

Conference Paper

Village Community Participation Model in Village Funds Management to Exteriorize the Accountability

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Abstract

Villages are given a great opportunity to manage their own governance and to develop the infrastructure to enhance the welfare and life quality of their communities. In 2015 all villages in Indonesia have received village funds from State Budget (APBN). Village funds management needs the community involvement. However, most villagers are apathetic. The interview results with three stakeholders related to the management of village funds (village heads and the officials, the cadre of village and district community empowerment (KPMD) located in Semarang Regency reveal that the apathy of the village community is due to the community's trust to the village head and the officials. In fact, the advice and involvement of village communities plays important roles in realizing good village governance. The involvement of village community in carrying out village activities can be through community groups coordinated by each lurah, so that the amount of village funds used for village activities can be clearly known by the community. In addition, good communication between village officials, communities, and sub-district heads can enhance the village budget absorption (APBDes). In other words, citizen control, delegated control, and partnership are considered in the management of village funds, which will exteriorize an accountability when all functions work appropriately.

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1. Introduction

In accordance with the implementation rule of Law No. 6 of 2014 which has existed hitherto, namely Government Rule No. 43 of 2014 regarding Rural Areas and Government Rule No. 60 of 2014 regarding Village funds, since 2015 rural areas obtain

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funding resources called Village funds. The amount of village funds depends on the number of population, the potential resources, and the death rate within the area. Semarang Regency is one of the rural areas which obtained village funds amounted to Rp 129.797.974.000,- in 2015 and Rp 150.958.553.000 in 2016 (Source from Village Community Empowerment Agency of Semarang Regency). The village funds were then distributed to the entire village community within Semarang Regency. While, Semarang Regency consists of 19 subdistricts and 208 villages.

The spending of village funds are prioritized for four importance namely (1) Village Development Implementation, for instance basic necessities fulfillment of village, village facilities and infrastructure, development of local economic potential, and natural resources utilization as well as areas utilization continuously; (2) Local Community Empowerment; (3) Village Governance Administration; and (4) Local Community Fostering. In 2015, village funds were prioritized for village infrastructure development such as bridge, gutters, and irrigation system. Meanwhile in 2016, village funds were prioritized for local community empowerment. Each village is expected to spend the village funds given appropriately and in accordance with the regulation to ensure local community welfare.

However, during the spending of village funds, the issue that commonly occurs is the administration order which most of the village officials lack it and local community has limited opportunity to supervise the spending flow of village funds, therefore it creates low accountability (Anwar, 2015). Accountability is defined as a form of obligation to be responsible regarding the management and controlling sources and the implementation of regulation which has been trusted to the related party in order to achieve a certain goal of the regulation. This principle of accountability directs every single process and results at the end of the activity of village governance provision which it can be held responsible to the local community in accordance with the regulation.

Hari (2007:131) explains that during the implementation of any regulation, there will be two kinds of accountability, namely internal and external accountability. Internal accountability is a form of accountability which is implemented by the subordinate to the upper-ordinate. Internal accountability is closely related to program planning, program implementation, and bureaucracy control. Meanwhile, external accountability is different from the internal one. Essentially, external accountability is not an accountability which occurs within an organization. Since it focuses on the supervision of village funds spending, thus the focus will lie within internal accountability which closely relate to a program of spending planned by the village officials.

Recently, the local community has less participation and role in supervising the spending of village funds. However, in fact, local community participation in supervising the spending of village funds is essential. Local community participation is important not only during the planning of the program, but also during the implementation and spending reporting. In order to achieve maximum development of the certain area, initiation and creativity of local community are highly important. Slamet (2003:8) explains that local community participation during the development is defined as direct participation of local community in decision making within institution and governance process. Essentially, local community participation is not only defined as a form of concern regarding underprivileged community, but also as a form of concern regarding the planning of policy and decision making in many aspects which influences their life.

The local community's apathy towards the development process seems to be a challenge in the development of participatory village development. The lack of public trust in the village government due to the lack of public information on development planning and financial management is one of the obstacles to community participation. The low commitment of village officials to develop information media still exists in many villages. On the other hand, the community also tends to be ignorant in the absence of such information, even though the obligations of the village officials and community rights related to public information have been regulated in the Law concerning on Village (Waskito et al, 2016).

