



Reviewing the Accountability Practices of Village Funds: Case Study from Indonesia

Wiwik Andriani^{1,*}

¹Politeknik Negeri Padang, Indonesia

ARTICLE INFO

Article History:

Received: 15 Des 2023;
Revised: 16 Mar 2024;
Accepted: 04 Apr 2024;
Available Online: 25 Apr 2024;
Published Regularly: Jul 2024

Keywords:

Accountability;
Village fund management;
Reporting;
Nagari

ABSTRACT

This study aims to determine the accountability of managing Nagari funds, including planning, implementing, reporting and accountability for managing village funds in Nagari Situjuh Batua. This study uses a qualitative approach to solve the phenomena raised. Data in this study were collected through several processes including in-depth interviews, observation, and documentation. The results of this study conclude that accountability for the management of Nagari funds in Nagari Situjuh Batua has been carried out from the planning, implementation, reporting and accountability stages in an appropriate manner and is also managed in an accountable manner so that the objectives of these funds are appropriate. The local government hopes that the Nagari funds can continue to be managed following the mandated community for the betterment of the village. The novelty of this research is that it uses villages that have achievements at the local level as research objects.



© 2024 The Authors. Published by Jurusan Akuntansi PNUP.
This is an open access article under the CC BY-NC-ND license (<https://creativecommons.org/licenses/by-nc-nd/4.0>)

*Corresponding Author: Email: wiwikandriani@pnp.ac.id

How to Cite: Andriani, W. (2024). Reviewing the Accountability Practices of Village Funds: Case Study from Indonesia. *AKUNSIKA : Jurnal Akuntansi dan Keuangan*, 5(2), 50-57

Permalink/DOI: <http://dx.doi.org/10.31963/v5i2.4590>

INTRODUCTION

In managing village funds, good governance is required, and one of the pillars is accountability (Andriani et al., 2023). Accountability involves the ability of the village govern-

ment to be accountable for the implementation of activities that have been carried out related to village governance and village development (Daffa et al., 2023). Financial-related accountability in the Village Income and Expenditure Budget (APBDes) where village funds are one

of the components (Yentifa et al., 2023). Accountability is not just about complying with established laws and regulations, but also about paying attention to the effective and efficient use of resources (Aprila et al., 2023). Managing village funds must be based on the principle of accountability, so it is interesting to study because if the principle of accountability is not implemented, it will cause mismanagement of village funds (Sofia et al., 2023).

Since the enactment of Law Number 6 of 2014, villages have had an excellent opportunity to manage their government and carry out development. The implementation of village government must be accountable for following the provisions. The village government must be able to apply the principle of accountability (Oktaviona et al., 2022). Villages receive funds from the central government in the form of village funds. The central government has budgeted a sizable village fund to be handed over to the village government. This is evidenced by the Minister of Villages, Development of Disadvantaged Regions and Transmigration (PDRT) Eko Putro Sandjojo stated that village funds distributed to villages have increased over the past five years with a total village fund of IDR 257 trillion. In detail, IDR 20.67 trillion in 2015, IDR 46.98 trillion in 2016, IDR 60 trillion in 2017, IDR 60 trillion in 2018 and IDR 70 trillion in 2019.

The issuance of village funds raises a problem in its management in the form of misappropriation of village funds. In West Sumatra, to be precise, in Nagari Talang Babungo, Giliran Gumanti District, Solok Regency, it was carried out by Walinagari and Treasurer. Funds of IDR 800 million have been used for personal gain. This proves that supervision is still weak, thus providing loopholes for the misuse of village funds.

Nagari Situjuh Batua is located in Situjuh Limo Nagari District, Limapuluh Kota District. In the 2019 West Sumatra Level Village Fund Competency and Transparency Assessment, he was selected as a representative for Fifty Cities District and won second place. It proves that village funds have a role in supporting economic activities, and the management of village funds is good so that the welfare of the community is also better. Nagari Situjuh Batua also received status as an independent Nagari with an IDM of 0.8971 based on the Decree of the Director General of Development and Empowerment of Village Communities Number 303 of 2020. This proves that Nagari Situjuh Batua is able to manage its hu-

man and natural resources well so that it has the status of a Nagari independent.

