

## Implementation of Good Governance Policy in Village Financial Management

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ARTICLE INFO	ABSTRACT
<p>Keywords: Policy Implementation, Good Governance, Village Finance, Siskeudes.</p>	<p>The description of the execution of village financial management and the adoption of the principles of good governance is the goal of this study. The location of the research is at Wanguk Village, which is located in the Anjatan District of the Indramayu Regency. The research approach utilized in this investigation is known as qualitative descriptive research. According to the findings, village financial management consisted of the following five stages: planning in accordance with the medium-term work plan and the work plan of the village government; budgeting, the output of which was in the form of village income and expenditure budgets; implementation and administration; reporting that was submitted to the regent every semester; and good accountability to the community and the district head at the end of each fiscal year. Regarding the application of good governance in the administration of village finances in Wanguk Village, viewed from the perspectives of accountability, transparency, and responsiveness, while it has been operating, it is not yet functioning at its full potential.</p>
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### INTRODUCTION

Villages are given authority not only as objects of development but also as subjects of development, as stated in Government Regulation of the Republic of Indonesia Number 43 of 2015 concerning Regulations for Implementing Law Number 6 of 2014 concerning Villages. This regulation specifies that villages are given authority to develop themselves. According to Kambey (2017), a village is a legal community unit that has geographical limits and the authority to regulate government issues as well as the interests of the local community based on community initiatives. A village also has a population that is authorized to manage government matters. According to Lesmana (2017), the government of a village is a subsystem of the administrative system of the government. As a result, villages have the authority to control the interests of their community. According to Sumeru (2016), a village is defined as a cohesive legal territory in which a community resides and has the authority to govern itself.

The implementation of government affairs and the interests of the local community within the framework of the Government of the Republic of Indonesia is referred to as Village Administration. According to Awang (2010), village governance was historically constructed by village communities by electing multiple community members who were trusted to manage, serve, and safeguard various elements of their lives. This election process took place over a period of time. According to Tindi (2015), the organizational structure of the village government is comprised of the Village Head, the Village Secretary, and additional apparatus comprising technical implementers in the field and regional elements whose number is adjusted to local socio-cultural

demands and conditions. The Village Head is the most senior member of the village government. The Village Secretary is the next most senior member.

According to Sajagbati (2015), the establishment of a village administration is anticipated to facilitate the community's participation in the utilization of available resources to advance the welfare of the community, hence fostering enhanced autonomy and volume. The actualization of its execution takes the shape of a governmental structure that, among other things, controls the long-term development plans, village laws and regulations, and sources of financing for development. In order for the village administration to be successful in accomplishing these objectives, it is essential that they give careful consideration to the practice of good governance, also referred to as good governance (Dungga, 2020).

There are still many village administration finances that do not adhere to the principles of good governance or good governance, which is one of the problems that occur. Accountability, responsiveness, and transparency are one of them (Nubatonis et al., 2015). In order to achieve good village financial management, the principle of accountability must be considered, namely the obligation of individuals or authorities entrusted with managing village finances and those concerned with them to be able to answer questions regarding fiscal, managerial, and program accountability. (Pamungkas & Rosyanfikri, 2021).

The responsiveness of financial management refers to the village government's responsiveness to stakeholders, in this instance the needs of the community, which must be supported by an adequate and proportional budget. Weak accountability, transparency, and responsiveness in administering village finances can lead to financial management irregularities. Behind the large amount of funds managed by the village and the hope of achieving equal distribution of village development are concerns that are no less significant. The unpreparedness of Human Resources will result in non-transparent fund management.

The existence of irregularities in village financial management increasingly reflects the importance of good governance in village governance. A governance that puts forward the principles of accountability, transparency and responsiveness. Financial management in any organization with a good governance approach has been proven to have a positive effect on governance (Wibowo & Afriyani, 2021). With the increasing level of public knowledge accompanied by easy access to information, the community is aggressively demanding that the government carry out good governance or what is called good governance (Mardiasmo, 2021). Public expectations of good governance are natural and should be met, because several scientific studies show that many economic crises are caused by bad governance and bureaucracy (Yaumi, 2021).