Village development is a form of decentralization that is applied to the village government to contribute to the village community. Local community participation is being participated in project identification, received feedback after project identification, involved this project implementation, and involved this project monitoring (Azfar, et al., 1999; 2004). Local community participation can improve public services that will influence accountability and reduce corruption (Azfar, et al., 1999; Robinson, 2007). Van Speiere (2009) generates findings that local community participation in budgeting, spending supervision, and auditing are key to successful decentralization in achieving transparency and accountability. Based on the exposure, this research will reveal the form of local community participation in the supervision and monitoring stage of the use of village funds to realize accountability.

2. Theoretical Framework

2.1. Village funds accountability

Hughes asserted that "*government organization are created by the public and to be accountable to if,*" The existence of such responsibility is due to the government apparatus which is charged with the obligation to act as the accountant for all actions, and the policies it establishes. As a consequence of the existence of the principle of the rule of law, either according to the concept of rule of law or rechtsstaat, or democratic rechtsstaat, namely a democratic state based on the law (constitutional democracy), then the government must provide accountability to what attitude, behavior and actions to the people, in the framework of organizing, or carrying out government functions. At the same time, Indonesia as a State of law implies the recognition of the principle of supremacy of law and constitutionalism, essentially that within the State of law, the law must be the determinant of all things in accordance with the doctrine of the rule of law. Within the framework of the rule of law, the law must be believed in the recognition that it has the supremacy of law, equality before the law and the validity of the legal principle with all its forms in practice (due process law).

Accountability in the implementation of local government is defined as the obligation of local government to account for the management and implementation of governance in the region in the framework of regional autonomy to achieve the objectives that have been established through the measurable accountable media both in terms of quality and quantity. The local government as the actor of government must be responsible for what they have done to the community in order to carry out the duties, authorities, and obligations of Local Government (Hari, 2007: 129).

According to Turner & David (1997), accountability has several measuring instruments as presented in the following Table.

2.2. Local community participation

Cohen and Uphoff (Siti Irene A.D., 2011: 61) distinguish participation into four types namely, participation in decision making, participation in implementation, participation in the taking of benefits, and participation in the evaluation. The first type is participation in decision making. This type of participation is primarily concerned with the determination of alternatives with local communities related to ideas of mutual interest. In this participation the community demands to participate in determining the

ENDS-To facilitate/enhance	MEANS-Tools
The legitimacy of decision makers	Constitutions, electoral system for governments and decision-making bodies, bureaucratic system of representation, royal prerogative, the legislation, letters of appointment, a formal delegation of authority, standing orders.
Moral conduct	Societal values, the concept of social justice and public interest; professional values; training/induction programs.
Responsiveness	Public participation and consultation, debate; advisory bodies, public the meeting, freedom of speech.
Openness	Parliamentary question times, public information services, freedom of information laws; public hearings, annual reports.
Optimal resource utilization	Budgets, financial procedures, parliamentary public accounts committees, auditing, public inquiries and participation; formal planning systems.
Improving efficiency and Effectiveness	Information systems, value for money audits, setting objectives and standards; program guidelines; appraisal, feedback from the public.

direction and orientation of development. This form of participation includes meetings, discussions, thoughts, responses or rejection of the programs offered. Second, participation in the implementation of a program includes mobilizing resources, funds, administrative activities, coordination and translation of the program. The third is participation in the taking of benefits. This participation cannot be separated from the results of the implementation of programs that have been achieved both in relation to quantity and quality. In terms of quality, it can be seen from the increase in output, while in terms of quantity can be seen from how significant the percentage of success of the program. Fourth is participation in the evaluation. Community participation in this evaluation is related to overall program implementation issues. This participation aims to know the achievement of the program that has been planned previously.

According to the above-mentioned explanation, kinds of participation are as follows:

1. Participation in decision making.
2. Participation in implementing.
3. Participation in taking benefits
4. Participation in evaluation

Implementation of participation can be reflected in the ladder of participation. The practice of participation as a political right requires direct involvement of citizens in

public policy making so that there is synergy between government and society in building public trust. Shery Arstein (Siti Irene A.D., 2011: 64) explains the participation of the community in the ladder of participation as follows:

Classifications	Description	Level
Citizen Power	At this stage there has been a division of rights, responsibilities, and authority between the community and the government in decision making	citizen control delegated control partnership
Tokenism	It is merely a formality that allows the public to hear and have the right to vote, but their opinions have not been the subject of decision making.	placation consultation information
Nonparticipation	The community as an object	therapy manipulation

