

ANALYSIS OF FINANCIAL PERFORMANCE OF POLEWALI VILLAGE FUND ALLOCATION MANAGEMENT, SUPPA DISTRICT, PINRANG REGENCY

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Abstract

The research entitled Financial Performance Analysis of Village Fund Allocation Management in Polewali Village, Suppa District, Pinrang Regency. The purpose of this study is to analyze the form of fund allocation in Polewali Village and analyze the financial performance of financial management in improving village financial performance in Polewali Village. The type of research used is qualitative research to reveal the results of research descriptively. The focus of this research is intended to limit the results of empirical studies while limiting research to relevant matters. This research focused on the village fund budget management strategy in Polewali Village. Based on the explanation above, the data analysis techniques applied include three things, namely as follows: data reduction, data presentation and conclusions, and data verification. The results in this study are financial management carried out by Polewali Village in improving financial performance, namely the suitability of village fund financial performance in Polewali Village, Suppa District by using economic standards including carrying out village fund budget planning, implementing village financial performance. The Fund Budget reports the financial performance of the Village Fund Budget, making accountable the financial performance of the Village Fund Budget.

Keywords : Analysis, Financial Performance, Village Fund Allocation Management

INTRODUCTION

Based on regulations in Indonesia regarding budgets, it is stated that Village PPE consists of Village income, expenditure and financing. Village funds sourced from the State Budget are a form of state recognition of the unity of the legal community that is authorized to regulate and manage its own government affairs, community interests based on the right of origin initiative. Previously, the village had not been given full authority in carrying out its financial management, but since the enactment of laws and regulations related to it, the village has been given this authority (Rivan: 2019).

Law number 6 of 2014 concerning Villages, villages are given a mandate contained in article 1 of the Law on Villages that villages carry out development for the welfare of the community. In addition, with the enactment of the law on villages, village governments are expected to be more independent in carrying out good governance, management of all facilities in the village both natural resources (SDA) owned and financial management and security owned by the village.

In managing village finances, we must pay attention to principles such as transparency, accountability, participation, and orderly and disciplined budgets. The central government gives enormous authority and financial resources to the village in order to manage all the potential that exists in the village in the hope of increasing the economy and the level of community welfare. As a consequence, each village that manages the funding must carry out its duties and functions professionally, considering that the stability and welfare of the community is entirely in their hands (Ade Damayanti:2021).

The implementation of village financial management is also based on principles and principles towards effective management carried out by officials who have the responsibility in the implementation of management. In village financial management,

accountability is needed in the form of accountability in the form of village financial statements which are practically published for 1 fiscal year.

In Government Regulation No. 71 of 2010 concerning Government Accountant Standards, transparency is the provision of open and honest financial information to the public, based on the consideration that the public has the right to know openly and thoroughly the government's responsibility in managing the resources entrusted to the entity U.S. and its compliance with applicable laws and regulations.

Legal legitimacy related to accountability is expressed in the regulation of the Minister of Home Affairs No. 113 of 2014 stated that in the budgeting process through procedures for planning, implementation, disbursement of funds, administration, accountability reporting and publication. According to Riant Nugroho and Pierre Suprpto, legal compliance for budgeting implementers is an absolute requirement that must be met. These principles and absolute requirements are morally binding for officials involved in managing village funds, the aim of which is to improve the effectiveness and financial performance of the village. If this is heeded properly, it is not impossible that the funding intended for each village will run according to its goals (Rivan: 2019).

In managing village funds, there are stages that must be carried out such as village deliberation. According to Raharjo, for village spending, priority must be given to matters of a nature to meet development needs agreed upon in village deliberations. Thus, village deliberation is an important part in formulating primary needs for village development. It can also be said that the implementation of village deliberations is a reflection of the principle of transparency in village fund management, because in practice it involves residents openly to formulate the main primary needs in the village.

