

ACCOUNTING TRAINING TO SUPPORT TRANSPARENT AND ACCOUNTABLE VILLAGE FUND REPORTING IN SIBETAN VILLAGE, KARANGASEM, BALI

Komang Adi Kurniawan SAPUTRA^{1*}, Putu Ayu Sita LAKSMI², Nyoman SURIANI³, L. G. P Sri EKAJAYANTI⁴

^{1,2,3,4}Faculty of Economics and Business, Warmadewa University

Abstract:

This community service aims to socialize regulations and mechanisms for managing village fund allocations for community welfare. The governance of village funds plays a vital role in transforming villages into independent and sustainable communities. Good management of village funds will encourage the community to enhance the economy and explore the Village's potential. Village officials also receive significant attention in the regulations governing village fund management. The speakers explain the village fund allocation management flow and its purposes in this community service. The desired expectation is that officials refrain from engaging in activities related to financial management violations, practice sound financial management, create innovations and creativity using village funds, and establish new sources of income to increase the Village's original revenue.

Keywords: Village fund allocation, Financial management, Independent Village, Village funds

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Corresponding Author*

(adikurniawan@warmadewa.ac.id)



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INTRODUCTION

Based on the experience and data collected by the Ministry of Village, Development of Disadvantaged Regions, and Transmigration, it is stated that the human resources (HR) of village officials in Indonesia still need to be improved to conduct proper and accurate reporting. According to Law No. 6 of 2014 on Villages, village funds sourced from the state budget (APBN) amount to 10% of regional transfer funds, or around IDR 68-70 trillion. As budget users, Village officials will eventually be audited by the Supreme Audit Agency (BPK). From the experience of disbursing regional budget (APBD) funds to village institutions, many instances of misappropriation could lead to legal consequences.

The Ministry of DPDTT (Village, Development of Disadvantaged Regions, and Transmigration) is collaborating with IAI (Indonesian Institute of Accountants) to create guidance so that village officials' reporting aligns with applicable principles. It needs further discussion, as over 73,000 villages across Indonesia require training from accounting practitioners or academics in terms of transparent and accountable preparation and reporting.

Academics and accounting practitioners can work with village officials on financial reporting that incorporates transparency and accountability. With this collaboration, it is hoped that village officials will be prepared to receive guidance to create village fund reports according to the standards that will be implemented. The hopes of academics and accounting practitioners align with what the Minister of DPDTT, Marwan Jafar, expects: that guidance and training in accounting will upgrade the quality of Human Resources (HR) of village officials to be financially literate, enabling them to manage village fund bookkeeping skillfully.

The reporting of village funds is crucial, not only to record and report village funds but also other funds and assets, such as "Bangkok" (land inventory designated for village heads) or Village-Owned Enterprises (BUMDes). So far, village officials have been largely untouched by accounting practices, resulting in concerning levels of transparency and accountability.

In addition to aiming for transparent and accountable reporting, the implementation of village accounting, which IAI will supervise, aims to eliminate misappropriation of village funds since the recording and reporting will be conducted according to applicable standards. Furthermore, it is hoped that when the BPK audits are performed, there will be no significant findings.

Village Fund Allocation. Village Fund Allocation or ADD is part of the Village finances obtained from Regional Tax Revenue Sharing, and Part of the Central and Regional Financial Balance Funds received by the district. According to the Regulation of the Minister of Home Affairs, Number 37 of 2007

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concerning Guidelines for Village Financial Management in Article 18, the Village Fund Allocation comes from the Regency/City APBD, which is sourced from part of the Central and Regional Financial Balance Funds received by the Regency/City for the Village at least 10% (ten percent). According to Langkat Regency Regional Regulation Number 10 of 2007 concerning Village Revenue and Expenditure Budget, the Village Revenue and Expenditure Budget, from now on abbreviated as APBDES, is the Village Annual Financial Plan discussed and jointly approved by the Village Government and the Village Consultative Body stipulated in the Village Regulation and the Village Allocation Fund is contained in the Regency Government Financial Assistance as referred to in paragraph (5) of Article 10 of this Regional Regulation, including:

