

Village Financial Management By E-Village Budgeting

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ABSTRACT

Bad governance or poor governance by some economic actors is one of the causes of the economic crisis in Indonesia. So that the emergence of public mistrust of government performance. To restore public confidence to the government, good governance is needed, one of which is the application of e-government. E-government is a form of information and communication technology by the government which can provide information and services to the public, business affairs, and matters relating to government. One of the results of the development of e-government is e-Village Budgeting. E-village budgeting is an online-based village budget management application in order to increase transparency and accountability of the village budget. One of the problems that often arises in the administration of village governance is related to the administrative system of village financial management that is not orderly, so that not a few that cause problems of irregularities in the use of the budget. This research will be designed a web-based application that can help make financial reporting easier. The application was made so that budgeting and development monitoring in remote villages are more transparent.

Keywords:

e-Village Budgeting, Management and Village Financial

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1. INTRODUCTION

Tomuan Holbung Village, Bandar Pasir Mandoge District, Asahan Regency is a village that has great potential in terms of agriculture. Tomuan Holbung Village is a village from Bandar Pasir Mandoge Subdistrict, Asahan Regency. There are 8 villages in Bandar Pasir Mandoge Subdistrict, namely Bandar Pasir Mandode Village, Gotting Sidodadi Village, Huta Padang Village, Bagasan Village, Sei Kopas Village, Silau Jawa Village, Village Suka Makmur, Tomuan Holbung Village. There are 10 hamlets in Tomuan Holbung village, where the majority of the residents are Batak, Javanese, and other ethnic groups, the livelihoods of the residents are Farmers, Civil Servants (PNS), and also work as employees at PT. Bakrie Sumatra Plantation (BSP)[1][2]. Applications[3] are an easy way for humans to communicate and search for an information system[4] that exists in today's world[5]. Tomuan Holbung Village[6] is one of the villages in Bandar Pasir Mandoge Subdistrict which originated from the expansion of Padang Huta on the basis of the Asahan Regency Law Number 10 of 2008 concerning Village Formation in Asahan Regency so that Tomuan Holbung Village currently consists of X Hamlet [7].

The population of Tomuan Holbung Village[8] totaling 2,673 people consisting of 1,244 men and 1,429 women, have different religious beliefs, consisting of 1,762 Muslims, and 911 Christians[9]. The majority of the population is ethnic Javanese with a primary school education level. The people of Tomuan Holbung Village still uphold the nature of mutual cooperation and kinship in their social life. This can be seen from the active activity of the STM (helping labor union) organization whose activities are to visit sick or unfortunate people regardless of their religious beliefs. In general, most of the people in Tomuan Holbung village, Bandar Pasir Mandoge sub-district make a living as farmers, private employees, some work as construction workers, traders and only a small part work as civil servants. The most common means of transportation used by the people of Tomuan Holbung village are motorbikes. In this village, transportation facilities such as buses or public transportation are not yet available, because the entrance to Tomuan Holbung Village is still not a concrete road paved by the government.

According to [10] stated that the economic crisis in Indonesia was caused by poor governance (bad governance) in most economic actors (public and private). One of the efforts to restore economic, social and political conditions



is to restore public confidence in the government by realizing a clean and authoritative government or what is known as good governance.

One strategy to realize good and clean government is to implement electronic government which is an innovation from the public sector. E-government is the use of information technology by the government to provide information and services for its citizens, business affairs, and other matters relating to government. In Indonesia, the implementation of the use of information technology in the government began with the issuance of Presidential Instruction No. 3 of 2003 concerning the National Policy and Strategy for the Development of Indonesian e-government. Through the development of e-government, management systems and work processes are arranged within the central government and autonomous regional governments by optimizing the use of integrated information technology.

One of the results of the development of e-government is e-Village Budgeting. E-village budgeting is an online-based village budgeting management application in order to increase transparency and accountability of village budgets. One of the problems that often arise in the administration of village governance is related to the administrative system of village financial management which is not in an orderly manner, so that not a few cause problems with irregularities in the use of the budget. Through the e-Village Budgeting program, all village financial management is integrated into an online system.

