



The Phenomenon of Accounting in the Management of the Village Fund Allocation: A case Study of Indonesia

Florentina Nurak, Sihwahjoeni, and Gaguk Apriyanto

University of Merdeka Malang, Indonesia

ABSTRACT

This study aims to describe significantly related to the phenomena of the application of accounting in the management of the village fund allocation in the village Satar Padut, District Lambaleda East Nusa Tenggara. This research is a type of research descriptive qualitative research design case study. This research was conducted in December 2020-January 2021. Respondents in this study are the village head, village secretary and treasurer of the finance of the village in the village Satar Padut. Data were collected by using interview techniques, documentation and observation and were analyzed using the analysis of the phenomenology. The results of this study showed that the application of accounting in the management of the village fund allocation in the Village Satar Padut not in accordance with the accounting standards of the government contained in the Government Regulation No. 71/2010. In addition, the village officials also have yet to understand fully associated with the application of accounting in the management of the village fund allocation as well as the absence of financial transparency by the government.

Keywords: Allocation of Village Funds, Government Accounting, Government Accounting Standards.

1. INTRODUCTION

The allocation of village funds began to set in the reign of President Jokowi. The allocation of village funds channeled to the development and progression away from the village. According to Permendes No. 11 of 2019 stated that, the village is the unity of the legal community who have boundaries and authorities to regulate and take care of the affairs of the government the benefit of the local community based on the initiative of the society, the right of the origin, and traditional rights recognized and respected in the system of government of the Unitary State of the Republic of Indonesia.

The allocation of village funds commonly abbreviated to ADD is a balance funds received by the district government in the Budget Revenue and Expenditure of the District after deducting the special allocation fund (Perbub No. 37/2020). The division of the village fund allocation is distributed to every village as much as 30% is used to finance the operating activities of the government and 70% used for rural community empowerment (Chandra et al. 2013). According to the Ministry of Finance, the village fund allocation (ADD) is part of the fund balance that is acceptable to the district/city of at least 1% of the funds for the results and the allocation of public funds. The funds given to the village is a fund balance that comes from the state BUDGET and budgets of at least 10% with the aim to overcome the problems that occur in the village (Chandra, 2013). To improve the development of the village it takes a village fund allocation. The allocation of village funds are typically used to finance operational activities of the government of the village such as: procurement of office stationery to support the performance of village government and for the provision of the salary of the government of the village and is used for community empowerment. The allocation of village funds provided to the community is used as a stimulant with the aim to encourage and finance the activities of the government of the village through the attitude of mutual cooperation (Chandra et al. 2013). The granting of the allocation of village funds to the village is part of the fulfillment of the rights of the village in the village development that is based on the principle of diversity, participation, autonomy original, democratization and empowerment of local communities in accelerating the development and growth of the region (Nafidah & Suryaningtyas, 2015). According to the Regulations of the Regent East Manggarai Regency 31/2020, the allocation of village funds set forth in each village for around IDR 200.000.000 up to more than IDR 300.000.000. Where the allocation of village funds in the year 2019 mostly allocated to the financing of operational expenditure of the government of the village.

A phenomenon that happens that often the function of the guidance and control functions at the village administration is not optimal. It often occurs due to a variety of problems that occur such as the internet network is not good that causes the function to control is less than optimal. The function of assistance and control functions in the apparatus of the village is very necessary so that it can be creating discipline in the financial statements of either the village of the report of the budget of income

and expenditure of the village and in the report of the preparation of the draft budget of the village financial or other financial statements.

This research was supported by some previous studies such as: Chandra et al. (2013), stated that the lack of human resources and the lack of community supervision in the implementation of the village fund allocation. Therefore in managing village funds should be people who understand or competent in the field of accounting. While in the research Novianti et al. (2017), stated that the lack of discipline and lack of understanding of village officials in making the report accountability of the village fund allocation. But in the study of Muhammad et al. (2016), stated that the village officials are not yet ready in the carrying out of the LAW No. 6 year 2014 and have yet to understand about the management of village funds which is based on Permendagri No. 113 year 2014. In the research Yumudia et al. (2018), stated that the lack of participation of the community in assisting the management of the village fund allocation. It is caused because of lack of transparency in the management of the village fund allocation by the government of the village. Seen from the phenomenon that occurs as well as the shortcomings of previous research about the many village officials at the study site are basically not competent in the field of accounting or it can be said that the lack of understanding of village officials about the allocation of village funds and its management.

