

The Urgency of Enhancing Village Fund Governance in Serang Regency

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Abstract

The Law No. 6 of 2014 concerning Villages, grants villages the authority to govern themselves, and the government allocates village funds for their implementation. In Serang Regency, there are issues regarding the ineffective governance of village funds, characterized by the low quality of human resources for public services, lack of transparency and accountability, and insufficient community empowerment programs. This study aims to emphasize the urgency of improving the governance of village funds towards better governance in Serang Regency. The research adopts a qualitative descriptive method. Key informants come from relevant agencies in Serang Regency, the Inspectorate, and civil society organizations, with information gathered through observations and focused group discussions. The research findings indicate that only the dimensions of resource management and governance process are categorized as sufficient, while decision-making, collaboration with the private sector, and other governance principles still need improvement. Based on the research findings, it can be concluded that the governance of village funds in Serang Regency requires urgent strengthening.

Keywords: governance, village autonomy, village funds

Abstrak

Undang-Undang No. 6 Tahun 2014 tentang Desa, memberikan desa kewenangan untuk mengatur dirinya sendiri dan pemerintah mengalokasikan dana desa untuk pelaksanaannya. Di Kabupaten Serang, terdapat persoalan mengenai belum efektifnya tata kelola dana desa yang ditandai dengan rendahnya kualitas sumber daya manusia untuk pelayanan publik, kurangnya transparansi dan keterbukaan, serta kurangnya program pemberdayaan masyarakat. Kajian ini mencoba memastikan betapa mendesaknya peningkatan tata kelola dana desa menuju tata kelola yang lebih baik di Kabupaten Serang. Penelitian ini menggunakan metode deskriptif kualitatif. Informan kunci berasal dari instansi terkait di Kabupaten Serang, inspektorat, dan organisasi masyarakat sipil yang informasinya diperoleh melalui observasi dan diskusi kelompok terfokus. Penelitian ini menunjukkan bahwa hanya dimensi pengelolaan sumber daya dan proses tata kelola yang masuk dalam kategori cukup, sedangkan dimensi pengambilan keputusan, kolaborasi dengan sektor swasta, dan prinsip-prinsip tata kelola lainnya masih perlu ditingkatkan. Berdasarkan hasil penelitian, dapat disimpulkan bahwa tata kelola dana desa di Kabupaten Serang sangat mendesak untuk diperkuat.

Kata kunci: dana desa, otonomi desa, tata kelola

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INTRODUCTION

The implementation of Law Number 6 of 2014 concerning Villages (Village Law) strengthens the existence of villages by recognizing and respecting the unity of customary law communities and their traditional rights, provided they remain alive and in line with community development and the principles of Unity of the State of the Republic of Indonesia (Article 18B paragraph (2) of the 1945 Constitution). The Village Law empowers villages as subjects of development and directs them to fulfill the function of realizing both local self-governance and community self-governance. In this context, according to Article 78 of the Village Law, village development essentially refers to efforts to improve the welfare of rural communities, enhance the quality of life, and alleviate poverty in the village. These efforts are carried out through various programs aimed at meeting basic needs, developing village infrastructure, boosting local economic potential, and achieving the sustainable utilization of natural resources and the environment.

To accelerate village development, the Village Law regulates funding for villages in the form of village funds. Village funds are derived

from the state budget (APBN) and form a part of village finances (Article 72 of the Village Law). Furthermore, Government Regulation No. 60 of 2014 on Village Funds Sourced from the State Budget establishes more technical regulations regarding this policy. The policy of using village funds aims to implement governance, development, community empowerment, and societal activities. Based on this policy, village funds are prioritized for financing development and community empowerment (Article 19 of Government Regulation No. 60 of 2014). Under these regulations, the government has allocated village funds annually from 2015 to 2021, with a total disbursed amount of Rp400.16 trillion. The allocation for the 2022 fiscal year is Rp68 trillion for 74,961 villages (Yuwono, 2022).

