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MODEL OF DEVELOPMENT VILLAGES AFTER THE ENACTMENT OF LAW VILLAGE BASED ON A FINANCIAL PERSPECTIVE: CHALLENGES AND THREATS

Sriyono Sriyono
Program Study of Magister Management
Universitas Muhammadiyah Sidoarjo
(UMSIDA)

Abstract: This research was conducted with the aim to find out how a village development model after the publication of the laws of the village, how the challenges and threats to the financial management undertaken by the Government of the village. This research is an interactive qualitative research; data collection is done from the primary source through direct interviews, validation data by using this type of credibility, including triangulation of data, methods and theories. The results of this study indicate that for the model of development the village consists of several stages of implementation, whereas in liability physical results already visible by showing the execution is good too, but the Administration is still required the existence of a coaching more, because not yet fully comply with the provisions. The main obstacle is not yet effectively coaching apparatus of Government and the competence of human resources, so that still require mentoring from local government authorities on an ongoing basis.

Keywords: Model, Financial Perspective, challenges and Threats

INTRODUCTION

Since January 1, 2001 Indonesia implements the autonomous region from the side of the authorities and decentralized fiscal finances, with this system then expected the village could do the construction of respective regions by using the village Fund and develops local potential that exists in each region respectively. The policy is based on the Act Number 32 year 2004 revised into law No. 23 of 2014 on local governance as well as Act Number 33 year 2004 of Financial Equalization and regional Centre.

As it known in NATIONAL BUDGET funds transferred to the area include funding Equalization and special autonomy and funding adjustments. Equalization Fund consists of funds for the results of the funds division (DBH), General Allocation funds (DAU), and special allocation Fund (DAK). Funds for General allocation of Funds and Results of the fund division in the form of a block grant, with no rules of its use. While specific rules are NOT firmly in the utilization, while DAU and DAK as a tool of equity between regions. While DBH to equalization and the area has been conducted in the era of the new order as a correction over the exploitation of the natural resources (SDA) which was done by the Center of Government.

Sidoarjo Districts and Mojokerto Districts in East Java, where funds had increased DAU each year:

District / Year	2013(Rp)	2014(Rp)	2015(Rp)
Mojokerto	832.266.682	899.109.170	923.747.632
Sidoarjo	1.104.580.340	1.199.036.154	1.206.656.704

Source : Mendagri 2015

The funds should be transferred to the region as a counterweight mechanism, so the magnitude of the funds transferred to the regions is reduced due to the greater potential and income areas then the area the more self-sufficient so that the needs of the funds transferred to the region on the wane, but the condition is precisely not the case. In General, the magnitude of the funds transferred to the area thus continues to increase each year. In 2006, the allocation of the funds transferred (FT) 226.4 trillion or 33.7% of total State spending. 2014-C STATE BUDGET sets the magnitude of the FT 596.5 trillion with the village fund allocation (DD). The incident raises the dependence towards the funds transferred to the area, especially those funds depleted, DAU just to the shopping routine employees. Almost all areas of routine expenditures, the percentage of employees over 50%. (Kemendagri, 2015)

Based on the condition then the purpose of creation of regional independence further and further. Fiscal space BUDGETS that was intended for development spending and infrastructure, the more insignificant in addressing the problems of development. Actually, the region still has the original regional funding sources (PAD) that comes from tax, levies, The village-owned enterprises (BUMD) and a variety of other PAD. But with average ability PAD the whole area only 15%-20% of the total need, certainly not adequate (Kemendagri, 2015). These conditions will worsen in the developing regions.

The system construction of the existing areas in Indonesia experienced several ways, in the new order era village development is a development approach and added the country in implementation. Construction of the village currently more accentuate on community empowerment, even though basically have the same substance. (Muhi, 2012). This means development does not merely follow the pattern of Government of the time, but it should show up the ideas of the leader of the area.

The current village development pattern when seen from a financial perspective has the distinction that policy is applied, the emergence of Village Law number 6 Year 2014 of the village where the village was given the given seven sources of income of the village so that increasingly add to the difference.

According to the Government Regulation Number 72 in 2005 about the village, that fund balances and financial areas received by district/city in the Division for each village is shared proportionately as the village Fund Allocation (ADD). Then make clear how add-on management through the regulation of the Minister of Home Affairs Number 37 in 2007 about the guidelines of the financial management of the village.

