

# Implementation Of Village Financial Management Through SISKEUDES In Pandanrejo Village

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## Abstract

The use of digitalization in the implementation of village government is a necessity that needs to be realized. Moreover, in village financial management, the village financial system or Siskeudes is part of the digitization of village government administration. Unfortunately, its application in the village that is the pilot of the Batu city government's digitization project, namely Pandanrejo village, is still experiencing problems related to the system that is still running offline. This study aims to analyze and describe the implementation of village financial system management and its supporting and inhibiting factors. Descriptive qualitative is used in this type of research. The results of the study found that the implementation of village financial management through the application of siskeudes in Pandanrejo Village was following the provisions which include planning, implementation, administration, reporting, and accountability. However, there are some obstacles at some stages. The planning stage is constrained by the late delivery of the indicative ceiling from the City. There is an administration stage it is explained that this stage is the responsibility of the head of financial affairs, but because the HR of the head of financial affairs of Pandanrejo Village is low, this is the background for the delegation of authority to other staff to act as admins siskeudes. Based on this, it is necessary to develop the human resources of village officials at the administrative level in the context of digital administration. Siskeudes needs to be fully supported by a network that can ensure that the system is always in online condition because the existing conditions in the application field are still offline. although this does not affect the performance of the village, it results in data not being quickly available and making it difficult for the Batu City Government.

**Keywords:** Implementation, Finance, SISKEUDES, Village Government



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## Introduction

In governance practice, the concept of good governance is not new to government agencies in Indonesia. One of its manifestations is in the form of the use of technology or what is commonly called e-government. Where the purpose of using e-government can increase efficiency, effectiveness, transparency, and accountability in the management of public services, especially in village financial management practices (Muttalib, 1982). According to the Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management, village financial management activities include planning, implementing, administering, reporting, and accounting for village finances. Villages are required to be transparent and accountable to village finances (Nurcholis, 2018) As reported from the official website of the Cabinet Secretariat of the Republic of Indonesia on April 16, 2021, that village funds sourced from the State Budget are 72 trillion for 74,953 villages, it is estimated that each village gets a share of 900 million. The receipt of such a large amount of funds forces the village government to be able to take responsibility and manage it following established regulations. The regulation in question is the Regulation of the Minister of Home Affairs Number 20 of 2018 which explains that "*Village finances are managed based on transparent, accountable, participatory principles and are carried out in an orderly and disciplined budget*".

In line with these regulations, the role of supervision is very important for the sustainability of the village fund management process (Atintyasputri and Hapsari, 2019). In addition, strong oversight mechanisms will avoid the practice of Collusion, Corruption, and

Nepotism. Based on data from the Indonesian Corruption Watch (ICW), 44 cases of corruption in the village budget sector were found (Databoks, 2020). Therefore, the implementation of good village financial management is important to do. So that the level of transparency and accountability of village finances can be realized according to the concept of good governance. To realize this, through Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems (SPBE), Circular Letter of the Ministry of Home Affairs Number 143 of 2015 concerning Village Financial Management Applications, and Minister of Home Affairs Regulation Number 20 of 2018, as well as realizing the objectives of e-government. So, the Financial and Development Supervisory Agency (BPKP) with the Ministry of Home Affairs released an application system called Siskeudes in 2015.

The siskeudes application is a village financial system aimed at village government officials to facilitate village financial management from the planning stage to the reporting stage to accountability. The purpose of the application is to supervise accountable and transparent village financial management. This application also provides convenience for village government officials. Designed with the features in the application, Siskeudes is made simple and user-friendly. In addition, this application is equipped with an internal control system feature (Built-in Internal Control). (BPKP, 2018) The application has been implemented by Pandanrejo Village, Bumiaji District, Batu City, East Java Province since 2017. The application of the system in Pandanrejo Village is not difficult. Through the Batu City Government, Pandanrejo Village was appointed as a pilot project for the implementation of services through a digital application so Pandanrejo Village was referred to as a Digital Village. In addition to Digital Villages, Batu Mayor Regulation Number 13 of 2021 concerning Procedures for Sharing and Determining Village Fund Details for the fiscal year 2021, also states that Pandanrejo Village has the status of an Independent Village. This has been proven by the achievement of three indicators of the Building Village Index (IDM) in Pandanrejo Village. For the achievement of these three indicators, Pandanrejo Village is ranked 123rd out of a total of 3,272 independent villages in Indonesia (Kemendes, 2020).

