

UDC 332

## TRANSPARENCY OF VILLAGE FUNDS MANAGEMENT IN PANTAI BERINGIN VILLAGE AND BAUMATRA UTARA VILLAGE, KUPANG DISTRICT, INDONESIA

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### ABSTRACT

The objectives of this research are to find out; (1) the transparency of village funds management in Pantai Beringin and Baumatra Utara village of Kupang district; (2) The transparency of village funds management started from the phase of planning, implementation, administration, fillings, and accountability. This was a descriptive research with a qualitative approach. The objects of this research were 2 villages i.e. Pantai Beringin Village and Baumatra Utara Village of Kupang district. This research focuses on the transparency of village funds management in Pantai Beringin village and Baumatra Utara village of Kupang district especially by considering the transparency gauge index in every stage of the village funds management i.e. debate, control, and disclosure of the stage of planning, implementation, administration, fillings, and accountability. The research result reveals that village funds management in Pantai Beringin village and Baumata Utara has been transparent. All phases of village funds management are conducted openly. Because every process of village funds management i.e. planning, implementation, administration, fillings, and accountability have been conducted transparently.

### KEY WORDS

Transparency, management, village funds, public service.

A government is said transparent if there is a freedom of information flow in every process of an institution to form a government. A lot of information have been provided acceptably and understandable so can be used as a monitoring and evaluation tool. A not transparent, quick or slow government tends to lead to the corrupt, authoritarian, and dictator government. In the event of state administration, the government is encouraged to act openly to the policies they make including budget needed to implement those policies. For that matter, the government is encouraged to act openly in order to achieve transparency and public accountability starting from the planning, implementation until the evaluation phase.

In Law No 14 of 2008 on Public Information Openness especially in chapter 9 (c) about information openness of financial reports that actually information about financial reports is one of four public information (without being asked) that must be published periodically to the public: 1) Information related to the Public Body; 2) Information concerning activities and performance of the Public Body; 3) Information concerning financial reports/or; 4) other information deemed necessary by legislations. World Bank (in Wildavsky and Caiden, 2012) theoretically state that the principle of good governance is signed by the aspect of transparency, participation, and accountability.

A village is like a mirror whether the government of a country is successful or not. Also, it is the spearhead of a government in a country. Village funds aim to provide welfare and fairness that lead to independence. In addition, to bring hope, village funds also bring concern over the corruption and conflict in a village. Public budget is susceptible to corrupt. While only a little society who understands the budget intricacy. Society is not introduced to the knowledge of budget and its process. Information of the program is possible to receive by society but is not followed by its budget information. Deviation from the budget is not only in the form of corruption but also can be a not on target and ineffective allocation. Hence, village finance management has to be controlled, not only its allocation but also its utilization in accordance with the principle of village finance, which is transparency.

## LITERATURE REVIEW

*Good Governance.* An international institution that brings governance term popular is World Bank through its publication printed in 1991 entitled Governance Development, followed then by Asian Development Bank (ADB) which since 1995 has been having policy paper dubbed Governance Sound Development Management. ADB articulates four essential elements from good governance, namely: accountability, participation, predictability, and transparency. UNDP then makes a more expansive definition of governance including government, the private sector, civil society and interaction between those three. Good governance has been defined by several recognized-world institutions. One of those organizations is United Nations Development Program in its policy document entitled "Governance for Sustainable Human Development", UNDP (1997, as quoted in Dwiyanto, 2005:82) defining good governance as a synergistic and constructive relationship in a country, private sector, and society.

For a public organization, even in the scale of a Country, those principles get wider. Based on UNDP and State Administrative Institution (*Lembaga Administrasi Negara* or LAN) (as quoted in Tangkilisan, 2007), the existence of a synergistic-constructive relationship between Country, the private sector and community arranged in 9 core characteristics of Good Governance includes: (1) Participation; (2) Fairness; (3) Transparency; (4) Responsiveness; (5) Consensus Orientation; (6) Equity; (7) Effectiveness; (8) Accountability; (9) Strategic Vision.

