



## Analysis of Village Financial Management in the Village Revenue and Expenditure Budget (APBDesa) Fiscal Year 2021

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### ABSTRACT

This research aims to analyze village financial management in the Village APBDes. The method used is a qualitative method. Data collection methods were carried out by means of observation, interviews and documentation. The results of this research show that Sindangasih Village has not fully implemented the principles of village financial management in the APBDesa based on Minister of Home Affairs Regulation Number 20 of 2018. At the planning stage, the APBDesa was said to be not optimal because the APBDesa was set on March 15 2021, so it became an obstacle for budget submission. At the implementation stage, the implementation of infrastructure is not yet effective because there is still a lot of development that has not been realized. At the administration stage, Sindangasih Village uses the siskeudes application. However, there is a lack of professionalism in preparing village finances using the Siskeudes application. At the reporting and accountability stage, the Sindangasih village government does not report the implementation report for the first semester, it only reports the APBDesa report in the final semester, namely on 31 December 2021. Furthermore, the Sindangasih Village Government carries out APBDesa accountability in accordance with Minister of Home Affairs Regulation Number 20 of 2018 concerning accountability reports for the realization of the Village APBD and APBDesa realization report and informed to the public through information media

## **INTRODUCTION**

Currently, development policies tend to be concentrated in urban areas, resulting in extraordinary inequality between cities and villages. Economic growth in urban areas has created an extraordinary magnet for rural communities to seek a good living in the city. Potential village workers who are expected to be the motor of village development prefer to look for a life in the city which they feel is better. As a result, apart from lacking financial resources, villages also lack human resources. This condition further slows down development so that villages become synonymous with poor infrastructure, minimal education and health facilities, poverty and various other social problems.

To address this problem, the government issued Law Number 6 of 2014 concerning Villages. Article 72 Law Number 6 of 2014 clearly states that one of the sources of village income is allocation from the State Revenue and Expenditure Budget (APBN). This means that the government has an obligation to specifically allocate funds from the APBN for villages, namely the Village Revenue and Expenditure Budget. Not only that, the government issued Minister of Home Affairs Regulation No. 20 of 2018 concerning Village Finance. Government administrators in managing village finances must be based on transparency, accountability, participation, and be carried out in an orderly and budgetary manner in carrying out the Village APBD management stages, namely planning, implementation, administration, reporting and accountability. To support the implementation of village development, certainty of costs is needed from various government, private and community sources. APBDesa is an important instrument that really determines the realization of good government at the village level. Good government is measured, among other things, by the process of preparing and accountability of the Village APBD. A good Village APBD will encourage broad citizen participation in the development planning and budgeting process.

Village financial management has not been free from problems, in fact quite a few village financial managers have been caught up in legal cases. Based on the SuaraBogor.id website, the former Village Head in Sindangasih Village, Karangtengah District, Cianjur Regency is suspected of being involved in a case of misuse of Village funds during the 2017-2018 period. This was proven by Cianjur Police Chief AKBP Mochammad Rifai when holding a press release at Cianjur Police Headquarters on Monday, 07/06/2021. In this case it is very unfortunate because Village Funds in the form of BUMDes Funds are not used properly. But instead it was used for his own personal needs. And this results in village activities being less than optimal, as is the case in managing the Village APBD in 2021. The Sindangasih Village Government, Karangtengah District, Cianjur Regency is a region that has implemented the principles of regional autonomy by trying to optimize village potential by managing the Village APBD. One way to optimize Village APBD management is by paying attention to the principles of village financial management itself.

Based on the results of interviews, observations and documentation attached to the Village Revenue and Expenditure Budget (APBDesa) for the 2021 Fiscal Year, Sindangasih Village, Karangtengah District, Cianjur Regency was determined on March 15 2021 which should be based on Minister of Home Affairs Regulation Number 20 of 2018. The Village APBD was determined no later than December 31 of the previous fiscal year. . Judging from this phenomenon, the target time for determining the Village APBD is not in accordance with existing regulations and causes delays in the disbursement of the village budget and late implementation of activities in the village. Based on the results of interviews, observations and documentation, it can be seen that in 2021 there will be a SiLPA (excess budget financing) amounting to IDR 207,255,900,- which is the realized difference between village income and expenditure. SiLPA originates from the unrealized area of village development. This reflects that program accountability is related to verifying whether the stated objectives have been achieved or have not been properly implemented, and with regard to the implementation of activities in the village development implementation area, there are activities that have not been realized.