With the various achievements that have been achieved by Pandarejo Village, it is not impossible if there are still obstacles in managing village finances at every stage. The stages in village financial management according to the Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management are, (1) planning (2) implementation (3) administration (4) reporting, and (5) accountability. Based on this background explanation, encourages researchers to conduct research on the implementation of village financial management through the Siskeudes (Village Financial System) application in Pandanrejo Village. This study aims to describe and analyze the implementation of Siskeudes in the financial management of Pandanrejo Village and its supporting and inhibiting factors.

## Literature Review

### a) Village Financial Management

In the Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management defines "Village Financial Management is a whole activity that includes planning, implementing, administering, reporting, and accounting for Village finances". This process is not changed as decision-making that the government will bring to the community (Anderson, 2014). In line with the Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management, according to Rivan and Maksum (2019), financial management is an activity in the form of administrative actions related to activities ranging from the budget planning process, storage, use, recording and supervision of the entry and exit of money or agency funds. The management is actually part of the service to the community, where the results will be a consideration of community satisfaction (Denhart & Denhart, 2003). In addition, Rivan and Maksum (2019) explained that "Village financial

management is a combination of components of activities ranging from planning, implementation, reporting, and financial accountability. This process produces provisions that must be observed and implemented within a predetermined period".

The three definitions above are more or less the same so the researcher concludes, that village financial management is said to be good when the village government itself carries out its management cycle properly, from planning to accountability, and is oriented towards the basic principles of financial management. As a manifestation of the principles of good governance, as well as to support the implementation of the objectives of the village financial system (SISKEUDES), the implementation of village finances is carried out in accordance with the guidelines in the Regulation of the Minister of Home Affairs No. 20 of 2018 concerning Village Financial Management including Transparent is The nature of being open to the community about village finances so that the community knows and gets access to the widest possible information. Accountable is the attitude of accountability towards the village community regarding activities/programs and the final results of the implementation of the village government, including the accountability of village financial management. Participatory is where village institutions and elements of the village community must be involved/included in every village government administration. Orderly and disciplined budgets, namely in managing village finances, must be guided by established regulations. The village secretary serves as the coordinator of the village financial management, while the village apparatus serves as the implementer of budget activities. However, the holder of power in managing village finances is still delegated to the village head.

The Village Budget or APBDes is the basis of village financial management. In this APBDes, there are aspects of income, expenditure, and financing. The village revenue in question is all village revenues in one fiscal year that are the right of the village and do not need to be returned by the village. Meanwhile, village expenditure is all expenses that are the obligations of the village in one fiscal year that will not be repaid by the village. The last yang is financing, which is all receipts that need to be repaid and/or expenses that will be received back, both in the relevant fiscal year and in the next fiscal year. (Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management) According to the Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management, there are five cycles in Village Financial Management which include planning, implementing, administering, reporting, and accountability.

Planning is the planning of village government revenues and expenditures in the relevant fiscal year budgeted in the Village Budget. Implementation is the receipt and expenditure of the Village which is carried out through the Village cash account at a bank appointed by the Regent/Mayor. The administration is to record every receipt and expenditure in the general cash book. Reporting is the task of the village head to submit a report on the first semester of Village Revenue and Expenditure (APBDes) to the Regent/Mayor through the sub-district head. The report submitted is in the form of a combination of all reports from the activity implementation team. Accountability is the duty of the village head to submit an accountability report on the realization of Village Revenue and Expenditure (APBDes) at the end of the fiscal year to the Mayor through the sub-district head.

## **b) Implementation**

In public policy theory, the policy is an important and necessary thing for the government to do for the welfare of society (Parsons, 1995). Policies have been widely developed through models that discuss policy implementation and from some of these models bring a lot of prestige to the ideas and writings of experts. However, from these various models, it certainly has their own policy implementation approach. In this case, the researcher uses a top-down implementation approach. Where the top-down policy implementation approach is a policy decision formed by government officials (central) and the implementation of policies carried

out centrally is carried out by administrators or bureaucrats at the lower level (Agustino, 2006). One of the top-down policy implementation models is Edward III (1980).