In the present era the village are required to be independent, and forward so that it can reach the village fair, and prosperous. The central government gives power to the village to be able to set its own area of the region in accordance with the ability and the potential that is owned by the village community for the achievement of the welfare of the village community. Of course to achieve the desired activity required careful planning, the implementation of which in accordance with the planning that has been made and it takes the direct supervision of the local community. Therefore to see the phenomenon of the adoption of accounting in the village Satar Padut, then made a research with the title "the Phenomenon of the Adoption of Accounting In the Management of the Village Fund Allocation in Satar Padut, District Lamba Leda, East Nusa Tenggara".

2. RESEARCH METHODS

This type of research is descriptive qualitative research. This research is a case study research. In case study research subject research can be either individuals, groups, institutions/agencies or the public, and in this study the subject of research is the individual (village officials) and institutions that the government of the village. This study was conducted to examine the phenomenon of the adoption of accounting in the management of the village fund allocation in the village Satar Padut. Analysis of the data used in this study in the form of analysis of the phenomenology. According to Hussrel phenomenology is the study and paint or depict about the experience of human life (Hasbiansyah, 2008). According to Miles & Huberman (1992:20), there are several stages in analyzing data in qualitative research, namely:

a. Data Collection

Data collection was done through interview or interview techniques, observation and documentation. Where interviews were conducted with village officials that the village head, village secretary and treasurer of the village associated with the understanding and application of accounting in the management of the village fund allocation in the village Satar Padut, documents, records or financial statements of the village associated with the allocation of village funds in 2019 and observation done on the activities of village officials associated with the accounting records of financial statements in the village.

b. Data Reduction

Data reduction is an activity to summarize or select subject matter, focusing and look for themes and patterns that would be used as data. In data reduction, the researchers will separate the data that is deemed foreign or unknown with the data used as data in determining the results and conclusions in the research. In the data reduction data obtained from the interviews and data in the form of documentation will be selected in accordance with the requirements in this research, where the data-data is entered only associated with the allocation of village funds in the year of 2019 while the data or documents that are not associated with the study will be discarded.

c. Data Display

After data is reduced then the next is the presentation of data. Data Display is a set of information obtained from the results of the data reduction and served to give a conclusion or taking further action. Presentation of data was done by using analysis phenomenology. Where the researchers note and describe all of the events or incidents that occur in the field that deals with the application of the accounting management of the village fund allocation. The Data obtained during the research will be presented in the research results in chapter iv of the form, its history, vision, mission, organizational structure, the composition of the government and village officials, the strategy of development of the village, the work program implementation of development of the village, the work program development and community empowerment, the implementation of budget income and expenditure of the village and the details of the budget revenue and expenditure of the village.

d. Data Verifying

Data verification is a process of preparation of the research report that compares the systems and foundation of the theory with the facts of what happened on the field. In this study, the verification of data was done by comparing the data from interviews, observation and data in the form of the document will be compared again with the regulations of the government and the regent regulation that has been set.

e. Conclusions Drawing

The withdrawal of the conclusion is the result of research to answer about the focus of the research based on the results of data analysis. The conclusion is presented in the form of research results after analyzed in the discussion. The conclusion will be presented in chapter v.

3. RESULTS AND DISCUSSION

3.1. The Allocation Of Village Funds

In the interviews conducted to mr Fabianus Kabun as the head of the village Satar Padut related to the allocation of village funds, in which he stated that “the allocation of village funds is that the funds that guilty of the regional revenue and expenditure budget which is the fund balance given by the district government to every village in the territory of the region. Where in the process of redemption through some of the four stages and the acquisition of each stage as much as 25%. The amount of the allocation of village funds received by the village Satar Padut annually increases in accordance with increase in the number of inhabitants in the village. The amount of the allocation of village funds received by the village Satar Padut in the year 2019 in the amount of IDR 363.997.386.

