Research Article

Community Perspective in Village Fund Management in Nagur Village, Serdang Bedagai Regency

Dito Aditia Darma Nasution¹*, Yerisma Welly²

¹Department of Accounting, Universitas Pembangunan Panca Budi, Medan, Indonesia
²Program Studi Kewirausahaan, Universitas Satya Terra Bhinneka, Medan, Indonesia

Article history:
Submission October 2023
Revised November 2023
Accepted December 2023

*Corresponding author:
E-mail: ditoaditia@dosen.pancabudi.ac.id

ABSTRACT

The research aims to determine the community’s perspective in managing village funds in Nagur Village, Serdang Bedagai Regency. The research model was carried out using a descriptive approach with data collection techniques carried out by distributing questionnaires, observations and interviews. The research population was 100 people with a selected sample of 80 samples carried out using a purposive sampling approach. The results of the research explain that the management of village funds from a community perspective in Nagur Village produces a level of satisfaction in the “satisfied” category but has not been able to provide satisfaction at the “very satisfied” level because it has not been able to: 1) reduce the number of productive unemployment, 2) has not been able to improve the community’s economy, and 3) has not been able to provide major benefits for the economic development of Nagur Village. This is caused by the management of village funds which only focuses on physical development and ignores the development of the community’s economic foundations.

Keywords: Community perspective, village fund management, level of satisfaction

Introduction

A form of government concern for the development, progress of villages and their communities is by providing village fund budgets in the State Revenue and Expenditure Budget (APBN) for the development of rural areas in the form of Village Funds (Eliyana et al, 2019). In an effort to encourage village strengthening from various aspects, the Indonesian government through the Nawacita (nine hopes) program has developed a village strengthening program by "building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state". In this program, the government provides additional subsidies for villages in Indonesia to develop their potential to advance their villages and communities. Village funds or village finances according to Minister of Home Affairs Regulation No. 20 of 2018 are all village rights and obligations that can be valued in money as well as everything in the form of money and goods related to the implementation of village rights and obligations. Village funds are intended to finance government administration, development implementation, community
development and community empowerment (government regulation). The rollout of village funds has a complex and multi-purpose goal, which overall is to enable villages and their communities to enjoy development progress in various fields.

Village funds that have been subsidized by the government during 2015-2021 according to Ministry of Finance records amount to IDR 400.1 trillion which have been used/enjoyed for 74,961 villages in 434 Regencies/Cities throughout Indonesia. Village fund distribution for 2022 has been set at IDR. 68 trillion for all the villages mentioned above (Daxini et al, 2019). General problems that arise regarding the use of village funds recorded at the Ministry of Finance still revolve around classic problems that have not yet been fully resolved, such as (Diana el al, 2022), including: 1) The quality of Human Resources (HR) as village fund managers is not evenly distributed in each village, 2) Potential for villages having legal problems or the Village Head misusing village funds for which he is responsible. 3) Recovery of conditions after the COVID 19 pandemic which still has an impact on the distribution and use of village funds.

Point 2 above is the most sensitive and dominant issue. Deputy Chairperson of the Corruption Eradication Committee, Nurul Ghufron, informed that the Corruption Eradication Committee had succeeded in uncovering 601 misappropriations of village funds from 2012-2021. A total of 686 village officials/village heads were suspects. Village funds are intended for village development, but are used for personal interests. Generally, village funds are misappropriated by unscrupulous village officials by inflating budgets, embezzling activities and fictitious projects. (Colquitt et al, 2015).

Misappropriation of village funds is the beginning of the collapse of the legitimacy of the village government in the eyes of the community. The impact is that the village government only enjoys low community satisfaction with the management of village funds. In the end, development and development of villages and their communities will become a mere figment, because the government will stop village funds from villages where it is proven that the village government has committed fraud.

Village funds are prioritized to meet the development needs of the village and its community. The use of village funds is channeled for economic, health, educational and religious development purposes (Daud et al, 2015). On the other hand, some communities do not contribute and play an active role in managing village funds, so that the objectivity of the quality of village fund use is difficult to measure from the aspect of community satisfaction, where the community does not understand in detail the realization of village funds, and the village government does not involve the community in development and community empowerment. This situation also has an adverse impact because there is no direct control from the community over the management of village funds. So government regulation states transparency, accountability, participation and budget discipline.

Management of village funds/finances is a total of activities which include planning, implementation, administration, reporting and accountability of village finances. Implementing Village Financial Management is handed over to village officials who carry out village financial management based on the decision of the Village Head who has the powers (government regulation).

The implementation of good governance and village development must be able to accommodate the aspirations of the community and realize the active role of the community in taking responsibility for the development of life together as fellow villagers (Darman et al, 2017). The village government as the trustee is obliged to provide accountability, present, report and disclose all activities for which it is responsible to the community who have the right and authority to demand that accountability (Buitendach & Rothmann, 2009).

