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Revealing the Implementation of Government Accounting Standards in Village Fund Management

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Abstract

This study aims to explain and provide an overview of the application of village fund accounting in the Mambalan village government. The research paradigm used is interpretive and phenomenological as a research method. The types of data collected in this study are primary data and secondary data. Data collection techniques in the form of interviews and documentation. The data that has been collected is then analyzed using noema, epoche, noesis, intentional analysis, and eidetic reduction. The results of this study reveal that the application of village fund accounting in the Mambalan Village Government based on the awareness of the Village Secretary is in accordance with the applicable Government Accounting Standards and refers to local government regulations. The Village Secretary as the accounting recorder is required to have extensive knowledge of Government Accounting Standards and applicable regulations so that the application of accounting can run properly and correctly. The implication of this research is that village officials must have a good and correct understanding of the applicable regulations, especially regarding financial recording so that village government operational activities can run smoothly.

Keywords: village fund accounting, single entry, accrual basis

INTRODUCTION

The New Order period ended in 1998 and began to enter the reform era which was marked by a change in government from centralization to decentralization. This is because there was a lot of chaos that occurred during the New Order era where the government was centralized. Where, many demonstrations occurred due to unequal development in each region because development was only centered in the capital area.

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Therefore, deliberations were held between the government and community leaders regarding this problem and a decentralized government system was created which was felt to be the most appropriate to overcome the turmoil of unequal development. After an agreement was reached, a legal umbrella was formed that regulated decentralization, such as the enactment of Law no. 22 of 1999 concerning Regional Government and Law no. 25 of 1999 concerning Central and Regional Financial Balance. So starting in 2001, Indonesia officially adopted a decentralized government system.

Based on Law no. 6 of 2014 concerning Villages states that villages can independently manage their finances. In managing village finances, the Village Head delegates some authority to appointed Village Officials who have a disciplined and responsible attitude.

To carry out village management and development, of course village funds are needed. Republic of Indonesia Government Regulation Number 60 of 2014 concerning Village Funds Sourced from the State Revenue and Expenditure Budget, Village Funds are funds sourced from the State Revenue and Expenditure Budget intended for Villages which are transferred through the district/city Regional Revenue and Expenditure Budget and used for finance government administration, development implementation, community development, and community empowerment. Village funds sourced from the State Revenue and Expenditure Budget are earmarked for villages and transferred through the Regency/City Regional Revenue and Expenditure Budget and are used to finance the administration of village government, implementation of development, community development and community empowerment.

According to West Lombok Regent Regulation No. 7 of 2020, village funds are prioritized to finance activities in the field of community development and empowerment aimed at improving the welfare of village communities, improving the quality of human life and overcoming poverty and are outlined in the Village Government Work Plan. Details of village funds for each village in West Lombok Regency in 2020 will be allocated evenly and fairly based on basic allocation, affirmative allocation, performance allocation and formula allocation.

The issuance of Minister of Home Affairs Regulation no. 37 of 2007 concerning village financial management which provides a basis for village autonomy in practice, not just normatively. Therefore, village financial management is a whole activity which includes planning, budgeting, administration, reporting, accountability and supervision, providing the authority to manage village finances and with the Village Fund Allocation or

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ADD (based on PP No.72 of 2005), villages should be increasingly openness and responsibility for the accounting recording process and financial management so that there is great hope that the village can manage its finances and report them in a transparent, accountable, participatory manner and be carried out in an orderly and budgetary manner both in terms of income and sources of income as well as managing budget expenditures.

Even though there is transparency in managing village finances, including the APBDes, and the central government and regional governments have made policies regarding the APBDes, villages often still experience general obstacles due to limited village finances, where revenues and expenditures experience an imbalance. Often, village expenditure is greater than village income. This is caused by four main factors (Hudayana, Bambang and FPPD, 2005:2) (Hudayana, Bambang and FPPD, 2005:2) in their paper entitled "Opportunities for Developing Community Participation through Village Fund Allocation Policies, Experience of Six Districts". First, the village has a small APBDes and its source of income is very dependent on very little aid. Second, the welfare of village communities is low. Third, the village's operational funds are low for running services. And fourth, there are still many development programs in villages, but they are only managed by the department. Based on these four things, the implementation of village government requires accountability or responsibility for managing the Village Budget.

Based on observations that have been made, it was found that Mambalan Village is experiencing village financial problems, namely an imbalance between village revenues and expenditure due to a lack of original village income. Therefore, through this research we want to find out regarding the Implementation of Village Fund Accounting in Mambalan Village, West Lombok Regency.

Theoretical Framework

Definition of Village

The village is the smallest unit of government. According to Law Number 6 of 2014 concerning Villages, Villages are villages and traditional villages or referred to by other names, hereinafter referred to as Villages, are legal community units that have territorial boundaries and are authorized to regulate and manage government affairs and the interests of local communities based on initiative. community, origin rights, and/or

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traditional rights recognized and respected in the government system of the Unitary State of the Republic of Indonesia.