A number of earlier studies that have been carried out show a variety of analyses of the use of sound governance in the administration of financial matters pertaining to villages. According to Wida et al. (2017), the financial administration of the village was in compliance with procedures during the design and implementation stages. These processes included transparency and accountability. However, the components of supervision and accountability did not go as planned. According to Lili (2018), the management of the APBD based on Permendagri Number 20 of 2018 has problems during the planning stage, establishing the RPJM and APBD, however the phases of administration, reporting, and accountability are adequate. According to Yatminiwati (2019), the adoption of the principles of good governance in the management of village budgets was carried out pretty successfully by the village government. This was noted in the article.

This study was carried out in Wanguk Village, which is located in the Anjatan District of the Indramayu Regency. The primary objective of this research was to investigate how the village administration applies the concepts of good governance to the process of managing the community's finances. Given the importance of putting the principles of good governance into practice when it comes to the management of village finances, researchers are interested in learning about and analyzing planning, implementation, administration, reporting, and accountability.

## METHODS

This type of research is qualitative. This research was conducted with a descriptive approach. This qualitative research is used to describe the implementation of good governance in the management of village income and expenditure budgets. This study uses primary data and secondary data. Primary data sources include interviews with village officials and community elements or residents of Wanguk Village, Anjatan District, Indramayu Regency. The secondary data used are written sources related to the management and use of village finances such as activity documents, reports, laws and regulations and other sources that provide an explanation of the problems studied. The data analysis technique uses an interactive model of analysis developed by Miles & Huberman (1992) which consists of three stages, namely data reduction, data display, and concluding drawing.

## RESULTS AND DISCUSSION

### 1. Village Financial Management

In accordance with Minister of Home Affairs Regulation (Permendagri) number 113 of 2014, village financial management consists of planning, budgeting, implementation, reporting, and accountability, according to the results of interviews and documentation conducted in the Wanguk Anjatan District of the Indramayu Regency. The village government of Pepe is also attempting to apply the principles of good governance to the financial management of the village, although its implementation is not optimal. The research findings and discussion are as detailed below:

#### a) Planning

Prior to implementation, the RPJM (Medium Term Development Plan) and RKP (Government Work Plan) are incorporated into the planning for village financial administration. This is intended to ensure that village financial management is planned and purposeful. In addition, it is essential to conduct community consultations in order to ascertain the community's requirements and aspirations. In this activity, RT, RW, and community leaders assisted in facilitating and collecting community aspirations. Thus, village financial management planning can be more targeted and in line with the actual requirements of the community. The community's active participation is required to construct a more developed and sophisticated village. Community consultation activities are an effective means of obtaining community input and fostering a strong relationship between the village administration and its residents.

The village administration, the Village Consultative Body (BPD), and all other stakeholders must collaborate to establish effective financial planning for the village. This can be accomplished through joint meetings to modify the RAPBDes (Village Revenue and Expenditure Budget Plan) to the RPJM (Medium-Term Development Plan) and RKP (Government Work Plan). During the meeting, each stakeholder can provide input and opinions regarding the community's requirements

and aspirations. After engaging in productive discussions and consultations, village financial planning that is well-organized and on target can be developed collectively. With the participation of all stakeholders in village financial planning, decisions can be more precise and in line with the actual requirements of the community. Moreover, with transparency in the compilation of the RAPBDes, the community is able to understand the allocation of the village budget and the planned activities. To achieve the aim of developing a better and more developed village, the community must actively participate in decision-making in this instance.

b) Budgeting

In order for village financial management planning to work properly and effectively, the total budget originating from Village Original Income (PAD), Village Fund Allocation (ADD), Provincial APBD, and APBN must be budgeted according to the priority scale agreed in the APBDes (Budget Village Income and Expenditures). Priorities in the APBDes can be determined through joint meetings between the village government, BPD, and all other stakeholders. After the priorities have been determined, the budget can be allocated proportionally to the agreed upon activities. Thus, planning for village financial management can proceed according to plans and budgets that have been mutually agreed upon.