2.3. Previous research

Fizbein (1997) reveals that community participation in the implementation of regional autonomy increases the effectiveness of local government management and accountability in terms of transparency in all community development activities. Putnam (1993) in Azfar, et al. (1999: 15) finds that local governments are open in serving the community, conducting administration, and giving trust to the community. Public participation in governance can increase accountability and reduce corruption. Devas and Grant (2003) explain that community participation can strengthen accountability. In this case, the public should have access to information and accuracy of local government related to the availability of resources, performance, services, budgeting, and financial management. The information access indicator is the level of information asymmetry within the local government and the structure of demand and supply accountability.

The local community participates in project identification, received feedback after project identification, involved in project implementation, dan involved in project monitoring (Azfar, et al., 1999; 2004). Community participation can improve public services that will influence accountability and reduce corruption (Azfar, et al., 1999; Robinson, 2007). Van Speiere (2009) affirms that local participation in budgeting, supervision, and auditing are key to successful decentralization in transparency and accountability.

3. Method

This research employed qualitative approach with phenomenology approach. Moedzakir (2010) defines phenomenology as an approach that examines a particular phenomenon from the point of view of the participants. This study describes the meaning of the experience of a number of individuals about a phenomenon. The main data sources in this qualitative research are word and action (Silverman, 2007). Therefore the main instrument in this study is the researcher through interviews to analyze deeper in qualitative data obtained.

The data source in this study is from the village head and its officials, Village Community Empowering Council, and Jambu Sub-district Head, Semarang Regency. The sampling technique used was purposive sampling. Purposive sampling was a technique of sampling the source data with certain considerations (according to purpose). The selection of data sources or subjects will take place in accordance with the objective, i.e informants are parties who participate in every activity in the village funded by village funds. The technique of data collecting research was done by employing depth interview. The data has been collected and then analyzed using qualitative data analysis techniques suggested by Miles and Huberman. Furthermore, the validity of the findings was using triangulation of data source collection.

4. Result and Discussion

4.1. Result

Village fund is essentially important for village development. However, in fact, the local community remains silent and apathy upon the supervision of the village funds utilization. As stated by Mukmin:

“... I completely give the authority of supervision to the village officials. I trust them that they can use it appropriately”

The local community also completely trust all forms of utilization and responsibility of village funds on village head. A similar thing also stated by the village head:

“... I hope that the community will take a role in supervising the spending of village funds in order for both officials and community feel okay. Nothing is being hidden by the officials”

Similarly, the district head also stated:

“... the village needs its local community to take an active participation regarding village funds spending since the number of funds is significant”

Transparency should be encouraged in village funds spending. It means that the local community should know everything related to it. It is in line with the statement of village chief I.

“... if the repairment of village road is using village funds, the local community will be invited to the execution of the program. It will be coordinated by the local chiefs and at the end the entire community will know it”

Additionally, it is in line with Surahmi, member of the local community.

“... I am glad being involved in road, gutters, and dam repairment program. As a local community, I feel respected. Also, we know how much the number of village funds and the flow of spending”

In addition to being transparent, the use of funds must be accountable. This means that it can be accounted for and trusted. So it can be used as a decision making the material. The available data is true as is. This is in accordance with the statement of Chairman Village Community Empowerment Council Marni, as follows.

“... alhamdullilah, our village obtained village funds. It can be used for infrastructure development, improving community empowerment as well as improving health services and community welfare”. We use this funds appropriately and reported it as how we used it. We also provided the report on spending through a big billboard in order to make the local community know”

In addition, good communication is required. Thus, all the information in the village can be delivered to the community. The community knows and can participate in every activity. This is in accordance with the district head’s statement as follows.

“... good communication will encourage a positive energy. Then, it will improve trust from the local community to the village officials. The biggest power of a village lies within its local community. Thus, village head must be able to mingle with the local community to establish a bonding which is beneficial for all development within the village”

Communication is a form of conveying two-way information. So that there will be a response from the form of communication. The same thing was said by the village head as follows.

"... in every single program in the village, we invite the local community to take a role and participate. For instance, the last program of the village was built gutters, we invite the local community. We said to all local community that the funds used were from village funds so the local community knew the source of fund."

Besides, the communication established by village head is very helpful for the local community. It is stated by Bambang as follows.