According to Landis (Effendy, 2023), the definition of "Village can be described in 3 aspects, namely:

(1) aspects of statistical analysis that define a village as a zone with a population of <2500 people

(2) aspects of social psychological studies which define a village as a place where residents are informal and have close ties, and

(3) aspects of economic studies that define villages as environments whose residents depend on agriculture."

Village Government

Government comes from the syllable "order" (to order) which means something that must be implemented or a system of exercising authority and power to regulate the social, economic and political life of a country or its parts. So the government is a body, organ, or institution that has the power to rule in a country. Meanwhile, government is all activities (duties, functions, authority) carried out in an organized manner by government bodies, organs or institutions for the sake of achieving a state.

Indonesia has 17,000 islands with 542 autonomous regions, consisting of 34 provinces, 415 districts, 93 cities, not including the 6 administrative regions in DKI Jakarta Province. The central government is unable to regulate and manage all regions in Indonesia evenly and fairly. As stated in the 1945 Constitution, the Indonesian government is divided into central government and regional government. Based on Law Number 6 of 2014, the Central Government, hereinafter referred to as the Government, is the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia as intended in the 1945 Constitution of the Republic of Indonesia. enabling regions to manage and regulate themselves so that they are efficient and successful in administering government and development in the context of services to the community (Khoirunisa, 2023; Siregar, 2013)

Based on Law Number 6 of 2014, Regional Government is the Regional Government and the Regional People's Representative Council which carries out government affairs according to the principle of autonomy and assistance duties with the principle of the widest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia as intended in the Constitution. Republic of Indonesia

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in 1945. Regional Government is the Governor, Regent, or Mayor and regional apparatus as elements of Regional Government administration. Where each government has duties, functions and responsibilities according to its position. However, the central and regional governments are a unit that cannot act according to each other's wishes. Regional governments must continue to discuss and provide accountability reports for their performance each period (Akbar 2023).

Regional government is divided into provincial government, district/city government, and village government. The village government is responsible to the district/city government, the district/city government is responsible to the provincial government. All of these government systems are interconnected and need each other.

Village Fund

(Khoirunisa et al., 2023) Referring to Law Number 6 of 2016, village funds are funds sourced from the state income and expenditure budget intended for villages which are transferred through the regency/city regional income and expenditure budget and used to finance government administration. , implementation of development, community development, and community empowerment.

(Ruliana, 2023) The use of village funds is regulated in Minister of Finance Regulation Number 93/PMK.07/2015 concerning Procedures for Allocation, Distribution, Use, Monitoring and Evaluation of Village Funds. CHAPTER IV concerning Use of Article 21 to Article 25. Minister of Home Affairs Regulation No. 20 of 2018 concerning village financial management, states that village income sources consist of 3 sources, namely: 1) Original Village Income (PADes). This income consists of the following types: a) Business results: Bumdes results, village treasury land. a) Asset output: Village market, public baths, irrigation. b) Self-help, participation and mutual cooperation: the role of society in the form of energy, goods valued in money. c) Other original village income: proceeds from village levies. 2) Transfers include village funds, part of regional tax proceeds, Village Fund Allocations, financial assistance from the Provincial and Regency/City APBD. 3) Other income includes grants and legal village income.

Government accounting standards (SAP)

In the Government Regulation of the Republic of Indonesia Number 71 of 2010 concerning Government Accounting Standards (SAP) it is explained that Government Accounting Standards (SAP) are guidelines containing accounting principles that have

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been determined by all Government Organizations and must be applied in preparing and presenting good Government Financial Reports. provincial, city/district and village governments (Khoirunisa 2023).

(Herdiyana et al., 2019) In general, there are 3 accounting recording bases used, namely:

1. Accrual Basis Approach which refers to Paragraphs 42-45 of Appendix I PP No. 71 of 2010 concerning SAP, that the accounting basis used in government financial reports is the accrual basis for recognizing LO-income, expenses, assets, liabilities and equity. Meanwhile, if statutory regulations require the presentation of financial reports on a cash basis, the entity is required to present a Budget Realization Report (LRA).
2. Cash Basis Approach to Accrual/Cash Toward Accrual (CTA) based on Paragraphs 39-41 of Appendix I PP No. 71 of 2010, that the accounting basis used in government financial reports is the cash basis for recognizing income, expenditure and financing as stated in the LRA, while the accrual basis for recognizing assets, liabilities and equity is listed in the Balance Sheet.
3. The Cash Basis Approach refers to Article 30 Paragraph (1) - (3) Permendagri No. 20 of 2018 concerning Village Financial Management, that village financial management is carried out using a Cash Basis where transactions are recorded when cash is received or disbursed from the Village Cash Account (RKD). The definition of Village Income is all village revenues in 1 (one) fiscal year which are the right of the village and do not need to be returned by the village, while Village Expenditures are all expenditure which is the village's obligation in 1 (one) fiscal year which will not be repaid by the village. village (Article 11 and Article 15 of Minister of Home Affairs Regulation No.20 of 2018).

