
IMPLEMENTATION OF VILLAGE FINANCIAL SYSTEM POLICY IN REQUIRING VILLAGE FINANCIAL ADMINISTRATION IN INDONESIA

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Abstract

This study aims to determine the implementation of financial system policies in realizing orderly village financial administration in Indonesia. This study uses Edward III's policy implementation theory with indicators of communication, resources, disposition, and bureaucratic structure. This research was conducted using qualitative descriptive methods. The results showed that the implementation of the village financial system policy was still not optimal, this was due to the resources, disposition and attitude of the implementers. The dimensions of resources, disposition and attitude of village officials must be improved so that the implementation of village financial system policies can run optimally.

Keyword: *Public Policy, Policy Implementation, Village Financial System.*

A. INTRODUCTION

The passing of Law No. 6 of 2014 concerning Villages provides a great opportunity for villages to take care of their own governance and the implementation of development to improve the welfare and quality of life of rural communities. In addition, the village government is expected to be more independent in managing the government and various natural resources they have, including the management of village finances and assets.

The magnitude of the role accepted by the village, accompanied by also a great responsibility. Therefore the village government must be able to apply the principle of accountability in its governance, where all the final activities of village governance must be accountable to the village community in accordance with statutory provisions (Rompas, et al., 2017).

The implementation of village finance is regulated in the Minister of Domestic Affairs Regulation No. 113 of 2014 concerning Village Financial Management and the Minister of Domestic Affairs Regulation No. 114 of 2014

concerning Guidelines for Village Development. Village finance is all village rights and obligations that can be valued with money, as well as everything in the form of money or goods that can be owned by the village which is related to the implementation of village rights and obligations (Permendagri No. 113 of 2014 concerning Village Financial Management).

While the village income and expenditure budget, called the APBDesa, is the Village Government's annual financial plan. The scope of village financial management includes planning, implementation, administration, reporting and accountability of village finances, all of which are intended to meet the needs of the village in order to realize development. Village finance obtained from village income sources must be managed properly for the achievement of village development. Through the village fund policy, the economy and the welfare of the community are expected to improve. The budget allocation provided by the government continues to increase (Permendagri No. 113 of 2014 concerning Village Financial Management).

The amount of village funds, every year continues to increase, namely Rp. 20.67 trillion in 2015, Rp. 46.98 trillion in 2016, and respectively Rp. 60 trillion in 2017 and 2018 (<https://www.kemenkeu.go.id>). While in 2019 village funds are budgeted at Rp. 60 trillion (<http://www.djpk.kemenkeu.go.id>).

The increase in the number of village fund allocations turned out to be accompanied by an increase in corruption. In its development, abundant village funds are prone to corrupt practices. Based on the results of monitoring by Indonesia Corruption Watch (ICW) from 2015 to Semester I 2018, cases of corruption in village funds have increased from year to year. At least 181 cases of village fund corruption were recorded with 184 suspected corruption with a total loss of Rp. 40.6 billion (<https://nasional.kompas.com>).

In the case of village finances, the village government is obliged to prepare a report on the Implementation of the Village Budget and a Report on the Realization of the Implementation of the Village APB. This report is produced from a cycle of village financial management, which starts from the

stages of planning and budgeting, implementation and administration to reporting and accountability of village financial management. One of the strategies in village financial management of the central government is implementing online-based applications for village government, namely the Village Finance System (Siskeudes) application.

Siskeudes is an application developed jointly with Permendagri as a regulator so that the results of using the application will be in accordance with applicable regulations. The purpose of the Siskeudes policy from the Financial and Development Supervisory Agency is inseparable from various factors that influence the implementation of the Siskeudes policy in accordance with the expectations of the government and the community (Fitrianti, 2018).

The Siskeudes application was first implemented throughout Indonesia in June 2015. The Siskeudes Program is a program of the Financial and Development Supervisory Agency which has been applied from 18,000 villages in Indonesia. With the passage of Law Number 6 of 2014, the online-based Siskeudes application can make villages even better by meeting the needs and interests of the community. Providing greater opportunities for villages to manage their own governance and equitable implementation of development is expected to improve the welfare and quality of life of rural communities so that problems such as regional disparity, poverty, and other socio-cultural problems can be minimized.

Policy implementation is a stage in the policy process, where implementation is carried out when a policy has clear objectives. In a policy, implementation is a series of activities aimed at realizing what is set in the policy. Siskeudes scope is still modest, which is only limited to the scope of the village. Siskeudes has a function in accordance with the objectives of implementing Siskeudes, namely managing village finances and to apply the principle of accountability.

This study aims to analyze the implementation of the Village Financial System policy in realizing the orderly administration of village finances in

Indonesia by taking the case of the Cileunyi Village, Cileunyi Sub-district, Bandung Regency. The focus of this research is to look at the implementation of village financial system policies using the theory of Edward III (1980), which consists of four main issues, namely communication, resources, disposition or attitudes, and bureaucratic structures.

