi Village, Tegalrejo District, Magelang Regency in accordance with Law Number 6 of 2014 concerning Villages. The data obtained were then

¹ Suwadi, P. Ayuningtyas, P.W., Septiningrum, S.Y., Manthovani, R. Legal comparison of the use of telemedicine between Indonesia and the United States. *International Journal of Human Rights in Healthcare*. 2022. P. 26

analyzed in a quantitative descriptive manner, namely the problem solving procedure studied by presenting the data obtained and then analyzed in the form of conclusions

Results and Discussions

Village Financial Management Policy in Purwodadi Village, Tegalrejo District, Magelang Regency according to Law Number 6 of 2014 on Villages.

In Magelang Regency from 2015 to 2020 Village Fund Allocations have been received by 367 Villages in 21 Districts respectively, in 2015 it was Rp. 101.155.122.000,-; in 2016 amounting to Rp. 226,980,301,000 in 2017 amounting to Rp. 289,613,899,000, - in 2018 Rp. 325,360,832,000, -; in 2019 of Rp. 383,071,777,000, - and in 2020 it is Rp. 391,044,109,000.- Related to village income originating from Transfer Funds before there were Village Funds, there was already a Fund Transfer model called Allocation of Village Funds or often abbreviated as ADD. The village fund allocation is a continuation of the 1969 village aid fund provided by the central government in the form of a village development instruction. Subsequent developments, when regional autonomy was implemented, ADD was then allocated through the APBD (Regional Expenditure Budget). In line with the implementation of regional autonomy, further implications are that the district government is obliged to give trust to the village government as an autonomous village to manage the budget for an activity in accordance with its main tasks and functions, with the hope that community independence will be created while preserving the existing values of mutual cooperation in society.²

The financial management of the Magelang Regency area is physically regulated in the Magelang Regency Regional Regulation Number 7 of 2008 concerning Principles of Regional Financial Management. Magelang Regency Regional Finance is managed in accordance with the provisions of Law Number 17 of 2003 concerning State Finances, Law Number 1 of 2004 concerning the State Treasury, Government Regulation Number 58 of 2005 concerning Regional Financial Management, Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management, as well as other relevant laws and regulations. Regional Financial Management of Magelang Regency is physically regulated in the Regional Regulation of Magelang Regency Number 7 of 2008 concerning Principles of Regional Financial Management (RPJMD of Magelang Regency 2020-2025). The Regional Financial Administration of Magelang Regency has been regulated separately in the Regional Financial Management System and Procedures through Regent Regulation Number 50 of 2015. In carrying out its functions, the Magelang Regency Regional Financial and Asset Management Revenue Agency is guided by the Vision and Mission set by the Regional Head and Deputy Head The selected areas, which are described in the Regional Medium Term Development Plan (RPJMD) of Magelang Regency.

Related to the authority to manage Village funds regulated in article 71 paragraph (1) of Law Number 6 of 2014 concerning Villages, such as all Village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of Village rights and obligations.³ Article 71 paragraph (2) Rights and obligations to generate income, spending, financing and Village Financial Management.⁴ The village financial management cycle includes planning, implementation, administration,

² Solekhan. Moch, *Penyelenggaraan Pemerintahan Desa*, Setara Press, Malang, 2012, hlm. 79

³ Pasal 71 ayat 1 Undang-Undang Nomor 6 Tahun 2014 Tentang Desa

⁴ *Ibid*

reporting and accountability, with a periodization of 1 (one) budget, starting from 1 January to 31 December.

With that in mind, in the 2020-2025 RPJMD of Magelang Regency, the Vision is set as follows: "The Realization of an Increasingly Prosperous (Prosperous, Advanced and Trustworthy) Magelang Regency". *Semanah* referred to here has the same meaning as "one heart", intended to establish togetherness in Magelang Regency between and among local government leaders and their staff and all components of society to create a Magelang Regency that is increasingly Prosperous, Advanced and Trustworthy.

Village financial management basically follows the pattern of regional financial management where the Village Head is the holder of village financial management authority. Village income, spending and financing must be determined in the Village Revenue and Expenditure Budget (APB) stipulated in village regulations by the Village Head together with the Village Consultative Body (BPD). Accountability for the use and management of village finances is the responsibility of the Village Head to be conveyed to:

- a. Regent/Mayor at the end of each fiscal year submitted through the Camat,
- b. Village Consultative Council at the end of each fiscal year, and
- c. Communities in village meetings.