The results and benefits of the village fund strategy include the provision of economic infrastructure for the community, such as roads, bridges, reservoirs, boat moorings, village markets, irrigation systems, and sports facilities. According to the Ministry of Finance (2017), this strategy also encompasses the provision of infrastructure to enhance the quality of life, such as early childhood education (PAUD), drainage systems, clean water,

sanitation facilities, village health centers, soil retention structures, wells, and village clinics.

Following is a breakdown of the 326 villages in Serang Regency's village development funds:

Table 1.
Village Funds in Serang Regency (From 2017 to 2022)

Year	Number of Village	Village Funds (billion Rupiah)	Average per Village (billion Rupiah)
2017	326	257,17	0,79
2018	326	257,17	0,79
2019	326	260,67	0,80
2020	326	261,9	0,80
2021	326	268,53	0,82
2022	326	298,38	0,92
Total	326	1.346,65	4,13

Source: Ministry of Finance.

The substantial amount of funds has had a positive impact on the village's implementation of development projects (Kurniawan, 2021) (Wibowo et al., 2019) (Bili & Rais, 2017). However, it is important to note that a large amount of funds has also brought about negative consequences for villages (Sultan et al., 2021) (Ashar, Andi; Agustang, 2020) (Imawan & Purwanto, 2020) (Jamaluddin et al., 2018).

Empirical studies have consistently shown the influence of governance on effective village fund management (Wardani & Fauzi, 2019) (Puspitasari, 2019) (Ubaidillah, 2019). The implementation of good governance principles is a crucial factor in determining the success of village fund management, particularly

transparency, participation, and accountability (Hendrawati & Pramudianti, 2020) (Lilis Saidah Napisah & Cecep Taufiqurachman, 2020) (Budiati et al., 2020).

Pragmatically, governance is understood as the collaboration between public institutions, private entities, quasi-public organizations, and active citizen involvement to solve public problems more effectively and achieve common goals through beneficial approaches. Phenomenologists perceive governance as a system of reciprocal influence between government organizations, various civil society institutions (including self-organizing units and networks), and individuals responding to societal challenges (Yani, 2020).

Traditionally, governance is understood as the process of establishing, implementing, and enforcing rules. Meanwhile, from a dynamic perspective, governance is intricately linked to the management and enhancement of accountability, democracy, and efficiency (Katsamunskaya, 2016). The concept of governance implies the development of a civil society capable of collaborating with the government to address public issues (Schmitter, 2019a). Governance is further portrayed as an emergent paradigm of coordination and coherence among various actors, marked by heterogeneous goals and interests (Razali & Ismail, 2015).

According to Chhotray and Stoker, the implementation of governance can be recognized through several practices, including (1) corporate governance, which pertains to rules governing the relationship between shareholders and the management of a corporation; (2) participatory governance, which relates to the relations that occur in a democracy between the rulers and civil society; and (3) environmental governance, which involves the management of the environment and global issues (Bock et al., 2021).

Multiple international institutions and experts have emphasized the significance of incorporating principles of good governance as guiding frameworks in governance implementation. These principles encompass various aspects. According to the United Nations Development Programme (UNDP), the principles of good governance include accountability, fairness, legitimacy, performance, and direction (Rawson & Adams, 2017). Lockwood further adds to the UNDP principles with the additional principles of connectivity, resilience, and integration (Pomeranz & Stedman, 2020). According to Pomeranz and Stedman, the principles of good governance consist of inclusivity, fairness, performance, transparency, legitimacy, accountability, direction, and capability (Pomeranz & Stedman, 2020).

Furthermore, in the context of this research, governance is understood as how the three sectors—public, private, and civil society—interact and utilize their power to manage public resources through specific processes based on the principles of good governance to address public issues. Based on this concept, researchers focus on various dimensions of governance, including: (1) resources; (2) the governance

process encompassing planning, implementation, financial management, reporting, and accountability; (3) exercise of authority (power); (4) decision-making processes; (5) community participation; and (6) collaboration with the private sector. The fifth and sixth dimensions reflect the principles of good governance, which include accountability, effectiveness and efficiency, transparency, participation, and the rule of law.

The village funds represent a government policy implemented in response to the decentralization of authority to villages, as mandated by Law Number 6 of 2014 concerning villages. The allocation of village funds is sourced from the state budget, adhering to the principles of money follows function and money follows the program (April et al., 2021) (M.Si & Afifah, 2019) (Ardiana & Tjukup, 2018) (Ministry of Finance, 2017) (Aziz, 2016).

