

Implementation of Village Fund Management in Acceleration of Development in Sukojadi Village Banyuwangi Regency

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Abstract

This is an example of how the idea of regional autonomy is used by the village government to administer its territory. The government's independent decision to pursue an equitable distribution of development in Indonesia led to the emergence of development in the community. According to Law Number 6 of 2014 Concerning Villages, every village in Indonesia is permitted to carry out development based on the village government's strategic actions in developing its territory. According to the law, the village is given the power to carry out village government, carry out village development, cultivate village communities, and empower village communities based on community initiatives, both in terms of village origin and customs. The purpose of this study is to explain how financial management is created to maximize village development. The local Government received direct submissions of local fund allocations in 2015. Because the high amount of budget obtained will lead to significant budget abuse, the Village Government budgeting system is beginning to be integrated. E-Village Budgeting, an online system for budget administration, has been adopted in Banyuwangi Regency. Several villages in the Banyuwangi Regency have undergone this renewal and improvement of service quality, including the Sukojadi community, which can optimize budget allocations in the community. The methodology in this study is qualitative. techniques for gathering data in Sukojadi Village through observation, documentation, and interviews. The study is being conducted at Sukojadi Village.

Keywords: Development, Implementation, Management of Village Funds



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Introduction

The State of Indonesia uses a decentralization pattern in the national-scale development implementation sector because it is an archipelagic nation with a maximum area of 1.905 million km². This means that during the development process, some authority is transferred from the Central Government to Regional Governments. Law No. 23 of 2014 concerning Regional Government, which states that regional governments are given discretion by the central government to regulate and manage their regional interests in the form of regional autonomy, contains a policy on the decentralization development pattern. The government's goal of having an even distribution of development is one advantage of this division of autonomy.

The ability of the Village Government to oversee and carry out development in its region is one example of how regional autonomy has grown. Because Law Number 6 of 2014's Article 18 regarding Villages contains restrictions on this. Muluk (2009) cites Hoessen as saying that the idea of village autonomy includes the ability to take the initiative in making decisions based on the aspirations of the people with such status without direct oversight from the Central Government. From the center to the regions or the regions to the villages, decentralization or autonomy can be implemented. There are numerous aspects of the decentralization or autonomy concept that need to be discussed, one of which is finance or fiscal decentralization. East Java's Banyuwangi Regency is one place where the idea of fiscal decentralization has been put into practice. Similar to what is currently taking place in Banyuwangi Regency, where the village administration has received from the central government a portion of the village fund budget that will be allocated to all villages in Banyuwangi.

The central government allocated Rp 59.8 billion in village funds to the Banyuwangi Regency Government in 2015, of which Rp 47.9 billion entered the regional treasury. Out of a total of 188 villages in Banyuwangi, the Regency Government only distributed Rp. 16.9 billion to 133 of those villages. The Head of the Community and Village Government Empowerment Agency (BPM-PD), when describing the issues this village is having, mentions issues with the SPJ system, human resources, and the absence of the village budget (APBDes) (Akmal "Village Budget in Banyuwangi Minimal Disbursement ").<https://news.detik.com/berita-jawa-timur/3006199/anggaran-dana-desa-di-banyuwangi-minim-pencairan>.

Several Banyuwangi villages faced the prospect of losing their village funds in 2017. This is brought on by the disparity in the caliber of government infrastructure and human resources, such as the different levels of internet connectivity in rural and urban areas. 179 villages experience issues in reporting and submitting local funds. Many village authorities' lack of proficiency with the E-Village Budgeting application is one of the triggers (Wiryanto, 2017 & Avita et al., 2023 & Dinata, 2023). To reduce issues with the village money management procedure, the Local Government of Banyuwangi Regency has used the E-Village Budgeting system. As a means of monitoring the management of village funds, the Banyuwangi Regency Government's E-Village Budgeting program will be implemented. The following is stated in Article 1 paragraph 24 of Banyuwangi Regent Regulation Number 15 of 2015 Concerning Guidelines for Village Financial Management in Banyuwangi Regency: "Electronic Village Budgeting, hereinafter referred to as EVB, is a website-based information technology application system regarding village financial management provided and developed by the District Government that be used as a means of budgeting, administering, and reporting village finances.