"... I am glad that in the district office, they provide us a free ambulance and emergency car as well as a free medical check-up. I knew it from the village head who delivered it through the village chief and Posyandu (Integrated Service Post) Council"

The authority of village funds is in the hand of the village head. It is in line with the statement of village treasurer as follows.

"...the responsibility of the entire village program is in the hand of the village head, however during the implementation, the program can be held by program implementation team. The funds will then managed together by the team"

During the administration of village funds, there are several general principles which need to be taken into accounts such as the revenue and the spending. It is in line with the statement from the village head as follows.

"... the management of village funds, both from village funds, village funds allocation, and other sources should be in line with the general principles of village funds management. It is regulated within Decree of Minister of Home Affairs"

However, especially for villages that do not have banking services in their area, the further arrangement will be determined by the district/city government. Under such arrangements, payments to third parties are normally made via transfer to a third party bank account. In practice, the Village Treasurer can save money in the village treasury to a certain amount to meet the operational needs of the village government. Limits on the amount of cash deposited in the village treasury shall be determined by regent/mayor regulation. As the Village Secretary said as follows.

"... the government has suggested that all village through village head must have Bank Jateng account for transferring the village funds. If the village

head is not able to have the account, then the transfer of fund through the third party is allowed, indeed with the existing procedure”

Additionally, the funds can also be given in the form of money cash but after it obtained a verification from village secretary. It is in line with the statement from Village Treasurer.

“... all form of payment, including program honorarium payment should have a spending receipt. In addition, all additional spending such as daily necessities, coffee, sugar, tea and anything should have a receipt for budget accountability report”

4.2. Discussion

4.2.1. Local community participation model on village funds supervision

Based on the results of the research, it shows that the community is still apathetic to the supervision of the use of village funds. If it is examined deeper, it is because the community gives a complete trust to the village head and the officials to manage it. On the other hand, village head needs contributions and suggestions for improving village program performance. Therefore it requires a strategy to encourage the local community to have a high sense of empathy toward the village. In addition, it is important to encourage the local community to have a sense of ownership and belonging to the village. Thus, the local community has a willingness to be involved in every activity in the village.

Forms of participation and involvement of local community in monitoring the use of village funds are as follows:

1. Engage directly in every program in the village. For example the construction of roads, gutters, dams, health services and others.
2. Village chief as a coordinator of the program and involve the local community to help in the implementation of the program.
3. Local community directly asks the Village Chief as a program coordinator if they do not understand the stuff within the program.
4. The community can also ask directly to the Village Head with regard to the number of funds used in a program, so that village budget absorption remains high.

5. Conveying an opinion to the Village Head regarding the evaluation of program implementation and sustainability.
6. Reminding the Village Head and the officials to always be honest and trustworthy in implementing each program.
7. Village Community Empowerment Council as a representative of the local community could provide real suggestions to the Village Head regarding the entire programs which are agreed upon Village Budget.
8. Good communication between Village Head with the officials and local community and the district head.

In accordance with the above-mentioned explanation, local community participation model in supervising the village funds spending is illustrated as follows.

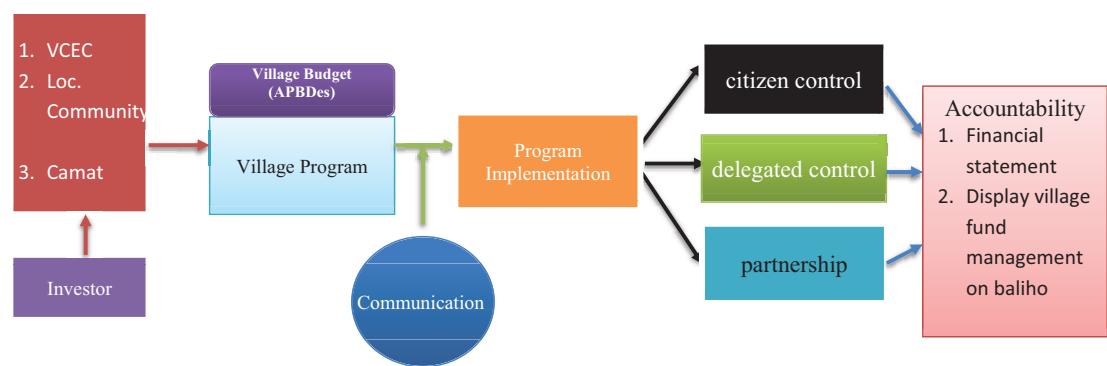


Figure 1: Local Community Participation Model.

