



UNVEILING THE UTILIZATION, REPORTING, AND ACCOUNTABILITY OF VILLAGE FUND ALLOCATION

¹Nurul Fuada*, ²Haliah, ³Nirwana, ⁴Syamsuddin, ⁵Andi Kusumawati

¹ Universitas Muhammadiyah Makassar, Indonesia

²³⁴⁵ Universitas Hasanuddin, Indonesia

*Corresponding Author: fuadanurul25@gmail.com

Received: March 16, 2024	Reviewed: April-May 2024	Published: June 24, 2024
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ABSTRACT

This study delves into the utilization, reporting, and accountability of Village Fund Allocation in Panciro Village. Adopting a phenomenological approach, data were collected through budget realization reports and interviews with village officials. The results reveal that Panciro Village adheres sufficiently to financial management protocols, as evidenced by proper documentation in the cash book and timely submission of reports to higher authorities. However, while current accountability mechanisms are functional, the abstract lacks an in-depth exploration of the specific strategies employed and the challenges faced in ensuring transparency and preventing fund misappropriation. Moreover, the abstract would benefit from contextualizing the findings through comparative analysis with neighboring villages or national standards. Additionally, future research could involve longitudinal studies to evaluate the sustainability of the implemented accountability measures and their long-term impact on village development.

Keywords: Village Fund Allocation, Accountability, Reporting, Utilization

ABSTRAK

Penelitian ini mengkaji penggunaan, pelaporan, dan akuntabilitas Alokasi Dana Desa di Desa Panciro. Dengan menggunakan pendekatan fenomenologis, data dikumpulkan melalui laporan realisasi anggaran dan wawancara dengan pejabat desa. Hasil penelitian menunjukkan bahwa Desa Panciro cukup mematuhi protokol manajemen keuangan, sebagaimana dibuktikan oleh dokumentasi yang tepat dalam buku kas dan penyampaian laporan tepat waktu kepada otoritas yang lebih tinggi. Namun, meskipun mekanisme akuntabilitas saat ini berfungsi, abstrak ini kurang mendalami strategi spesifik yang digunakan dan tantangan yang dihadapi dalam memastikan transparansi dan mencegah penyalahgunaan dana. Selain itu, abstrak ini akan lebih baik jika temuan tersebut dikontekstualisasikan melalui analisis komparatif dengan desa tetangga atau standar nasional. Penelitian mendatang juga dapat melibatkan studi longitudinal untuk mengevaluasi keberlanjutan langkah-langkah akuntabilitas yang diterapkan dan dampaknya dalam jangka panjang terhadap perkembangan desa.

Kata Kunci: Alokasi Dana Desa, Akuntabilitas, Pelaporan, Penggunaan



INTRODUCTION

A village constitutes a local community with a delineated territory and the capacity to establish its own governance structures (Riyanto, 2015). Typically, village communities exhibit low population densities, with the majority of residents engaged in the informal sector, predominantly in agriculture and livestock. The communal relationships within these villages are characterized by close-knit interactions and mutual assistance (Fan & Lederman, 2018).

Villages represent clusters of settlements situated in rural areas, each with its distinct name, location, and boundaries, serving to differentiate one village from another (Bastian, 2019). The management of the Village Fund Allocation (VFA) is overseen by a team constituted by the village government through a Village Head Decree, known as the VFA Activity Implementation Team (AIT). This team comprises the Village Head, who leads the operations, the Village Secretary responsible for overseeing operational activities, and other members including community leaders and organizational heads as required (Nandy, 2019).

The allocation of VFA is distributed with a maximum of 30% designated for administrative purposes and 70% dedicated to community empowerment activities. The ideal model of village governance is one that is good, clean, and authoritative, fostering close interactions between the community and the administration, thereby enhancing community participation and promoting local

government accountability, transparency, and responsiveness (Saputra et al., 2021).