Several studies that have been conducted show that the allocation of village funds carried out by certain village fund managers has run with established principles. Deti Kumalasari stated that the implementation of the village fund allocation program in Bomo Village has applied participatory, responsive, transparent and accountable principles. The reporting of the allocation of village funds has been proven by the accountability of the implementation of the Village Fund Allocation Program to the top-level government carried out periodically. In line with that, Setiawan, A., Haboddin, M., & Wilujeng, N. F stated that the principle of accountability in the management of ADD in Budugsidorejo village has been fulfilled, this is indicated by its implementation in accordance with procedures and with internal and external supervision. In essence, the supervision carried out can raise awareness for village governments to carry out obligations, namely providing information related to the management of ADD. for the level of effectiveness, it shows that the effectiveness of Bontomanai Village financial management in 2016 100.04% & 2017 (100.07%) means very effective, because it has a ratio of > 100%, in 2018 (98.993%). This means that the total revenue received has fully met the expected target. The results of the study show that transparency and accountability in village fund management are needed as a manifestation of legal compliance for implementing officials in order to show more effective financial performance.

However, it seems that village financial management has not fully demonstrated effectiveness and established performance, as evidenced by several cases raised by several previous researchers. Damayanti stated that since the rollout of village funds since 2015, a number of problems involving misappropriation of village funds have occurred in several villages in Indonesia involving village officials. Andi Riyanto, Acep Suherman, & Dicki Prayudi stated that there are 73,707 villages throughout Indonesian. With such a large number of villages, and not supported by village governments that have good governance skills and professionalism, it can cause the potential for asset management or resources in villages prone to misappropriation. In Hamzah, A., Ratnawati, T., & Riyadi, S it is stated that the allocation of Village Funds is relatively small, also ignoring the principle of fairness but prioritizing the principle of equity (Fastari et al, 2012); problems in planning in the form of the ability of the planning apparatus are still very limited so that the resulting planning is not optimal in accordance with planning rules, the mechanism of the planning process needs to be improved (Momongan, 2013); lack of participation in planning and decision making on village development (Mumu, 2013); lack of 5 village community interest in evaluating development results (Orocomna,

2013); increasing community participation is constrained by disposition factors, communication factors, bureaucratic structure factors and resource factors (Ompi, 2013).

Based on preliminary observations, Polewali Village, Suppa District, Pinrang Regency has applied the principle of accountability as evidenced by regularly published village financial reporting. The implementation of financial transparency also involves citizens in carrying out their roles, although not entirely. However, there are still several obstacles in the management of village funds such as the allocation of village development funds that have not been able to fully answer the needs of the community collectively, socialization to the community has not been effectively carried out, citizen participation in monitoring village funds is still lacking, and there is no access to financial information services that are more collective, open and easily accessible to the general public.

RESEARCH METHODS

The type of research used is qualitative research to reveal research results descriptively. Research is presented using qualitative methods to describe the results of field research based on empirically discovered phenomena. The phenomenon raised is related to the financial performance of village fund allocation management in Polewali Village.

This research was carried out by the Polewali Village Office of Suppa District and the research was carried out for approximately 2 months. The parties who are ready to become informants in this research are, the village head and village staff and then there are also several informants from the local community. This research focuses on the strategy of managing the village fund budget in Polewali Village by raising two main sub-problems, namely how the form of village fund allocation and how the village fund management strategy is carried out to improve financial performance in Pesa Polewali.

Data collection techniques are carried out by; 1) Observation, which is collecting information using direct observation at the place of research. 2) Interviews, which are data collection where researchers hold questions and answers with direct speakers. 3) documentation, which is in the form of documented images as evidence that this research has been carried out. Analyze data for research through several data collection pros. Among them are through 3 stages, namely reducing data, presenting data, and drawing conclusions.

RESULTS OF RESEARCH AND DISCUSSION

The management of village funds must be based on economic principles to make the community prosperous and prosperous and improve a higher standard of living. In achieving community satisfaction, the village government in managing village funds must be done fairly, equitably and prosperously for the community and achieving the vision and mission of the village. Budget in full responsibility based on devotion, with targets to be achieved by creating quality human resources of government apparatus that are honest, disciplined, sincere, dedicated, and charismatic in providing services to the community.