Based on the Village Law, there are 4 (four) sources of financing that are managed by the village treasury, where Purwodadi Village also manages these financial sources, namely sources of financing from the Center, sources of financing from the Regions, both Regencies and Provinces; sources of financing that come from village businesses and other sources of financing.

Implementation of Village Fund Allocation (ADD)

Implementation of activities whose funding comes from ADD is fully carried out by the Village Implementation Team. The implementation of the ADD program requires openness from the Village Implementation Team to the entire community. One of the concrete manifestations of the Village Implementation Team in Purwodadi Village, Tegalrejo District, Magelang Regency in supporting information on the ADD program is by installing an information board which is an attempt by the village government to implement the principle of transparency in ADD management. Accountability for the implementation of the ADD program to the top level of government is carried out through a periodic reporting system.

Accountability of Village Fund Allocation (ADD)

The accountability of ADD in Purwodadi Village, Tegalrejo District, Magelang Regency is integrated with the accountability of the APBDes. The accountability system for the implementation of ADD in Purwodadi Village has implemented the principles of accountability and accountability for the administration of ADD finances properly, namely that every expenditure originating from ADD must be accompanied by evidence. This is supported by implementation in the field which shows that all the money that has been spent has been accounted for physically and also financially administratively. As for the accountability of ADD from the physical side of the village, it can be said that it is good and has been completed. In implementing the accountability of ADD funds, the Village Head submits an accountability report on the implementation of the Village APBDes with Village Regulations to the District Head at the end of each fiscal year. The accountability report on the realization of APBDesa implementation consists of income, spending, and financing, supervisory development relationships carried out by the provincial and district/city governments. The provincial

government is obliged to foster and supervise the provision and distribution of Village Funds, Village Fund Allocations and Regional Tax and Retribution Revenue Sharing from Districts/Cities to Villages.

Interestingly, in this accountability stage, the provisions in Article 40 paragraph (1) and paragraph (2) of Permendagri Number 113 of 2014 state that realization reports and accountability reports are informed to the public in writing on bulletin boards, community radio and so on. This is in accordance with the principles of village financial management, namely transparency and accountability. Accountability reports are set out in the form of Village Regulations.

Supervision of Village Fund Allocation

Supervision of ADD funds and the implementation of activities is carried out functionally, inherently and operationally by the Magelang District Inspectorate, the ADD Assistance Team, and implemented by the community through the Village Consultative Body (BPD). Supervision of ADD management in Purwodadi Village, Tegalrejo District, Magelang Regency has been going well. Accountability for the management of Village Fund Allocations in Tegalrejo District is already based on the principles of transparency and accountability.

Inhibiting Factors in the Implementation of Village Financial Management policies in Purwodadi Village, Tegalrejo District, Magelang Regency according to Law Number 6 of 2014 concerning Villages.

The inhibiting factors in implementing village financial management policies in Purwodadi Village, Tegalrejo District, Magelang Regency include among others :

- a) There is no standard price unit for goods/services which is used as a reference for villages in preparing the Village APBDes;
- b) The village budget management cycle time frame is not complied with by the village;
- c) In fostering and supervising the management of village funds related to the limited number of vehicles for the team for fostering and supervising the management of village funds to carry out direct monitoring in the field.
- d) The public complaint channel is not optimal for reporting the performance of mal-administered village officials.
- e) Potential problems in human resources, potential for corruption by assistant staff due to weaknesses in village officials.

From the various problems above, several steps must be taken by all stakeholders so that village development is realized. Village assistance needs to be considered, especially in terms of the quality of its human resources, supervision and in-depth evaluation so that village assistants are able to encourage villages to carry out development properly.

Conclusion

Village financial management policies in Purwodadi Village, Tegalrejo District, Magelang Regency in the framework of realizing good governance are carried out in several stages, namely the planning stage by applying the principles of participation and transparency. This is evidenced by the presence of the community who are very enthusiastic in village forums, where village meetings are open to accepting all suggestions from the community present for the implementation of village financial management and development. The implementation stage of the village fund program has implemented the principle of transparency with clear information regarding the use of village funds and accountability

because the physical and administrative accountability has been completed and complete. The village fund accountability stage both technically and administratively is good, but must still receive or be given guidance from the District government.

The suggestion from this study is that it is necessary to form more technical guidelines related to the format of village financial management policies from planning to accountability reports so that it is easier for the village government to develop plans to implement village programs and be able to carry out village financial management policies in an accountable, transparent manner. And participatory.

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