B. LITERATURE REVIEW

1. Concept of Policy Implementation

Etymologically, implementation comes from English, namely to implement. In Webster's Big Dictionary, to implement means to provide the means for carrying out; and to give practical effect to (to have an impact/effect on something) (Wahab, 2005).

Lester and Stewart said that policy implementation is seen in a broad sense as a legal administration tool in which various actors, organizations, procedures and techniques work together to carry out policies in order to achieve the desired impact or goals (Winarno, 2002).

So the implementation is the actions taken by the government to achieve the goals set in a policy decision. Policy implementation basically aims to measure the success or failure of a policy outcome that is actually implemented in the field by the implementers and how it impacts on society and its stakeholders. Saefullah (2007) says that at the level of policy implementation concerns how or to what extent a policy can be implemented in the real world. Understanding of policy implementation is not only owned by the agency and implementing apparatus, but also by the community or parties who are the target of the policy.

According to Grindle (1980), after the policy is transformed, then the policy implementation is carried out and its success is determined by the degree of implementation of the policy. Measuring the success of policy implementation can be determined by two things, namely by the content of the policy and the context of policy.

The contents of the policy, include the following:

- a. *Interst Affected*
- b. *Type of Benefits*
- c. *Extent of change Envision*
- d. *Site of Decision Making.*
- e. *Program Implementer.*
- f. *Resources Committed.*

Meanwhile, the context of implementation is:

- a. *Power, Interest and Strategy of Actor Involved.*
- b. *Institutional and Regime Characteristic.*
- c. *Compliance and Responsiveness.*

The Grindle Policy Implementation Model emphasizes more on the political and governance side of the actors involved in policymaking and the impact of a policy being explained, namely the success and failure of a policy that depends on the content of the policy itself and the conditions of the policy itself (context).

Meanwhile, Edward III (1980), emphasized that the main problem of public administration is the lack of attention to implementation. He said, without effective implementation, the decision of policymakers will not be carried out successfully. Edward suggested paying attention to four main issues so that policy implementation would be effective, namely communication, resources, disposition or attitudes, and bureaucratic structures. Communication deals with how policies are communicated to organizations and/or the public, the availability of resources to carry out policies, the attitudes and responsiveness of the parties involved, and how the organizational structure of implementing policies. Resources regarding the availability of supporting resources, especially human resources. This relates to the ability of public policy implementers to carry out policies effectively. Disposition regarding the willingness of the implementors to carry out the public policy, capability alone is not sufficient, without the willingness and

commitment to implement the policy. Bureaucratic structure with regard to the appropriateness of bureaucratic organizations that are organizers of the implementation of public policies.

The challenge is how to prevent bureaucratic fragmentation because this structure makes the implementation process far from effective. In Indonesia, there is often ineffectiveness in policy implementation due to lack of coordination and cooperation among state and/or government institutions. In this case, what is meant by Resource Management is the Village Government as a Village Government Apparatus, the main task of the Village Government is to serve the community. The Duisampig required the government to provide more guidance, guidance and motivation to catch up with the rest of the community that had already advanced, so it was natural that in these conditions needed an adequate government and government. Furthermore, the ability to run a government is largely determined by the managerial skills of government exponents and the functioning of the management system. The pattern of village governance, on the one hand, must follow the demands of modernity, on the other hand, it must be sensitive to the local cultural context.

2. Village Financial Management Concepts

According to James A. F Stoner (2006), management is the process of planning, organizing, directing and supervising the efforts of the members of the organization and users of other organizational resources in order to achieve the stated organizational goals.

According to Arif (2007), village financial management is the whole activity which includes planning, budgeting, administration, reporting, accountability, and supervision of village finances.

Based on the Minister of Domestic Affairs Regulation Number 4 of 2007 Article 1, what is meant by management is a series of activities starting from planning, procurement, use, administration, evaluation, guidance, supervision

and control. Management or also called management in the general sense is an art, skill or expertise. Namely the art of completing work through other people or expertise to move people to do something work.

Regional governments have broader authority in the management of their regions. One form of government concern for the development of rural areas is the existence of a special development budget that is included in the Regional Revenue and Expenditure Budget (APBD) for rural area development, namely in the form of Village Fund Allocation (ADD). This then gave birth to a new process of village decentralization beginning with the launch of the Village Fund Allocation (ADD).

C. RESEARCH METHODS

This type of research used in this study is a comparative study using qualitative analysis. Sources of data in this are all interested parties and main actors both from the village government, BPD, community leaders, Village Fund Technical Implementers, and the community. The facts needed include the words and actions of the informants who provide data and information from key informants through an interview and observation process.

Data collection techniques are carried out through observation, planning and documentation study. Testing and validity of the data in this study using triangulation. Triangulation is a data checking technique that utilizes something else outside this data (Moleong, 2016). The process of checking the data in this study is done by checking and comparing the interview data with the observation data and other complementary data. The triangulation technique used in this study is theoretical triangulation, namely using theoretical data, primary and secondary data and researcher perceptions, to be clearer (Miles & Huberman, 1992).