Stewardship Theory

According to Donaldson and Davis in Ikhsan and Suprasto (2008) that stewardship theory is defined as a situation where the stewards (managers) have no personal interest but are more concerned with the interests of the principal (owner). This theory assumes a strong relationship exists between an organisation's satisfaction and success. The implication of stewardship theory in this study is to explain the role of Walinagari and Nagari Financial Management Technical Implementation (PTPKN), consisting of the Nagari Secretary, Head of Finance and Section Head as stewards (managers) of village funds who can be trusted and implement them in accordance with the public interest for the welfare of society. After carrying out its duties, the Nagari government is obliged to make an accountable accountability report as proof that the Nagari government has carried out its duties properly in accordance with applicable regulations.

Village Financial Management

Based on the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning village financial management, village finances are all village rights and obligations that can be valued in money and goods related to the implementation of village rights and obligations. Planning, implementation, administration, reporting and accountability are all activities in village financial management (2019).

Village Fund

Village funds are funds from the APBN allocated by the central government to regional governments every year to take care of the implementation of existing authorities in the village. Government Regulation Number 60 of 2014 concerning village funds originating from the State Revenue and Expenditure Budget as the implementation of the provisions of Article 72 paragraph (1) and paragraph (2) of Law Number 6 of 2014 concerning Villages. Village Fund allocation is calculated based on the number of villages and is allocated by taking into account the population, poverty rate and area size. Government Regulation Number 60 of 2014 Article 11 paragraph (3) regulates the weight for a population of 30%, an area of 20% and a poverty rate of 50%. The results of these calculations will later be adjusted to each village's geographical difficulty level (2021).

In using village funds, a guideline is needed to achieve an independent village so that villages that are left behind can be reduced. The use of village funds is the right of the village government based on the authority and priorities needed by the village community while maintaining and prioritising the principle of justice. The government sets priorities for the use of village funds every year to oversee and ensure the achievement of village development goals (2020).

Accountability

Implementing good governance in carrying out state activities proves that the government is also good. Presidential Regulation Number 7 of 1999 concerning Performance Accountability Systems for Government Agencies states that accountability is an obligation in conveying accountability and explaining the performance and actions of a person/entity within an organization to parties who have the right to request information or accountability (2008).

Accountability is an obligation for individuals and organizational units to be accountable for managing and controlling resources and implementing policies entrusted to them to achieve the previously set goals. Suppose the public bureaucracy is objectively assessed by the community and can be accountable for all actions taken by the party where its power and authority come from. In that case, the public bureaucracy can be accountable (Mardiasmo, 2006).

Shimizu (2020) states that transparency and accountability are two keywords in governance and corporate governance. Both stated in accountability contain the obligation to present and report all activities, especially in financial administration, to a higher party. Implementation of accountability by providing access to all interested parties, asking questions or holding accountable decision-makers and implementers both at the program, regional and community levels. From this, all activities related to managing village funds must be accessible to all elements interested, especially the region's community. The focus of this research will be to see whether the implementation of accountability practices in Nagari Situjuah Batua has been implemented in accordance with applicable regulations in Indonesia?

RESEARCH METHOD

Types of Research

The type of research used is qualitative research. According to Sugiarto (2022), qualita-

tive research approaches are based on post-positivist philosophy which is used by researchers to study the state of major natural objects (not experiments). Means include targeted data sampling from data sources. The survey method uses triangulation (combination), data analysis is inductive or qualitative, and qualitative findings are not generalizations.

Location and Research Object

In order to obtain the required data related to the research topic, the researchers conducted research at Nagari Situjuah Batua, Situjuah Limo Nagari, Lima Puluh Kota District. The subjects in this study were the Wali Nagari, the Secretary of the Nagari, the Head of Finance, and village officials who were involved in managing village funds.

Data Analysis Method

According to Syahza (2021), data analysis is the process of systematically searching for and compiling data obtained from interviews, field notes and other materials by organising data into categories, choosing which ones are important to study, and making conclusions so that they are easy to understand. The data analysis process in this study is described as follows:

Data Simplification

The numerous data obtained is necessary to record it carefully and in detail and immediately analyse the data through data simplification. Data simplification means summarizing, choosing the main things, focusing on the crucial things and looking for themes and patterns (2014).