The report on the implementation of the village budget per source of funds for the Polewali Village government can be seen in table 1 as follows:

Table 1. Report on the implementation of the village budget per source and the Polewali Village Government

Tahun	Pendapatan (Rp)	Belanja (Rp)	Persen (%)
2018	975.141.000,00	995.241.000,00	97%
2019	1.025.828.000,00	1.039.498.115,00	98%
2020	930.272.000,00	964.350.708,00	96%
2021	933.744.000,00	938.201.364,00	99%
2022	936.036.000,00	938.844.852,00	99%

Data Source: Polewali Regional Budget Report 2023

In table 1, the report on the implementation of the village budget per source of funds from 2018 to 2022 fluctuates from year to year.

The report on the realization of the implementation of the village revenue and expenditure budget per source of funds from the Polewali Village government can be seen in table 2 as follows:

Table 2. Report on the Realization of Village Budget Implementation per Source of Funds of the Polewali Village Government

Tahun	Pendapatan (Rp)	Belanja (Rp)	Persen (%)
2018	975.141.000,00	982.540.660,00	99%
2019	1.025.828.000,00	1.004.449.632,00	100%
2020	930.272.000,00	959.893.344,00	96%
2021	933.744.000,00	935.392.512,00	99%
2022	936.036.000,00	937.986.687,00	99%

Data Source: Polewali Regional Budget Report 2023

In table 2 of the Village Revenue and Expenditure Budget Realization Report Per Source of funds of the Polewali Village Government in the realization report, it is known that what distinguishes budget implementation from budget realization is in regional expenditures.

The report on the implementation of the village budget shows that the Village APB decreased in 2020 and increased in 2018-2019. Based on the results of the analysis, it can be seen that the village budget in Polewali Village, Suppa District has been effective. Effective financial performance shows the village government's ability to realize the planned Village Fund compared to the target set based on the real potential of the region.

The village revenue and expenditure budget in Polewali Village, Suppa District during 2018-2022 shows that the ability of the Government of the village revenue and expenditure budget in Polewali Village, Suppa District, in realizing the village revenue and expenditure budget has been effective. This shows that the financial performance of Polewali Village, Suppa District, is classified as good in realizing the planned village revenue and expenditure budget.

The Revenue of Polewali Village of Suppa District plans, organizes, collects, records, and accounts as well as possible to raise sufficient funds to fund programs / activities that have been previously determined, managed properly in the sense that they have been carried out. Village planning is the process of determining where a village's source of income comes from and how much potential it has to enable its financial position.

Expenditure management in Polewali Village, Suppa District is planned as much as possible both in terms of legal basis, programs or activities to be implemented, and implementation plans, and implementation plans are programs, the amount of budget used, and the implementation program / objectives that must be achieved through every activity. The total budget and budget allocation for each program/activity is the highest available and must be covered with the revenue expected to be generated by the village government. Thus, the growth rate of Sumbersari village expenditure is considered good.

The results of this study are in line with research conducted by Ade Damayanti, Surianto, S., Sarong, S., & Baso, R. (2021). The results of this study show that the average value of the efficiency level of Bontomanai village financial management based on the Village Budget (APBDesa) for 2016 – 2020 in Bontomanai Village, Bungaya District, Gowa Regency is less efficient, because after calculating between the realization of expenditure divided by the realization of income, it shows that the costs incurred for village expenditure activities are greater than the income.

1. Financial Management in Improving Financial Performance of Polewali Village

The financial management carried out by Polewali Village in improving financial performance in the Village is:

a. Conducting Village Fund Budget Planning in the Village

Village expenditures are all expenditures from village accounts which are village obligations in 1 (one) fiscal year that will not be repaid by the village. Of course, each village has different sources of village income according to the size of the potential of the village concerned. Similarly, village expenditure must of course be adjusted to the amount of village income obtained. The greater the village

income, the greater the village expenditure that can be used for village development.

