

## **The Village Fund Management Accountability and SDG Achievement in Loa Duri Ilir, Kutai Kartanegara, East Kalimantan, During the Covid-19 Pandemic**

**Agus Prasetyo<sup>1</sup>, Camelia Putrini<sup>2</sup>, Hartanto<sup>3\*</sup>**

*<sup>1</sup>Department of Accounting, Faculty of Economics, Universitas Terbuka*

*<sup>2</sup>Department of Management, Faculty of Economics, Universitas Terbuka*

*<sup>3</sup>Department of Internasional Relations, Faculty of Social & Political Sciences, Universitas Pembangunan Nasional "Veteran" Jakarta*

### **Abstract**

*This study examines the accountability of village fund management as the sole source of funding in an era of economic hardship brought on by the Covid-19 pandemic in support of the Village SDGs policy. Because the research target was in one of the Covid-19 pandemic's black zones in Indonesia, the study used a qualitative method with internet interviews. To achieve accountability, the Village government avoids abuse of authority by the village head as the highest authority in the management of the Village Fund, encourages community participation and transparency in the Village Fund management process, and implements programs in accordance with the village typology as an independent village. Finally, the village adopted reporting processes in compliance with applicable regulations and made proper use of SISKEUDES as policy accountability implementation. According to the research, village funds are a solid source of funds to support the Village SDGs agenda. Accountability for village fund management is a critical issue that must be considered to ensure the sustainability of village funds.*

**Keywords:** *Loa Duri Ilir, Village SDGs, Village Fund Accountability*

### **Introduction**

Village SDGs are an offshoot of Presidential Regulation Number 59 of 2017 on measures to attain national sustainable development objectives. The Village SDGs are an integrated effort to meet the national sustainable development objectives. Given that the global and national SDGs do not regulate local knowledge and customs in villages, we have included one item in the Village SDGs that regulates local wisdom; hence, village governments

can build their villages in accordance with existing local wisdoms (Purwanti, A., Ispriyarso, B., & Wijaningsih, D., 2018).

Villages require financial assistance to implement the Village SDGs. This village's funding will aid in government administration and village development. This is also confirmed in the Law on Villages in CHAPTER VIII Article 72, which states that villages are entitled to income from: (1) Village Original Income

(PADes) consisting of business results, proceeds from assets, self-help and participation, mutual cooperation, and other PADes; (2) Allocation of the State Revenue and Expenditure Budget (APBN); (3) part of the proceeds from regional taxes and retribution from regencies / municipalities; and (4) Village Fund Allocation (ADD), which is part of the balance funds received by districts / cities; (5) Financial assistance from the Provincial Revenue and Expenditure Budget and Regency / City Regional Revenue and Expenditure Budget; (6) Non-binding grants and donations from third parties; and (7) Other legitimate Village revenues. Village income derived from State Budget allocation (APBN), also known as the Village Fund (DD), is the newest source of revenue for villages that are budgeted nationally every year beginning in 2015 (Law Number 06 of 2014).

Distribution of Village Funds in accordance with Regulation of the Minister of Finance Number 225 of 2017 concerning Second Amendment to PMK No. 50 of 2017 concerning Management of Transfers to Regions and Village Funds in Article 102 paragraph 2 that disbursement of Village Funds from Regional General Treasury Accounts to Village Treasury Account is carried out after the regent / mayor receives the distribution requirements document with the following provision: Stage I: The Village Head provides village budgeting laws; Phase II: The Village Head submits the village fund Absorption Realization and Output Report for the preceding budget year; Stage III: The Village Head provides the village fund absorption, realization, and output reports up to

stage 2 (Regulation of the Minister of Finance Number 225, 2017).