1. Village Government Apparatus Income Allowance (TPAPD)
2. Village Fund Allocation (ADD)
3. Provision of Regional Taxes and Levies
4. Other Assistance Contributions from the Regency

Village Fund Allocation Management. Village Fund Allocation (ADD) Financial Management is an inseparable part of Village Financial Management in the Village Budget; therefore, in Village Fund Allocation (ADD), Financial Management must meet the following Village Fund Allocation Management Principles:

1. All activities funded by the Village Fund Allocation (ADD) are planned, implemented and evaluated openly with the principle of from, by and for the community.
2. All activities must be accountable administratively, technically and legally.
3. Village Fund Allocation (ADD) is implemented using the principles of economy, direction and control.
4. The types of activities that will be funded through the Village Fund Allocation (ADD) are very open to improving Community Service facilities in the form of fulfilling Basic Needs, Strengthening Village Institutions and other activities needed by the Village Community, which are decided through Village Deliberations.
5. Village Fund Allocation (ADD) must be recorded in the Village Revenue and Expenditure Budget (APBDesa), and the budgeting process must follow the applicable mechanism.

Village Level Activity Implementers. In the Village, Activity Implementers are determined by the Village Head Decree, with the following composition:

1. Person in charge: Village Head or Village Head Task Executor from the Village Apparatus approved by the Village Consultative Body (BPD) or as the Holder of Village Financial Management Authority (PKPKD).
2. Technical Implementer of Village Financial Management (PTPKD): Village Secretary and Village Apparatus.
3. Village Secretary: Village Financial Implementation Coordinator
4. Village Treasurer: Village Apparatus appointed by the Village Head Decree (SK) (Person in Charge of Financial Administration).
5. Head of Participatory Development Planner and Implementer: Head of Village Community Resilience Institution (LKMD).
6. The implementer of Activities and Women's Empowerment: Village PKK Team.

The duties of the person in charge/as the holder of the Village Financial Management Authority (PKPKD), are as follows:

1. Prepare the Draft Village Revenue and Expenditure Budget (APBDesa) and Planning for the Use of Village Fund Allocation (ADD) involving the Village Consultative Body (BPD), Village Community Resilience Institution (LKMD), PKK Team and other institutions to discuss input and proposals outlined in the Village Revenue and Expenditure Budget (APBDesa) and Village Activity Plan (DRK) funded by the Village Fund Allocation (ADD).

2. Socialize the Draft Village Revenue and Expenditure Budget (APBDesa) through meetings/gatherings to get community responses regarding using the Village Revenue and Expenditure Budget (APBDesa).
3. Account for all activities, both those funded by Village Original Income (PAD) and those supported by the Village Fund Allocation (ADD).
4. Coordinate the implementation of activities in the Village.
5. Determine the Village Head's Decree regarding the Activity Implementation Team in the Village.
6. Submit reports on the realization of physical development, accountability of Village finances and reports on community self-reliance in stages to the Sub-district Facilitation Team and the Regency Development Team.
7. Determine the Policy on the Implementation of the Village Budget.
8. Determine the Policy on the Management of Village Assets.
9. Determine the Village Treasurer.
10. Determine the Officers who collect Village Revenue.
11. Determine the Officers who manage Village Assets.

The duties of the Technical Implementer of Village Financial Management (PTPKD) are as follows:

1. Coordinate Activities with the Activity Manager.
2. Coordinate the Implementation of Activities for the Sub-district Facilitation Team.
3. Submit reports on activities, both physical and financial, to the Activity Manager.

The duties of the Secretary are as follows:

1. Prepare and Implement the Management of the Village Budget.
2. Prepare and Implement the Management of Village Assets.
3. Drafting Village Budget Regulations, Amendments and Accountability for Village Budget Implementation.
4. Collecting Village Head Decree Drafts on Village Regulation Implementation.
5. Assisting the Person in Charge in drafting activity plans funded by Village Fund Allocation (ADD), which are stated in the Budget Activity Plan (RKA) and described in the Village Budget.
6. Assisting in coordinating the tasks of the person in charge.
7. Carrying out technical and administrative services to the Sub-district Level Facilitation Team and the Regency Level Supervisory Team.
8. Compiling reports on implementing activities funded by the Village Fund Allocation (ADD).