The village government and BPD often hold community meetings to listen to the aspirations and needs of the community in each RW regarding development in various fields, such as physical and social economics. Each RW is expected to be able to provide suggestions according to the needs of the community and try to use a priority scale to determine the most important and urgent activities to be carried out first. After that, these proposals can be adjusted to the existing funds and budgeted in the APBDes. In preparing the APBDes, the activity priorities that have been determined will become the basis for allocating funds, so that the most urgent and important activities will receive greater budget priority.

c) Implementation

In managing village finances, it is currently carried out through the Siskeudes application. This application can facilitate the village government in carrying out administration related to the preparation of the Expenditure Budget Plan (RAB), submission of Payment Request Letters (SPP), payments, and work on activity auxiliary cash books. By following what has been stated in the application, village financial management can be carried out more effectively, efficiently and accurately.

In addition, the use of the Siskeudes application also allows the village government to monitor the implementation of activities in real-time, so that it can ensure that the use of the village budget is carried out on target and according to plan. In this case, the village government can also provide more accurate and transparent information to the community regarding village financial management. Therefore, the use of the Siskeudes application is very important in managing village finances, especially to ensure that village financial management runs well and is under control.

d) Reporting

Village financial reporting carried out through the Siskeudes application is usually carried out in stages, depending on the reporting schedule set by the local government. Each stage of reporting must be submitted to the regent or head of the relevant agency every semester or in accordance

with applicable regulations. Before the next stage of disbursement, the village government must complete the previous stage's financial reports first. This is done so that village financial management can be carried out in a transparent and accountable manner, and can minimize irregularities or errors in managing the village budget.

In village financial reporting, all activities that have been carried out and the budget that has been used must be disclosed in detail and transparent. This aims to provide clear and accurate information to the regent or head of the relevant agency regarding the use of the village budget. In addition, village financial reporting can also be used as an evaluation and monitoring tool for local governments in managing the village budget.

e) Accountability

Village financial management must refer to applicable laws and apply the principles of transparency and accountability. One way to ensure this is to carry out periodic financial reports accompanied by strict audits. In general, financial reports prepared by the treasurer will be supervised by several parties to ensure the correctness and validity of the data. First, the report will be checked first by the village head or local financial staff to ensure there are no errors in the books. After that, the report will be submitted to the district for further checking and verification.

After passing through the verification stage in the sub-district, the village's financial reports will then be checked again by the expectorate which is the Oversight Body from the district. At this stage, reports will be examined in more detail and thoroughly to ensure that there are no irregularities or indications of irregularities in village financial management. After going through all of these audit stages, the village financial reports will be checked again by the Supreme Audit Agency (BPK) to ensure that the entire village financial management process has been carried out in a transparent and accountable manner and there are no indications of acts of corruption or irregularities.

From the description above, it shows that the financial management of Wanguk Village is carried out in 5 stages. This is in accordance with Domestic Government Regulation (Permendagri) number 113 of 2014 concerning village financial management, so it can be concluded that the financial management activities of Wanguk Village, Anjatan District, Indramayu Regency have carried out according to procedures and legal provisions (rule of law) in Indonesia.

2. Implementation of Good Governance in Village Financial Management

The results of the study show that the financial management of Wanguk Village is in accordance with the principles for implementing good governance, including:

a) Accountability

Wanguk Village financial management has implemented the principle of accountability in every activity carried out. This can be seen from the way the reporting is done. Accountability for the use of the budget is reported transparently by placing banners/billboards at each village point. In this form, the public can know clearly the use of the budget for the activities carried out. In addition, the financial management of Wanguk Village also uses the siskeudes application as a more efficient form of reporting.