Data Presentation

In order to see the overall picture, the researcher presents the data. The researcher classifies and presents the data according to the subject matter, starting with coding for each sub-topic of the problem (Suwartono, 2014).

Conclusion Drawing

In the process of data analysis, conclusion or verification is the final stage. The researcher describes the conclusions from the data obtained to take the essence of the data presented in the form of short, concise and clear sentence statements with broad meaning (2014).

RESULTS AND DISCUSSION

Village Fund Management Accountability in Nagari Situjuah Batua

Village funds are discussed because the central government gives authority to village

governments with the aim of improving the economy and people's welfare.

The management of village funds in Nagari Situjuh Batua began with the establishment of a Government Work Plan (RKP Nagari) drafting team consisting of 11 (eleven) people from representatives of all elements formed by the Nagari government. Nagari development is more focused so that the people's welfare increases, and a team is formed for the compiler. The drafting team for the Nagari RKP was formed before the Nagari deliberations were held so that the deliberations could be focused and the team could discuss and understand last year's RKP Nagari, the programs realised or not realised. The drafting team can act as an intermediary if there is a program from the community, and then the drafting team will align the program based on applicable regulations.

Planning Stage

Each Nagari must think about the state of their Nagari in the future so that they can progress further. A planning process must be carried out based on the program, agenda of activities and the resulting achievements to make this happen. The planning process is contained in the Nagari Government Work Plan (RKP Nagari). The preparation of the Nagari RKP must be based on the main objectives of the Nagari government planning contained in the Nagari Medium Term Development Plan (RPJM Nagari). RPJM Nagari and RKP Nagari are village planning documents for preparing APBNagari. The Nagari government designed RKP Nagari because it is a development priority for one year.

The planning stage that was carried out in Nagari Situjuh Batua was sound because it

carried out deliberations which could increase participation and concern from the community. Nagari got his rights in the form of a budget to run the government. This opinion is supported based on the results of an interview with Mr Don Vesky, which stated that:

"The people in Situjuh Batua care about their nagari. This was proven when we held deliberations, the community submitted input and criticism for the nagari government"

The results of research in the field, the government in Nagari Situjuh Batua, in the planning stage, is good at discussing, compiling and evaluating the planned programs. This is evidenced by the Nagari deliberations held during 2 (two) stages which discussed prioritised needs to review the existing Nagari RPJM which were then used for the preparation of the Nagari RKP.

Implementation Stage

Implementation of programs determined to be sourced from APBDesa, including village funds, will result in receipts and expenditure transactions carried out by the Nagari Financial Management Technical Executor (PTPKN). All receipts and disbursements of the Nagari are carried out through the Nagari cash account. Walinagari is the holder of the authority to manage the Nagari finances.

In Nagari Situjuh Batua, the village charges are stipulated in the village regulations in implementing the management of village funds in the acceptance transaction. Nagari levies were budgeted at IDR 11,500,000, but only IDR 8,411,000 was realised. This is due to the existence of Covid-19, which disrupts the community's economy. Furthermore, the Nagari

Table 1 Village Funds in Nagari Situjuh

No	Description	Budget	Realisation
1	Local Revenue	251,815,000	240,173,500
	Nagari Bussines Results	2,000,000	0
	Nagari Asset Results	86,315,000	76,325,500
	Other Local Revenue	263,500,000	163,848,000
2	Transfer Income	2,095,192,500	2,106,849,061
	Village Funds	1,174,855,000	1,174,855,000
	Profit Sharing Taxes and Levies	18,000,000	31,805,225
	Allocation of village funds	902,337,500	900,188,836
3	Other Income	5,050,000	4,805,621
	Bank Interest	2,250,000	2,458,121
	Other legitimate Income	2,800,000	2,347,500
Total Income		2,352,057,500	2,351,828,182

government has income from the village-owned kiosk that is rented out, budgeted at IDR 46,815,000, but only IDR 39,705,500 was realised. This is due to some stall tenants who are in arrears (2019).

In expenditure transactions, procuring goods and services and payments is a form of implementing village fund management in Nagari Situjuh Batua. The first step in managing village funds is forming an Activity Implementation Team (TPK). Once formed, the TPK will carry out its duties in the procurement of goods and services. TPK will also collect evidence of expenses to make a Payment Request Letter (SPP). The SPP is submitted to Walinagari if the Nagari Secretary has verified it. After being verified, the Head of Finance makes the payment. Payment is made at the end of the month supported by complete and valid evidence.