The online-based budgeting system is carried out in line with the plan to disburse the APBN to villages which will get more than Rp. 1.4 billion per year according to the mandate of Law Number 6 of 2014 concerning Villages. From a regulatory perspective, villages are no longer part of Law no. 32 of 2004 concerning Regional Government. Villages in Indonesia will experience repositioning and new approaches in the implementation of development and governance.

In essence, the Village Law has a purpose and engineering that gives the village broad authority in the administration of government, implementation of development, community development, and community empowerment based on community initiatives, origin rights, and village customs. This policy has consequences for the management process which should be carried out professionally, effectively and efficiently, and accountable in order to avoid the risk of irregularities, fraud and corruption. Village financial reports will be a form of need for transparency which is a prerequisite for supporting accountability in the form of openness of the village government for public resource management activities. But in reality the problem that often occurs in the administration of village government is the administration of village financial management which is less orderly, resulting in irregularities in the use of the budget.

The e-Village Budgeting system that synergizes finance and development at the village level with the district is expected to be able to monitor the budget, ensure that development programs in the village are in accordance with the needs of the community and ensure that budget use remains targeted and realize transparency in the public sector. There are three stages in e-Village Budgeting in Tomuan Holbung village, Asahan Regency, namely planning, administration, and accountability.

Tomuan Holbung Village became a pioneer in making village financial application software built by the district. Tomuan Holbung Village's legal umbrella for implementing the Village Law is very good and can be an example for other districts in Indonesia to implement the mandate of the Village Law. The use of e-Village Budgeting is also a preventive measure from the misappropriation of village funds with a view to empowering village officials.

Several previous studies have been conducted regarding e-Village Budgeting, one of which is Banyuwangi Regency which has implemented the system. In accordance with suggestions from previous studies [11] to see the effectiveness of using e-Village Budgeting. The difference in location can be one of the determinants in the successful implementation of e-Village Budgeting. This is due to the gap in the quality of human resources and other obstacles such as the gap in internet access between villages located in cities and in villages.

2. RESEARCH METHODS

2.1 Stages of Research

The method used is a descriptive method with a qualitative approach. Qualitative research is used to obtain in-depth statements and answers to a phenomenon. Qualitative research does not use a sample but uses a social situation which consists of 3 elements, namely, place, actor, and activity. The actors in this study were the head, secretary, and treasurer in Tomuan Holbung village, Asahan Regency.

2.2 Data Types and Sources

The data source used is primary data. The primary data in question is the result of direct interviews with parties related to the financial management of Tomuan Holbung village, Asahan Regency. These parties include the head, secretary, and treasurer of Tomuan Holbung village, Asahan Regency. In addition, secondary data obtained by researchers indirectly through intermediary media, but only as a support for primary data in the form of reports.

2.3 Data Analysis Technique

This study uses a descriptive analytical approach. Research that uses this approach must describe the actual research conditions, the way is by conducting in-depth research. The stages in carrying out the research are data collection, data reduction, data validity test, data presentation, and conclusion drawing and verification.

2.4 Data Validity Test

The definition of triangulation according to [12] is a technique of checking the validity of data that utilizes something else in comparing the results of interviews with the object of research. Triangulation can be done using different techniques, namely interviews, observations and documents [13].

3. RESULT AND DISCUSSION

3.1 APBDesa Planning

APBDesa planning starting from the observation of the hamlet, Musdes, Musrenbangdes and becoming the RKPDesa. Then the village secretary will make a Draft Village Regulation on the Village Budget to be submitted to the village head and discussed with the BPD. After the approval of the Draft Regulation, it will become the Village Budget and

submitted to the sub-district for verification until it was finally determined to be APBDesa. Only then can the operator enter RPD to *e-Village Budgeting*.

3.2 Disbursement of APBDesa

Disbursement of APBDesa funds consists of two stages. The first stage is after the Village Budget is verified and determined to be APBDesa (around March or April). The village treasurer must submit a printout of the RPD from *eVillage Budgeting*, RPJMDesa, RKPDesa, APBDesa for the current year, village profile book, LPPDesa, Final Semester Report of the previous year per budget source, Accountability Report on the Realization of the Implementation of APBDesa for the year the previous budget has been completed at least 80% to DPM for verification. Then DPM will give a letter recommendations for disbursement of funds to be submitted to BPKAD. BPKAD will also re-verify until Finally, the first phase of APBDesa funds disbursed by 60% through a checking account belonging to the village and the village treasurer only can save in cash as much as 30% of the total village expenditure in the APBDesa.