This led to the construction of the pattern of differences in each area are not the same, it could even happen not synchronization pattern with Central Government policy. In addition the regional leadership role also be dominant in his village development e.g. should be visionary, innovative, and creative.

The implementation and management of these funds is carried out by the Institute of empowerment of the village, in practice it involves almost all village officials. The condition is very vulnerable to private interests, the emergence of the ACT the village on one side is a chance for the village is also a challenge for village development pattern to develop the village

in accordance with the culture and character of the village. What is with the emergence of such policies would make the growing village with cultural patterns and the potential of the area or will be the threat of the emergence of small Governments who have an unlimited power in leader of the village.

Literature Review

The construction of the Village

The construction is very multidimensional concept, which refers to a series of characteristic and all aspects of life, both aspects of the political, economic and social (Efendi, 2002:9), in other words the construction of understanding is an effort to improve all our resources through sustainable planning and with the principle of effectiveness, and results to the equitable and just. Development is an effort in order to improve the standard of living of the community of a State that is less good into something better, using existing resources.

Regional autonomy law number 32 of 2004 concerning regional governments article 1 verse 12 mentions the village is the unity of Community law which has territorial boundaries are authorized to arrange and take care of the interests of the local community which is recognized and respected in the system of the Government of Republic Indonesia, this means the construction of the village have been regulated in this law

The Purpose Of Village Development

Program development activities, both physical development as well as a non physical is for the welfare of the whole community. The nature of the need is very basic, until other needs later on can be perceived by the public at large. For that harmony and alignment in the carrying out of development should be realized since the beginning by all parties. The preparation of the development plan is primarily a result of planning from the bottom up and from top to bottom through the stages of drafting across levels of Government, ranging from village, Sub district, Regency/Municipality, province, regional until national and vice versa (Prabawa, 2015)

Village Development Funds

According to the book the execution on Instruction of Village Development Fund (1986:4) in development funds, explain that the village is some money/funding provided by the Government to the villages directly, in order to carry out or the development process in the village to make it in the form of physical projects that benefit the public welfare improvement in the environment of the village and village, on the STATE BUDGET burden in order to equitable the development and outcomes.

The use and supervision of village development funds

Village development funds given by Governments and third parties that should be used to build projects in need by the community of the village which is reflected in each program section Village Representative Institutions (BPD) and other activities that support the growth and improvement of people's income and activities fostering the welfare of society.

In order to support the successful implementation of the management of the village development funds formed a Team Builder as well as supervision and control on many levels of Government with the duties and responsibilities of each. At the level of the village village chief as implementing activities responsible for the successful implementation of village development funds. While the guidance and oversight of the operations funded by the village representative body (BPD) (Prabawa, 2015).

The Village Fund Allocation

The village fund allocation or abbreviated with ADD are the funds allocated by the County Government for the village were sourced from the part of the Fund's financial center and regional equalization received by District, according to Halim (2004), the key features of good financial management, namely:

1. Simple

A simple system that is more easily understood and studied by those in charge of running it, and the more likely it is followed without wrong, can deliver results more quickly, and easily inspected from inside and from outside. Practical purposes to be achieved in drawing up a financial management one is creating simple procedures in line with the objectives or results achieved.

2. Complete

Financial management should be used to achieve all the goals, and should include any financial activity in terms of area, so activities should uphold the validity of budget compiling receipts and expenses. Keep the area can always pay off their financial obligations, running the oversight from within, trying to achieve results and effectiveness in activities and extended to keep there receipts and expenditure that does not enter the plans or not included in the budget.

3. Useful

In this case, the power to have two facets:

- a. Power to attached to financial management concerned should be raised, which means that high result set must be achieved at a cost of low , from a number of staff and funds are needed or results achieved should be the maximum.
- b. financial management concerned should be designed in such a way so as to enlarge the power to become a tool that local governments to run activities it and not slow him down.