If the village government carries out its mandate well, the community will trust the government. Public satisfaction and trust are important things in the life of a nation because the government cannot carry out its duties well without the public’s trust in the government. If the government’s performance is good, the public will have great trust in the government.
and conversely, if the government's performance is bad, the public's trust in the government will decrease (Chein et al, 2006).

One of the factors causing the decline in village community trust in the village government is because there is a gap in community expectations regarding the performance of the village government. And the way to achieve community satisfaction is to improve and increase the performance of the village government and fulfill the village development needs of the village community (Afroz, 2017).

Providing satisfaction to the community, especially village communities, is very important for village government, because it will strengthen the position of village government in the eyes of the community (Beh & Rose, 2007). In such conditions, the village government has legitimized its position in the village which will ultimately provide freedom to be creative in developing the village to be more advanced and prosperous.

For the people of Nagur village, Serdang Bedagai Regency, various issues regarding community satisfaction with the performance of the village government in managing village funds are still considered classic problems. The Nagur village community has not yet experienced the maximum performance results provided by the village government in managing village funds. The use of Nagur village funds during 2020-2022, especially for community empowerment activities, shows the following conditions:

**Table 1. Nagur Village Fund Distribution 2020-2022 (in rupiah)**

<table>
<thead>
<tr>
<th>The amount of village funds has been channeled for community empowerment</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Economic Support</td>
<td>872,740,565</td>
<td>780,089,646</td>
<td>521,862,121</td>
</tr>
<tr>
<td>Supporting Community Quality of Life</td>
<td>93,668,500</td>
<td>37,420,600</td>
<td>117,617,600</td>
</tr>
<tr>
<td>Etc</td>
<td>271,389,350</td>
<td>305,200,000</td>
<td>435,600,000</td>
</tr>
</tbody>
</table>

The table above shows the village funds used for community empowerment activities in Nagur village during 2020-2022. The dominant use of village funds is for community economic support activities, an average of 75% of the total funds that have been distributed for community empowerment activities.

The distribution of village funds above has not yet had a full impact on the people of Nagur village. From the results of initial observations in Nagur village, various information was obtained from community leaders in Nagur village, including Mr. Rusli, Mr. Selamet, Mrs. Erliza, and Mrs. Ella Lasmina, who revealed several problems that still did not provide satisfaction to the people of Nagur village. Some of these problems include: 1) Management of village funds has not been optimal in empowering the community, so the rate of productive unemployment remains high, 2) The management of village funds has not fully addressed the development of village road access which is in poor condition, especially in rainy conditions, so it has not fully provided satisfaction for the people of Nagur village, 3) The management of village funds tends to ignore economic development which has a direct impact on community welfare.

Pay attention to the phenomena/problems above, provides an illustration that the village funds managed and used by the village government are still not effective in providing satisfaction to the community. This means that the performance of village fund management has not had an effective impact on village development and has not made village communities more advanced and economically prosperous.

Several studies prove the results of his research on village fund management and its relationship to village community satisfaction. Batvandi & Ghazavi (2017) concluded that village fund management provides benefits for
physical village development. Youshan &Hasan (2015) concluded that the management of village funds towards community satisfaction has been quite effective with the realization of community development and empowerment and the achievement of the village vision and mission and the community’s desires being realized. Umar (2017) concluded that the level of community satisfaction through the Community Satisfaction Index (IKM) shows a good level of satisfaction. However, Van & Ellemers (2009) research concluded that village fund management has not been carried out optimally, thus hampering village development.

**Methods**

In this research the author used a descriptive research approach. The research model uses data analysis related to perceptions/opinions sourced from questionnaires and interviews which are supported by statistical data to strengthen conclusions.

Yang et al (2020) explains that population is a generalization consisting of objects/subjects that have certain qualities and characteristics which are applied by researchers to study and then draw conclusions. The population in this study was the people of Nagur village, Serdang Bedagai Regency, totaling 6,655 people. For research purposes, researchers determined the population to be 100 residents of Nagur village. The research population was 100 people with a selected sample of 80 samples carried out using a purposive sampling approach.

Data processing was carried out by assessing questionnaire answers from 80 respondents regarding community satisfaction with village financial management through transparent, accountable, participatory and budgetary discipline indicators as well as through satisfaction indicators themselves which include indicators of input, process, output, outcome, benefit and impact. The results of the assessment of community opinion regarding community satisfaction are then analyzed/discussed on the quality of village fund management.

In the process of analyzing the data studied, the researcher compared information from the Nagur village head with a community satisfaction questionnaire and the results of interviews with several community leaders representing the Nagur village community. The results of the researcher’s interviews were used as a complement and/or reinforcement to the results of this research analysis, so that every effort was made to produce an analysis that described the actual conditions in the field.

After going through the various stages of analysis mentioned above, in the next stage the researcher concluded the extent of the community’s perspective in managing funds in Nagur village, Serdang Bedagai Regency.