The duties of the Village Treasurer are as follows:

1. Opening a Village Account with the Village Head on behalf of the relevant Village Government.
2. Opening a Taxpayer Identification Number (NPWP) on behalf of the Village Government.
3. Recording receipts and expenditures of money, accompanied by supporting evidence, and maintaining evidence.
4. Store and maintain all archives, financial transactions, and financial books in the General Cashbook as inspection materials. Prepare activity budgets. Pay taxes.
5. Submit financial reports to the person in charge.

Financial Reporting. In this case, accounting is broadly defined as a general financial reporting system involving general accounting policies (regarding structure, mechanism, parties involved and reporting standards), Suwardjono (2011;18). Meanwhile, according to Suwardjono (2011;18), financial reporting is how financial information for all business and government units must be provided and reported for decision-making purposes.

Value For Money. Public sector organizations, including villages, are often considered hotbeds of inefficiency, waste, sources of fund leakage, and others. So, there is a demand to pay more attention to the concept of value for money in its activities. What is meant by value for money here is economy, efficiency and effectiveness. Economy means obtaining input with a certain quality and quantity at the lowest price. Economy is a comparison of input with output value expressed in monetary units.

Efficiency is the achievement of maximum output with a specific input or using the lowest input to achieve a particular production. Effectiveness is the level of achievement of program results against the set targets. In simple terms, effectiveness compares outcome with output (Bastian, 2009, p. 4).

Transparency and Accountability. Transparency and accountability are characteristics of good governance. To realize good governance, institutional reform and public management reform are needed. Institutional reform concerns improving all government tools in the Region, both structure and infrastructure.

Transparency, part of good governance, can be defined as transparency built on the freedom to obtain information. Those who need information related to the public interest can directly get it (Bastian, 2009, p. 18).

Accountability is the public's responsibility for every activity carried out (Bastian, 2009, p. 18). There is also something called public accountability, which is the obligation of the trustee (agent) to provide accountability, present, report, and disclose all activities and activities that are his responsibility to the trustee (principal), who has the right and authority to request such accountability.

METHODS

In order to achieve the objectives listed above, the following steps are taken:

1. I am contacting Tibetan Village to discuss the topic to be devoted to, namely accounting training to support transparent and accountable village fund reporting.
2. Organizing training with the following materials:
 - a. Introduction to Accounting and Public Sector Accounting
 - b. Budgeting
 - c. Explanation of the Use of APBD and APBN
 - d. Providing a brief explanation of the Village Accounting Guidelines Plan
 - e. Improving skills in the form of training in preparing informative financial reports.
 - f. Providing skills in the form of making transparent and accountable financial reports.

This planned program's success can be evaluated using several measures, including:

- a. The attendance of participants invited to this activity is 80%
- b. Implementation of all training activities
- c. Around 40% of participants can prepare good financial reports according to standards
- d. Statements of satisfaction from the community and local village government.

RESULT AND DISCUSSION

Fraudulent tendencies are a deliberate desire or action to gain profit. In the scope of accounting that continues to develop, it not only brings good influence to the users but also can bring lousy influence, such as fraud problems that are difficult to control in society, both on a small scale and a large scale. According to Tunggal (2012), fraud is fraud in the financial field that is deliberate and intended to take the assets or rights of other people or parties. Accounting fraud is caused by deviation from accounting procedures that should be applied in an entity. Indonesian Accounting Association (IAI) explains that accounting fraud is divided into two types: misstatements caused by fraud in producing a financial report and misstatements due to improper treatment of assets. Inappropriate treatment of an entity's assets can be done in various ways, including embezzlement of goods/money receipts, theft of assets, or actions that cause the entity to pay for goods or services not received.

Village budget allocations must be distributed to each Village in the Karangasem Regency in 2023 to enhance the execution of village government, development, quality of community services, and engagement and empowerment of village communities. Based on the provisions of Article 96, paragraph (4) and paragraph (7) of Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages as amended several times, most recently by Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, it is mandated that

the Allocation of Village Fund Allocations and Procedures for Allocation of Village Fund Allocations are regulated by the Regent's Regulation.