4. Easily adjustable

Financial management never made so stiff so it is difficult to apply it or adjust at different circumstance

Financial Reporting

The financial report is a structured report regarding the financial position and the transactions carried out by an entity reporting. Government accounting standards (SAP) via PP. No. 24 in 2005, which is the first SAP owned by the Government of Indonesia. The Position Of Government Accounting Standards (SAP). The reporting entity is the Government unit that consists of one or more units of Government that are a mandatory statutory provisions deliver accountability in the form of financial statements, with regard to the reporting entity consist of:

1. Central Government
2. local governance
3. The units of Central Government environmental organization/region or any other organization, if the Organization's units according to the legislation in question is obligated to present the financial report

The Purpose Of Financial Reporting

Financial statements prepared for the relevant financial information about the financial position and the entire transactions carried out by an entity reporting in a certain time period. financial statements are used to compare the realization of income, shopping, transfer and financing of a predetermined budget, assessing the financial condition, evaluate the

Effectiveness and efficiency of an entity reporting and help determine his obedience towards legislation.

The Role of Government Financial Reporting

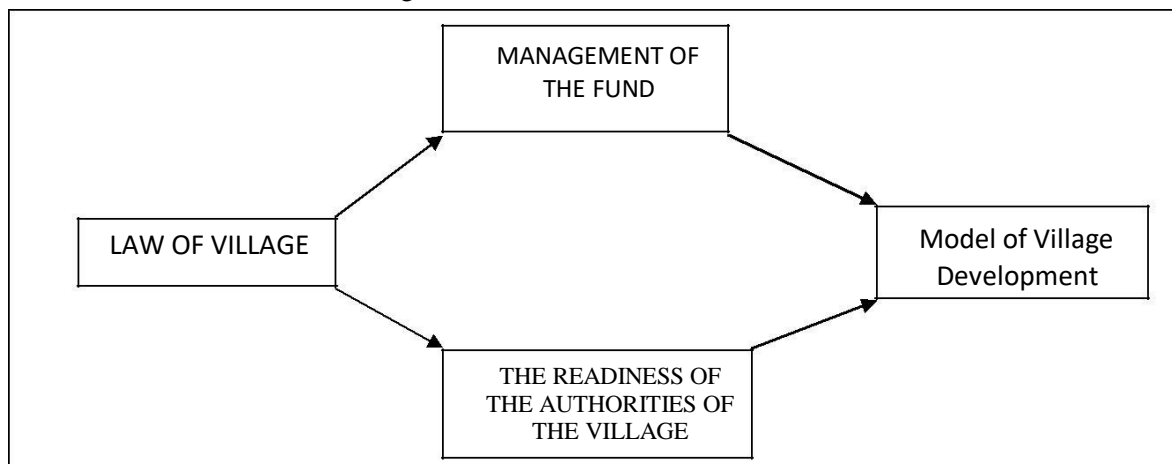
The reporting entity presents financial statements in one period in systematic and structured reporting, as a means for the benefit of:

- a. Accountability accountable for the management and implementation of policy resources in achieving goals
- b. To facilitate the Management functions of planning, management and control over assets, liabilities and equity the Government funding
- c. To provide Complete financial information that are open, honest, thorough to stakeholders
- d. Intergenerational Balance to provide information regarding the adequacy of the reception of the Government to finance the entire expenditure.

Theoretical Frame work

The framework of the study in accordance with the background and literature review above is as shown in Figure 1 below:

Figure 1. Theoretical Frame work



METHODS

This research uses qualitative research methods, with the case study approach. Cresswell (2009:1) stated that the qualitative research is the process of investigation to understand human problems or social problems based on the creation of a complete holistic picture formed by words, reporting the views of informants in detail and compiled in a background

As a complement necessary data sourced from the documents that come from documents some relevant agencies. Furthermore, in the process of this research will be retrieved data descriptive form of speech, writing, and the behavior of people (subjects/informant) itself.

The location of the Research carried out in East Java province consists of two Districts namely Mojokerto District and Sidoarjo District, each sample taken 2 villages are Krian Village and villages Sukodono, and then Mojokerto District taken 2 villages are Jasem village and Wonosari Village..

Key informants key Informants on the Participants or research is implementing the village i.e. 4 person village chief. 4 person, Chairman of Community Development Agencies (LPM) 4 person Village Secretary, 4 citizen and involving 2 experts as well as village development, 2

Government officials. Determination of the Informant or Participant based on the duties and responsibilities that have been carried out on a daily basis, including collecting data plan and watched him.