According to Lilit Devi Indrawati, Finance Manager, Sindangashi Village Government. Although he was not able to prepare and manage his APBDesa, he used the Siskeudes application, a system provided by the government to manage his APBDesa, to assist other villages in preparing their APBDesa said that it was done. This creates hurdles in preparing the APBDesa report and hence the Sindangashi village government needs qualified personnel in the area.

## **LITERATURE REVIEW**

### **Village Financial Management**

The definition of village finances according to Article 71, Paragraph 1 of Law No. 6 of 2014 on Village Finances is that village finances include all rights and obligations of the village that can be evaluated in money and everything included in property. Thing forms of money and goods related to the fulfillment of rights and obligations; village. Village financial management includes all activities related to village finances, including planning, implementation, management, reporting, and accountability (Decree No. 20 of 2018, Article 1, Clause 6 on Village Financial Management).

According to the Ministry of Interior Regulation No. 20 of 2018, the financial management of the village is managed based on the following principles: Transparency, accountability, participation and proper budget execution. Transparency means the management of funds is not secret or hidden from the public, and is carried out in accordance with applicable laws and regulations.

The principle of transparency is necessary for the rights of village communities to be enforced and conflicts to be prevented. Transparency allows authorities to supervise the village's finances (Mardiasmo, 2009: 18). Permendagri No. 20 of 2018 on village financial management calls on the village administration to be transparent with the community in planning and management until the implementation of the village's APBD. Accountability is the obligation to provide explanation to parties who have the right and/or

authority to demand accountability in the form of reports or to account for the performance or actions of individuals or heads of organizational units; Principles apply.

All village financial management activities must be accountable to the village community in accordance with legal requirements, ensuring efficiency, effectiveness and reliability in village financial reporting covering activities from planning to realization or implementation. Important to ensure value. Therefore, the public and regulators must be held accountable and have legal implications. Government executives will therefore seek to apply the concept of accountability to governance, including financial management (Mardiasmo, 2009). The principle of accountability creates an effective monitoring system based on the distribution and balance of power.

Accountability is a principle of responsibility, meaning that the budgeting process, which begins with planning, preparation, and implementation, must be truly reportable and accountable. The principle of accountability creates an effective monitoring system based on the distribution and balance of power.

Accountability is a principle of responsibility, meaning that the budgeting process, which begins with planning, preparation, and implementation, must be truly reportable and accountable. The implementation of village government is participatory and includes elements of village institutions and village society. Community elements include traditional leaders, religious leaders, community leaders, educational leaders, representatives of farmer groups, fishermen groups, craftsmen groups, poor community groups and women's groups (Law Number 6 of 2014 concerning Villages). Community involvement in decision making, both directly and indirectly, in order to channel aspirations is very important. When linked to the Village APBD, community participation in planning and in channeling aspirations is very important, in order to design development that will be carried out to improve the village economy. If the community is not involved in this deliberation then development in a village will not be planned as it should be. Orderly and disciplined budgets seen from the Village Head and Village Apparatus related to the financial reporting system must have quality resources for good village financial management. These quality resources must be supported by an educational background in accounting, frequent education, and have experience in the financial sector. Related resources can save time in preparing financial reports. This is because human resources already know and understand what will be done well so that the presentation of financial reports can be done on time (Sembiring, 2013). Quality human resources are needed to manage village finances, including accountability. If village officials are professional, then management will be implemented well.

## **Village Revenue and Expenditure Budget**

According to Minister of Home Affairs Regulation Number 20 of 2018, the Village Income and Expenditure Budget is defined as follows: it is the duty of Village management holders to inform the public and government about all Village activities, including the management of Village funds and their implementation in the form of program plans. financed by Village funds. In the Village APBD containing income, shopping and financing. The components in the budget.

### **1. Income**

Village Income as referred to in Article 9 paragraph (1) letter a, namely all Village revenues in 1 (one) budget year which are the Village's rights and do not need to be returned by the Village (Permendagri Number 20 of 2018). Income consists of groups: Village original income, transfers, other income groups.