The Regional Government provides ADD to the Village in order to support the implementation of Village Government, implementation of Village community development, Village community development, and empowerment. The purpose of using ADD is prioritized to: a. improve the implementation of Village Government and Village community development according to its authority; b. improve services to support increased welfare, opportunities to participate, and business opportunities for the Village community; c. improve the ability of Village community institutions to plan, implement and control development in a participatory manner according to the Village's potential; d. Encourage increased community self-reliance and increase Village independence.

The principles of ADD management include: a. ADD financial management is an inseparable part of Village financial management in the Village Budget; b. all activities must be accountable administratively and technically by the provisions of laws and regulations; and c. ADD is used economically in a targeted and controlled manner.

ADD for the 2023 budget year is allocated 12.5% (twelve points five per hundred) of the balancing funds received by the Region in the 2023 budget year after deducting special allocation funds. The allocation of ADD for each Village in the 2023 budget year is calculated based on: a. allocation of fixed income needs for Village Heads and Village Apparatus; b. equal allocation to each Village; and c. proportional allocation considering the population, village poverty rate, village area, and level of geographical difficulty. The allocation of ADD calculated based on the allocation of fixed income needs for Village Heads and Village Apparatus is calculated according to the number of fixed income needs for Village Heads and Village Apparatus according to the organizational structure of the Village Government for each Village for 12 (twelve) months in 1 (one) budget year.

The allocation of ADD calculated based on an even allocation to each Village is calculated by dividing it evenly to 75 (seventy-five) Villages from 60% (sixty per hundred) of the Regional ADD ceiling value after deducting the amount of fixed income requirements for Village Heads and Village officials according to the organizational structure of the Village Government in each Village for 12 (twelve) months in 1 (one) budget year.

The allocation of ADD calculated based on proportional allocation is calculated from the Regional ADD ceiling after deducting the amount of fixed income requirements for the Village Head and Village apparatus according to the organizational structure of the Village Government for each Village for 12 (twelve) months in 1 (one) budget year and the amount of allocation distributed evenly to 75 (seventy-five) Villages, then multiplied by the Village weight value.

ADD in the Regional Revenue and Expenditure Budget is budgeted in the transfer spending account by the provisions of the Laws and Regulations. The distribution of ADD as referred to in paragraph (1) after all Village Heads have stipulated Village Regulations on Village Budgets and Village Head Regulations on the Explanation of Village Budgets for the 2023 Fiscal Year with the following provisions: a. distribution to meet the needs of paying the fixed income of Village Heads and Village Apparatus every month based on the needs of paying the fixed income of Village Heads and Village Apparatus considering the number of Village Heads and Village Apparatus according to the organizational structure of the Village Government and deductions with a pattern for depositing health insurance contributions for Village Heads, Village Secretaries and other Village Apparatus which is adjusted to the amount of the monthly contribution bill; b. deductions from ADD for depositing health insurance contributions are carried out at the beginning of each month in the amount of the contribution bill attached to the deduction value of each Village signed by the Service and approved by the BPKAD and a statement letter from the Village Head regarding approval of ADD deductions for depositing health insurance contributions for January to December, and distribution of ADD ceiling in addition to the allocation of fixed income needs for Village Heads and Village Apparatus received by each Village which is distributed every quarter at 25% (twenty-five percent) of the ADD ceiling in addition to the allocation

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of fixed income needs for Village Heads and Village Apparatus received by each Village and adjusted to the readiness of funds available in the RKD. ADD management is managed per the provisions of Laws and Regulations within a period of 1 (one) budget year from January 1 to December 31, 2023.

CONCLUSION

ADD management is an inseparable part of Village financial management in the Village Budget. All activities funded by ADD must be accounted for administratively and technically by the provisions of the Laws and Regulations. ADD is used economically in a targeted and controlled manner. The use of ADD must pay attention to the equitable distribution of community development in the Village area. The use of ADD to support activities: provision of fixed income for Village Heads, Village Secretaries, and other Village officials; provision of BPD allowances by the Village's financial capabilities; at least 25% (twenty-five per hundred) of the proportional allocation supports the eradication of extreme poverty in the Village through the creation of jobs in the form of Village cash-intensive work and/or cooperation in the utilization and management of Village-owned agriculture, livestock/fisheries.

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