Public accountability entails the obligation of trustees to present, disclose, and justify all activities for which they are responsible to the principals who hold the authority to request such accountability (Bangsawan & Abbas, 2021; Mardiasmo, 2002). Accountability involves ensuring that individuals in positions of leadership, whether officials or implementers, complete their duties in compliance with prevailing laws. This can be demonstrated through transparent and informative written reports (Sujarweni, 2015).

The village government's proficiency in budget management significantly impacts the prosperity and welfare of the village community. Effective budget management aligned with community needs fosters increased accountability and transparency. To prevent fraud in the VFA management process, it is imperative for both the community and authorized officials to understand the principles of openness and accountability, ensuring that village administrations embody these values in their governance practices.

Several previous studies have investigated the accountability and transparency levels of village governments in managing VFA. Research by Arista Widiyanti (2017) revealed that the management of Village Fund Allocation in Sumberejo village is generally accountable and transparent across administration, reporting, and accountability stages, supported by active community involvement in village development. Conversely, Kandung village

exhibited deficiencies in accountability and transparency, not only towards the community but also internally.

Further research by Dewa Gede Wirama (2019) demonstrated that the Tumbu village government has been transparent and accountable in every phase of VFA planning, implementation, and reporting. However, challenges remain in preparing comprehensive accountability reports for the realisation of the 2018 village fund, necessitating guidance and support from sub-district authorities (Tama & Wirama, 2020).

Given the insights from previous studies and existing research gaps, this study aims to explore the use, reporting, and accountability of the village fund budget in Panciro, South Sulawesi, to provide a clearer understanding of financial management practices at the village level.

RESEARCH METHODS

This research was conducted in Panciro Village, South Sulawesi, focusing on the village's financial management process, which includes planning, implementation, reporting, and accountability. The key informants for this study were selected for their reliability and accuracy in providing necessary information, adhering to Minister of Home Affairs Regulation No. 20 of 2018. The roles outlined in this regulation include the Village Head, who holds the authority over village financial management, and the Village Secretary, who acts as the Budget Coordinator. The study employed a descriptive qualitative analysis methodology, utilizing qualitative data presented descriptively (Moleong, 2019; Sugiyono,

2010). This method transforms raw data into a comprehensible form, enabling readers to better understand and interpret the data. Qualitative analysis involves gathering and synthesizing data through direct observations of the subject. According to Permendagri Number 20/2018, guidelines for accountable and transparent governance and management of the Village Fund Allocation are necessary, as outlined in Permendagri No. 20 of 2018 and generally accepted accounting principles. The research involved collecting primary data through interviews and secondary data related to village financial management, which was then presented in narrative text, matrices, graphs, and network charts. The collected documents were evaluated using indicators aligned with Permendagri No. 20/2018.

RESULTS AND DISCUSSION

Findings

Village financial management is governed by two primary work plans: the Village Medium-Term Development Plan, which outlines a five-year strategy for village governance, and the Village Development Work Plan, which details the annual government development agenda encapsulated in the Village Budget and Expenditure Revenue. This comprehensive budget includes programs slated for implementation within a one-year timeframe.

In Panciro Village, financial management encompasses Revenue, Expenditure, and Financing. The Village Fund Allocation (VFA), Revenue Sharing of Regional Taxes and Levies, and other income streams in 2020 totaled Rp.2,085,071,161. The village's total

budgeted expenditure for the same year was Rp.2,425,652,296.

The actual revenue in 2020 amounted to Rp.2,033,240,004, while the realized expenditure was Rp.2,352,691,730, resulting in a budget deficit of Rp.319,451,726. To address this shortfall, the surplus from the previous year's budget (SiLPA) was utilized. The realization of the 2020 Panciro Village VFA budget adhered to the guidelines set forth in Permendagri No. 20 of 2018 and Regent Regulation No. 7 of 2019, which detail the specifics of VFA budget utilization. The SisKeuDes application was instrumental in planning the Village Budget, ensuring uniformity in report generation. The outcomes of budget usage were inputted and subsequently printed using the SisKeuDes application.