### **2. Village Shopping**

Village Expenditures as referred to in Article 9 paragraph (1) letter b, namely all expenditure which is the Village's obligation in 1 (one) budget year for which the Village will not receive repayment (Permendagri Number 20 of 2018). Village Expenditure Classification consists of: Implementation of village government, implementation of village development, development of village community.

### **3. Financing**

Village Financing as referred to in Article 9 paragraph (1) letter c constitutes all receipts that need to be repaid and/or expenditure that will be received back, both in the relevant budget year and in the following budget year. (Permendagri Number 20 of 2018). Financing consists of groups: Financing receipts, financing expenditures, debt payments.

## **METHODOLOGY**

To conduct this research, qualitative research was used. Because the data collection technique is triangulation in nature, triangulation is defined as a data collection technique that combines various existing data collection techniques and data sources. Researchers use a naturalistic type of research, because naturalistic methods are used to research in natural places, and research does not make treatments, because researchers in collecting data are emic, namely based on the views of the data source, not the views of the researcher.

This research uses two data sources, namely primary data and secondary data. In this research, the primary data used by researchers is data from observations, documentation and interviews with sources related to the management of the Village Revenue and Expenditure Budget (APBDesa) to the parties who manage the Village APBDes, namely the Village Head, Head of Finance and the Sindangasih Village Community. In this research, researchers used secondary data such as the Village Revenue and Expenditure Budget (APBDesa), and documents.

Data collection methods use observation, interview and documentation techniques. The technique used in this research is participatory observation by participating in observations of the objects studied with the aim of obtaining objective information about the information researched by researchers regarding Village Financial Management in the Village Revenue and Expenditure Budget (APBDesa).

In this research the researcher asks questions to the resource person or respondent, the researcher speaks directly to the respondent. The sources in this research are within the scope of the Village government. In this research, the documents used are documents in the form of soft files, photos and other archives related to the management of the Village Revenue and Expenditure Budget (APBDesa) research steps in conducting research data analysis, namely: Data reduction , Presentation of data, and drawing conclusions. The analysis model used in this research is SOAR Analysis.

## **RESULT AND DISCUSSION**

Analysis of research data using descriptive analysis methods obtained through data collection techniques. The data collection technique was carried out using triangulation, namely a combination of observation, in-depth interviews and documentation. Then, the data was analyzed using the description, data reduction and data presentation stages. Type observation used is participatory observation, where the researcher comes to the research location. Apart from observation, data collection is also used by interviews. Method this is done for researchers know hal-hal Which more in depth from respondents/informants.

### **Planning**

Planning is the process of deciding what needs to be done in the future, predicting revenue and expenses, setting objectives, and figuring out the steps involved in achieving them. A strategic stage plan is required for village financial planning. A Village Medium Term Development Plan (RPJMDesa), which outlines the direction of Village development policies, Village development strategies, and Village work programs with reference to the Medium Term Development Plan, is created by the Sindangasih Village government as the first step in planning Village financial management. The government of Sindangasih Village, Karangtengah District, Cianjur Regency, prepared the regional government (RPJMDesa) to serve as a fundamental point of reference for development. Mr. Epul Saepulloh, the Head of Sindangasih Village, stated this as follows:

The Sindangasih Village Revenue and Expenditure Budget planning process is a lengthy one that begins with the creation of a term-based village development plan. The Village Annual Development Plan, also known as the Village Government Work Plan (RKPDesa), is an extension of the Village Medium Term Development Plan (RPJMDesa) for a period of one year. From the new RKPDesa, we create what is known as the APBDesa. The first is the Village Medium Term Development Plan (RPJMDesa), which is valid for six years. After then, a one-year financial plan may be adopted directly from the APBDesa.