The methods used to collect data in this research is the observation, documentation, in-dept interview. Collection of data the results of interviews conducted for 15 days of 20 key informant. The interview done with based on a list of questions, so the interview is expected to take place in accordance with the needs of data researched

Test the validity of the Data using the Credibility Test test (Rahardjo, 2010:2-4) is a test of trust made by triangulation source, triangulation theory and triangulation of data from various sources i.e., interviews, observations to the informant.

Withdrawal/verification conclusions that it was described with a model of interactive analysis (Milles and Huberman, 1984:10-12), draw conclusions of the research results through a continuous process among learners through the Forum Group discussion (FGD) which was attended by all informants as many as 20 people and 10 community representing the 4 villages as a sample research

Table 1.

No	QUESTIONS	Criteria
1.	The village is ready against the publication of the laws of the village	1,2,3,4,5
2.	The village Fund had a large role those funds towards the construction of the village	1,2,3,4,5
3	A good management of the Fund will contribute to the development of the village	1,2,3,4,5
4.	Development model of villages in use today what is in compliance	1,2,3,4,5
5.	There are the challenges faced with the emergence of the law	1,2,3,4,5
6.	Consistency and sustainability need to act against the construction of the village	1,2,3,4,5

Six (6) Questions asked on any informant is the range in focus the desired information that is two (2) main variables as keyword to answer problems that want to know (Management of The Fund, The Readiness of The Authorities of the village). In order to obtain a clear answer then used five (5) criteria as a guide in the conduct of validation, as well as verify the answers of every answer from informants. The answers have been obtained done FGD by inviting all informants, the results matrix in order for FGD made gained a clearer answers and details

RESULTS AND DISCUSSION

Result

The enactment of the Statute of the village gives rise to a lot of things in the financial management of the village and the village of independence, based on the results of interviews conducted about the readiness of the village to conduct the publication Act provide information that the publication of the laws of the village gives hope and big problems from a financial perspective because each village had a chance to do employee administration independently or financial problems if the wrong management. In addition to the emergence of Act provides an opportunity each village to receive some sort of sources of funds obtained by the village

In addition it asked how big a role the Fund the village against village development pattern, explanation of some of the informants that the funds obtained a result of the publication of the laws of the village, with the village Fund will further the development of the villages, maximally good development from the infrastructure as well as the development of its human resources. In addition the existence of these funds then the villages can perform infrastructure

Improvements, equipment care village, health programs, and whenever possible the development potential of the village through the establishment of Village-owned enterprises

How do I manage them explained also that funds a year, twice the liquid funds on hold by the Treasurer of the village of Head of Village tell the direction of the village of just removing and agree, so the use of these funds is adjusted with the planning as well as the disbursement of those funds. Therefore usage based on with the planning made by the village along with the components of the existing institutions in the village and the existing community.

Model development is done at this time is described also the system with the system of planning proposals from below and from above, then collected in the form of RPJMD and RKT (annual work plans) so that the planning of the smallest unit of a proposal from below i.e. RT then proposed to the next RW, presented to the village. After that then produced a medium-term development plan and the annual work plan. So all planning activities in the village all referring to existing development plans.

Table 2. Matrix for informant answered by criteria

No.	Result	Government (2)				Expert (2)				Head of Village(4)				of Representatif Citizen (BPD) (4)				LPM (4)				Secretary of Village(3)				of Citizen(4)							
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
1	Criteria The village is ready against the publication of the laws of the village			2				2				1	3			3	1			1	3			2	1			5	1				
2	The village Fund had a large role those funds towards the construction of the village				2				2				4			1	3			1	3				3			1	1				
3	A good management of the Fund will contribute to the development of the village			2				1	1			3	1			2	2			1	3							1	3				
4	Development model of villages in use today what is in compliance			2					2				4			1	3			1	3				2			1	3				
5	There are the challenges faced with the emergence of the law				2				2			1	3			1	3			1	3			2	1			3	1				
6	Consistency and sustainability need to act against the construction of the village				2				2			2	2			2	2				4			3				1	3				
Sub-Total				2	4			3	1			2	6			3	2			8	8			1	7			9	7			2	5
Total				2	4			3	1			2	6			3	2			8	8			1	7			9	7			2	5

