

UDC 332

THE CONTROL AND ACCOUNTABILITY OF VILLAGE FUNDS IN KUPANG TENGAH DISTRICT OF INDONESIA

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ABSTRACT

The aim of this study is to: (1) know the program accountability contained in the Village Medium-Term Development Plan (RPJMDes), Village Government Work Plan (RKPDDes), Village Revenue and Expenditure Budget (APBDes), and Accountability Report (LPJ) of Mata Air Village and Oelnasi Village, Kupang Tengah District; (2) know the financial accountability contained in the RPJMDes, RKPDDes, APBDes and LPJ of Mata Air Village and Oelnasi Village, Kupang Tengah District; and (3) know the development utility accountability for the people in Mata Air Village and Oelnasi Village, Kupang Tengah District. The focus of this study is the Village Fund Accountability Control in Mata Air Village and Oelnasi Village, Kupang Tengah District which includes: (1) development program accountability; (2) financial accountability; and (3) development utility accountability. The approach used in this study is a qualitative approach. Based on the results of the study, it can be concluded that the village fund management in Kupang Tengah District, specifically in Mata Air Village and Oelnasi Village, in its program accountability, financial accountability, and utility accountability has been done well even though there still some weaknesses that need to be fixed.

KEY WORDS

Control, accountability, funds, village.

Not only the wealth of the people, the wealth of village apparatus as state apparatus is also important so that the policy concerning this party has a very strong role as it becomes the main key to manage village funds. According to the Law of Ministry of Internal Affairs number 113 in concern to village financial management: Chapter 11- Article 2 paragraphs 1 and 2, "Village financial management is managed based on the principle of transparency, accountability, and participatory and carried out in an orderly and budgetary manner". Village financial management as mentioned in paragraph (1) is managed within 1 year of budget starting from January 1 to December 31 of the current year. Law number 43 of 2014, Article 91 said that all village income is received and disbursed through the village cash account and is utilized through APBDes (Village Income and Expenditure Budget). This consists of: Village Fund (Fund Transfer), *Dana ADD* (Village Fund Allocation), tax revenue sharing funds, Silva funds, and third party contributions (unbinding). On the other hand, Article 93 mentioned that the management of village financial is done through planning, implementation, administration, reporting, and accountability.

Program control includes the number of programs, distribution levels, urgency and consistency between RPJMDes (Village Medium-Term Development Plan), RKPDDes (Village Government Work Plan), APBDes (Village Income and Expenditure Budget), and LPJ (Accountability Report). Meanwhile, financial control consists of integrity, disclosure, and compliance with laws and internal control systems as well as budget consistency contained in RPJMDes, RKPDDes, APBDes and LPJ whose management must be in accordance with The Regional Management Information System (SIMDA) of village financial management as a standard management guideline so that it will not have a different interpretation.

Those are the things that become the basis of the research in village funds and control functions accountability carried out to ensure the consistency of planning, financing, and utility because without good accountability and control, we cannot measure the success of a work program that has been planned and performed through a control mechanism both

hierarchical and legal. In addition, if that cannot be accounted, 60% of the first phase fund will be hampered and 40% for the second phase fund. The implications of overdue in such accountability will affect the accountability in the end of the year. If it cannot be accounted properly, there will be a budget cut of village funds by 20%. This will have a negative impact if the management and accountability of village funds are not compliant with the law in which will also affect the village apparatus. The existence of village funds is very helpful for the community in developing potential resources so that it can increase the level of income and wealth of the people in the village.

LITERATURE REVIEW

Theoretical Basis of Accountability Control. Good Governance is a paradigm oriented towards the relationship between the private and public sector government that is synergic and constructive in the implementation of good and responsible governance. In this relationship, the concept of supervision or control is very important as it becomes a guideline to carry out each roles and functions well and correctly.

According to Siagian (1990), supervision is a process of observation of all organizational activities implementation to ensure that all those activities run in accordance with the predetermined plan. Furthermore, Dwiyanto (2008) said that accountability is a measure that shows the level of conformity between the service delivered and the size of external values or norms held by stakeholders such as transparency, justice, law, Human Rights, and service orientation to the community.

Sulistiyan (2004) stated that transparency and accountability are the two key words in good governance and good corporate governance. She also mentioned that in accountability, there is an obligation to present and report all activities especially in the field of financial administration to the higher parties. According to UNDP (United Nation Development Program), there are 5 ways to measure bureaucracy accountability, among others; Transparency, Liability, Controllability, Responsibility, and Responsiveness)

Table 1 – Accountability Basic Principles according to UNDP

Accountability Principle	Key Questions
Transparency	Is the relevant organization able to disclose facts about its performance?.
Liability	Does the relevant organization face its consequences for its performance?
Controllability	Does the relevant organization do what is desired by the party providing the assignment?
Responsibility	Does the relevant organization have responsibility for the existing performance standards?
Responsiveness	Does the relevant organization meet the real expectations of stakeholders?