Through community elements or figures from around the Sindangasih, the whole community provided input for the compilation of the RPJMDesa. "So that the input or proposals for problems in Sindangasih village are summarized through the musrengbangdes (village development planning meeting) from the musrengbangdes itself, then processed again and all important priorities are determined, then development can be carried out." (Mr. Epul Saepuloh: Head of Sindangasih Village)

The Sindangasih Village Revenue and Expenditure Budget (APBDesa) contains Village income and expenditure to be used as a guide for organizing activity programs for one fiscal year. In the pictures or documents above, it can be observed that the stages of planning carried out by the Sindangasih Village Government, Karangtengah District, Cianjur Regency are generally good. Based on the results of field research, it is said that the community's concern and understanding regarding the planning for the preparation of the Village APBD is good, and the village government pays attention to all community aspirations in the development planning that will be carried out. However, in the Village Budget planning for the 2021 fiscal year, Sindangasih Village was determined on March 15 2021, which should be based on Minister of Home Affairs Regulation Number 20 of 2018, APBDesa planning is determined no later than December 31 of the previous budget year. So the planning stage for village financial management in the Sindangasih Village APBD has not been carried out effectively.

### **Implementation**

In Sindangashi Village, the study's subject, the APBD implementation was mostly done in compliance with the rules. Village cash accounts will be used to implement the revenue scheme. In compliance with the Regents Regulations, bank accounts for village funds are established.

The village financial management technical implementer (PTPKD) is responsible for carrying out the activities funded by his APBD in the village. Anybody can be appointed by the village head to the PTPKD as the person with the financial management power for the village. The village headman manages the village finances with PTPKD assistance, in accordance with Regulation No. 20 of the Minister of the Interior of 2018 on Village Financial Management.

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This implementation stage is entirely the responsibility of the Activity Implementation Team (TPK). The community is also involved as part of the activity implementation team, which is the main person responsible for implementing the Village Government work program. Apart from that, community members are also directly involved as workers and are given the freedom to directly supervise the implementation of activities. Community participation is very important in implementing programs carried out by the Village government, one of which is in terms of infrastructure, because after all the community is the main objective in implementing policy directions by the Village Government with the aim of improving the welfare of the Village community. The activity implementation team is responsible for implementing the work program in accordance with what has been prepared in the RKPDesa which is the Village Government's work plan for one year. The activity implementation team is required to make SPPs based on the RAB which has been prepared with reference to the Highest Standards for Cost Standardization of Village Expenditure Activities for the 2021 Fiscal Year.

The prepared SPP will be submitted to the village secretary for confirmation of compliance with the prepared RAB. Eligible SPPs will be verified by the village secretary and submitted to the village chief for approval. Her SPP, approved by the village head, is submitted to the finance director for disbursement of activity funds. Prior to the implementation of village expenditures/disbursements, the activity implementer i.e. departmental head prepares a budget plan (RAB) to apply for funds.

The RAB must first be reviewed by the village secretary and then approved by the village chief. After approval by the village head, the RAB can serve as a basis for taking measures for the implementation of the activity budget. Moreover, using the activity cash book as an accounting tool for village activity implementation, activity implementers are in charge of spending activities that are deducted from the activity budget.

The head of finance records the executive team's budget decision report along with transaction records in the general cash book. After completing the activity program, the activity implementation team submits an accountability report on the implementation of the activities to the finance department.

Asep Saepdin, who was appointed in 2021 to his previous role as Mayor of Hamlet Village, disclosed the following in his PLT for the 2022 Plan: The construction of Gol is currently on hold, but we are concerned that it won't be finished on time because of interference from the central government and the lack of necessary documents. "(Mr. Asep Sepdin) "

From the above problems, the implementation stage has been implemented in accordance with the RAB and also in accordance with the attachment to Minister of Home Affairs Regulation Number 20 of 2018. However, the implementation of infrastructure has not been effective because in its implementation there are still many developments that have not been completed or realized.

### **Administration**

The Head of Finance is responsible for overseeing the financial transactions of the village. Every payment and expense must be entered into a general cash book, tax assistant cash book, and bank book by the head of finance. Launch the Siskeudes application to manage the Finance Department. The Siskeudes application is only accessible by the Village Head, Village Secretary, and Head of Finance. After closing the books at the end of each month, the Head of Finance drafts an accountability report that must be delivered to the Village Head by the 10th of the subsequent month.