The policy pertaining to village funds has been officially regulated by Government Regulation Number 60 of 2014, which specifically addresses the allocation and utilization of funds sourced from the state budget for village development purposes. This regulation has been subsequently amended by

Government Regulation Number 8 of 2016. Village funds refer to the allocation of funds to villages sourced from the state budget, with priority given to development and community empowerment. The objectives of allocating village funds are to provide services, alleviate poverty, advance the economy, address development disparities between villages, and strengthen village communities to actively participate in development (Ministry of Finance, 2017). Village funds are directed toward village development and empowering communities to become self-reliant (Nurmalasari & Irawan Supriyadi, 2021) (Farida et al., 2020) (Ravianto, 2014).

In the context of this research, village funds pertain to the financial allocation provided to villages in Serang Regency, derived from the State Budget, with the explicit objectives of promoting village development and empowering the local community. The magnitude of these funds is substantial, with each village receiving an allocation exceeding Rp1 billion. Given the significant amount of funding involved, effective management of associated risks becomes imperative, rendering good governance an indispensable prerequisite for the successful

implementation of village development initiatives (Lilis Saidah Napisah & Cecep Taufiqurachman, 2020) (Rivan, Arif & Maksum, 2019) (Anam et al., 2018).

Synthesizing the various concepts and theories discussed earlier, the governance of village funds can be defined as the collaborative interaction among the public sector, private sector, and civil society to exercise their respective authorities in managing village funds. This process encompasses well-defined stages, including planning, implementation, financial management, reporting, and accountability. The primary objective of this governance framework is to address public issues within the village context, ultimately fostering the establishment of self-reliant villages, promoting sustainable development, and empowering the local community.

This research focuses on the comprehensive application of governance concepts in the management of village funds, aiming to provide a thorough understanding of how good governance is implemented in village fund programs. This comprehensive governance concept goes beyond the mere discussion of principles and extends to various dimensions, including resource utilization,

governance processes, the exercise of power, decision-making, community participation, and collaboration with non-governmental actors. These dimensions are crucial in comprehensively assessing and analyzing the effectiveness and impact of governance in the management of village funds (Yani, 2020) (Schmitter, 2019b) (Katsamunskaja, 2016).

Based on the researchers' initial discussions with several parties, namely USAID-Madani, a civil society organization in collaboration between USAID and PD Aisyiyah Serang Regency, it was stated that some of the problems faced in village fund management in Serang Regency are: (1) low community participation in the implementation of village fund governance, (2) the priority of village fund activities is uniform, centralized and has not provided flexibility in accordance with the spirit of the Village Law, where villages have autonomy according to the inherited rights and rights according to local authorities, (3) the quality of management by village apparatus is still low, due to weak quality of human resources, lack of supervision and the absence of an assessment system for success or failure in managing village funds.

Data obtained from the Serang Regency Inspectorate shows that the weaknesses, deviations, and problems found in village fund management include: (1) the use of village funds that contravenes the provisions and priorities set by the central government, (2) instances of construction work that is entirely carried out by third parties, without involving the community in it, (3) irregularities in the implementation of work such as excess payments, deficiencies in work volume, goods and services procured through that cannot be utilized, fictitious procurement, unsubstantiated expenditures, (4) many villages have not submitted reports in accordance with applicable regulations. As a result of these various irregularities, the Serang Regency Inspectorate further explained that many village heads were involved in legal cases due to elements of fraud and criminal acts in the management of village funds. The Serang Regency Inspectorate explained that the causes of these irregularities were: (1) weak knowledge, ability, and mentality of village officials in managing village funds, (2) weak understanding of risk management in managing village funds, (3) lack of intensity of supervision which opens up opportunities for

corrupt behavior, embezzlement of village assets, and fabricated reports.