He stated 4 variables that affect policy implementation, including (1) Communication, A program that can be implemented properly if it is clear to the implementers. This means that the successful implementation of the policy requires that the implementor knows what to do. What are the goals and objectives of the policy must be transmitted to the target group so as to reduce the wrong implementation. This concerns the process of conveying information, clarity of information, and consistency of information conveyed. (2) Resources, Resource variables are critical to policy implementation. Even if the content of the policy has been clearly communicated, if the implementer lacks the resources to implement it, the implementation will not be effective. Resources can be in the form of human resources or financial resources. There are 4 important components contained in the variables, namely sufficient staff (number and quality), the information needed for decision-making, sufficient authority to carry out duties or responsibilities, and facilities needed in implementation. (3) Disposition, Disposition is a behavior or characteristic possessed by the implementor, such as responsibility, honesty, etc. This is an implementing commitment to the program. The better the disposition of the implementor, the better an implementer will run the policy program well, so that the resulting output becomes effective. (4) Bureaucratic Structure. The bureaucratic structure is a feature, norm, and pattern of recurrent relationships within an executive body that has a potential and tangible relationship with what it has in the implementation of policy.

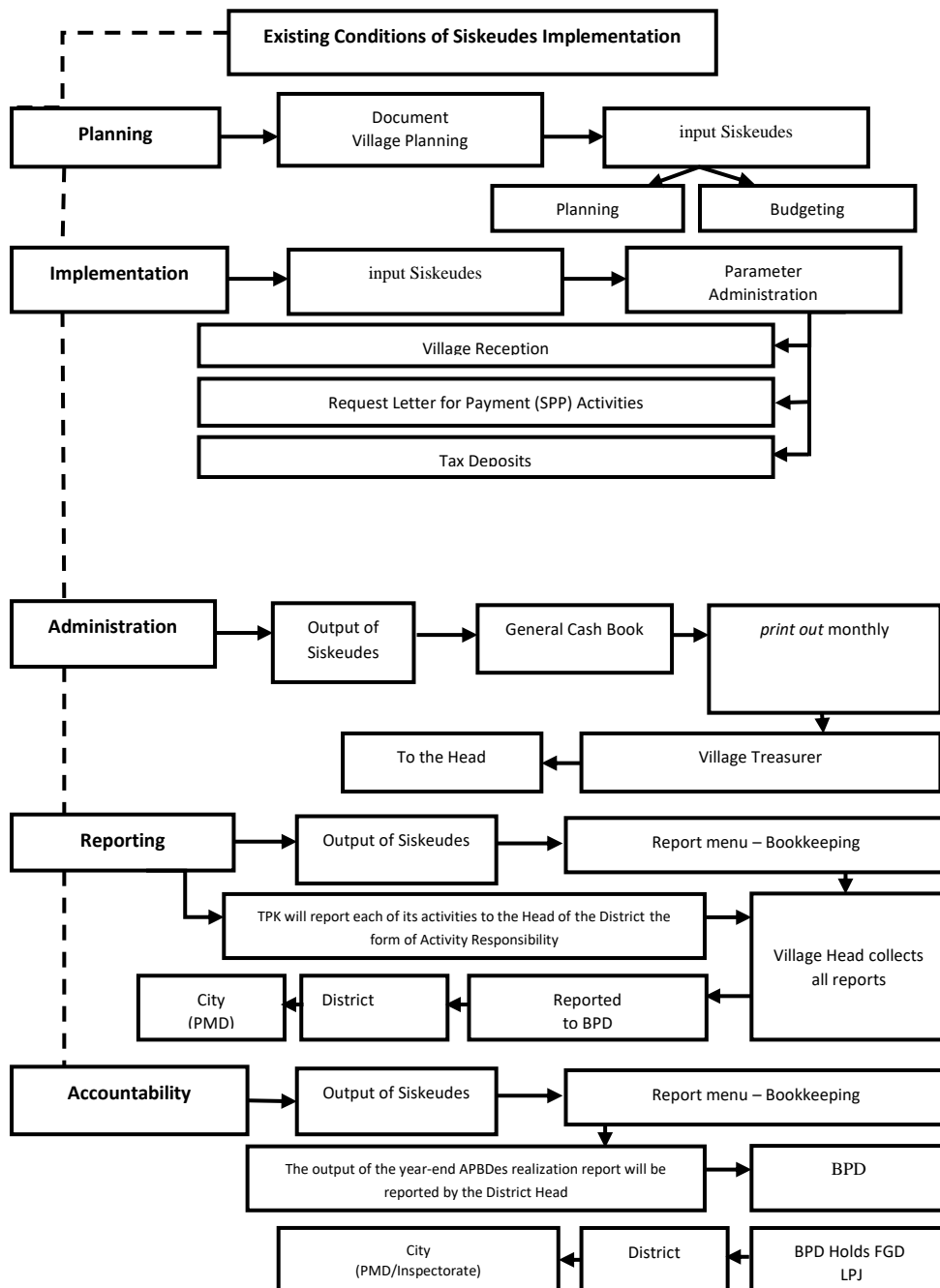
What underlies this variable is how the Standard Operating Procedure (SOP) regulates the flow of work and the implementation of policies. Of the four variables above, communication, resources, dispositions, and bureaucratic structures are interconnected and interrelated variables between one another. So that it becomes an important criterion in the implementation of a policy.