In the practice of regional administration in Indonesia, principles that have to be obeyed by government administration are governed in law No 23 Year 2014 on the Local Government in part two Chapter 58 stipulating that government administration is guided by the general principle of State Administration consisted of; (1) The principle of legal certainty; (2) The Principle of Ordering State Administrators; (3) The Principle of Public Interest; (4) The Principle of Openness; (5) The Principle of Proportionality; (7) The Principle of Accountability; (8) The Principle of Efficiency and Effectivity. Good governance principles will no be meaningful if not backed by other pillars that serve as a supporter, namely state, community, and the private sector. Collaboration among those three will complete the implementation of good governance concept.

*Transparency.* One of the elements in Good Governance is Transparency. The government theory defines transparency as a principle that guarantees access or freedom for every person to get information about governance i.e. information about policy, compiling process, implementation, and the result achieved. This principle emphasizes 2 aspects:

(1) public communication by government; (2) community right to the information access. Davis (as quoted in Meijer, 2012) states that transparency is defined as "drawing a veil over the secret" or "an ability to clearly see through a window of an institution". While Best (2005) defines transparency as information that is free and easy to access by them affected by the policy and the information provided is understandable both format and media.

*Principle and Indicator of Transparency.* At least, there are 6 principles of transparency proposed by Humanitarian Forum Indonesia (HFI), namely; (1) The information is understandable and easy to access (fund, the method, form of assistance or program). (2) The existence of publication and media about activity process and detail of financial. (3) There is a periodical report on the resources empowerment in the project development which can be publicly accessed. (4) Annual Report (5) Website or organizational publication media (6) Guideline on information spread.

A principle that guarantees access or freedom for everyone to get information about governance, namely information about policy, compiling process, implementation, and the result achieved. Based on Krina (2003), this principle emphasizes 2 aspects; (1) Public communication by the government; (2) Community right to the information access. According to Krina (2003), indicators from transparency are as follows: (1) Provide clear information provision about responsibility. (2) Compiling a mechanism of complain if there is a violated regulation or request to pay for a bribe. (3) Easiness to access information (4) Increasing

information flow through cooperation with mass media and non-government organization. When writing an article entitled “The Surprising Logic of Transparency”, Bernard I. Finel and Kristin M. Lord (1999) uses three different indexes i.e. debate, supervision, and disclosing. By using that transparency index, they then enter those three indexes into the stages of village funds management i.e. planning, implementation, administration, fillings, and accountability.

*Transparency Dimensions.* Transparency means an openness to provide information without being hidden by administrator to the shareholder. Transparency has several dimensions. Based on Mardiasno (2006), transparency dimensions are as follows: (1) Informativeness; The provision of information flow, news, mechanism explanation, procedure, data and fact to the stakeholders that need clear and authentic information. According to Mardiasno (2006), indicators of informativeness include: on time, proper, clear, authentic, comparables, easy to access. (2) Disclosure; discovery to the society or public (stakeholders) of activity and financial performance. Their indicators are a financial condition, the board of management chart, form of planning and the result of the activity.

*Management of Village Funds or Village Finance.* The term “Management” can be compared to administration which means a setting or maintenance (Suharsimi Arikunto, 1993). Village funds management is all series of activity started from the stage of planning, implementation, administration, fillings until accountability conducted in a one-budget-year from 1 January to 31 December. (Regulation of Home Affairs Ministry No. 113 Year 2014). The Principles of Village Funds Management The principles of village funds management as stipulated in the Regulation of Home Affairs Minister Number 113 Year 2014 on Funds Village Management are the principle of transparent, accountable, participative, order and discipline of a budget. There is also a stage of village funds management activity i.e. planning, implementation, administration, fillings, and accountability.

## METHODS OF RESEARCH

This was a descriptive research with a qualitative approach. The objects of this research were 2 villages i.e. Pantai Beringin Village and Baumatra Utara Village of Kupang district. This research focuses on the Transparency of village funds management in Pantai Beringin village and Baumata Utara village of Kupang district especially by considering the index of transparency gauge in every process of funds village management process i.e. debate, control, and disclosure in the phase of planning, implementation, administration, fillings, accountability. Data were collected through several techniques, namely interview, documentation, and observation. In order to analyze the data, the researchers used interactive analysis from Miles and Huberman (1994). Source triangulation was used to test the validity of the data.