The village government is obliged to prepare the APBDesa every year. APBDesa is a financing for annual development programs organized by village governments. The researcher's interview with one of the village officials, in the expression of the village Secretary stated that:

The process of planning the village fund budget involves village officials and also the community, the process of the APBDesa the village government invites RTs, RWs, institutions, communities to provide opportunities for residents to propose programs to plan these activities. So the village fund budget planning from the village head comes from several inputs from the environment from RT, RW and the community. So it is planning in making village revenue and expenditure budgets (APBDesa).

Village expenditure must have top priority in accordance with the amount of village income available. The village must be able to make the Village Revenue and Expenditure Budget properly and correctly so that it can achieve the goals of village development and there is no waste in an effort to develop the village. Some village revenues contained in a village usually include: original village income, tax revenue sharing, levy revenue sharing, central and regional financial balance fund sharing, provincial and district government financial assistance, grants, and third party donations, therefore in managing the village fund budget it is very necessary to do careful planning.

Village budget planning based on observations researchers see that after the village head conducts deliberations with village officials and the community, the results of the deliberations are in the form of village fund planning and then at the temple, so that the community can know about village fund planning.

The APBDesa set by the village head and BPD, is the APBDesa determined from the results of the preparation of the APBDesa draft made by the village head by listening to the aspirations of the village community. The annual village development program is derived from the village medium-term development program (five years), called the village medium-term development plan (RPJMDesa). RPJMDesa is a description of the vision and mission of the village head, and every year must report a village budget accountability report (APBDesa).

b. Village Fund Budget Implementation

Village fund management is usually used for village development activities which are used for transportation such as environmental roads, village roads, village axis roads, small bridges, culverts. Economic development and food security support, irrigation canals, farm roads, basic services: clean water supply, polindes, poskedes; for the environment: sanitation, drainage, landfills, ditches, compost processing, and so on.

In the implementation of the APBDesa, every expenditure on the expenses of the APBDesa must be supported by complete and valid evidence. Evidence must be validated by the village secretary as to the material correctness arising from the use of the evidence. In this case the researcher's interview with one of the village officials revealed information that:

Village fund budget management activities are always carried out, especially the problem of evaluating the use of village fund budget funds, in addition, the party that implements the APBDesa is the village government, and the one who controls in accordance with the regional regulations is BPD which controls village government supervision, especially the implementation of the APBDesa, so that with the control of every use of the village budget, it is expected that the implementation is right on target

Village funds are funds sourced from the State Budget intended for villages that are transferred through the District/City Regional Revenue and Expenditure Budget which is rolled out to finance governance, development implementation, community development and empowerment. Village Funds have an important role in improving the economy of rural communities.

With effective and efficient utilization and allocation. Based on the results of an interview with one of the village officials who provided information about the implementation of village fund management, he provided information that:

The implementation of the APBDesa in Polewali Village is carried out by the Polewali Village apparatus along with community participation in development, community empowerment and village progress. In village financial management, the village treasurer uses the village financial administration book, namely: general cash book. The general cash book is used by the village treasurer to record all routine receipts and expenses, this is done as a form of village fund financial statements carried out in a transparent, accountable and disciplined manner.

Observasi researchers found that the public can get information about financial statements that indeed the financial statements are really made honestly without any significant changes. However, not all information can be provided to the public such as information that can interfere with the security of the organization itself.

c. Village Fund Budget Reporting

The process of activities starts from planning, implementation, administration, reporting, accountability, as well as village financial guidance and supervision. Village finances are managed based on transparent, accountable, participatory principles and carried out in an orderly and disciplined budget. Village Financial Management is administration consisting only of books equipped with proof of transactions.