Based on the data presented above, the issues affecting village fund management in Serang Regency include (1) low quality of human resources in village governance, (2) inadequacies in village budget planning (APBDes) and its implementation, (3) insufficient transparency in implementation, (4) deficiencies in village commitment to submit accountability reports, (5) low community participation, and (6) lack of intensity of supervision to prevent instances of village fund misappropriation leading to legal proceedings. The problem is entirely related to the weak quality of village fund governance in Serang Regency.

A review of existing studies corroborates the presence of issues in village fund management, as previously outlined. Researchers have identified several recurring problems, including: (1) low-quality human resources within village apparatus, (2) low community participation, (3) a weak management system (both in planning and implementation) by those responsible for implementation, (4) insufficient commitment to reporting on the use of village funds, (5) low achievement in terms of village fund performance, and (6) inadequate transparency in the

implementation of village funds (Noverman, 2019), (Bismo & Sahputra, 2021), (Fauzanto, 2020), (Taslim Fait et al., 2021), (Sofyani et al., 2018), (Aryanti & Guspendri, 2022), (Aprilia & Shauki, 2020).

Based on the foregoing description, this study sheds light on the issue of how governance gaps arise in village fund management, leading to inefficiencies in fund management. This analysis delves deeper than mere conceptual understanding and focuses on the practical implementation of governance principles. The results of this research are intended to serve as the foundation for developing a more effective village fund governance policy framework.

METHOD

This study primarily focuses on investigating the phenomenon of village fund governance in Serang Regency. The chosen research methodology is descriptive qualitative research, which seeks to provide a comprehensive understanding of the subject matter. The data collection process involves a variety of techniques, including interviews, in-depth observations, expert consultations, focus group discussions (FGDs), and document studies. The data collection phase took

place between April 2021 and July 2022, facilitating an in-depth study of village fund governance practices within the specified timeframe.

The interview was conducted with the Head of the Serang Regency Community and Village Empowerment Office, as his responsibilities are directly linked to village funds. Additionally, an interview was conducted with the Chairman of the Presidium of the civil society organization Simpul Madani Serang (SMS), given that this organization demonstrates significant focus on village fund management, including advocating on behalf of the community. Meanwhile, secondary data obtained from local government agencies, including the Regional Planning and Development Agency (Bappeda) and the Department of Community and Village Empowerment, was used to inform field observations. These resources represent valuable tools for assessing governance practices related to village funds in Serang Regency.

A Focus Group Discussion (FGD) was conducted at the instigation of Bappeda, comprising officials and staff from Bappeda, the Community and Village Empowerment Office, the Office of Communication, Information, and Statistics, the Serang Regency

Inspectorate, the Legal Section of the Regional Secretariat, the Regional Agency for Financial and Asset Management, the Regional Secretariat's Organizational Development Section, the Serang Aisyiyah Regional Executive, Serang Regency USAID Madani, the Regional Research and Information Center (Pattiro), and Madani node, representing civil society organizations.

The Miles and Huberman model was selected for data analysis, which encompasses data reduction, data display, and drawing conclusions (Prof. Dr. A. Muri Yusuf, 2016).

RESULTS AND DISCUSSION

Village Fund Governance in The Serang Regency

In 2022, Serang Regency will comprise 29 districts and 326 villages, functioning as an autonomous region. The local own source revenue (PAD) for Serang Regency in 2021 amounted to Rp791,086,613,633, representing 25.2% of the total regional revenue. The largest portion of the regional revenue is derived from transfer income, reaching Rp2,126,698,078,829 and accounting for 67.8% of the total regional revenue

in 2021 (Government of Serang Regency, 2022).

Resource Management

The dimension of resource management encompasses the utilization of both human and financial resources. According to the Central Bureau of Statistics, the average number of village government officials in each of the 326 villages in Serang Regency is 13 individuals. Based on this data, the total number of village government officials in Serang Regency amounts to 4,238 individuals.