D. RESULTS AND DISCUSSION

1. Dimensions of Communication

The interviews found 2 (two) findings related to the implementation of village financial system policies relating to the communication dimension, namely: 1) The communication dimension was carried out through the socialization of the contents of village financial system policies in the Village Development Planning Consultative Forum (Musrembangdes) and meetings regular at the village level. 2) Program socialization financed from village funds is carried out at the hamlet level by the hamlet head (Kadus) to the community.

Overall, in terms of communication or information dissemination between the government and the community, it has been implemented well. Dissemination of how the village financial system policy has been carried out to the maximum by the village government.

2. Dimensions of Resources

The findings in this study relating to the dimensions of the resource include: 1) Resources related to the implementing HR are inadequate, both in number and competence; 2) Information as a component of village fund management resources has been quite clear in the form of rules for implementing instructions. 3) Resources in the form of facilities or equipment supporting the implementation of village fund management policies are also inadequate.

If related to the findings, it can be further explained that the components of resources in the implementation of village fund management policies are implementing human resources which are inadequate, both in terms of quantity and competence, so that additional and guidance/Bimtek is needed and assistance. While the component of resources such as information has fulfilled the requirements, namely communicating the regulations governing the management of village funds with the village financial system to related parties, especially the village and hamlet implementers. Then other resource

components such as facilities or supporting equipment are still inadequate. The authority component is considered not a problem, because according to the laws and regulations that the authority of the village fund management policy implementor lies with the village government.

3. Dimensions of Implementing Attitudes

The findings related to the dimensions of disposition or attitude of the implementers of the village financial system financial policy, among others: 1) The attitude shown by the officials implementing the village financial management policy is quite positive and responsive; 2) In addition, it expects that the management of village funds is carried out fairly, transparently and accountably.

The assessment of the implementor's attitude in managing village financial policies is good enough and has received a high response from the village community, this means that judging from the dimensions of the implementer's attitude, the implementation of the village financial management policy has been going well. This disposition will be able to help the implementation of policies run smoothly when the policy implementers are able to dedicate well to the policies that have been set. Being able to provide better encouragement when they work in accordance with what is assigned, the incentive is a good encouragement for the implementers to be able to help implement the policy so that it is realized properly.

4. Dimensions of Bureaucratic Structure

The findings in this study indicate that the organizational structure of implementing village fund management policies with the village financial system is designed simply, consisting of: Team 1 manages village funds that finance the government sector and Team 2 manages activities in the field of community empowerment; The organizational structure implementing the village fund management policy makes it easy for village heads and authority

officials to coordinate and supervise the activities of allocating and utilizing village funds.

The simplicity of the bureaucratic system in practice has facilitated the village government in implementing village financial management policies quite well. All processes of village financial management implementation went smoothly, mainly related to coordination and oversight issues, because they were accompanied by implementation instructions in the form of Standard Operating Procedures (SOP). This concept has an understanding that in implementing any policy, including the Village Fund Management Policy, the government has implemented it in accordance with standard operating procedures and has spread the responsibility of activities to several work units so as to be able to implement the policy well and obtain optimal results.

District government policy through village finance in Indonesia is followed up by each village. The amount of funds that must be managed by the village government has a high enough risk in its management, especially for village government officials. Therefore the village government must be able to apply the principle of accountability in its governance in which all the final activities of village administration must be accountable to the village community in accordance with the provisions.

The difficulties experienced by the village in implementing the Siskeudes application are the inadequate internet network and Human Resources (HR) roles and responsibilities received by the village have not been matched by adequate human resources both in terms of quantity and quality and have not mastered the application. This is possible in complex Siskeudes applications so that officials' understanding of the application is still low.

In addition, there is a lack of training in implementing the Siskeudes application to village officials. In every implementation of a program, facilities and infrastructure become an element needed to support the implementation of the implementation. Implementing implementers must understand what must be done and have the authority to carry out their duties, but without adequate

supporting facilities (facilities and infrastructure), the implementation of the policy will not succeed. In this case, the implementation of the village financial system (Siskeudes) requires good human resources and a good internet connection so that village financial reporting can run well and transparency every year.

E. CONCLUSION

The policy regarding the granting of large funds to the village has a positive impact on the development of the village, especially during the physical development of the village, but in the management of village finances, it has not been followed by the quality of the implementing apparatus, new policies and new supporting regulations, causing the implementing apparatus to be unable to compensate them.

The implementation of village financial system policies has been running quite well, starting from the planning process, implementation to the stages of utilization, supervision, and evaluation. The dimensions of policy implementation, such as communication, disposition or attitude of implementers, and the organizational structure of implementing policies have not been implemented effectively, while in the dimensions of resources, such as the number and competence of the implementing apparatus and supporting facilities or equipment is still limited or inadequate. Therefore it is necessary to do technical guidance and assistance in every implementation of village financial system policies.

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