According to the head of the village the implementation of the village fund allocation is based on the area of the territory, the population of the village, the poverty of the village and the level of trouble geographic. This time the village Satar Padut is a thriving village, therefore, the village is focused to develop the potential of natural resources, social, economic and ecology with the aim to alleviate poverty and improve the welfare of the village community. while the allocation of village funds disbursed to the village to 30% of the allocation of village funds used for direct cash assistance to the people of the village while the remaining 70% is used for the operations of the government of the village in the form of salaries, allowances the government of the village and the operational cost of the other. In addition the total ceiling extended to the village Satar Padut divided by sub component that is the basic allocation of IDR 1.180.331 and the basic allocation of IDR 7.005.281. The Total allocation of village funds received by the village Satar Padut is IDR 354.362.340. The disbursement of the village fund allocation is done in four stages with the disbursement of each stage by 25%. The disbursement will be made if the regent has received the documents the prerequisites in the release or distribution of village fund allocation. the following is the estimated receipts allocation of village funds every step of the way, namely:

Table 1
The Estimation Of The Receipt Of The Allocation Of Village Funds
 Per Stage 2019

Description	Stage I	Stage II	Stage III	Stage IV
DAU (10%)	IDR 88,590,585	IDR 88,590,585	IDR 88,590,585	IDR 88,590,585
DBHBP (10%)	IDR 331,056	IDR 331,056	IDR 331,057	IDR 331,057
DBHP & Retribution	IDR 2,077,660	IDR 2,077,660	IDR 2,077,660	IDR 2,077,660
Total	IDR 90,999,301	IDR 90,999,301	IDR 90,999,302	IDR 90,999,302

According to Perbub No 7/2018 prerequisite distribution of village fund allocation consists of:

- a. Stage I : in the form of regulations of the village of APBDes of the head of the village.
- b. Stage II: a report on the realization of the absorption and the achievement of the output of village funds and the allocation of village funds the previous fiscal year from the head of the village.
- c. Stage III: a report on the realization of the absorption and the achievement of the output of the allocation of village funds as well as report on the realization of APBDes up to phase II of the village head.
- d. Stage IV: in the form of report on the realization of the absorption and the achievement of the output of the allocation of village funds as well as report on the realization of APBDes up with the stage III of the village head.

In 2019, 30% of the village fund allocation prioritized for direct cash assistance, and 70% of other used for the salaries, allowances and financing of the operational government of the village such as shopping stationery office and the procurement of the playground for early childhood education, the procurement of the lamp or the lighting that is used as a mascot from the two indigenous villages, namely the traditional village of Sambu and traditional village Damer. Mr. Fabi as the head of the village Satar Padut also stated that “the realization of the allocation of village funds in the year 2019 not 100% because of the procurement of the lamp is only held in one of the traditional villages namely the traditional village of Sambu while the other, namely the procurement of the playground for early childhood and procurement of lights in the village of indigenous Damer unrealized” he also said that “the planning of the construction is planned to be continued in 2020, but due to pandemic Covid-19 in 2020 then most of the allocation of village funds distributed to the public in the form of direct cash assistance. It can be concluded that all development planning for community empowerment will be postponed until the pandemic is over.

3.2. The Application Of The Accounting Allocation Of Village Funds

Based on the results of interviews conducted with the treasurer of the village financial Satar Padut related to the understanding of the application of the accounting allocation of village funds, in which he said that “the application of the accounting allocation of village funds made starting from the preparation of the budget plan government work village decided in musrenbangdes, and then after it was decided then planning the draft financial budget (RACK) will be signed by the head of the village and submit to the regents for approval and the secretary of the village as the executor of the financial management of the village draft APB Village in one fiscal year”. In addition, he also said that “the recording of the financial statements in accordance with that specified in the district Regulations. This is supported by the research of Novianti et al. (2017) which says that the implementation of the village fund allocation in accordance with the regulations Regent of Minahasa. This is because the village was under the authority of the local government district.