In addition, the treasurer can make financial statements in the form of a balance sheet. The balance sheet describes the financial position of the village regarding assets, liabilities, and capital funds in a period. The village treasurer must account for the receipt of money that is his responsibility through a revenue accountability report to the village head. The reporting process regarding the financial management of village funds in his interview with the village head stated that:

The implementation of the evaluation of village fund financial management is one of them in the form of an accountability report to BPD, at the end of the year the village government makes a report to BPD regarding the form of government performance accountability village in brackets of one year. LPJ is attached with a general cash book, assistant cash book, assistant diary

Based on the interview, the village government, especially the village secretary and village treasurer, is required to present and make accountability reports that are deposited into BPD and deposited to the sub-district which will be evaluated to the district revenue office. The same thing was expressed by one of the village officials who gave information that:

Our form of accountability in managing village funds, in the administration of the APBDesa must comply with existing rules and regulations. In fulfilling the accountability report, it has fulfilled LPJ, LPPD every year and all legal products in the village

Based on interviews and observations of researchers, it can be analyzed that in the administration of village fund management has complied with existing rules and regulations. And in fulfilling the existing accountability report, it has fulfilled LPJ, LPPD and evidence in the financial realization of the village budget and expenditure.

Reporting on the realization of village fund management where the village head submits a report on the realization of the implementation of the regional budget of the head of the regent / mayor every semester of the current year The report as for the first semester is submitted no later than the end of the month of the current year. Reports for the second half are submitted no later than the end of the following year's month.

d. Village Fund Budget Accountability

An important thing that can be applied in managing village funds by involving the community is the need to carry out activities with a self-managed pattern, use local labor, and utilize local raw materials in the village. With a self-management

pattern, it means that the planning and implementation of these activities are carried out independently by the village, so that the money used for development will not flow out of the village.

By using local labor, it is hoped that the implementation of these activities can absorb labor and provide income for those who work. Meanwhile, the use of local raw materials is expected to provide income to people who have these raw materials. Accountability regarding village financial management is usually about the accountability information of the village head submitted to the Regent / Mayor through the sub-district. The submission time is no later than 7 (seven) working days after the village regulation is set. In the expression of one of the village apparatus that:

Once a year the village makes a report on the use of village finances and submits an accountability report to the regional revenue office, By attaching these evidences, the report on the use and management of village finances shows that it is a form of accountability for the village to village finances.

Based on the results of the interview above, Sungai Landai village has fulfilled the accountability report by submitting the accountability report through collection in the sub-district. Meanwhile, accountability reports regarding development expenditures are handled directly by the project leader and sub-district treasurer and related agencies to the district, because the payment for these development activities is handled directly by the sub-district treasurer and related agencies.

The results of this study are in line with research conducted by Nyoman Sunarti, Lestari, N. N. Y., Yanti, P. P., Asty, L. G. W., Uzlifah, U., & Mayuni, N. K. L. The results showed that good village financial management can improve the performance of village government organizations and a good village financial accounting system can improve the performance of government organizations in Pacung Village

CONCLUSIONS AND ADVICE

Conclusion

1. Allocation of Village Funds carried out by the village government to improve its quality and capacity, with programs to increase development and spirituality, Guidance and routine evaluation of the implementation of apparatus performance, providing facilities in helping the smooth running of government apparatus tasks with village apparatus improvement and infrastructure programs with policies to optimize the use of information and communication technology in public services and village potential development, with village government information technology infrastructure development programs.
2. Financial management carried out by Polewali Village in improving financial performance, namely the suitability of village fund financial performance in Polewali Village, Suppa District, uses economic standards, including by planning the village fund budget, implementing the financial performance of the village fund budget, reporting the financial performance of the village fund budget, making accountability for the financial performance of the village fund budget.

Suggestion

1. Through targeted village financial management, it will create equity in development carried out in the village with improved services to the community, an advanced village economy, reduce development gaps between villages, and strengthen rural communities not only as objects but acting as subjects.
2. For the Polewali Village Government of Suppa District to improve the financial performance of the village government through increasing the realization of Village Fund Revenue in order to increase the effectiveness of village funds. In addition, village income management is also to be paid more attention so that village finances will be more effective. The Sumber Sari Village Government of Kampar Regency is also expected to manage Village Expenditure better so that the allocation of village expenditure using village income sources will be more harmonious or balanced.

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