Criteria:

-
1. Not More Agree
 2. Not Agree
 3. Netral
 4. Agree
 5. More Agree
-

DISCUSSION

Based on the results matrix that is created, it appears that almost all of the informant responded that the village authorities, either from the leadership of the village to the village staff is still not convinced the village against Italy to implement the content of the legislation. This will lead to the implementation of the model of development in the village became yet directional well, because village officials have yet to understand in detail the intent and purpose of the legislation

The current Government is aware of the importance of development at village level. Various forms of regulations and laws regarding village as well as the financial autonomy of the regions published to encourage the acceleration of the development of rural areas through these funds with transparency, because in a society always demands a Government that is clean, responsible, and transparent, needs financial accountability of Government towards the higher (Hupe & Hill, 2007:22; Brusca & Montesinos, 2006:205; Koppell, 2005:95). This demands directed at all levels of Government, ranging from the Central Government to the Government of the village.

Based on government regulation Number 72 in 2005 Article 68 paragraph 1 letter c, stated that, the source of the budget given to the village comes from a GRANT County/City, the component BUDGETS allocated 10% of the Fund's Central and regional financial balance, the balance of funds to the financial center and regional funds for the results derived from taxes and natural resources in the General Allocation Fund plus (DAU) after deducting employee expenditures (Anonymous , 2006:32), it is expected that the Community funds are managing their finances and activities according to the needs, problems, and local conditions (Collins & Gerber, 2008:1129-1130). But the fact that the Manager in the village quite yet have the ability to plan for the management of the village Fund, as submitted by some informants.

Based on the results of the interview can also be seen that the emergence of village laws in village governance is not yet quite ready to manage and plan the development of the village. Even though pattern of development that exist already in accordance with the existing development but there are still many obstacles faced, starting unevenly potential each area, HR competencies and figure from the leadership of the region

The results of the interview also mentioned the challenges that be faced is the process of recording the truth of the reports and the process of financial administration that is not quite satisfactory. Various studies show many government organizations are not able to realize the accountability of financial administration despite the mechanisms of accountability have been built properly, but these mechanisms are often not followed by executing the program (Bovens, 2007:447), Dixon et al. (2006:415), Lodhia & Burritt (2004:355).

The condition can lead to a situation where happens what is called with a deficit of accountability (Bovens, 2007:447-448), in this case the occurrence of various accountability mechanisms dysfunctional. This Conditions will be result in a low level of government legitimacy in the eyes of the public, a deficit of accountability in an era of decentralization currently getting worry when the more public organizations at the local level are given the autonomy to manage budgets (Mulgan, 2003:74). In addition it can happen the compliance level

difference the presence of local governments to use the financial reporting system, then this happens because comparison the ability of the local government apparatus administrative (Carvaiho et al, 2007:2-3)

The presence of these conditions will be difficult for the planning of the development model of how to make a good village when the villagers do not have capability to financial accountability. Therefore the village development model to be created must be well planned based on the results of a comprehensive study or analysis against all potential (strengths and opportunities) and the problems of the (weaknesses and obstacles/threats) facing the village. The results of the analysis of the potential and existing problems and will probably appear in the future this was the material basis for the planning and development of the village in the future by involving the existence of community participation.

At this time the village development substantially more likely to be handed over to the village itself. While the Central Government and local governments tend to take a position and role as a facilitator, providing funding, coaching and supervision. This is important due to the implementation of authoritarian-became more democratic-desentralistic. (Dwipayana,2003:5)

This form of development planning, such as the medium term development plan (RPJM) village and the annual work plan (CTR), referring to Article 63 Government Regulation Number 72 in 2005 about the village, the village Government to oblige to develop medium-term development plan of the village (RPJMDes) and the Village Development work plan (RKP Village). Middle Village Development Plan (RPJMDes) is a planning document for the period of 5 (five) years which contains the policy directions of the development of the village, towards a policy of financial and public policy, programmed, having regard to the RPJMD

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CONCLUSION

Model development is done currently, accommodate all the interests of the community, by way of secondary development plan jointly through representatives who then forwarded with an annual development plan. Then there is the village of funds are used in accordance with the plans that have been made.

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