Budgeting with E-Village planning, management, and evaluation are the three sections. This system (www.banyuwangikab.go.id) breaks the chain of manual budgeting at the village level so that it may be used as a replacement program in an effective budget management process. The sub-district office and DPMD (Village Community Empowerment Service) receive a budget report summarizing the findings of the budget planning process. Sukojadi Local is one of the Banyuwangi Regency communities that will use the E-Village Budgeting method to manage local budgets. The Banyuwangi Regency Government is thought to have given the village less consideration when overseeing the distribution of village monies. The administration of village funds is currently the most important aspect of village development. Given that the allocation of the budget in Sukojadi village contains numerous indicators of its use, if this is accurate and implemented in an integrated manner, it can be ensured that village development would be equal.

The finances for the village will be split into four categories: governance, empowerment, development, and coaching. Later, the community will participate in the program execution for the management E-Village Budgeting in Sukojadi Village, which will be utilized as a benchmark for accountability and transparency of the village fund allocations in the village. Several elements can cause issues, therefore the management of village money does not guarantee that none will arise. As a result, Sukojadi Village will be the subject of this study's discussion of E-Village Budgeting as a suitable approach for allocating village finances for long-term village development. The authors are interested in researching the Implementation of Village Fund Management in Sukojadi Village, Banyuwangi Regency, based on the history and phenomena in Sukojadi Village. This study's objective is to learn more about Sukojadi Village's application of village finance management in the Banyuwangi Regency.

Literature Review

a) Village Government and Village Autonomy

The village government, which is a derivative authority from the regional government, is in charge of carrying out E-Village Budgeting. This is because the village council has historically been regarded as a local authority. The Village Government, which also has responsibilities that must be reported to the local government, occupies the smallest structure. As a result, the village government's job is to support local government tasks to make local government programs successful. The village, according to Bintarto in Nurcholis (2011), is a geographical embodiment brought on by physiological social, economic, political, and cultural components found in interactions and mutual impacts with other locations.

The village government's work program is already governed by rules and standards for the execution of its responsibilities or authorities. Several principles regarding the execution of village government duties and authorities are outlined in Law No. 6 of 2014 Article 24, including a) Legal certainty; b) Orderly Administration; c) Orderly Public Interest; d) Transparency; e) Proportionality; f) Professionalism; g) Accountability; and h) Effectiveness and Efficiency. Local Wisdom, Diversity, and Participation are the first three. The fact that this legislation exists further underlines the part played by the village authority in supporting local initiatives to achieve equitable development.

Widjadja's definition of village autonomy is found in 2003. A village is a formally recognized community with a unique structure based on unique origin rights. The village is one example of regional autonomy, and it is where political society first emerged. According to Law No. 6 of 2014, a village is a village and a traditional village is a legal community unit with territorial boundaries that is authorized to regulate and manage governmental affairs, the interests of the local community based on community initiatives, and origin rights or traditional rights that are recognized and respected within the Unitas system of government. The concept of village autonomy is founded on good governance, which is characterized by efficiency, effectiveness, transparency, accountability, and democratization of popular ideals in governing practices, as explained by Sumpeno (2011: 26).

b) Public Finance Management and Functions

Management generally entails the oversight and effective use of all available resources following the planning necessary to accomplish a certain task. George Terry describes management as a special process made up of actions that are planned, directed, and controlled to establish and attain preset goals using human resources and other resources (Hasibuan, 2009: 2).

According to Domai (2013: 38), various financial approaches—namely, those based on the sides of objects, subjects, processes, and objectives—are where public finance derives from. Financial management, according to Riyanto (2001:4), is the entire activity involved with attempts to obtain, use, or allow these monies. Madiasmo (2004: 2) provided an economics-based definition of the public sector, stating that it is an organization whose operations are tied to efforts to generate products and public services to meet the needs and rights of the general public (Purnama et al., 2023; Prianto et al., 2022; Dinata et al., 2022). Transparency, accountability, and value for money are the guiding principles of financial management, according to Waluyo (2007: 218).

There are several management functions according to Terry in Hasibuan (2009:5), namely as follows:

1. Planning

Planning is done to determine goals, establish policies, establish settlement plans, and know in advance the problems that will come to anticipate.