## Method

This research is designed as a type of qualitative descriptive research that is exploratory in nature to reveal various factors related to the Implementation of Village Financial Management through the village finance system. Qualitative descriptive according to Creswell (2014) produces descriptive data in the form of words or spoken from people and observed behaviors. This approach will describe the solution of the problem under investigation by describing and describing the state of the research object at the current condition, based on the facts that appear as they are (existing conditions) (Sugiono, 2019). The existing conditions studied will be formed into a financial management model that will be used as a pattern for analyzing research performance. Furthermore, the model will be analyzed using implementation theory to find its supporters and inhibitors. The object of the study was in Pandanrejo Village, Batu City, East Java. This research was conducted within a period of four months from November 2021 to February 2022.

## Result and Discussion

Based on existing conditions in its management, the village's financial management cycle includes planning, implementation, administration, reporting, and accountability. The five cycles are in one application, namely siskeudes which are directly supervised by the Financial and Development Supervisory Agency (BPKP). In the planning cycle, in the application siskeudes are available on the planning and budgeting parameters. In the implementation cycle, in the application siskeudes are available in the administration parameters. For administration, reporting and accountability cycles:



Source: Author, 2022.

Figure 1. Existing Conditions of Siskeudes Implementation

**a) Planning**

The first stage in the financial management of Pandanrejo Village is the planning stage. This stage aims to plan government financial receipts and expenditures. Where, the documents needed in the process of inputting a siskeudes are RPJMDs, RKPDes, and RAPBDes. The documents are generated through a very long process. Starting from the preparation of RKPDes, village deliberations are carried out. In its preparation, RKPdes refers to RPJMdes. Until the establishment of the RKPdes document, the basis of this RKPdes will be used in the preparation of the APBDes. In the siskeudes application, the menu used is planning and budgeting parameters. In the data, planning parameters were inputted in the form of general village data, vision and mission, and RPJMdes. General village data includes village

head data, village secretary data, and activity implementation data. Vision and mission data includes goals and objectives that are adjusted to the RPJMdes document. And RPJM data includes data that is following the RKP such as indicative fields, activities, and funds. Meanwhile, in the budgeting parameters, input is carried out in the form of data on village income, village expenditure, and financing. At this stage, an inhibiting factor was found, namely the slow delivery of indicative ceilings from the city which hindered the process of inputting into siskeudes. This ceiling is needed in apbdes planning to find out what percentage of funds will be obtained by the village.

### **b) Implementation**

The second stage, namely the implementation stage, aims to input the data on receipts and expenses in the village cash account. In the siskeudes application, the menu used is the administration parameter. Broadly speaking, this stage includes inputting village revenue data, both receipts through banks and cash receipts, making SPP activities, and inputting tax deposits. Pandanrejo Village revenue comes from 5 sources, namely ADD, DD, Tax/Levy Revenue Sharing, PAD, and special assistance from provinces and cities. Make SPP Activities before carrying out activities or after carrying out activities. This means in this case there are 2 kinds of SPP, definitive SPP, and panjar SPP. The definitive SPP is used to request payment for the procurement of goods/services, while the SPP is used to request an advance on the implementation of activities. Inputting tax deposits after the village has done village shopping. At the stage of the SPP stage, Pandanrejo Village does not use the Panjar SPP type, only uses the Definitive SPP on the grounds of facilitating reports. In addition, the use of SPP Panjar in Permendagri Number 20 of 2018 is not mentioned, the SPP referred to in Permendagri No. 20 of 2018 leads to Definitive SPP. This means that the use of SPP Panjar is not mandatory. Although it is available in the siskeudes application.