The challenges faced in resource management, particularly in the context of village fund governance, include the low quality of human resources in public services. In terms of financial resource utilization, these challenges are reflected in the absorption rate of village funds in the Serang Regency. The research findings regarding the dimension of human resources in the governance of village funds in Serang Regency are as follows:

Table 2.
Overview of Resource Dimensions in the Governance of Village Funds in Serang Regency

Aspect: Human Resources

Results:

1. Low culture of service
 2. Suboptimal operating hours of village offices
 3. Service delivery conducted from home
 4. Insufficient skills of personnel in operating the Village Financial System (Siskedes) due to limited computer proficiency
 5. Vulnerability to turnover of village officials after the completion of village elections (Pilkades)
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Source: Research data analysis, 2022

In the dimension of human resources, there is still a low service culture among village government officials, as they have not fully grasped the concept of public service and exhibit inadequate attitudes during service provision. The attitudes of village officials towards service do not meet the standards of excellent service. Moreover, the operating hours of village offices are suboptimal, with some offices being closed during normal service hours, making it difficult for the community to access services. Additionally, the results from the FGDs revealed that some services are provided by village officials from their own homes. The ability of village officials to operate Siskedes (the village financial system) is still lacking, as not all staff members possess computer skills. Furthermore, there is vulnerability to turnover among village officials following the completion of the

village head election (Pilkades), particularly if the incumbent village head does not win the contest. This indicates the presence of political factors in the recruitment of human resources for village officials, conducted by the elected village head without giving due consideration to the competence and performance of the village officials.

The financial resources managed by the villages encompass all funds generated from village revenues, revenue sharing from local taxes and levies, financial assistance from provincial, regency, and city governments, allocations from the national budget (APBN), and village funds, as well as grants and donations obtained from third parties. Regarding the utilization of financial resources, specifically, those obtained from village funds, the central government has disbursed a total allocation of

Rp1,895.2 billion from 2015 to 2022. These funds have been distributed among the 326 villages in Serang Regency, with the following details:

Table 3.
Development of Village Funds in Serang Regency from 2015 to 2022

Year	Budget (billion Rp)	Realization (billion Rp)	%
2015	89,81	89,81	100%
2016	201,57	201,57	100%
2017	256,26	256,26	100%
2018	257,17	226,93	88%
2019	260,67	257,97	99%
2020	261,90	261,90	100%
2021	268,53	266,07	99%
2022	298,38	132,14	44%

Source: Ministry of Finance, 2022

Until August 2022, the disbursement of funds to Serang Regency amounted to Rp1,692.5 billion, constituting approximately 89% of the total allocated funds. Consequently, the average realization of village fund disbursements stands at 98%, excluding the current year's realization. In 2018, the disbursement realization reached its lowest point at 88%, indicating a relatively lower level of fund distribution. Conversely, the highest realization recorded was 100% of the total allocation, signifying the complete utilization of the allocated funds. The lower realization in 2022 is because some villages have not yet disbursed their village funds. However, by the end of the fiscal year, these funds will be absorbed by the 326 villages in Serang Regency.

The dimension of managed resources represents a significant amount, with 326 villages in Serang Regency having received a combined total of Rp1.895 trillion from 2015 to 2022. This substantial sum translates to Rp5.813 billion per village for the stated period. Such a significant amount undoubtedly creates opportunities for moral hazard among managers. This risk is further magnified by factors like low-quality management of human resources, low-quality government services, and political issues within the village that impact the quality of resource management, as shown in Table 2 above.

Therefore, strengthening supervision of village fund management is crucial, as the intensity of supervision currently carried out by the Serang

Regency government remains insufficient. Furthermore, it is important to encourage efforts to involve the community and civil society organizations in overseeing village fund management. Additionally, making information readily accessible to the community through various media, both digital platforms such as websites, social media, applications, and podcasts, and non-digital channels such as billboards, direct public engagement, and other such public communication channels, is essential for establishing a transparent system of village fund management.