When viewed from Government Regulation No. 71/2010 about the accounting standards of the government explained that the financial statements are prepared by applying the accrual basis of accounting. But if seen from the decree No. 19/2019 on guidelines for the financial management of the village, where in article 35, explained that the financial management of the village carried out with the cash basis. However at the time of the interview with the treasurer of the village financial related with the standards of the financial management of the village used to look that he did not understand about accounting standards the financial management of the village used. This is supported by the research of Muhammad et al. (2016) who stated that the lack of socialization and guidance so that the low quality of human resources in the village. In the interview conducted to the treasurer of the village is related with the role of local government in helping the village apparatus in the understanding of the application of the accounting or financial reporting of the village, he stated that “the local government provide training to the treasurer of the village associated with the understanding and application of accounting in the making or recording of the financial statements of the village”. But the training is not done in depth so that the village officials, especially the treasurer of the financial villages still did not understand the depth associated with the accounting standard used in the manufacture of the financial statements of the village. While based on the observations made in the manufacture of the financial statements in the Village Satar, the village government to implement or record the financial statements under the accrual basis of accounting. In which the recording of income and spending begins with the making of the draft budget of income and learned of the village. The draft budget of income and expenditure of the village will be used by the village government as a prerequisite in the disbursement of the village fund allocation. This indicates that revenue is recognized before cash receipts and financing or spending recognized prior to issuing cash.

Budget revenue and expenditure of the village formulated by the secretary of the village which will then be inserted into the draft budgetary activities of the government of the village in a single budget year. Budget revenue and expenditure of the village is managed by the village chief who is assisted by the secretary and the treasurer of the village. Based on the details of the report of the budget of income and expenditure of the village contained in Table 4.4 that the financial statements are categorized based on the type respectively. Where financing or spending allocation of village funds in 2019 focused on the field of the implementation of the government of the village and the field of social development. But financing in the field of social development is little compared with the financing in the implementation of village government.

As for the elements in the financial management of the village that is financial the village is processed by the head of the village and help by the secretary and treasurer of the village to meet the principle of accountable, transparent, participatory. But seen from the realization of the lack of transparency of the village apparatus associated with the income and expenditure of the village financial good of the village fund allocation and fund his own village. Based on the observations made, the financial transparency only to the funds of the village, where the income of the village fund derived and expenditure will be displayed on billboards and also displayed not the financial statements as a whole. While the allocation of village funds which have been used at all not displayed by the apparatus of the village so that the villagers do not know all the kinds of programs the government of the village well the program involves physical or not, or the allocation of village funds received the village every year. In the research Arifiyanto as the speaker & Kurrohman (2014) states that in the planning of the program allocation and the village should be implemented based on the concept of participatory development of the village community as evidenced by the application of the principles of participatory, responsive, transparency. It is also stipulated in the decree No. 19/2019 associated with the principles of the financial management of the village. Where village financial managed based on the principles of transparency, accountability, participation, and done in orderly and budgetary discipline. In the interviews conducted with the secretary of the village in which the principles of participatory done at the time of the preparation of the work plan long-term and medium-term

the village at the time of musrengbangdes. In Musrengbangdes the village community was asked to give an opinion or income associated with the program-the program to be executed in one fiscal year and in years to come. The opinion will be selected based on the interest for inclusion in the work plan for the long term and medium term work plan of the village. This is because not all of the opinions given by the society will be run by the government of the village.

According to the treasurer of the village of problems encountered in the manufacture of the financial statements that the network is not stable. This is consistent with the phenomenon that is found to be associated with the function of assistance undertaken by the local government and the functions of control carried out by the village government. The function of mentoring is done where the local government or the central government provides a variety of training in the implementation and financial management of the village. However, the function of mentoring is not optimal if the control functions that do not go well. The control function is shown at a time when village officials were able to complete the financial statements at the time of the specified time. But because due to the internet network, we found barriers or obstacles in the uploading of financial data. Uploading data which is not in accordance with the specified time causes a lack of discipline in the financial statements. Lack of discipline in the budget or financial statements constitutes the major difficulty of the disbursement in the next stage or the next year.

