

The Participation of Village Consultative Body (BPD) in the Preparation of Regional Revenue and Expenditure Budget (APBD) in Rejosari Village, Negri Agung District, Waykanan Regency

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Abstract

This study aims to assess the participation of the Village Consultative Body (BPD) in the preparation of the Regional Revenue and Expenditure Budget (APBD) in Rejosari Village, Negri Agung District, Waykanan Regency. The study utilized a qualitative descriptive research method, using interviews and observations to collect data. The population of this study was all BPD members in Rejosari Village, with a sample of four members selected for the study. The study found that the management of village budgets in Rejosari Village was hindered by limited understanding among BPD members regarding budget preparation and suboptimal information management from the community. The study also found that the participation of BPD in the preparation of APBD was limited. Enhancing the participation of BPD and improving information management from the community are crucial to improving the management of village budgets in Rejosari Village. The study recommends increasing the capacity of BPD members and collaborating with external parties to manage information more effectively.

Keywords: *Village Consultative Body, Regional Revenue and Expenditure Budget, Budget Management, Community Participation*



INTRODUCTION

The Village Consultative Body (BPD) plays a crucial role in the preparation of the Regional Revenue and Expenditure Budget (APBD) in rural areas. The APBD is a crucial instrument for local governments to allocate resources and implement development programs that meet the needs of the community. The BPD, or Budget Planning Department, plays a crucial role as a conduit for community involvement in the budget preparation process (Hasyim et al., 2023). Its primary responsibility is to facilitate and encourage the active participation of the community in shaping the budget, thereby guaranteeing that the financial plan accurately mirrors the requirements and aspirations of the local residents. This involvement typically entails soliciting input from various community stakeholders, such as residents, businesses, and civic organizations, to gather a comprehensive understanding of their priorities and needs (Hrivnák et al., 2021; Ravaghi et al., 2023). Through open forums, surveys, and consultations, the BPD seeks to engage the community in discussions regarding proposed budget allocations and resource distribution. The BPD is a representative body that serves as a forum for community participation in local governance (Akmal & Nurhabibi, 2021). The BPD is responsible for channeling community aspirations and needs to the local government, ensuring that development programs are in line with community needs. The BPD is also responsible for monitoring the implementation of development programs and ensuring that they are carried out effectively (Bakhtiar, 2021).

The Regional Revenue and Expenditure Budget (APBD) serves as a comprehensive financial blueprint detailing the revenue sources and expenditure allocations of local governments. This pivotal document plays a crucial role in transparently illustrating the fiscal plan for a specific region, encompassing various sectors such as education, healthcare, infrastructure, and public services (Digdowiseiso, 2022; Yesyan, 2021). As a fundamental tool for financial governance, the APBD not only provides a clear overview of the anticipated income streams but also delineates the planned utilization of funds to meet the diverse needs of the community. This commitment to transparency and accountability in financial management is in line with good governance principles, fostering a responsible and sustainable approach to the allocation of public resources (Lauwo et al., 2022). It is essential for local authorities to adhere to the guidelines laid out in the APBD, ensuring effective and equitable distribution of funds for the overall well-being and development of the region.



Budget management is a crucial aspect of local governance. In the realm of organizational and community development, effective budget management stands as a linchpin, playing a pivotal role in steering the course towards efficiency and optimal resource allocation (Merino & Prats, 2020). As organizations and communities navigate the intricate landscape of growth and progress, the significance of proficient budget management becomes undeniable, influencing the trajectory of success and shaping the outcomes of diverse development initiatives. This introductory understanding underscores the critical importance of budgetary acumen in fostering sustainable and impactful advancements. Bryson & Bert, (2020) studies has consistently underscored the significance of community participation as a crucial aspect of budget management. In aligning development programs with the specific needs and aspirations of the community, this participatory approach not only enhances the overall effectiveness of budget utilization but also fosters a sense of ownership and inclusivity among community members. The synergy between effective budget management and community participation emerges as a key factor in promoting sustainable and impactful development initiatives (Pozoukidou & Chatziyiannaki, 2021). According to Martínez-Peláez et al., (2023) studies, that have validated the positive correlation between these elements, emphasizing the importance of collaborative decision-making to achieve lasting positive outcomes in community development.