Source: *Public Sector Accounting (in Mardiasmo, 2009).*

The supervision of village fund management is carried out by the Regent by forming a Regency-level assistance team to conduct the supervision and control to the village fund management apparatus. At District level, the head of the district in the coaching and supervision will form supervision or control team called the District verification team to help the supervision implemented in an inherent manner. This is done for the realization of village financial management and accountability system that is compliant with the principles and in accordance with the determined plan so that it can bring better changes. It is also necessary to have preventive and repressive actions through a clear hierarchical structure with written policy of recording or work results.

To know the application of the principle of accountability for village fund allocation, the most effective way is supervision carried out in a process where the implementation is done through certain stages. This is in accordance with the opinion of Manullang (1991) saying that the supervisory process consists of the phase of setting a measuring instrument (standard), conducting an assessment, as well as conducting corrective and evaluative

actions. Furthermore, the standards for the activities are determined in accordance with the plan. As for an example, the guidelines for policies and regulations that must be complied.

In terms of accountability control, the researcher is interested to see the type of accountability relationship in a democratic system delivered by Barbara Romzek and Melvin J. Dubnick (in Djaha, 2010) Journal of Public Administration 9th edition as illustrated in the table below:

Table 2 – Accountability Relationship in the Democracy System

n/n		Source of Supervision	
		Internal	External
Level of Supervision	High	Hierarchy	Weak Law
	Low	Professional	No Politic

Source: *Journal of Public Administration 9th edition, 2010, Fisip Undana (Djaha, 2010).*

From the table above, accountability is divided in 2 dimensions namely internal and external dimension in which is explained with hierarchical accountability. High internal supervision comes from the provisions which are based on supervision and guidance of the organization. Administrators do not need to do discretion but only need to pay attention to the supervisory board, standard operating rules, and procedures.

Financial/Budgeting Control is the consistency of budgeting contained in RPJMdes, RKPdes, APBdes and LPJ, and Control of the development planning utility through village funds which give value to the villagers in Kupang Tengah District in general, specifically in Mata Air Village and Oelnasi Village.

METHODS OF RESEARCH

This research used qualitative approach and case study as the type of the research. The focus of the research is; (1) program accountability; (2) financial accountability; and (3) development utility accountability. The research was conducted in Kupang Tengah District especially in 2 (two) villages namely Mata Air Village and Oelnasi Village. The data collection technique used is interview, documentation, and observation performed by using analytical techniques data by Miles and Huberman (1992)

RESULTS AND DISCUSSION

The study was conducted in Kupang Tengah District and focused on Mata Air Village and Oelnasi Village with an income value for Mata Air Village by IDR 1,270,995,000,- and Oelnasi Village by IDR 1,257,980,000,-. It is known that 30% of the fund is used for village needs and operations while the other 70% is used for village development. The results from the two villages show that the accountability of village fund management has been running well which includes program accountability, financial accountability, and also utility accountability. In Mata Air Village, the financial administration is already in accordance with the mechanism from planning to accountability report while in Oelnasi Village, the financial administration still has differences in between the program contained in RKPDes and village LPJ. However, in general, the management process has been running well.

The preparation of the program produced in Mata Air Village and Oelnasi Village that had been carried out had gone through the right planning mechanism starting from aspiration screening from the Neighborhood Association (RT/RW) and then brought to the higher level (hamlet) for discussion. Then, it is brought to the village level to be discussed and resulted in a number of development programs. Any planning and activity in the village always gets assistance from the village funds and sub-district assistance team so that it will be implemented properly.

The proposed programs are adjusted with the available program and funds in accordance with APBDes. After the proposed programs are being discussed, there will be a team coordinated by the secretary of the village as a coordinator assisted by the head of

development affairs, the head of government affairs, and the head of general affairs. Then, they will formulate the program as a result of the village development planning meeting and then discuss the results of the formulation with hamlet leaders and community representatives from the five hamlets. If there is a change from the proposal of the program, it will be set forth on the next APBDes and stipulated in accordance with the village regulations through discussion with the village head and the village consultative body (BPD).