## RESULTS AND DISCUSSION

*Transparency in the Management Design of Village Funds in Pantai Beringin Village.* Funds village planning in Pantai Beringin village is carried out after the compilation of Medium-Term Development Plan (RJPM or *Rencana Panjang Jangka Menengah*) and Government Work Plan (RKP or *Rencana Kerja Pemerintah*) which becomes the foundation to arrange revenue Budget Expenditure Village (APBDes) that is the result of funds village planning. At the stage of funds village management planning, every sub-village in Pantai Beringin village has organized a joint meeting with neighborhood unit (RT) and community unit (RW) within one sub-village to determine what needs they required in that year. Later on, the community aspires their opinion through the meeting at the level of sub-district together with the head of RT and RW and then that result of meeting will be brought to *musrenbang* (development planning meeting). At the stage of management planning of village funds in Pantai Beringin village, those three transparencies aspects are debat, control, and disclosure should exist in every process. At the stage of *musrenbang*, there is a debate between each

sub-district and village government to determine the type of activity, activity volume, place of execution, and time of execution.

As it sees in village funds spending to finance village development, there are 3 kinds of program prioritized by the village. They actually become the society's needs and is in accordance with the *musrenbang* result taken by debate result among sub-village. It finally takes one which becomes the society's needs. The program established in 2017 will periodically conduct in the next year. Leadership pattern of a village head in Pantai Beringin Village is more democratic. Decision made in the discussion of program/project/activity based on the result of a debate. Even the village head has no decision concept previously. The decision is made based on the result of the thinking/opinion that develop during the meeting. A phenomenon of debate during a meeting and decision-making process as explained above is in accordance with the leader's behavior when making a decision during a meeting.

*Transparency in the Implementation.* Implementation stage is a series of actions to implement APBDes in one-year budget started on 1 January until 31 December. Referring to APBDes, it arranges Cost Budgeting Plan (*Rencana Anggaran Biaya* or RAB) for all activities that become the basis of the proposal of Payment Request Letter (Payment Request Letter or SPP). Goods and service procurement, the arrangement of cashbook of Activity Assistance, and Alteration APBDes is activity going on in an implementation stage. Implementation Information of funds village management is also opened for the public because all of us can access that information, control conducted also not only by local government and Village Consultative Body (*Badan Permusyawaratan Desa* or BPD but also society. The 2017 APBDes was also launched in the form of a billboard in front of village hall to make all society can access the use of budget in 2017. The detail of expenditure in every village is also explained in the billboard including total SILPA (Budget Surplus) in 2016. However, that billboard was installed in front of the village hall only.

*Transparency in Administration.* Administration stage of village funds management is a fillings process of all finance transactions in one budget year. Moreover, financial management functions to control APDesa implementation. The result of management is a report used to respond to the state of financial itself. Village funds management in Pantai Beringin village tries to provide information which is publicly opened for all aspects of society. The village government is asked to not ignore the reality of this funds management. Hence, whoever can see the document of financial transaction. One of the forms of village funds management is management. Administration of village funds management with transparency index has been there in Pantai Beringin village by the existence of control from society to the document of village funds management. In addition, the village government is also very opened to the community related to the document or information and there is no information hides by the village hide to society or whoever who needs information about village funds management. Including the organizational chart which is also a source of information for society.

*Transparency in Fillings.* At this stage, the village Government of Pantai Beringin compiles a realization report of ABDes implementation every semester which is intended to the Regent. The fillings phase conducted by Pantai Beringin village makes all fillings and information documents of village funds management reporting publicly accessible. Research result data shows that the phase of management fillings of village funds contains control from society because they compare with that of from the program implementation utilizing village funds. Another index of transparency gauge is disclosure which can be found in the form of information openness from the village government by applying the report of village funds management on the information board. Actually, there is no debate in this stage, but Pantai Beringin government village does not close the access if there is society who disagrees with the report that has been compiled.

*Transparency in Accountability.* Management accountability of village financial is conducted every end of the budget year conveyed to the Regent in a forum of Village Meeting. For Pantai Beringin village, management accountability of the 2017 village funds

management has been conducted openly in a village meeting. It was attended by village apparatus, public figure, religious leaders, and the people of Pantai Beringin village.

From the data above, liability process of village funds management in Pantai Beringin village has been in accordance with the existing regulation. Accountability report conveyed openly in the village forum was attended by BPD, village apparatus, and the people of Pantai Beringin village. Debating process was still there when accountability report conveyed, however; this matter can be finished with the explanation provided by the government to the community. This matter shows that there is a control from society. The conveyance of accountability report in *musrenbang* shows that the index of transparency gauge, which is disclosure, has been there in this stage of accountability.