2. Organizing
Organizing explains the division of tasks and authority in carrying out activities to achieve goals so that there is no imbalance between one member of the workforce and the other members.
3. Implementation
Implementation is carried out to carry out the activity plan to achieve the goal. Where all members of the workers involved must work as much as possible to achieve the initial goals.
4. Supervision
This supervision is carried out to compare results with plans, assess results with implementation standards, recommend corrective actions if needed, and provide an understanding of responsible interpretation.

c) E-Village Budgeting

Initially made public by the US National Performance Review was Drafte-Government. According to Arias et al. (2018), e-government is the use of information technology (IT) in government operations, including its effects on the provision of public services, citizen satisfaction, and democratic principles.

Budgeting with E-Village This is a component of the e-Government that has been put in place for the village budget management system. The implementation of this approach aims to increase public confidence in government actions related to village fund management as well as responsibility for administrators charged with doing so. Each person or user must first register to use the system because they will each be assigned a separate set of responsibilities based on their level of power. Not everyone will be able to access this system because each village will have a unique user. Because this system is online-based, it is recommended that users open a web browser before accessing the e-village budgeting page.



Source: E-Village Budgeting Summary Manual (2023).

Figure 1. Front page of the E-Village Budgeting Application System

Method

Utilizing qualitative research techniques to write this paper. The focus of qualitative research is on gathering data based on firsthand knowledge and in-person observations (Creswell & Creswell, 2017). Because it can identify and address the issues in this study in a more organized and precise manner, this form of research is descriptive. To identify, gather,

process, and analyze research-related data, data collection methods include observation, documentation, and interviews. Direct observation of the technique was conducted at Sukojadi Village.

The Secretary to the Office of the Head of Sukojadi Village, the Treasurer of the Office of the Head of Sukojadi Village, the Head of the DPMD Village Government, and the Sukojadi Village Community were among the informants in an interview technique used by researchers to gather information about topics related to budget management accountability in Sukojadi Village. Based on Terry's theory of management functions as presented in Hasibuan (2009: 5), the research focuses on the application of village fund management in accelerating village development in Sukojadi and uses indicators of planning, organizing, implementation, and supervision throughout the research process.

Result and Discussion

The Banyuwangi district government developed the E-Village Budgeting system as a tool for administering and monitoring village monies that will be disbursed to each community. When it comes to the implementation of village fund management, regional financial management will serve as a model for doing so. The management function in this study, which comprises 4 (four) indicators, namely Planning, Organizing, Implementation, and Supervision (Terry in Hasibua, 2009), provides instructions for managing village funds.

a) Planning

The village government and community representatives plan the village funds in Sukojadi Village. According to the authorities and using district/city development plans, the village government creates development plans. A derivative or elaboration of the RPJMD is also included in the Village Medium Term Plan (RPJMD) for 6 (six) years and the Village Government Work Plan (RKP Desa) for 1 (one) year. According to the outcomes of a consensus reached with the village community, planning is made for the management of village finances utilized for village development, (Maulana et al., 2023). The outcomes of the village fund planning will be entered into the E-Village Budgeting program once they have been agreed upon in the form of an RKPDesa (Hayati et al., 2023). The sub-district job is to approve the RKPDesa that has been submitted, and the Village Community Empowerment Service (DPMD) is responsible for ratifying it. Disbursement of village money will start right away if it has been approved. The planning process that has been carried out in Sukojadi Village conforms with the methods and guidelines that have been established, according to the presentation of the study results. It is also evident from the outcomes of the planning that it was successful in developing objectives, policies, and settlement plans, and also in predicting issues in the future so that they could be prepared. It can be said that the planning process done in Sukojadi Village complies with the rules and regulations already in place. It is also evident from the outcomes of the planning that it was successful in developing objectives, policies, and settlement plans, and also in predicting issues in the future so that they could be prepared.