Several studies have shown that community participation in budget management is crucial for effective budget management and the fulfillment of community needs. Februati et al., (2021) studies have also shown that the involvement of the BPD (Badan Perwakilan Desa or Village Representative Body) in the budget preparation process is paramount for the efficient management of financial resources and the realization of community needs. Ginting et al., (2023) research has consistently highlighted the pivotal role played by BPD in ensuring that the budget aligns with the specific requirements and priorities of the local populace. As a key stakeholder, the BPD's active participation not only contributes to the transparency and accountability of the budgeting process but also enhances the likelihood of successful implementation of development projects (Susanto et al., 2022). The findings from prior studies underscore the significance of fostering a collaborative approach between the BPD and other relevant authorities during the budget preparation stage, as it directly influences the overall well-being and satisfaction of the community members. In essence, acknowledging and leveraging the insights from



previous research can serve as a foundation for promoting a more inclusive and effective budgetary framework that genuinely addresses the diverse needs of the community.

This study lies in its focus on the participation of the BPD in the preparation of the APBD in Rejosari Village. A purpose of study aims to assess the participation of the BPD in the preparation of the APBD in Rejosari Village, Negri Agung District, Waykanan Regency. The study aims to evaluate the effectiveness and efficiency of the village budget and expenditure in Rejosari Village for the years 2022-2023, assess the participation of BPD in the preparation of APBD and identify any shortcomings in the process, and identify the weaknesses of BPD in APBD preparation and propose potential solutions to address these shortcomings. The limitations of this study include the small sample size, which may limit the generalizability of the findings. The study also relies on self-reported data, which may be subject to bias. However, the study's strengths include its focus on community participation in budget management and the role of the BPD in local governance, which are crucial aspects of local governance that have received limited attention in the literature. In conclusion, this study aims to assess the participation of the BPD in the preparation of the APBD in Rejosari Village, Negri Agung District, Waykanan Regency. The study's findings may contribute to the existing literature on community participation in budget management and the role of the BPD in local governance.

RESEARCH METHODS

Research Type

. This study utilized a qualitative descriptive research method to assess the participation of the Village Consultative Body (BPD) in the preparation of the Regional Revenue and Expenditure Budget (APBD) in Rejosari Village, Negri Agung District, Waykanan Regency.

Data Collection Methods

The data collection for this study was conducted through interviews and observations. The population of the study consisted of all BPD members in Rejosari Village, totaling 10 individuals. From this population, a sample of 4 BPD members was selected to representatively participate in the study and provide data through interviews. The selection of these members aimed to ensure a comprehensive understanding of the BPD's involvement in the APBD preparation process.



Data Analysis Method

The data collected through interviews and observations were analyzed to provide a comprehensive description of the phenomenon under study. The qualitative data analysis involved identifying patterns, themes, and insights related to the participation of the BPD in the APBD preparation process. This analysis aimed to offer a deep understanding of the effectiveness and efficiency of the village budget and expenditure, the level of BPD participation in the APBD preparation, and the potential shortcomings in the process.

DISCUSSION**Budget and Actual Revenues and Expenditures in Villages**

The management of village finances revolves around two crucial elements: revenue and expenditure. Putra, (2022) states, village income serves as the financial backbone for supporting both operational activities and community development projects, while village expenditures are allocated to fund meticulously planned initiatives. The forthcoming discussion delves into the comparison of budget projections and the actual realization of revenue and expenditure in the village of Rejosari for the fiscal years 2022-2023. The data presented in Table 1 provides a comprehensive overview of the village's budgetary allocations and the corresponding actual financial outcomes, shedding light on the financial dynamics that shape the village's economic landscape.