*Management Transparency of Village Funds in Baumata Utara Village.* Management design of village funds in Baumatra Utara village is similar to that of in other villages. Establishing village *musrenbang* in the village hall by inviting all components of local government and all villagers. In order to determine the program which will conduct in 2017, the community commonly focuses on a program they choose as a priority which actually will need a large budget. The result above reveals that Baumata Utara village, in terms of determining program, has involved society and another village apparatus. Also, it previously had set up village *musrenbang* to jointly make a decision to determine what program will run in 2017. The decision to arrange *musrenbang* is agreed in concensus by villager. Through debates, it shows that all aspects in Baumata Utara village to control the decision of village government and all information of *musrenbang* result conveyed in a meeting is an index of disclosure transparency. Village funds management in the stage of planning in Baumata Utara village involves proposals from all sub-villages. Hence the government tends to prioritize proposal or opinion from the head of village since the level of society's trust to the village head. Community and local government's control to the management of village funds is still lack because of the high level of community's trust in the village head.

*Transparency in the Implementation of Village Funds Management in Baumata Utara Village.* Management implementation of village funds in Baumata Utara almost has no debate because the people of Baumata Utara truly believes on the decision impelemnted to the head of village. They consider that the village head will carry out all programs which have been agreed on in the village *musrenbang*. In addition, the absence of debate in the implementation stage is due to every system of the program conducted in Baumata Utara village has been rolled out. This means the program will be given to the sub-district annually and alternately. Before the implementation of the program, the village government always conducts socialization in advance and installs information board in the place of the activity does. Therefore, information conveyed bythe village government is considered enough so that the community only controls the process of program implementation.

The way the government in Baumatra Utara village does to report the village funds administration is compiling an administration report for one year budget and then stuck on the From the research result and observation in Baumata Utara village, its management of village funds has been transparent. Even though there is still a little debate during the implementation caused by the lack of information, it can be finished because of socialization from the village government. The community, BPD, and public figure have also controlled every program related to the management of village funds, while disclosure for every program or village funds are always opened for public and there is no one hides. Disclosure of this stage is also in the form of information of the 2017 APBDes in which the government has installed 2 billboards.

Administration stage of village funds management more focuses on the documents of the utilization of village funds whether or not can be accessed by all communities who want to know information about village funds utilization. This stage focuses on the information openness from the village government. Administration stage of the village funds management with transparency index in Baumata Utara village has been done. It proves by the control from society to the document of village funds administration and the village government also very opened (disclosure) to the document or information, there is no one

hides to the community or whoever that needs information about village funds administration. There is no debate in this administration stage.

Information board. Therefore, that report of village funds management can be accessed by all societies. The data above shows that the government of Baumata Utara village is very opened to the information about the report of village funds utilization. On the other hands, it also finds that the community truly believes the head of the village so that this report is only seen by people who need that data. It is seen that the community surely believes the village head so that they do not need and control the report of village funds management.

Accountability process of village funds management in Baumata Utara is similar to in another village, accountability report is conveyed to the local government, and community in the event of a village meeting.

The research result reveals that the people of Baumata Utara village exactly believe in every decision or report of accountability given by village government. There is no debate in this accountability stage, all parties receive what the village head said. Therefore, transparency measurement index by the report conveyed to the community has shown the disclosure, and community, as well as another village apparatus including BPD, is also the form of control itself. There is no debate in this stage because the people of Baumata Utara village receive the report conveyed by the village government.

## **CONCLUSION**

Village funds management in Pantai Beringin village and Baumata Utara village has been transparent. All phases of village funds management are conducted openly. Because every process of village funds management from the stage of planning, implementation, administration, fillings, and accountability has been conducted transparently. If considered from the stage of a management process, those two villages have been transparent enough since involving community participation and communication between village government, village apparatus, BPD, and the community. Index of transparency gauge used to conduct this research is available in every stage of debate, control, and disclosure.

## **SUGGESTIONS**

In order to manage village funds, village government should embrace society to actively socialize all programs to the community, including when there is an alteration of the program caused by not agreed on by local government so that debate happened during the implementation cannot be denied. To make society more supervise the process of village funds management including at the stage of fillings, the community truly plays role in supervising village funds management. Kinship relationship is not allowed to be the reason of weak control given by society to another local government.

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