The research results show that the Head of Finance is still lacking in order in carrying out administration of village financial management, due to a lack of understanding in inputting into the Siskeudes application. As stated by Mrs. Ririt Devi Indrawati as Head of Finance who organizes village financial management, said that:

"In preparing reports using the Siskeudes application, I myself was not very skilled at inputting. And still studying in other villages or neighboring villages. At this stage of APBDesa implementation, I was less competent in the field of village financial management because my educational background did not match the required skills program. However, I continue to learn how to use this village financial system." (Mrs. Ririt Devi Indrawati)

The research results show that in general, in the administration stage, the use of the siskeudes application is in accordance with Minister of Home Affairs Regulation Number 20 of 2018 concerning village financial management, but in using this application, Sindangasih Village requires competent human resources in their field in managing the application.

### **Reporting**

Report implementation Semester Village APBD First Government Sindangasih Village reported on December 31 2021, based on Minister of Home Affairs Regulation Number 20 of 2021, it should have been reported in the second week of July of the current year.

The results of the research show that Sindangasih Village in submitting its 2021 APBDesa reporting has not been effective and is not in accordance with Permendagri Number 20 of 2018. The Sindangasih Village Government did not report the APBDesa implementation report in the first semester and only reported in the final semester, the APBDesa implementation report and activity realization report were reported on December 31 2021, based on Permendagri Number 20 of 2018, the first semester Village APBD implementation report will be no later than the second week of July of the current year.

### **Accountability**

In responsibility for managing the APBDesa. Sindangasih submits an accountability report for the realization of the APBDesa by establishing Village regulations regarding the accountability report for the realization of the implementation of the 2021 APBDesa. This, as expressed by the Village Secretary, is as follows:

"The accountability report is not only addressed to the BPD and the Regent but to community members. The results in accountability to the community are that we put up an information board on the APBDesa realization report in the form of a banner and we put it up in front of the Sindangasih Village office." (Alvia's mother)

Based on the results of interviews conducted with the information above, the village government's accountability is in accordance with Permendagri Number 20 of 2018 because in the accountability stage Sindangasih Village stipulates village regulations regarding APBDesa realization reports and puts up information boards or banners for APBDesa realization in front of the Village office for public knowledge. especially the people of Sindangasih Village.

## **CONCLUSION**

Based on the research results, it can be concluded that village financial management in the village income and expenditure budget (APBDesa) for the 2021 fiscal year in Sindangasih Village, Karangtengah District, Cianjur Regency is as follows:

Village financial management in Sindangasih Village is generally said to be good, however, on the principle of accountability, the human resources capacity of the Sindangasih Village Government is still lacking in carrying out its work. So, the Sindangasih Village Government needs Human Resources who are competent in their field.

The management of the Village Revenue and Expenditure Budget (APBDesa) in Sindangasih Village is generally said to be good. However, at the planning stage, Sindangasih Village was determined on March 15 2021, which should be based on Permendagri Number 20 of 2018. The Village APBDesa was determined no later than December 31 of the previous fiscal year, thus causing delays in the implementation of the Village APBDes. Apart from that, at the reporting and accountability stage in Sindangasih Village there is a SiLPA (excess budget financing) amounting to Rp. 207,255,900,-. The SiLPA comes from the field of implementing village development which was not realized.

## **RECOMMENDATION**

Based on the research results and conclusions, the researcher provides suggestions, namely:

1. Sindangasih Village should determine and report the Village APBD according to the predetermined time targets. Because if it does not meet the target time, there will be delays in disbursing transfer funds from the Regency, Provincial and Central governments.

2. To improve village financial management, the researcher suggests increasing the ability and knowledge of Village Apparatus in managing village finances in the Village APBDes in accordance with statutory regulations and so that all Village Apparatus have the same understanding regarding the management of the Village APBDes.

3. It is advisable to hold special training for Village Apparatus in terms of managing the Village APBD in accordance with existing regulations so that APBDesan management is carried out in accordance with applicable regulations.

4. In further research, this should be further expanded. Because this research has limitations, including the stages of village fund management, guidance and supervision of Village APBD management, what was studied was only the planning, implementation, administration, reporting and accountability stages at the village level. The period studied is also limited to the 2021 fiscal year period, does not include long-term planning activities or medium-term planning. Apart from that, this research does not discuss the impact of the use of village finances, nor does it discuss the effectiveness and success of village financial management or the use of village funds.

#### **FURTHER STUDY**

This research still has limitations so further research needs to be done research related to the topic Analysis of Village FINancial Management in the Village Revenue And Expenditure Budget (APBDESA) Fiscal Year 2021 this research and add insight to readers.

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