RESEARCH METHODS

The research approach used in this research is qualitative descriptive research with a phenomenological approach. Qualitative research emphasizes aspects of in-depth understanding of a problem which aims to obtain a clear picture regarding the problem being studied. The types of data collected in this research are primary data and secondary data. The primary data collection technique is in the form of interviews with informants. Meanwhile, secondary data is in the form of literature studies via the official Mambalan

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village website and previous research. The data that has been collected is then analyzed using noema, epoche, noesis, intentional analysis, and eidetic reduction.

DISCUSSION

SAP in managing village funds

In the accounting recording process, there are 2 bases that can be used, namely cash and accrual basis. The Mambalan Village Government uses a cash basis and an accrual basis. Where, the cash basis is used for the receipt and expenditure of village funds which are recorded in the General Cash Book and the recording process uses single entry. This is done because village funds are only used for capital participation in Bumdes Mambalan so they do not require complex recording. However, for recording other than village funds, double entry and accrual basis are used. Because the expenditure and receipt of cash and goods is more complex than village funds.

Good and correct implementation of village fund accounting is by following applicable accounting standards (Mawikere et al., 2022; Sulila, 2019; Yahya et al., 2018). Where, the accounting recorder (Village Secretary) must have broad insight regarding existing regulations, both central, regional and village government regulations (Septiani et al., n.d.; Silvy Afriyana L., 2023). So, in the recording process there are no mistakes or mistakes that could threaten the good name of the Mambalan village government. Regulations often change, therefore the Village Secretary always collaborates with other village officials such as the Village Head and is assisted by Financial Staff. This is done to minimize the occurrence of errors or mistakes.

Currently, when recording fund accounting in Mambalan Village, it still refers to West Lombok Regent Regulation Number 88A of 2020 and Mambalan Village Regulation Number 5 of 2022 concerning Changes to the Village Revenue and Expenditure Budget of the Mambalan Village Government. So the recording process and the Budget Realization report must be guided by these regulations. Because the LRA will be accountable to the Regent's Government. When there is something suspicious in the LRA, whether supporting documents such as proof of missing transactions or the balance stated does not make sense, it will become a problem that will be investigated by the local government and will be detrimental to Mambalan Village. To prevent this from happening, in the budget preparation process, including village funds, the village government collaborates with community leaders to ensure transparency of budget information (Watts et al., 2019). This is also in accordance with existing regulations where the village

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government and community leaders must cooperate with each other in formulating a work program so that harmony is created in the implementation of their duties. The future impact is that the Village Government will receive a good performance assessment from the West Lombok district government and be assessed as competent in implementing each activity program carried out.

To ensure that the Budget Realization Report prepared is in accordance with the facts on the ground, the village government is supervised by the BPD (Handayani & Badrudin, 2019; Silvy Afriyana L., 2023; Soetjiati, 2019). Where, before the village head submits an accountability report to the sub-district head, the village head will first consult with the BPD. The BPD will assess the report based on valid transaction evidence without manipulation so that it can be ensured that the village government provides a correct and appropriate report.

Apart from that, when there is a budget revision, the village government always involves community leaders, BPD and NGOs. The village government will convey the reasons for the budget revision along with the nominal value. So that in the future there will be no protests by community figures. The village government always tries to involve community leaders in every activity program because the aim of the village government is to provide good services to the local community.

The obstacles that occur in the process of recording village fund accounting in Mambalan Village lie in Human Resources, (Ika Sasti F., 2016; Sylvia & Wijaya, 2022) where not all staff understand the applicable regulations. The entire burden of recording is on the Village Secretary. So, the village secretary must understand existing regulations and changes to regulations. Sometimes, there is human error in the recording process. Therefore, the Village Secretary is accompanied by financial staff and the village head in the process of recording village fund accounting. So, when an error occurs, the location of the error will be found and a solution can be found.

CONCLUSION

Based on the presentation of the research results that have been described, it can be concluded that:

1. The accounting process at the Mambalan Village Government has been carried out in accordance with SAP and applicable regional government regulations. The village bookkeeping system is carried out using a single entry system with the main recording facility being a general cash book which records all cash receipt

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and disbursement transactions. In the process of recording village fund accounting, the village secretary must first know the applicable regulations so that they do not cause problems later. In the recording process, the village secretary coordinates with financial staff and the village head. Meanwhile, in the process of implementing work programs funded by village funds, the village secretary coordinates with community leaders and the village head.

2. Human resources are an important problem that must be faced in implementing accounting records in Mambalan village

Suggestion

There are suggestions that could be used as references which are addressed to:

1. Village officials, it is hoped that not only the Village Secretary will understand the regulations regarding village fund accounting records. Other village officials can at least have a general understanding of the applicable regulations.
2. The community is expected to have general knowledge regarding the village. So, when deliberations relate to the use of village funds, the community can better understand the function and purpose of village funds.

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