**Result and Discussion**

An assessment of the satisfaction of the Nagur community with the condition of village funds and their management is carried out based on the provisions of Ministerial Regulation. Details and explanations of these provisions have been described. And in this chapter the provisions for calculating the satisfaction of the Nagur village community will be realized with responses taken by 80 Nagur village residents with a total of 40 question elements from 10 indicators.

There are several important points to determine the level of satisfaction of the Nagur village community with the management of village funds, so several things are explained about the assessment stages.

1. Determine the satisfaction level interval range as follows: 1) Lowest value x number of samples = 1 x 80 = 80; 2) Highest value x number of samples = 4 x 80 = 320; 3) Range interval = (320 – 80)/4 = 60.

The interval range results obtained are as follows:

<table>
<thead>
<tr>
<th>Value</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-140</td>
<td>Not satisfied</td>
</tr>
<tr>
<td>141-200</td>
<td>Less satisfied</td>
</tr>
<tr>
<td>201-259</td>
<td>Satisfied</td>
</tr>
<tr>
<td>260-320</td>
<td>Very satisfied</td>
</tr>
</tbody>
</table>

Table 2. Range of Community Satisfaction Level Intervals
2. Determine the weighted average weight (1 divided by the number of question elements).
3. Calculating the total for each questionnaire item answer (Σ question element).
4. Calculate the average value (NRR) for each question element (Σ question element divided by the number of questionnaires filled in or answered).
5. Determine the weighted average value (weighted NRR) = NRR x weighted average weight.
6. Determining the Community Satisfaction Index = total elements x weighted average weight.
7. The Community Satisfaction Index is compared with the interval range.

Based on the stages of assessing community satisfaction mentioned above, an assessment of the satisfaction of the Nagur community with the management of Nagur village funds for 2020-2021 was carried out as follows:

Assessment of Village Fund Management Variables
The results of the assessment of village fund management variables through transparent, accountable, participative and budget discipline indicators. For the transparency indicator, respondents' opinions showed the result "satisfied", meaning that the majority of respondents were satisfied with the openness of the Nagur village government in managing village funds. For the accountability indicator (responsibility), the respondent's opinion shows "very satisfied", meaning that the people of Nagur village feel very satisfied with the responsibility shown by the village government in managing village funds. The participation indicator shows that the respondent's opinion is "very satisfied", meaning that the people of Nagur village are very satisfied with the use of village funds involving the community. And the budget discipline indicator produces respondents' opinions who feel "satisfied" with the implementation of discipline in managing village funds according to the established budget. Overall, the respondent's opinion is that they are "satisfied" with the village fund management variable.

Assessment of Community Satisfaction Variables
The level of respondent satisfaction through several indicators, such as input, implementation (process), output, results, benefits and impact indicators. All indicators provide a level of satisfaction with the same level of satisfaction, namely in the "satisfied" category. This means that respondents are satisfied with the management of village funds that has been carried out by the Nagur village government so far.

From the assessment of the two variables studied, namely the village fund management variable and the community satisfaction variable, the following conclusions were obtained on the Nagur Village Community Satisfaction Index:

Table 3. Community Satisfaction Index

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Fund Management</td>
<td>257,60</td>
</tr>
<tr>
<td>Kepuasan Masyarakat</td>
<td>213,33</td>
</tr>
<tr>
<td>Total Elements a)</td>
<td>9.687</td>
</tr>
<tr>
<td>Weighted average b)</td>
<td>0,025</td>
</tr>
<tr>
<td>The Community Satisfaction Index (a x b)</td>
<td>241,18</td>
</tr>
<tr>
<td>Category</td>
<td>Satisfied</td>
</tr>
</tbody>
</table>
Table 3 explains the results of the overall satisfaction assessment, including the variables of village fund management and community satisfaction, where both variables produce the same satisfaction level assessment, namely falling into the "satisfied" category. Thus, it is concluded that the Nagur village Community Satisfaction Index (IKM) regarding the management of village funds for 2020-2022 is in the "satisfied" category.

Conclusion
The level of community satisfaction (Community Satisfaction Index = IKM) in Nagur village, Serdang Bedagai Regency for the 2020-2022 period resulted in a level of satisfaction in the "Satisfied" category. The Nagur village government prioritizes the use of village funds for physical development compared to economic development, resulting in slowing economic growth in the community. The management of village funds by the Nagur village government, Serdang Bedagai Regency has not been able to reduce the rate of productive unemployment, has not been able to improve the community's economy, and has not been able to provide major benefits for the economic development of Nagur village and its community.

The Nagur village government should commit to PP No. 60 of 2014 which mandates fairness in managing village funds, where priorities for physical development and economic development can be implemented in a balanced manner. The economic development program through development of village communities is carried out on an ongoing basis, and programs are selected that are truly effective in improving the village economy and Nagur village community and reducing the rate of productive unemployment. It is necessary for the village government to directly involve the community in every village program by functioning as a village deliberation institution, to become an institution capable of accommodating community aspirations regarding matters that are very priority (urgent) to be developed and implemented in Nagur village.

References