Governance Process

The process dimension of governance encompasses various stages, beginning with planning and budgeting, followed by implementation, record-keeping, and reporting, and finally, accountability. This dimension delineates the mechanisms by which the governance process is executed. In the context of village fund governance in Serang Regency, several key findings are identified within the process dimension:

Table 4.
Overview of the Dimensions in the Governance Process of the Village Funds in Serang Regency

Aspect: Planning and Budgeting
Results:
1. The Village Financial System (Siskedes) has been implemented
2. Lack of synchronization between the Village Development Plan (RKPDes), RPJMDes, and RPJMD.
3. The Village Financial System (Siskedes) has been implemented.
4. Lack of synchronization between the Village Development Plan (RKPDes), RPJMDes, and RPJMD.
Aspect: Implementation
1. Proposal for fund disbursement use the Salur Desa application.
2. There is a Regent Regulation that regulates the Electronic Procurement System for Goods.
Aspect: Accounting and Reporting
1. Reporting is conducted twice, namely every semester.
2. There are still significant delays in reporting.
Aspect: Supervision
1. The Serang Regency Government has formed a Supervisory and Oversight Team.
2. The oversight control is carried out by the Serang Regency Inspectorate through the implementation of the Village Financial Supervision System (Siswaskedes).
3. The District Head (Camat) is appointed as supervisor.
4. The dispersion of villages and the distance from the district capital pose challenges

in supervision.

5. Many village fund management cases ultimately result in legal disputes and are handled by law enforcement agencies.
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Aspect: Accountability

1. Accountability is reported after the fiscal year has ended
 2. Accountability has not been in accordance with the guidelines for village fund management.
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Sources: Research data analysis, 2022

The planning and budgeting process of village funds in Serang Regency has incorporated the utilization of the Village Financial System application, facilitating the effective preparation of the Village Medium-Term Development Plan (RPJMDes) and Village Government Work Plan (RKPDDes) by each village. However, a lack of synchronization persists between the Regional Medium-Term Development Plan (RPJMD), RPJMDes, and RKPDDes.

During the implementation phase, proposals for the disbursement of village funds have been made through the "Salur Desa" application. Meanwhile, the Serang Regency Government has implemented a policy on electronic procurement of goods, which serves as a reference for each village. During the accounting and reporting phases, it has been found that reporting is conducted twice a year (per semester). However, there are still significant delays in submitting the reports.

The supervision of village fund management is entrusted to the Supervisory and Oversight Team, operating under the purview of the Serang Regency Inspectorate. The District Head assumes the role of supervisor, overseeing the proper execution of this responsibility. Furthermore, the facilitation of supervision is bolstered by the implementation of the Village Financial Supervision System (Siswaskedes) by the Serang Regency Inspectorate.

Supervisory challenges arise due to the vast expanse and geographical remoteness of the village areas, impeding the optimal implementation of oversight. The physical distance between these villages and the regency capital hinders effective monitoring. Consequently, instances of irregularities in village fund management have surfaced, resulting in legal ramifications handled by the appropriate law enforcement authorities.

Accountability for village fund management is subsequently reported upon the culmination of the fiscal year.

However, it has come to light that the extent of this accountability falls short of full compliance with the prescribed guidelines governing village fund management.

Several weaknesses were identified in the village fund governance process, including lack of synchronization with regional planning, reporting delays, insufficient oversight, and substandard reporting practices. To address these issues, efforts are needed to improve coordination and communication between the Serang Regency government and village administrations, as well as to enhance awareness and commitment among village administrations for accurate and timely reporting. Additionally, reporting processes need to be streamlined and data accessibility improved, and the community and non-governmental organizations (NGOs) need to be involved in monitoring activities. Finally, initiatives aimed at reforming administrative structures, such as the adoption of digital governance solutions, can be implemented to enhance transparency and accountability in village fund management.

Decision Making

The village administration has undertaken deliberations within the local community as a means of decision-making. These deliberations involve the active participation of community representatives. Nevertheless, the inclusion of the community in the village-level development planning discussions, known as Musrenbang, has yielded inadequate insights into the decision-making process. The allocation of village funds has predominantly prioritized the advancement of infrastructure development. This strategic emphasis stems from the pressing demand for infrastructure improvement within Serang Regency, resulting in a limited allocation of resources towards community empowerment programs. Consequently, in response to this policy context, village administrations within Serang Regency initiated the establishment of village-owned enterprises (BUMDes) in 2019. As of now, a total of 101 BUMDes have been successfully established out of the 326 existing villages.