The above statement is supported based on the results of an interview with Ms Muchrini Novita regarding the payment process at Nagari Situjuh Batua, she stated that:

“There is no payment before there is proof of expenditure. There must be proof of expenditure first and then payment is made. For example, we issue money on the 11th while the proof is on the 12th. That's not allowed, there should be proof on the 10th and then we can pay it on the 11th.”

The results of research in the field show the government in Nagari Situjuh Batua is in a suitable implementation stage, as evidenced by the existence of a Nagari Financial Management Technical Executor (PTPKN) who coordinates with each other in carrying out their duties, receipts and disbursements through the Nagari cash account and implementing programs that the Nagari regulations have stipulated.

Reporting and Accountability Stage

In addition to carrying out its obligations in managing village funds, the village government must also submit a report to the government above it. In Nagari Situjuh Batua, the report submitted was a report on the implementation of the Village Revenue and Expenditure Budget (APBDesa), submitted in 2 stages, namely semester one submitted in June and semester 2 in December. The Walinagari submits the report to the Regent/Mayor through the Camat. Besides that, the Nagari Situjuh Batua government also conveys accountability to the com-

munity regarding activities that have been carried out in accordance with the Village Budget by holding meetings with the Nagari Consultative Body (Bamus Nagari) which are open to the public and attended by all members of the Bamus, invitees of Nagari officials, elements of traditional institutions, bundo kanduang, religious scholars, farmer groups and other community leaders.

The above statement is supported based on the results of an interview with Mr Don Vesky regarding reporting and accountability of village funds. He stated that:

“Regarding accountability and reporting of village funds, the Government in Nagari Sipuh Batua prepares accountability reports, namely APBD Implementation Realization Reports, Semester APBD Implementation Realization Reports, APBD Implementation Realization Reports per Funding Source and Village-Owned Wealth Reports”

The accountability report on village funds in Nagari Situjuh Batua is carried out on the principle of transparency, which means that the report has been prepared based on the actual receipts and expenditures. Apart from that, the Nagari government has also put up billboards and distributed pamphlets so that the public can see and know directly about the accountability of village funds.

The results of research in the field, the government in Nagari Situjuh Batua is in a good reporting and accountability stage, as evidenced by the submission of a report on the implementation of the Village Revenue and Expenditure Budget (APBDesa) to the Regent/Mayor through the Camat and holding a meeting with the Nagari Consultative Body (Bamus Nagari) which is open to the public in conveying accountability to the community regarding activities that have been carried out following the Village Budget.

Accounting Practices in Managing Village Funds in Nagari Situjuh Batua

Accounting practice is the process of working out of the accounting cycle. The stages of the accounting cycle in managing village funds in Nagari Situjuh Batua are:

Stages of Collecting Proof of Transactions

Each activity carried out in Nagari Situjuh Batua has an Activity Implementation Team (TPK). TPK procures goods and services, after

which TPK will collect evidence of expenditures that have been made. Based on the evidence of expenditure that has been collected, TPK will make a Payment Request Letter (SPP) by attaching the evidence of expenditure. Transactions related to income receipts, expenditures and financing receipts/disbursements will later be recorded in the general cash book.

Input Stage to the Village Financial System (Siskeudes)

The Village Financial System Application (Siskeudes) is an application developed by the Financial and Development Supervisory Agency (BPKP) with the aim of improving the quality of village financial governance. In Nagari Situjuh Batua, the siskeudes application has been used in managing village finances. After the Payment Request Letter (SPP) has been completed, it will be submitted to the Walinagari and verified in advance by the Nagari Secretary. If it has been verified, the Treasurer will make payments for the transactions that have been made. After making a payment and recording it in the general cash book, it is inputted into the Village Financial System (Siskeudes).

Reporting Stage

The reporting stage is the final stage of the accounting cycle. At this stage, activity is carried out, namely making an accountability report on the realisation of implementing the Nagari revenue and expenditure budget. The report contains the budget amounts and the realisation of revenues, expenditures and financing from the Nagari Situjuh Batua government for a particular fiscal year.