The implementation of the development program will be performed by the village head. In carrying out the activity of development program specified in the APBDes, the village head is assisted by PTPKD (technical implementer of village financial management) which is an element of the village apparatus that helps the village head to realize all development programs such as the village secretary, the head of government affairs, the head of development affairs, the head of general affairs, and also the village treasurer. The village secretary acts as the financial management coordinator to be assisted by the head of affairs in accordance with the area of duty. This is in accordance with the Law of Ministry of Internal Affairs number 113 article 3:3 which stated the village head in implementing financial management is assisted by PTPKD (technical implementer of village financial management) from the village apparatus element.

The implementation of the development program in Mata Air Village and Oelnasi Village has been carried out according to the existing mechanism; village head forms an Activity Management Team (TPK) lead by the head of development affairs. With their duties, they prepare an implementation plan, carry out goods and services procurement, buy goods according to the budget, and report the progress of the implementation to the village head. The implementation team in carrying out its duties is divided into three (3) phases of activity namely planning team, executive team, and supervision team.

The planning team has the task to compile KAK (work guidelines framework), intentions and objectives, schedule the activities, make details of the work cost, product or work produced, overview, technical specifications, and announce the work. The team of activity implementation have the task to review the RAB (budget planning and expenditure), submit the needs, provide goods and services, send and bring goods and services, prepare a report, report the progress of targets and use of materials, make a report of daily, weekly, and monthly work progress, as well as documentation of activities.

The supervisory team has the task to supervise the procurement, use and rest the use of goods and services, use of equipment in accordance with the reference, use of labor according to reference, financial realization and costs according to reference, supervise the physical implementation, and the work of each type according to technical specifications. Then, the activity management team makes a physical realization report to the village head for subsequent accountability reports on village funds. Besides the internal supervision performed by implementation team, there is external supervision from BPD and the community as well as from Babinsa and Bhayangkara Trustees of Public Order and Safety (Bhabinkamtibmas) so that the development activities run in accordance with those set out in the planning program.

According to the Directorate General of Village Community Empowerment, Ministry of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia, Mr. Taufik Madjid said that in the construction of the village, there are four (4) priorities that need to be realized through the village fund such as (1) The analysis of development according to the priorities of the village; (2) The strengthening of BUMDES (Village-Owned Enterprises); (3) The construction of ponds for villages that are lack of water; and (4) The organization of sport events through village leagues to increase high-achieving athletes at the village level and also for the health of the people in addition to economic improvement. (Kompas.Com, 19 August 2017)

The statement above has been applied in the development planning of Mata Air Village and Oelnasi Village guided by the Decree of Kupang Regent Number 6 of 2015 concerning village fund management that does not involve village league activity due to a budget cut by the Kupang District Government to support the local elections of District Kupang in 2018. Oelnasi Village is focused on the program to build water reservoirs and wells because the

village is still lack of water but not on Mata Air Village because they have an adequate water resource. Nevertheless, they both strengthen the BUMDES (village-owned enterprises).

The arrangement and management of the village fund is made based on the application of Village Financial System in collaboration with Kupang District Government and BPKP (Financial and Development Inspection Agency) of East Nusa Tenggara Province. It pays attention to the prevailing laws and regulations namely Law number 6 of 2014 and its derivatives to the Decree of Kupang Regent number 6 of 2015 concerning village fund management, Decree of Kupang Regent Number 107/KEP/HK/2017 concerning technical guidelines and setting priorities for village financial management in Kupang District, 2017.

The village fund accountability mechanism is carried out internally from the activity management team to the village head through PTPKD which is then continued by the BPD as monthly external accountability before continuing to the District level through sub-district assistance team. Then, this will be brought to the Regency via Kupang Regency assistance team. The document of village accountability report becomes a control tool for Kupang Regency inspectorate to conduct a village fund management audit. This audit is done to know whether it has been implemented correctly and can be justified by the truth and validation or not. The accountability to public is presented through open meetings with BPD as well as pamphlets, billboards, or announcements in public facilities such as church and village hall. There is also an opportunity for the public to obtain information about the development of management and accountability of village funds through village fund managers.

The realization of program activities from village funds gives a good enough impact for the community regarding physical development like road pavement. The breeding of pig and goat, the construction of ponds and boreholes (wells), the production of bokashi fertilizer, the strengthening of village apparatus capacity, and the strengthening of BUMDES have brought great benefits for the community if it continues to be improved with more directed and systematic planning; it will continue to give greater value to the community.