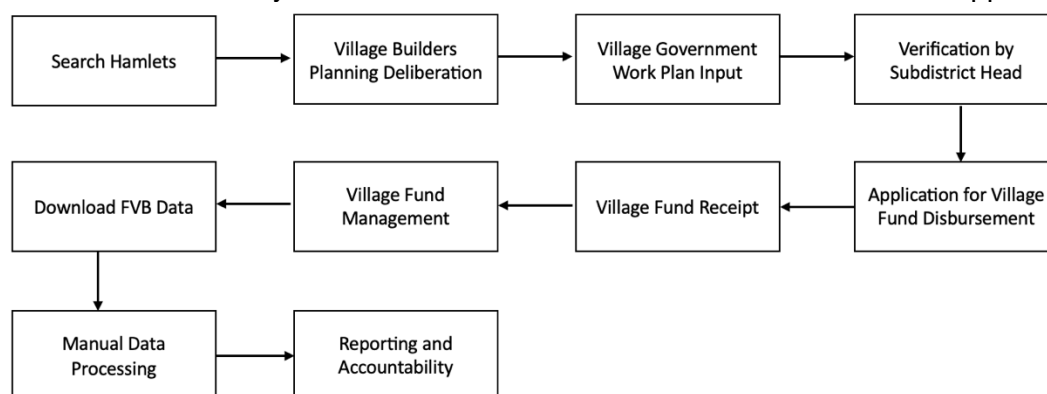
b) Organizing

The primary responsibilities of the Village Secretary and Village Treasurer in Sukojadi Village are managing village funds through E-Village Budgeting. E-Village Budgeting will be controlled by these two positions. Even though two persons are running the system, their responsibilities and power still differ. The username required to access the system will also differ. This is done to prevent work duplication when using the E-Village Budgeting system. The village secretary's responsibilities will be in the budget planning stage, while the village treasurer's responsibilities will be in the administration and execution stages of handling village funds. There won't be any overlap between the two posts' responsibilities and powers because

they are clearly defined. Desa Sukojadi Inptu has a system in place for carrying out its responsibilities that can be deemed to be highly effective. Because the DPMD has granted it a set of responsibilities and authority that has been divided following the laws and regulations in place. This demonstrates that there are no tasks that are duplicated when managing the funds for the Sukojadi village.

c) Implementation

Sukojadi Village's adoption of village finance management has gone according to the RKPDesa's schedule. The government-established guidelines are followed at this stage. The method for managing village funds is fairly effective because it allows for year-to-year adjustments and a reduction in mistakes while managing village funds. Since there is a framework in place that makes the majority of its operations easier to apply, it has made it easier to implement and administer village fund management, which is why appropriate administration must come before implementation. The implementation being done aims to reveal how program funding is applied (Maulana et al., 2022; Sukardi et al., 2022). Sukojadi Local's implementation of local money management excludes stakeholders. The disbursement of village money, which is handled by the DPMD, marks the beginning of the village fund management implementation process. The District-approved monies are now being distributed. The community will be allowed to make a distribution if it has been approved.



Source: Processed by Researchers (2022).

Figure 2. Flow of Village Fund Management Implementation using E-Village Budgeting

The direction of managing village funds has been chosen. The primary purpose of employing village money is development and empowerment; the planned development may take the shape of infrastructure improvement and the development of local government capability (Dinata et al., 2022; Dwinugraha, 2017) . After receiving funds from the district, the village fund management stage was completed, and the distribution must be determined by the intended use.

d) Supervision

The Community Empowerment Service (DPMD) conducts evaluations randomly but routinely and unexpectedly, and the Inspectorate conducts evaluations twice a year. In the village of Sukojadi, supervision is initiated by the village secretary and village head who are evaluated for one (one) week. Then, accountability for the management of village funds will be supervised by the District, which is evaluated two (two) times a year. A determination of the success or failure of the implementation of village fund management in the village of Sukojadi will be made based on the outcomes of the regular supervision that has been conducted there (Putra et al., 2023). The development of Sukojadi village, however, has had a favorable impact on the management of local funds for village development since 2015, as can be shown.

The E-Village Budgeting system was developed by the Banyuwangi district government and is used to view the realization report and assess how well the program plan aligns with the actual outcomes of the program that has been put into place in the village. Every semester, village fund reporting is completed, and after each year, reporting is presented to the sub-district and DPMD. The first phase of supervision is carried out. If the budget report lacks factual information, supporting documentation, and approver signatures, it will not be taken into account for accountability reporting.

Conclusion

Based on the description of the discussion related to the research, the following conclusions are (1) Planning, the Sukojadi Village Government has planned the management of village funds following the regulations or guidelines set by the Banyuwangi district government and can be said to be quite good; (2) Organizing, the organization in Sukojadi Village is clear and there will be no overlapping of authority and responsibility. Then the implementation of village fund management in Sukojadi village will run smoothly; (3) Implementation, village funds that have been obtained will be prioritized for their use to finance the implementation of existing programs in Sukojadi village in the field of development, guidance, and empowerment of village communities; and (4) Supervision, the process of accountability and supervision is usually carried out by submitting a report on the results of the activities to be examined

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