The results of research in the field show that accounting practices in managing village funds in Nagari Situjuh Batua have carried out the accounting cycle, namely the stages of collecting transaction evidence and inputting it into the village financial system (Siskeudes) and reporting. Accounting practice has a role in encouraging accountable management of village funds, where the Nagari government makes an accountability report on the realisation of implementing the Nagari income and expenditure budget. The report will be submitted to the local government and the community. Nagari Situjuh Batua uses Siskeudes so that in recording, there are no obstacles in terms of human resources because they have received

training related to the system used so that it helps village governments in improving the quality of village financial governance. Besides that, there are several problems, the first is that regulations often change soon. The Nagari government still needs to understand the old regulations, but new ones exist. The central government often changes the regulations that have been set so that the government in the districts/cities will follow these changes (Andriani et al., 2015).

The above statement is supported based on the results of an interview with Ms Muchrini, who stated that:

“The regulations often change, even though the nagari government does not understand the old regulations but the new regulations already exist. For example, the Nagari Revenue and Expenditure Budget has been completed, then a new regulation comes that for the handling of COVID-19, a minimum of 8% of the total funds. This means that there is a change and repeat again from zero. This means that what was originally standing strong must be overhauled again.”

The second problem is problem in calculating taxes because there needs to be more socialization. Less socialization causes different perceptions.

The above statement is supported based on the results of an interview with Ms Muchrini Novita. She stated that:

“There are problems in calculating taxes, for example when there is spending on goods and services that are subject to tax, there are different perceptions, according to person A it is taxed, according to person B it is not taxed. In 2019 there was an audit and there were some taxes that were not paid due to ignorance, according to our assumptions they were not taxable. For example, the honorarium for a financial manager is subject to a tax of 5% because the expenses are routine and he already has allowances and there is another special honorarium as a financial manager.”

CONCLUSION

Based on the results of the research and discussion above regarding the accountability of managing village funds in Nagari Situjuh Batua, a conclusion is obtained, which will be described as follows: (1) Accountability for managing village funds in Nagari Situjuh Batua, starting from the planning, implementation, re-

porting and accountability stages, is good and managed in an accountable manner (Presidential Regulation Number 7 of 1999). Program planning follows the needs of the Nagari and involves the community. The Nagari Financial Management Technical Executor (PTPKN) has coordinated with each other in carrying out their duties and reporting and accountability have been good by submitting a report on the realisation of the implementation of the Village Revenue and Expenditure Budget (APBDesa) to the government above it and the Nagari community; (2) Accounting practice in managing village funds in Nagari Situjuh Bata has carried out the accounting cycle, namely the stages of collecting transaction evidence, inputting it into the village financial system (Siskeudes) and reporting. Accounting practice has a role in encouraging accountable management of village funds, where the Nagari government makes an accountability report on the realisation of implementing the Nagari income and expenditure budget.

The limitation of the research is that the research only discusses the planning, implementation, reporting and accountability stages in managing village funds. Ineffective research time, due to the implementation of research during Covid-19 so that, meetings with informants were slightly hampered, and informants in the research were only village officials.

For further researchers who are interested in this research topic, it can be developed by discussing supervision from the local government and the central government so that the research results are more comprehensive. Researchers should be better at managing time for interviews with informants so that time can be used effectively and efficiently and increase the number of research informants to the community, sub-district government and local government so that the results are maximized.