The factors inhibiting village fund management. The results showed that the village fund management process is already well organized in Mata Air Village and Oelnasi Village even though there still some limitations or weaknesses as depicted by Wastiono and Tahir (2006) in the areas of: Low Human Resources. In principle, human resources is the only power that determines the organization. Human resources is understood as a force that originates in the human potential existed in the organization. The village fund management apparatus in Mata Air Village and Oelnasi Village have an average junior and senior high school education whereas the role in the village government organization has a very strategic role and function. Village apparatus as human resources involved in the organizational process who also acts as state apparatus must have physical and non-physical potentials to support the organizational goals. Physical potential is the physical ability that is accumulated inside the employee while the non-physical potential is the ability of an employee in the form of educational background, intelligence, expertise, skill, and human relations.

Based on the above understanding, Mata Air Village and Oelnasi Village has the potential of human resources both the physical and non-physical potential. Village fund manager in terms of non-physical potential, or more specifically the potential that helped drive the organization, a low education level and very limited ability will greatly influence the planning process to the accountability of the program activities. For this reason, serious assistance is needed as illustrated in the village fund management process starting from the community aspiration process at RT/RW level, hamlet level, and up to the village level. Such assistance from the district and village fund facilitator is essential so that all processes can run well.

The preparation of the program up to the preparation of accountability report involves village fund assistants together with the village secretary and village treasurer to compile a program of activities. This includes village fund assistance to help the activity implementation team in the preparation of budget and costs draft and KAK so that they do not experience significant problems. Besides mentoring from the village fund assistants, Kupang Regency

also forms an assistance team at the district level by the Decree of Kupang Tengah District number 02 of 2017 concerning the establishment of a verification and assistance team for village financial management at Kupang Tengah District in 2017 consisting of the district secretary as chairman, government affairs as a secretary, and empowerment affairs as the member to continue to assist the process undertaken by the apparatus of village fund managers. They manage together to control the planning, implementation, administration, reporting, and accountability of village funds. This is already performed in accordance with the prevailing mechanism to be forwarded to the assistance team at the district level determined by the Decree of Kupang Regent Number 90/Kep/HK/2017 concerning the establishment of assistance and verification team for the financial management in Kupang Regency within a fiscal year of 2017. The assistance and verification team has several mentoring tasks such as planning, implementation, administration, reporting, and accountability of village funds. This is done to know whether they are running in accordance with the applicable mechanism or not.

Considering the potential of human resources which have low levels of education but large and strategic responsibilities in the context of realizing government administration and development that can bring prosperity to the community at large, the researchers see that the function of village funds accountability control in terms of human resources is influenced by the maturity of village fund managers subordinates by linking Mc. Gregor theory in X and Y. This theory talks about the maturity level of subordinates saying that if the subordinate's maturity level is low, high control is needed, and otherwise, if the subordinate's maturity level is high, the control will be low (Frederickson, Smith, Christopher, and Licari 2012).

The village fund management in Kupang Tengah District is known to have a low level of human resources so that the Kupang Regency takes efforts to assist this process as to form an assistance team and provides village fund assistance to help the village apparatus in managing the village resources including village financial resources. Therefore, the goals of state organizations within the village government can be managed properly and is expected to bring prosperity to the people at Mata Air Village and Oelnasi Village, Kupang Tengah District, Kupang Regency. Indirectly and directly, Kupang Regency has controlled well the village fund management so that its management is in accordance with the principle and prevailing legislation.

CONCLUSION

Based on the analysis and discussion of the research, it can be concluded that the village fund management in Kupang Tengah District, especially in Mata Air Village and Oelnasi Village in its program accountability, financial accountability, and utility accountability has been done well even though there still some weaknesses that need to be fixed.

SUGGESTIONS

As a forum for democratic society, awareness must be built so that the community can be actively involved in the development process from planning, implementation, and supervision.

The formulation of development program must provide a greater portion of budget for the empowerment programs that involve many people in the development process.

The community that is not supportive in the empowerment program should be given awareness through socialization and social approach to encourage such active participation from the community to support the development programs which promote them as an object and subject of development.

The village head in carrying out development tasks related to village funds is assisted by the village apparatus. It is necessary to get good assistance, have periodic training to produce village fund managers who have adequate competence in the field, start planning a consistent development activity program between planning and realization of program

implementation, be consistent with the accountability reports, and fulfill the principles and budget discipline.

Kupang Regency Government must be firm in giving rewards to the apparatus who are successful in carrying out the development activities from planning, implementation, and reporting the village fund accountability. They also need to give sanctions to village fund managers who overdue the planning, implementation, and accountability process.

It is important to encourage the community to not only active in the development process but also in controlling village fund management through supervision forum such as BPD, mass media, ombudsmen, and other platforms as channels that can be used to control the accountability of village fund management.

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