In using the siskeudes application, every activity carried out in Wanguk Village is recorded in detail in the application. Starting from submitting tuition fees, payments, to making an activity auxiliary cash book, you can do it through the siskeudes application. This facilitates the financial

reporting process and minimizes the occurrence of errors in recording. The financial reporting process carried out by Wanguk Village does not only reach the sub-district level, but also up to the expectoral level and the BPK (Financial Audit Board). In this stage, every audited financial report will be re-evaluated to ensure its accuracy.

By applying the principle of accountability and using the siskeudes application, Wanguk Village's financial management has proven to be effective and transparent. In addition, the financial reporting process which is carried out in stages also provides assurance that each stage passed has gone through a rigorous evaluation. This provides certainty for the community that the village budget used for activities in Wanguk Village has been used as well as possible.

#### b) Responsiveness

The priority scale system implemented by the Wanguk Village Government in response to community aspirations is expected to improve the quality of development programs in the village. In this priority scale, every proposal that comes from the community is prioritized based on the greatest benefit for the surrounding community. With this priority scale, it is hoped that development policies in the village can be more targeted and in accordance with the needs of the community.

However, even though the priority scale system has been well implemented, the village government still needs to continue to develop a responsive principles system. This responsive system means that the village government must ensure that the aspirations of the incoming community can be responded to quickly and appropriately. This will certainly increase community trust in the village government and also help increase community participation in village development.

In addition, in implementing a priority and responsive scale system, the village government also needs to maintain transparency and accountability in managing village finances. Thus, every program financed by the APBDes must go through a process of evaluation and strict supervision from the community and related agencies, so that the use of village funds can be properly accounted for.

The Wanguk Village Government has taken the right steps by implementing a priority scale system in response to community aspirations. However, keep in mind that a responsive system is also very important in ensuring the success of development programs in the village. Therefore, the village government must continue to develop responsive systems and maintain transparency and accountability in managing village finances.

#### c) Transparency

The Wanguk Village Government strictly applies the principle of transparency in every stage of village financial management. This can be seen from the openness of information provided to the public, nothing is hidden and always involves all levels of society in the process. At the planning stage, village officials together with PBD (RT, RW, and community leaders) have prepared village financial planning through meetings that are open to the public. In addition, in preparing the APBDes, the village government also always refers to the priority scale that has been mutually agreed upon, so that each program implemented has great benefits for the community.

In addition to the planning stage, the principle of transparency is also applied to the reporting and accountability stages. Every activity carried out by village officials is always reported to the



community on a regular basis, either through banners/billboards posted at strategic village points or through village social media. In addition, village officials also prepare financial reports efficiently using the siskeudes application, making it easier to manage and report finances.

The transparency principle applied by the Wanguk Village Government is also evidenced by the involvement of the Regent/Mayor in supervising and controlling village financial management. Every financial report that has been compiled and verified by village officials is also re-checked by authorized agencies such as the sub-district and the inspectorate of the Supervisory Board from the district, even up to the Supreme Audit Agency (BPK).

By applying the principle of transparency, the Wanguk Village government has succeeded in strengthening accountability in managing village finances. In addition, the community can also participate and provide input on policies taken by village officials. This is very important to improve the quality of public services and community welfare in Wanguk Village.

## CONCLUSION

Based on the description above, it can be concluded that village financial management in Wanguk Village, Anjatan District, Indramayu Regency has been carried out in a planned and transparent manner. All stakeholders, starting from village officials, PBD, to the Regent/Mayor, have been involved in the process of planning, reporting and village financial accountability. In addition, the village government also applies the principle of priority scale in responding to community aspirations, which is carried out while taking into account the availability of funds and the benefits that will be obtained by the community. In reporting village finances, village officials have used the Siskeudes application to simplify and speed up the reporting process, as well as follow the rules and mechanisms set by the government. By applying these principles, it is hoped that village financial management in Wanguk Village can run more efficiently, effectively and accountably, so that it can improve community welfare and village development as a whole.

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