The usage of the Village Funds absorption report document as a condition for disbursing village funds demonstrates the need of reporting on all activities carried out with Village Funds. According to Mardiasmo, accountability in financial management is defined as "presenting and disclosing all of its activities and activities that are the responsibility of the principal who has the right and authority to ask for accountability" (Mardiasmo, 2002). Then Halim adds, "... responsibility is to give financial information that is complete, accurate, in the correct form, and at the right time, and that is relevant for those who are responsible for the activities of government entities..." "The need to implement financial management by applying the accountability principle (Halim, 2007), is also mandated in the Regulation of the Minister of Home Affairs (Pemendagri) Number 20 of 2018 concerning Village Financial Management, which states in Article 2 that village finances must be managed based on transparent, accountable, participatory principles and carried out in an orderly and budget discipline.

The Village Revenue and Expenditure Budget is a critical tool in the realization of good governance and the implementation of development at the village level. (Wardhana, 2018; Suheryadi et al., 2020). Good governance is measured, among other things, by the process of developing and reporting on the Village Budget. (Setyawan et al., 2018; Puspasari, 2015; Savitri & Andreas, 2019). Understanding the process of Village APB management at all stages (compilation, implementation, and accountability) lends meaning to the

village administration model itself. As a public document, the Village Revenue and Expenditure Budget should be produced and administered in accordance with the values of participation, transparency, and accountability (Takdir et al., 2021).

The authors can conclude from numerous descriptions of the use of village funds in development that village funds play an essential role in development with competent management and oversight. Some of these studies, however, have not concentrated on isolated villages and have not leveraged the role of the community as the primary source of informants in the utilization of village finances. As a result, this study delves deeper into the optimization of the use of finances for development and progress.

This study examines the responsibility of village fund management as the only funding source in an era of economic slump caused by the Covid-19 outbreak in implementing the Village SDGs policy.

### **Research Methods**

The research method used is qualitative with a case study approach. The data sources used are primary and secondary data sources, with interview and documentation data collection techniques. Data was analysed by performing data reduction, categorisation and then data display.

### **Results and Discussion**

The East Kalimantan Provincial Government honors villages / villages that are regarded to be excellent in village development, use of village money, innovative, and provide the greatest public information services. Loa Duri Ilir Village in Loa Janan

District, Kutai Kartanegara Regency took first place in the initiative and innovative village category. The second place went to Tajur Village in Paser's Long Ikis District, and the third place went to Batu Putih Village in Berau's Batu Putih District. The availability of village funds from the APBN, backed up by the allocation of village funds from the APBD of each district, can undoubtedly empower communities/ villages, therefore let us race to build villages in order to create a developed and independent village.

Geographically Loa Duri Ilir Village is located with the North Boundaries: Mahakam River, East: Loa Janan Ulu Village, South: Purwajaya and Batuah Villages, West: Loa Duri Ulu Village. On 29 October 2001, Duri Ilir Village was divided into two villages, Loa Duri Ilir and Loa Duri Ulu, by Decree of the Regent of Kutai Kartanegara No. 140/409/PD-III/SK/2001. Loa Duri Ilir Village is equipped with operational buildings such as the Village Office, School Buildings ranging from PAUD to SMK / Equivalent levels. Road access to Loa Duri Ilir village is quite good, because it can be reached via the Samarinda-Balikpapan or Samarinda-Tenggarong axis road. From the centre of Samarinda or Tenggarong to Loa Duri Ilir village can be reached in 45 minutes to 1 hour. The population is around 13,510 people, including 6,884 men and 6,626 women (Tajuddin, A., Rizal, R., Yanti, R. Z., Yaninurdiyah, I., Syahfira, S. S., Julaiha, S., ... & Novianto, E., 2022).

Loa Duri Ilir Village, of course, has accountability and transparency in handling village money as the village that earned the best award in the field of initiative and creative villages. According to Fakhri Arsyad, the Head of Loa Duri Ilir Village, he and

other village officials have made every effort to be honest in the utilization of community monies disbursed by the APBN since 2015. Not only were members of the village community involved in the planning and development discussions, but so were Bhabinkamtibmas and Babinsa.