REFERENCES

- Andriani, W., Ananto, R. P., Zahara, & Aprila, D. (2023). The Influence of Financial Literacy and Educational Background on the Financial Governance of Nagari Owned Enterprises. *Ilomata International Journal of Tax & Accounting*, 4(4), 742–754. <https://doi.org/10.52728/ijtc.v4i4.928>
- Andriani, W., Rosita, I., & Ihsan, H. (2015). Penerapan Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP) Dalam Mewujudkan Good Governance Pada Politeknik Negeri Padang. *Akuntansi Dan Manajemen*, 10(2), 51–60. <https://doi.org/10.30630/jam.v10i2.105>
- Aprila, D., Andriani, W., & Ananto, R. P. (2023). Financial Management of Nagari Owned Enterprises (BUMNAG) and Its Impact on Community Welfare. *Jurnal Akuntansi Bisnis*, 16(2), 210–225. <https://doi.org/10.30813/jab.v16i2.4461>
- Daffa, M., Mustika, R., & Andriani, W. (2023). Analisis Kinerja Keuangan Pemerintah Nagari Situmbuk Tahun 2018-2022. *JAAB: Journal of Applied Accounting and Business*, 5(2), 86–93. <https://doi.org/10.37338/jaab.v5i2.251>
- Ismail, A., Antong, & Suhardi, A. (2020). *Pengelolaan anggaran Badan Usaha Milik Desa (BUMDes) Kabupaten Luwu*. <http://repository.umpalopo.ac.id/>
- Juliandi, A., Irfan, & Manurung, S. (2014). *Metodologi Penelitian Bisnis: Konsep dan Aplikasi*. UMSU Press.
- Mardiasmo. (2006). Perwujudan Transparansi dan Akuntabilitas Publik Melalui Akuntansi Sektor Publik: Suatu Sarana Governance. *Jurnal Akuntansi Pemerintahan*, 2(1), 1–17.
- Masruhin, A., & Kaukab, M. E. (2019). Terhadap Pengelolaan Dana Desa (Studi Empiris Pada Perangkat Desa Di Kecamatan Mojotengah Kabupaten Wonosobo). *Journal of Economic, Business and Engineering*, 1(1). www.beritasatu.com
- Oktaviona, A., Andriani, W., & Gustati. (2022). Peran Perangkat Desa dalam Akuntabilitas Pengelolaan Keuangan Desa (Studi Kasus di Nagari Rao-Rao Kecamatan Sungai Tarab Kabupaten Tanah Datar). *Jurnal Akuntansi, Bisnis, Dan Ekonomi Indonesia (JABEI)*, 2(1), 9–17. <https://akuntansi.pnp.ac.id/jabei/index.php/jabei/article/view/23/19>
- Risa, Y., Fauzi, E., & Cenery, J. P. (2019). Peranan Pendirian Badan Usaha Milik Nagari Berdasarkan Undang-Undang Nomor 6 Tahun 2014 Tentang Desa Dalam Upaya Peningkatan Ekonomi Masyarakat

- Di Nagari Cupak Kecamatan Gunung Talang Kabupaten Solok. *Ius Constituentum*, 4(2), 173–190. <https://doi.org/10.26623/jic.v4i2.1657>
- Shimizu, K., & Negita, M. (2020). Lessons learned from japan's response to the first wave of covid-19: A content analysis. *Healthcare (Switzerland)*, 8(4), 1–19. <https://doi.org/10.3390/healthcare8040426>
- Sofia, G., Afni, Z., & Andriani, W. (2023). Analisis Akuntabilitas Pengelolaan Dana Desa (Studi pada Nagari Aia Manggih periode 2018-2022). *Ekonomis: Journal of Economics and Business*, 7(2), 1172–1181. <https://doi.org/10.33087/ekonomis.v7i2.1390>
- Sugiarto. (2022). *Metodologi Penelitian Bisnis - Prof. Dr. Ir. Sugiarto, M.Sc.* Penerbit Andi. <https://books.google.co.id/books?id=qTpcEAAAQBAJ&printsec=frontcover#v=onepage&q&f=false>
- Suwartono. (2014). *Dasar-Dasar Metodologi Penelitian* (E. Risanto (ed.)). CV Andi Offset. <https://www.researchgate.net/publication/321057969>
- Syahza, A. (2021). *Metodologi Penelitian (Edisi Revisi Tahun 2021)* (Issue September). Unri Press. <https://www.researchgate.net>
- United Nations Development Program (UNDP). (2008). *The UNDP Accountability System: Accountability Framework and Oversight Policy*. 44675, 1–24. <https://www.undp.org/accountability>
- Wicaksono, G. S., Subagiyo, A., & Prayitno, G. (2021). Pengaruh partisipasi masyarakat terhadap kesejahteraan penduduk desa wisata krebet. *Planning for Urban Region and Environment*, 10(April), 1–10.
- Yentifa, A., Andriani, W., Jr, S. R., Aprila, D., & Sofia, G. (2023). Village Fund Accounting Model in Realizing Nagari Financial Accountability. *Ilomata International Journal of Tax & Accounting*, 4(4), 716–729. <https://doi.org/10.52728/ijtc.v4i4.895>