Accountability is a cornerstone of public governance, particularly for the Panciro village government. The entire budgeting process, from planning and preparation to implementation, must be meticulously reported and accounted for, highlighting both successes and failures in achieving set objectives. This accountability is communicated through various media to both internal and external stakeholders, either periodically or as required by law.

Analysis of the Usage of Village Fund Allocation in Panciro

Administration encompasses the meticulous recording of all financial transactions, including both receipts and expenditures, within a given fiscal year. According to Article 63 of Permendagri No. 20/2018, the Head of Finance is responsible

for overseeing village financial management in the capacity of the treasury's executor. This role involves tracking all revenue and expenses in the general cash book and ensuring the book is closed in an orderly manner at the end of each month. The Head of Finance is also required to maintain general cash assistant books, which include bank assistant books, tax assistant books, and petty cash assistant books. These records are subsequently reported to the Village Secretary for verification, evaluation, and analysis before being submitted to the Village Head for approval. During an interview with the head of Panciro village, it was stated that:

"The administration and inputting in the Panciro village financial application are carried out by the treasurer."

This was corroborated by the village secretary, who affirmed: *"The treasurer handles financial administration, and as the secretary, I verify his work."* The administration carried out by Panciro Village, as recorded by the Head of Finance, includes the General Cash Book, General Cash Assistant Book, Tax Assistant Book, and Petty Cash Assistant Book within the Village Financial System known as Siskeudes. The administration in Panciro Village adheres to the guidelines stipulated in Permendagri No. 20/2018. This adherence is evident from the Village Regulation concerning the Village Budget, which has been discussed collectively with the Village Consultative Body and the community. The administration of the Village Fund Allocation in Panciro Village, based on interviews with the Head of Panciro Village, is structured as follows:

"When VFA funds are deposited into the village account, they are not immediately utilized. There are

stages that begin with the administration process, followed by the reporting or accountability process. These VFA funds are integrated into the village fund. The village head prepares the fund allocation through deliberation with the community and the BPD to determine the village's priority scale, with each budget having its designated posts. Community involvement is mandatory to ensure the budget is used appropriately. VFA funds are primarily focused on the administration of village governance."

Further clarification was provided by the Head of Finance, who stated:

"Panciro village administration follows the guidelines of Permendagri No. 20 of 2018. From inputting to reporting, everything is conducted through the Siskeudes application. The general cash book, bank auxiliary book, and petty cash auxiliary book are all inputted in the application. Despite the application, I also maintain records in the form of an album book."

From the interviews with the Head of Panciro Village and the Head of Finance, it can be concluded that the administration in Panciro village aligns with the guidelines of Permendagri No. 20/2018. The indicators of accountability include: (1) Administration in Panciro village is managed by the Head of Finance (Village Treasurer); (2) The Head of Finance records every cash receipt and expenditure, closing the book at the end of each month in an orderly manner; (3) The Head of Finance maintains cash assistant books, consisting of bank assistant books, tax assistant books, and petty cash assistant books.

Reporting of Village Fund Allocation in Panciro

The technical regulations for reporting the management of the Village Fund Allocation (VFA) are outlined in Permendagri No. 20/2018. According to this regulation,

during the reporting phase, the village head must submit a report on the implementation of the village fund for the first semester to the sub-district head. This report includes the realization of activities and must be submitted no later than the second week of July of the current year. Based on interviews conducted with the Village Head at the Panciro village office, he revealed:

"From the many reports we submit annually in the form of accountability, we in Panciro Village have consistently received positive feedback from all quarters, including the community and higher government officials, particularly the Regent."

This statement was further corroborated by the Head of Finance, who noted:

"The disbursement of VFA funds occurs in three stages: the first stage accounts for 40%, the second stage another 40%, and the third stage 20%, each with corresponding reports. Typically, every July, the village head submits the results of the VFA Budget implementation and the realization report to the Regent through the village head. For the second report, accountability has also been addressed. Before submission, all reports are deliberated with the Village Consultative Body (BPD) and the community."