Table 1. Budget and Realization of Rejosari Village Income and Expenditures

Tahun	Pendapatan			Belanja		
	Anggaran (Rp)	Realisasi (Rp)	%	Anggaran (Rp)	Realisasi (Rp)	%
2022	1.560.787.800	1.441.971.596	92,38%	1.571.100.600	1.447.921.740	92,15%
2023	1.456.594.187	1.509.652.787	103,64%	1.335.450.587	610.729.837	45,73%

Source: Rejo Sari 2022-2023 APBDes Report

Based on the data illustrated in Table 1 concerning the Budget and Realization of Revenue and Expenditures in Rejosari Village, notable trends and variations are evident. In the fiscal year 2022, Rejosari Village encountered a significant deficit of Rp5,950,144, suggesting a shortfall in the village's revenue to cover the planned expenditures.

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However, a noteworthy shift occurred in 2023, with the village experiencing a surplus of Rp898,922,950, indicating a substantial improvement in financial management. Further scrutiny of Table 1 reveals that the realization of revenue in 2022 fell short of 100%, implying challenges in revenue generation, whereas in 2023, the realization surpassed the targeted figures. These findings emphasize the dynamic nature of the village's financial landscape, showcasing the necessity for adaptive budgetary strategies to align with the evolving fiscal needs of Rejosari.

In delving deeper into the observations from the data, it is crucial to contextualize these findings within existing theories on local governance and financial management. The fluctuating pattern in revenue realization raises questions about the effectiveness of revenue collection mechanisms in Rejosari Village. Drawing from Kwilinski et al., (2023) research, it becomes imperative to assess whether the village has implemented robust strategies for revenue enhancement and whether there are lessons to be learned from other successful models. Additionally, the lower-than-expected expenditure realization in 2023 may suggest challenges in the execution of development projects. Comparisons with Flechsig et al., (2022) studies on rural development budget execution can provide insights into potential barriers or inefficiencies that Rejosari Village might be encountering. By synthesizing theoretical perspectives and benchmarking against previous research, a comprehensive understanding of the dynamics influencing the village's financial management can be achieved, paving the way for informed policy recommendations.

Table 2. Rejosari APBDes Effectiveness and Efficiency Ratio

Tahun	Rasio Efektivitas			Rasio Efisiensi		
	Realisasi Anggaran Belanja	Anggaran Belanja	Rasio (%)	Realisasi Anggaran Belanja Langsuung	Anggaran Belanja	Rasio (%)
2022	1.447.921.740	1.571.100.600	92,15%	820.828.000	1.571.100.600	52,24%
2023	610.729.837	1.335.450.587	45,73%	496.156.937	1.335.450.587	37,15%

Source: Rejo Sari 2022-2023 APBDes Report

The management of the Rejo Sari Village budget expenditures was deemed effective in the year 2022, as it successfully achieved the established goals and objectives. However, the budget expenditure management was considered ineffective in

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the year 2023, as it failed to meet the predefined goals and objectives. Furthermore, from an efficiency standpoint, the direct expenditure management of the Rejo Sari Village Government in the years 2022-2023 demonstrated efficient criteria. This indicates that the Rejo Sari Village Government effectively handled its budget expenditures. Nevertheless, a critical observation is needed as reflected in the deviation data presented in Table 3 regarding Budget Realization Deviations. This data reveals potential discrepancies that merit further examination to comprehend the factors contributing to the variance between budgeted and realized expenditures. The contrasting effectiveness and efficiency assessments between the two years underscore the dynamic nature of budget management, necessitating a thorough investigation into the underlying reasons for the observed deviations in order to improve future fiscal planning and execution.

Table 3. Deviations from Budget Realization

Keterangan	2022	2023
Rasio	92,15%	45,73%
Penyimpangan	7,85%	54,27%
Total	100%	100%

Source: Rejo Sari 2022-2023 APBDes Report

Based on the data provided in Table 3 regarding Deviations from Budget Realization, it is evident that the Rejo Sari Village Government experienced budgetary deviations in both 2022 and 2023. The deviation in expenditure realization stood at 7.85% in 2022, signaling areas where the management of the village's budget could be enhanced. Although this deviation falls within acceptable limits, it suggests room for improvement in budgetary control and oversight. Conversely, the significant surge to 54.27% in expenditure realization deviation in 2023 is alarming. This substantial increase beyond acceptable limits indicates a critical need for an overhaul in budget management practices. Nephawe et al., (2021) states, the potential repercussions extend to adverse impacts on the village community, jeopardizing the efficacy of development initiatives. The interpretation of these deviations underscores the importance of timely corrective actions to ensure fiscal responsibility and safeguard the welfare of the community.