The dialogue process including the community was carried out because this was the mandate of Law Number 6 of 2014 concerning Villages, also known as the Village Law, and many suggestions evolved as a result of this discourse based on the needs of each element. The local micro business group, farmer organizations, Youth Organization, Community Empowerment Institutions (LPM), PKK, Posyandu, and RT are all involved in the development planning process. Meanwhile, the participation of Bhabinkamtibmas and Babinsa in the development process is a kind of safeguarding and prevention in the utilization of village budgets, particularly those from the state budget through the Village Fund (Law Number 06 of 2014).

This surely entices academics to conduct field research to investigate the accountability of village finance management in the village based on the statement of Village Head Loa Duri Ilir. This is necessary in order to obtain best practices for village fund management, which is of course very useful for the wider audience, particularly village officials, so that the findings of this study can be used as benchmarking material by other villages in the future to improve accountability for village fund management.

Village Fund Allocation is one of the village revenues whose use is integrated with the Village Revenue

and Expenditure Budget (APBDes), thus the Village Planning Consultation is used to assemble the planning program and activities. (Musrenbangdes). Musrenbangdes is a deliberative forum for discussing village development planning or program suggestions informed by Village Community Development Planning concepts. (P3MD). This idea necessitates community participation in decision making and selecting which developments will be carried out, particularly those located in the village in question, in order to truly respond to developing needs / desires. According to Tjokroamidjojo in Subroto, the notion of participation is the involvement of every citizen in making decisions, either directly or through institutions that represent their interests (Subroto, 2008). The Village Fund initiative was also implemented in Loa Duri Ilir Village, Loa Janan District, Kutai Kartanegara Regency, with a focus on community empowerment and incentive to participate in village development. The findings of interviews have also demonstrated the adoption of the participation concept.

The progress of the execution of activities by Village Fund managers at the village level is usually reported in the implementation of Village Fund, notably regarding physical activities and the absorption of funds. As can be seen, the Village Fundmanager's obligation at the village level has met the requirements of producing Village Fund activity reports in stages and final activity reports. The upper-level government is responsible for administering the Village Fund program through a periodic reporting mechanism. A preliminary report, a report on each activity stage, a monthly report, and an extensive final

report on activities comprise the Village Fund implementation report.

The idea of responsibility has been adopted in the accountability system for the implementation of the Village Fund in Loa Duri Ilir Village, Loa Janan District, Kutai Kartanegara Regency. Furthermore, Village Fund management has carried out proper Village Fund financial administration accountability, which means that every spending from Village Fund must be accompanied by proof of expenditure of funds. The evaluation of the Village Fund program's implementation also guides the community to actively participate in providing input and correction with mutual assistance from village officials, treasurers, and the Village Fund Allocation Implementation Team, so that Village Fund reporting can be completed quickly and accurately. Because there are always instructions from the district government, it is clear that the implementation of village fund has comprehended and is in compliance with village fund financial administration.

Based on the numerous current indications, it can be stated that the management of Village Fund in Loa Duri Ilir Village, Loa Janan District has been successful. Indicators that have been met include easy access for the community to the center of economic and government activities, more evenly distributed services in the government sector, the formation of the Village Implementation Team, the formation of community initiatives in managing and being responsible for the sustainable use of built infrastructure, increasing community participation, and the absorption rate of local labor in village development programs.

According to the research findings, the accountability of the administration of Village Fund Allocation in the Loa Duri Ilir region, Loa Janan District, Kutai Kartanegara Regency is already built on the principles of openness and accountability. As a result, ongoing improvements are required while still modifying the situation and condition, as well as advances in the current rules and regulations.

### **Conclusion**

To achieve accountability, the Village government avoids abuse of authority by the village head as the highest authority in the management of the Village Fund, encourages community participation and transparency in the Village Fund management process, and implements programs in accordance with the village typology as an independent village. Finally, the village conducted reporting processes in compliance with applicable regulations and used the Village Financial System (SISKEUDES) correctly as policy accountability implementation. According to the research, village funds are a solid source of funds to support the Village SDGs agenda. Accountability for village fund management is a critical issue that must be considered to ensure the sustainability of village funds.

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