Siti Irene A.D (2011: 64) states that the implementation of participation can be reflected in a ladder of participation. As a form of political rights, the practice of participation requires direct involvement of the community so that there is a synergy between the community and the government. The impact is the growth of public trust towards the government. The same thing happened in the village government. With limited human resources, it must be able to accommodate all the needs of the community. If the community has a high sense of ownership of the village, it will be able to build public trust. Investors can enter safely and conveniently. Income and welfare of the community will increase with the number of business opportunities imported from investors. The local community participated in project identification, received feedback after project identification, involved this project implementation, and involved this project monitoring (Azfar, et al., 1999; 2004). Community participation can improve public services that will influence accountability and reduce corruption (Azfar, et al., 1999; Robinson, 2007).

If it is seen from the ladder of participation at the level of citizen power, it appears that the participation of local community in the supervision of the use of village funds has occurred the right division of rights, real responsibility, and authority between the local community and village heads in decision-making. Firstly, it relates to the distribution of rights. For instance is the implementation of existing road construction in a sub-village is in accordance with work programs in the Village Budget. Hence, the funds are available and ready for use. The second is responsibility. Every work program in the village should be executed and accountable. Thus, if there is a question then the person in charge can explain it. Budget accountability report is compiled in accordance with applicable provisions. The third is the authority between the village local community and the village head which is related to decision making. Hence, the three processes can realize the control of society (citizen control), delegated control, and partnership.

4.3. Financial accountability

Based on the results of research, the village government has done financial accountability. The proof is the installation of large billboards showing financial management derived from village funds and the allocation of village funds. Another form of accountability is the delivery of accountability of funds to the village community in the village hall. In addition, all the village financial information is also presented on the village web, so it can be accessed through mobile phones. Village Finance is managed on the basis of good governance practices. The Principles of Village Financial Management is stipulated in Decree of Minister of Home Affairs No. 113 of 2014. It should be transparent, accountable, participative and conducted in an orderly and disciplined budget.

Hughes asserted that "*Government organization are created by the public and to be accountability to if,*" The existence of such responsibility is due to the government apparatus which is charged with the obligation to act as the accountant for all actions, and the policies it establishes. As a consequence of the existence of the principle of the rule of law, either according to the concept of rule of law or rechtsstaat, or democratic rechtsstaat, namely a democratic state based on the law (constitutional democracy), then the government must provide accountability to what attitude, behavior and actions to the people, in the framework of organizing, or carrying out government functions.

The authority of Village Financial Management is held by the Village Head. However, in practice, the authority is partially authorized to the village apparatus or officials

so that the implementation of financial management is carried out jointly by the Village Head and Technical Executive of Village Financial Management (PTPKD). In the implementation of village finances, there are several general principles which need to be followed include revenues and expenditures. The principle is that all village revenues and expenditures are implemented through the Village Cash Account. The disbursement of funds in the Village Cash Account is signed by the Village Head and Village Treasurer.

However, for villages that do not have banking services in their area, the further arrangement will be determined by the district or city government. Under such arrangements, payments to third parties are normally made via transfer to a third party's bank account. In practice, the Village Treasurer can save money in the village treasury to a certain amount to meet the operational needs of the village government. Limits on the amount of cash deposited in the village treasury shall be determined by a regent or mayor regulation.

In addition, for ensuring operational activities to be run smoothly, it is also possible that the payments to third parties are given by cash through the executor of activities (down payment). Down payment to the executor of the activity shall be carried out with prior approval from the village head after it is verified by the Village Secretary. All village revenues and expenditures are supported by complete and valid evidence and signed by the Village Head and Village Treasurer.

5. Conclusions

The model of village community participation in supervising the use of village funds is through direct participation. This means public control (citizen control), delegated control, and partnership occurs. For instance, the implementation of existing road construction in a sub-village is in accordance with work programs in the Village Budget. Budget accountability report is compiled in accordance with applicable provisions. The authority between the village community and the village head is related to the decision-making process by means of consensus. The village government has performed village financial accountability through the presentation of billboards reporting village financial management from village funding sources and village funding allocations, direct delivery in forums, and via the website.

For further research, further research related to the determinant of factors that influence participation and accountability of village finance is suggested to be conducted.

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