In addressing the observed budgetary deviations in the Rejo Sari Village, it is crucial to consider established theories and draw comparisons with previous research.



The findings echo the significance of effective budget management, aligning with theories emphasizing the importance of financial prudence in local governance. Nephawe et al., (2021) studies have consistently emphasized the pivotal role of accurate budgetary planning and execution in ensuring sustainable development and community well-being. The substantial 54.27% deviation in 2023, however, exceeds the norm and warrants a comprehensive investigation. This deviation underscores the necessity of implementing more robust budgetary controls, possibly drawing insights from successful practices documented in prior research. Comparative analysis with similar studies may reveal best practices that have proven effective in mitigating budgetary deviations, offering valuable guidance for the Rejo Sari Village Government to enhance its financial management practices and optimize resource allocation for the benefit of the local community.

Village Consultative Body (BPD) participation

The participation of the Village Consultative Body (BPD) in the preparation of the Regional Revenue and Expenditure Budget (APBD) in Rejosari Village, Negri Agung District, Waykanan Regency, is a crucial aspect of local governance. This section discusses the findings related to the BPD's participation in the APBD preparation process and its implications for local governance and community development. The study revealed that the BPD in Rejosari Village has not been fully effective in fulfilling its primary role in the APBD preparation process. Akbar et al., (2020) precepted, that the BPD as an elite group within the village has hindered the effective flow of community aspirations, particularly in the context of the APBD preparation, which requires active involvement from BPD members and the community in the negotiation process. This indicates that the responsibilities of the BPD in Rejosari Village have not been fully realized. The study also identified factors such as limited understanding among BPD members regarding APBD preparation, suboptimal management of information from the community, and the inability to accommodate BPD proposals and opinions due to budget constraints.

Research Theory The findings of this study align with previous research that emphasizes the importance of community participation in budget management and the role of the BPD in local governance. Rachman et al., (2024) studies have highlighted the significance of effective BPD participation in the APBD preparation process for ensuring that the budget reflects the needs and aspirations of the community. This current study reinforces the existing theoretical framework by providing empirical evidence of the



challenges and limitations faced by the BPD in fulfilling its role in the APBD preparation process.

The findings of this study have several implications for local governance and community development. Firstly, there is a need to enhance the capacity of BPD members through training and collaboration with external stakeholders to improve information management and coordination between the BPD and the village head. Additionally, efforts to promote sustained community participation in the APBD preparation process are essential to ensure that the BPD's role is optimally realized. These implications underscore the importance of addressing the identified shortcomings to enhance the effectiveness of the BPD's participation in the APBD preparation process and, consequently, improve local governance and community development in Rejosari Village.

CONCLUSION

The research on the involvement of the Village Consultative Body (BPD) in the preparation of the Regional Revenue and Expenditure Budget (APBD) in Rejosari Village, Waykanan Regency, reveals that the BPD faces challenges in fulfilling its primary role due to its perceived elitism within the community. This perception hampers effective communication of community aspirations, particularly in the APBD preparation that requires active engagement. Factors such as limited understanding among BPD members, suboptimal information management from the community, and budget constraints affecting the accommodation of BPD proposals were identified. To enhance village budget management, the study recommends improving BPD members' understanding of APBD, enhancing information management from the community, and considering BPD proposals in budget decisions. The research contributes valuable insights to the literature on community participation in budget management and the role of BPD in local governance, offering a foundation for more inclusive and effective budget frameworks that address diverse community needs. Ultimately, the findings can guide other village governments in improving their budget management practices.

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