4. CONCLUSION

Based on the results of research and discussion conducted by researchers at the village Satar Padut, it can be concluded as follows:

- 1) Function accompaniment and functions of the control apparatus of the village is not optimal, so the lack of discipline in the manufacture of the financial statements. In addition, the need training in depth to the village well organized village government and the held the local government or the central government in improving the understanding and discipline in the financial statements.
- 2) Accounting standards applied by the village officials had been in accordance with government accounting standards based on Government Regulation No. 17/2010. But the accounting standards used not in accordance with decree No. 19/2019 related to guidelines for the financial management of the village.
- 3) The financial management of the village fund allocation in the village Satar Padut had been in accordance with the principles of the financial management of the village as it meets the principles of transparency, accountability or participation. But village officials have yet to make the communication media that are officially of the village Satar Padut so that the people of the village and outside the village can know the potential or owned property in the village.

5. SUGGESTIONS

Researchers realized that there are still many shortcomings and limitations contained in this study. For that researchers try to give advice or good input to fix this study, namely:

- 1) Researchers expect that the village government can increase understanding of accounting for village officials to provide training in depth and specifically about the application of accounting in the financial management of the village well in the management of the village fund allocation and fund the village. In addition, the researchers also expect that the village government or local authorities may make the financial statements of the village by government accounting standards specified in the regulations of the government.
- 2) Researchers expect that the government of the village can make the communication media so that the people of the village and outside the village could find related to the program of development of the village as well as can find a variety of resources available in the village Satar Padut so that can improve the economy of the village in the fields of tourism, small and medium micro enterprises and in the field of the creative economy so that it can increase the income of the village.
- 3) Researchers expect that researchers can further develop this research into a new research as well as be able to make this study as a source of additional reference. The researchers also expect that the next researcher is able to add thoroughly associated with the adoption of accounting in managing the allocation of village funds.

REFERENCES

- Arifiyanto As The Speaker, D. Febri & Kurrohman, Taufik. 2014. Accountability Management The Allocation Of Village Funds In Jember Regency. *Research Journal Of Accounting And Finance* 2 (3), Pg. 473-485
- Chandra, K. P., Ruth, N. P., & Suwondo, 2013. The Management Of The Village Fund Allocation In The Village Community Empowerment. *Journal of Public Administration* No. 6 Vol.1

- Hasbiansyah. 2008. The approach of Phenomenology: an Introduction to the Practice of Research In Social Sciences and Communication. The Mediator, Journal of Communications Vol.9, No. 1
- Miles, B. Mathew and Huberman, Michael. 1992. Qualitative data analysis. Jakarta: University of Indonesia.
- Nafidah, Lina Nasihatun, and Mawar Suryaningtyas. 2015. Accountability of Village Fund Allocation Management in an Effort to Improve Community Development and Empowerment. BUSINESS: Journal of Islamic Business and Management. Vol 3 No 1: 214-239
- Novianti, R., Lintje, K., & Novi, S. Budiarmo. 2017. The analysis of the Implementation of the Village Fund Allocation (ADD) In an Effort to Improve the Construction of the Village. Journal Of Accounting Research Going Concern 12.
- The Indonesian Government Regulation No. 8 Of 2016 On Village Funds Sourced From The State Revenue And Expenditure Budget.
- Regulation of The Government Of The Republic Of Indonesia No. 43 Of 2014 On The Regulation Of The Implementation Of Law Number 6 Year 2014 About The Village.
- Regulation Of The Minister Of Internal Affairs Of The Republic Of Indonesia No. 20 Of 2018 On The Financial Management Of The Village.
- Regulation Of The Minister Of Internal Affairs Of The Republic Of Indonesia Number 113 Of 2014 About The Village Financial Management.
- Regulations of the Regent of East Manggarai No. 7 2018 About The Caea The Division And Determination Of The Details Of The Allocation Of Village Funds In Each Village In The District Of Manggarai Timur.
- Regulations of the Regent of East Manggarai No. 8 Of The Year 2018 About The Magnitude Of Steady Income And Benefits To The Village Head And The Village In The District Of Manggarai Timur
- Regulations of the Regent of East Manggarai No. 19 Years 2019 on Guidelines for The Financial Management Of The Village.