Low community participation in Musrenbang arises from three key factors: limited public understanding of

its purpose, insufficient information about the process, and challenges related to villagers' employment and education levels. Therefore, efforts are crucial to enhance public awareness of the importance of participating in Musrenbang's decision-making process. Communities must be informed that their involvement is essential to ensure village development aligns with their needs and aspirations. A concerted effort is needed to increase the accessibility of public information regarding Musrenbang implementation for citizens. This can be achieved through various methods, such as information boards, village websites, and public information services. Moreover, the village government must ensure that Musrenbang is conducted democratically, transparently, and accountably.

Partnership with The Private Sector

Village development initiatives, underpinned by the utilization of village funds, have engendered collaborative ventures with the private sector. Within the purview of Serang Regency, villages have forged notable partnerships aimed at augmenting financial services for rural communities. One such partnership, exemplified by the "Warung BJB Bisa" program,

epitomizes a collective endeavor involving Bank BJB. This initiative strives to extend improved financial services to rural areas, thus addressing the prevalent challenges of financial accessibility and inclusion faced by these communities. Moreover, another significant collaboration has emerged to facilitate postal services through the "Warung Pos Desa" program, established in conjunction with PT. Pos Indonesia. It is essential to acknowledge that the aforementioned partnerships exhibit a primarily top-down nature, stemming from their initial inception by the Serang Regency Government.

Partnerships with non-governmental actors, including the public, private sector, and academia, are crucial for effective governance. This assertion is supported by the high level of public participation observed when governments collaborate with non-governmental entities (McNeill et al., 2021). However, partnerships with the private sector require careful execution, emphasizing transparency and prioritizing improvements in public services and village governance. Failure to meet these conditions risks diminishing governance quality and creating opportunities for irregularities. Furthermore, the community's actual

need for private sector involvement warrants careful consideration.

Governance Principles

In the sphere of implementing principles intrinsic to good governance,

empirical evidence has substantiated the implementation of core tenets including accountability, effectiveness and efficiency, transparency, participation, and the rule of law.

Table 5.
The Principles of Good Governance

Aspect: Accountability
Results: Accountability is presented after the fiscal year has ended, but it is not yet in line with the guidelines for village fund management
Aspect: Effectiveness and Efficiency
The low quality of service provided by village governments can be attributed to the lack of service-oriented culture and the subpar quality of public officials.
Aspect: Transparency
<ol style="list-style-type: none">1. Transparency in village fund management is manifested through the installation of APBDes (Village Budget) billboards.2. The facilitation of villages has commenced by creating the desa.go.id domain, which aims to establish digital villages.3. The characteristics of village officials have not yet been supportive of transparency in village fund management.4. The community does not have access to view village programs through Siskedes (Village Financial System).
Aspect: Participation
<ol style="list-style-type: none">1. Community participation has been conducted during the village deliberation meetings (musrenbangdes).2. Community participation has been carried out through their involvement as members of village-owned enterprises (BUMDes) committees.
Aspect: Rule of Law
The vulnerability of changing village officials after the completion of the village head election (Pilkades) has the potential to violate the rules regarding the established mechanisms for changing officials set by the government.
Sources: Research data analysis, 2022

The aspect of accountability poses a significant area of apprehension, as evidenced by the delayed submission of village expenditure accountability reports by respective villages subsequent to the conclusion of the fiscal year. Regrettably, these reports inadequately fulfill the criteria set forth

for comprehensive accountability, as outlined within the guidelines governing village fund management.

Moreover, discernible deficiencies are apparent in terms of effectiveness and efficiency, as the delivery of public services does not meet optimal standards. The existing service culture

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and the quality of service rendered by officials still demonstrate notable inadequacies. Additionally, it is disconcerting to note that public service offices within the village administration are frequently encountered as closed during designated operational hours, indicative of an apparent lack of commitment toward providing efficient services to the public.

Transparency is still low, as the understanding of transparency in village fund management is limited to the installation of APBDes billboards. It is acknowledged that building transparency requires a process, as the characteristics of village officials do not yet support openness in village fund management. Additionally, the community does not have access to information about village programs through Siskedes. However, efforts are being made by the Department of Communication, Informatics, and Statistics of Serang Regency to establish the desa.go.id domain, aiming to create digital villages.