From these interviews, the researchers concluded that the reporting procedures adhered to the accountability indicators set forth in Permendagri No. 20/2018. These indicators include: (1) The village head reports to the Regent/Mayor on the implementation of the village fund for the first semester; (2) The first semester realization report, which the village head must submit by the end of July of the current year, includes both the village fund realization and the activity realization reports; (3) By the second week of July of the current year, the village head consolidates all necessary

information to prepare the comprehensive report.

Accountability of Village Fund Allocation in Panciro

According to Permendagri No. 20/2018, during the accountability stage, the village head, as mandated by Village Regulation, must submit an accountability report to the Regent/Mayor at the end of each fiscal year, detailing the implementation of the village fund. This report includes financial statements, activity realization reports, and a list of sectoral, regional, and other programs implemented in the village, all of which are connected to the Village Regulation. The Head of Panciro Village stated in an interview:

“As the Head of the village, I am accountable to the Regent, and subsequently, to the community. We prepare accountability reports on the utilization of Village Fund Allocation (VFA) by involving the Village Consultative Body (BPD), community elements, religious leaders, women’s leaders, and other community leaders to participate in evaluating the reports we submit.”

This was further corroborated by the Head of Finance, who elaborated:

“The Village Head reports the implementation results of the VFA Budget and the realization report to the Regent through the Camat. Before the second report is submitted, we hold deliberations on the accountability report for the realization of the village fund implementation with the BPD and the community at the end of each budget period. All reports are submitted in accordance with the stipulated timeline and then reported to the Regent. Regional programs have not been implemented in this village for a long time.”

From the interviews with the Head of Panciro Village, researchers concluded that the

accountability report of Panciro Village aligns with the guidelines of Permendagri No. 20/2018, which stipulate that: (1) the village head must submit an accountability report to the Regent/Mayor at the end of each fiscal year concerning the realization of the village fund implementation; (2) the report must be submitted no later than three (3) months after the end of the relevant fiscal year, as specified by Village Regulation; and (3) financial reports, activity realization reports, and a list of sectoral, regional, and other programs implemented in the village must be provided with the village regulations.

The Head of Panciro Village also ensures accountability to the community by including them in every village meeting, both during the planning and accountability processes. These meetings provide opportunities for the community to voice their aspirations and serve as a medium for community learning regarding budget accountability. The level of community participation in these meetings is considered to be quite good. The conclusions drawn are linked to the regulatory guidelines related to VFA management, thereby ensuring the process is both accountable and transparent.

CONCLUSION

The research findings reveal that the management of the Village Fund Allocation (VFA) in Panciro Village adheres strictly to the Ministry of Home Affairs Regulation No. 20/2018. The Head of Finance meticulously records every receipt and expenditure, maintaining detailed auxiliary cash books, which include bank auxiliary books, tax auxiliary books, and petty cash auxiliary

books, all integrated within the SisKedu application. Financial management reporting for Panciro Village is executed punctually, with the first semester realization report submitted in July. The Village Head compiles all necessary reports, which are then forwarded to the Regent via the Camat. Furthermore, the accountability report for Panciro Village is presented by the Village Head to the Regent at the conclusion of each fiscal year, specifically in January 2021. This report is formalized through a Village Regulation that includes comprehensive financial statements, activity realization reports, and village property inventories.

This research underscores significant implications for enhancing accountability and transparency in the administration of Village Fund Allocation in Panciro Village, Bajeng District, Gowa Regency. For the government, the study provides a detailed examination of the current state of implementation accountability, offering insights that could drive improvements in VFA management, particularly within Panciro Village. For future research, these findings offer valuable perspectives for scholars focusing on VFA management, serving as a foundational reference for subsequent studies.

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