### **c) Administration**

The third stage is the administration stage which aims to record all receipts and expenses. However, in the parameters of siskeudes,, the administration sub-menu is part of the implementation stage (in Regulation of the Minister of Home Affairs Number 20 of 2018). Thus, this stage is the result of input in the administration sub-menu, namely inputting village revenues and SPP activities that will produce outputs in the form of general cash books which include bank helper books, tax helper books, and Banjar helper books. The results of this output will then be reported by the village treasurer every month. This output can be seen in the report menu select the administration sub-menu. At this stage, problems were found in the low human resources of the Village Treasurer in Pandanrejo Village.

In Regulation of the Minister of Home Affairs Number 20 of 2018, at this stage, it is the responsibility of the Village Treasurer. Under such conditions, the duties that should be carried out by the financial head of affairs are assigned/devolved to other staff to operate at this stage. However, the reporting of the General Cash Book to the District Head is carried out by the Village Treasurer.

### **d) Reporting**

The fourth stage in village financial management is reporting activities by the implementers of activities after carrying out activities. The report on the implementation of these activities was collected by the village head, then reported to BPD, and forwarded to the city through the sub-district. Reporting is carried out every semester. In siskeudes, the reporting stage is the same as the administration stage, which is in the form of output produced from the previous stage of input. This siskeudes application produces a wide variety of printable reports. This report can be seen on the report menu select the planning, budgeting, administration, and bookkeeping sub-menu according to the needs of the report to be viewed

or printed. The results of planning reports such as village vision and mission reports etc. The results of budgeting reports such as attachments to the APBDes etc. The results of the reporting statements such as the general cash book etc. The results of bookkeeping reports such as APBDes realization reports, and APBDes realization reports per activity. At this stage, problems were found in the offline-based application system, indeed this did not affect the performance of the village. However, this offline system makes it difficult for the city government, because the data on the offline application, is not quickly available like an online application. But even so, the application does not prevent Pandanrejo Village from reporting promptly. This has been recognized by the Batu City government.

#### e) Accountability

This stage is the final stage, namely the reporting stage of the village head regarding the realization of the implementation of the APBDes at the end of the fiscal year. Before the village chief submits a report to the Mayor. The village head submits an accountability report on the realization of the APBDes to the community through an accountability village deliberation held by BPD, then continues the report to the sub-district and then to the mayor. In siskeudes, this stage is the same as the reporting stage, which is in the form of output produced from the previous stage of input. This stage is an accumulation of the planning, budgeting, and administration stages, which will produce output in the form of APBDes realization reports, etc., which can be seen in the report menu on the bookkeeping sub-menu. This output will later be used as material for the accountability of the village.

#### f) Supervision

This stage is a stage that involves many parties, as it is known that this application is directly supervised by the BPKP. Meanwhile, manual supervision is carried out by APIP as the city-level supervisor, and BPD as the village-level supervisor. The mechanism implemented by APIP Batu City is in the form of field involvement from the beginning of the planning stage to the accountability stage, while the mechanism carried out by BPD is to participate in the evaluation of activities and monitoring activities.

#### Conclusion

Based on the results and discussions that have been explained, it can be concluded that the implementation of village financial management through the siskeudes application in Pandanrejo village is following the stages of Regulation of the Minister of Home Affairs Number 20 of 2018, namely planning, implementation, administration, reporting, and accountability. However, there are some obstacles at some stages. As in the planning stage, there is a delay in delivering indicative ceilings from the city. This is very important for APBDes planning to find out what percentage of funds are obtained by the village. However, the village government usually prepares by using last year's ceiling reference. Then at the administration stage, it was explained that this stage was the responsibility of the head of financial affairs, but because the human resources of Pandanrejo Village were low, this became the background for the delegation of authority to other staff to act as siskeudes admins. Based on this, it is necessary to develop human resources for village officials at the administrative level in the context of digital administration. Siskeudes needs to be fully supported by a network that can ensure that the system is always in online condition because the existing conditions in the application field are still offline. although this did not affect the performance of the village but resulting in data not being quickly available and making it difficult for the City of Batu government. Full digitization of siskeudes is needed to facilitate the communication process between village governments and city governments in ease of access to supervision.

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