If the cash is depleted, the treasurer can withdraw it again using the same process plus the SPJ, the use of the previous disbursement funds has been absorbed at least 80% for the implementation of the Village Budget. The process continues until the disbursement of the second phase of APBDesa funds is 40% of the total APBDesa.

3.3 Implementation and Management APBDesa

For payment for the implementation of APBDesa activities, the TPK must submit a RAB to the village head as Funding petition. Then the village secretary will verify and be approved by the village head. Furthermore, the TPK can order goods/services in accordance with the RAB, only after the goods/services arrive the TPK can submit an SPP to the village head to be signed and submitted to the treasurer, which means the village treasurer must pay for the order. The operator must change the SPP status in *e-Village Budgeting* to 'approved' and only then can payments and expense records be made in *e-Village Budgeting*. Furthermore, the TPK must submit the SPM as proof that the payment has been made. Administration in *e-Village Budgeting* consists of General Cash Book, Tax Assistant Cash Book, and Bank Book.

3.4 APBDesa Changes

APBDesa changes This was done because there were additional PAK funds from the district government. PAK funds are surplus funds from the APBD that are distributed to villages. In addition, there are assistance funds from provinces such as Jalin Matra or assistance for damaged village facilities, Reward funds are awards for the fifty fastest villages that succeed. meet the target in collecting PBB from the community. Usually Reward funds will be disbursed before disbursement APBDesa phase two or around August to September. The process of submission to disbursement of changes APBDesa is the same as APBDesa planning.

3.5 APBDesa Reporting and Accountability

Reports on the implementation of APBDesa through *e-Village Budgeting* for the current year will automatically be compiled together with the administrative process, just add supporting evidence, such as notes and photos. Some reports that must be made by the village treasurer are the Village Budget Implementation

Realization Report every semester. The first semester report is to be submitted no later than the end of July of the current year and the year-end semester report is no later than the end of January of the following fiscal year.

Then the accountability report on the realization of the APBDesa implementation to the regent through the DPM every year no later than the end of January of the following fiscal year. Monthly reports in the form of reports on the absorption and use of funds starting after the disbursement of the first phase of APBDesa funds until the end of the fiscal year. This report is done manually and then submitted to the sub-district and then distributed to the DPM. And the last is the Accountability Report which is made manually for the BPD and has been approved by the village head.

3.6 Keuntungan Penerapan *E-Village Budgeting*

E-Village Budgeting really helps the work of village officials in implementing village financial management, a process that was initially so long and complicated can become easy and fast. The accounts needed for administration are already available in the e-Village Budgeting and for reporting, they are also automatically arranged together with the administration process. The level of accuracy is also very high and there is no need to worry about losing the previous years' report documents. With an integrated system, making village financial management through e-Village Budgeting more transparent, stakeholders can monitor the use of APBDesa funds to monitor the progress of activities related to APBDesa.

4. CONCLUSION

The results of interviews and discussions that have been explained by the researchers, it can be concluded that the management of village finances through e-Village Budgeting starting from the planning stage through village visits, Musdes, Musrenbangdes and becomes RKPDesa to RAPBDesa and approved by the sub-district head to become APBDesa, then the operator enters the RPD into e-Village Budgeting. The second stage is the disbursement of APBDesa which consists of two stages, the administration carried out by the village treasurer and e-Village Budgeting operator through the General Cash Book, Tax Assistant Cash Book, and Bank Book, as well as closing the books at the end of each month in an orderly manner. The village treasurer is obliged to account for money through an accountability report submitted every month to the village head and no later than the tenth day of the following month. The village treasurer must also submit a report on the realization of the APBDesa implementation to the village head which is then distributed to the regent through the DPM. The village head must also submit an accountability report on the realization of the APBDesa implementation to the regent through the DPM at the end of each fiscal year. The implementation of e-Village Budgeting makes village financial management more effective and efficient. Besides that, it also makes it easier to control and supervise, the village planning pattern is more focused with previous planning.

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