Furthermore, the Legal Section of the Regency Secretariat of Serang has identified villages with indications of lack of transparency based on the following characteristics: the absence of announcements regarding APBDes (billboards), submitted realization

reports matching previously proposed budget plans, village funds held exclusively by the village head, no socialization about village funds, village heads being unresponsive to questions from residents regarding village funds, and an increase in the village head's assets without clarity about the origin of those assets.

The level of community participation in village fund management in Serang Regency is still low. Participation is mostly limited to the planning aspect carried out through village development planning meetings (musrenbangdes). However, the community has not been able to access a broader space for participation, as they cannot obtain information about village programs available in Siskedes. The community can only view the Village Budget (APBDes) through billboards at the village office. The limited placement of information regarding APBDes has resulted in uneven distribution of information about the village funds. Another form of limited participation is carried out by community members who have experience in business management, as they are involved in village-owned enterprise (BUMDes) committees.

The principle of the rule of law is an important aspect of good governance that assesses the extent to which bureaucracy adheres to existing rules and enforces the law. In the context of this research, there is evidence of non-compliance by officials regarding regulations related to the replacement of personnel and officials within the village government. This situation arises due to the change in village head resulting from the village elections, which subsequently affects the replacement of personnel. According to Article 5 of the Minister of Home Affairs Regulation No. 67/2017 Amendment to the Minister of Home Affairs Regulation No. 83/2015 concerning the Appointment and Dismissal of Village Officials, there are specific requirements and procedures for dismissal, which involve prior consultation with the Head of District. The considerations for dismissal, as stipulated by the regulation, include: (1) reaching the age of 60; (2) being convicted by a legally binding court decision; (3) having a permanent obstacle; (4) no longer meeting the requirements as a village official; and (5) violating the prohibitions applicable to village officials. It is certainly not easy to meet these requirements in a fair manner.

An analysis of governance principles reveals insufficient application in all areas, including accountability, effectiveness and efficiency, transparency, participation, and the rule of law. Several initiatives are necessary to address these shortcomings. First, efforts should prioritize enhancing the human resource capacity of village officials, leading to improved village fund accountability. Second, strengthening village institutions is crucial, with a focus on empowering village consultative bodies to effectively fulfill their designated roles. Finally, fostering collaborative governance is essential to promote community participation throughout the entire village fund management process. This entails encouraging a strong relationship and collaboration between the village government, the private sector, and the community.

Based on the preceding analysis, it is plausible to conclude that the quality of village governance in Serang Regency remains subpar, particularly concerning the management of village funds, thus indicating room for progress. This observation is evident from the various dimensions and aspects highlighted in the research, wherein the dimension of resource management and governance

procedures exhibits a certain level of competence. However, other dimensions and all governance principles necessitate significant improvement and enhancements in terms of quality.

Based on the preceding discussion, it is conceivable to conclude that the quality of village governance in Serang Regency remains deficient, specifically concerning the management of village funds, thereby highlighting the imperative for improvement. This observation is readily apparent from the multiple dimensions and features elucidated in the research, wherein the dimension of resource management and governance methods exhibits a certain degree of competency. Nonetheless, other facets and all governance principles necessitate significant enhancements and refinements in terms of quality.

However, it is acknowledged that the benefits have been experienced by the community in the form of infrastructure development in various villages, although it is recognized that programs related to community empowerment are still lacking.

CONCLUSION

The governance of village funds in Serang Regency needs to be

improved urgently. This is due to the low quality of good governance implementation in the region, as indicated by the significant room for improvement in all dimensions of governance except for the dimension of resource utilization and governance processes, which are relatively adequate. Furthermore, the implementation of good governance principles in all aspects shows a lack of quality.

The reform of village fund governance in Serang Regency necessitates immediate attention. This imperative arises from the region's evident deficiency in implementing good governance, as indicated by substantial room for improvement across all governance categories, except for resource utilization and governance processes, which demonstrate satisfactory levels. Additionally, a dearth of quality in the application of good governance principles pervades all domains.

We emphasize the need for further in-depth research to understand the community's perceptions of village fund governance in Serang Regency, as well as comprehensive research on all dimensions of governance. Research related to the implementation of digital

technology in village financial management also deserves attention.

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