

# EFFECTIVENESS OF THE VILLAGE FUND ALLOCATION MANAGEMENT (ADD) IN RURAL DEVELOPMENT OF BINTANG NINGGI II DISTRICT SOUTH TEWEH, NORTH BARITO REGENCY, INDONESIA

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MANAGEMENT (ADD) IN RURAL DEVELOPMENT  
OF BINTANG NINGGI II DISTRICT SOUTH TEWEH,  
NORTH BARITO REGENCY, INDONESIA

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**Abstract:**

This study aims to determine the effectiveness of the Village Fund Allocation Management (ADD) in Rural Development Bintang Ningsi II District South Teweh North Barito regency and to investigate the inhibiting factors. The data collection method used in this research is the study of literature and field study. The results were analyzed through descriptive analysis method. The results showed that the Village Fund Allocation Management Effectiveness is important in promoting development in the village of Bintang Ningsi II District South Teweh North Barito district. There are three stages of planning, implementation, and accountability. Based on the results of research in the field management of the Village Fund Allocation was less effective. With the use of budgetary Village Allocation Fund such issue can be resolved properly, but due to the lack of transparency of information related to the implementation of the planning of activities the results remained less effective. This is because the process is created in each phase of the Village Fund Allocation Management and is not following the principles and objectives of the management of the Village Fund Allocation that prioritizes the transparency of information to the public as a team evaluation of any development activities undertaken.

**Keywords:** effectiveness, management, village allocation fund, development

## 1. Introduction

Granting a wider autonomy means more authority and flexibility (discretion) for the regions to manage and utilize optimally the local resources. To prevent irregularities and

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fraud, the granting of a broader authority and discretion must be followed by stronger supervision, despite the emphasis placed on the autonomy of the district/municipality level (Ndraha, 1984). But, the essence of independence is starting from the level of government at the lowest level, namely the village. During this time, rural development is still heavily dependent on the revenue of villages and nongovernmental numbers and nature; all of them being very unpredictable. A village is a unit of community with boundaries in rural areas. Under Law No. 6 2014:

*"Implementation of government affairs by the Village Administration and Village Consultative Body to regulate and manage the interests of local communities based on the origin and local customs that recognized and respected by the Government administration system of the Republic of Indonesia".*

In the village administration, the Village Head is implementing the policy, while the Village Consultative Body and supervisory agencies and policymakers (Village Regulation) are taking care of the village financial management under the authority of the village described in Rule Village (Perdes) about budgets and spending revenue villages (Desa APB). The income is derived from revenue of the village, the results of self-help and participation and from the results of cooperation and other legitimate revenues (Kartasasmita, 2001).

Crash equalization funds through the Village Fund Allocation (ADD) must make the village truly prosperous. Therefore, the transformation process towards rural continue empowerment should be implemented and supported in order to get to the village autonomy. When seeing the amount of the budget given to the village of Bintang Ningsi II through the Village Fund Allocation reach Rp.576.418.000 then the question arises whether the existing village and the elements have been able to implement budget management as well.

The use of the Village Fund Allocation is considered to be effective if it fits the budget planning and targeted / as needed in the village of Bintang Ningsi II. Village Allocation Fund plays an important role and is the key to the success of village autonomy (Munandar, 2001). The effectiveness and efficiency of the distribution of the Village Fund Allocation (ADD) is determined by the district / city government. Directives on how to use these funds are used tend to be very important, since they are the simplest parameter for the success of decentralization (Ahmad Erany Yustika, 2008). Also, there are still many villages which have certain limitations, especially in the organization of government, so this it also affects the Village Fund Allocation Management. This article aims to describe the effectiveness of village funds management.

## 2. Research Methods

This study was meant to determine and describe the real situation, in detail and real-time, by looking at the problem and research objectives. As noted earlier, the research method

used in this study lead to the use of a qualitative approach (Ibrahim, 2015; Mulyana, 2007). The qualitative research approach is a research procedure that produces descriptive data through the disclosure of written or spoken words of people, certain events in detail and depth as well as behaviors that can be observed. This research uses the descriptive type of analysis the research done by depicting or describing the state of the objects of study (a person, institution, community, etc.) at present based on the facts as they are (Nawawi,

The study focused on the effectiveness of the management of village fund allocation in Bintang Ninggi II District South Teweh North Barito regency. Resource studies, among others; Star Village Bintang Ninggi II and village officials, parliament head Bintang Ninggi II, Chairman LPMD Ninggi Star II as well as some people who are willing to be consulted on the problems studied. The research instrument is the researcher himself or with the help of others. Data collection techniques, among others, were 1) interviews were conducted in-depth by exploring what is known and experienced by informants, 2) observations are recorded systematically and related events associated with the object, 3) documentation of the document as a complement to the analysis of the data has been determined (Bungin, 2008). Qualitative data analysis begins by examining all available data from various sources, ie interviews, observations that have been written in the field notes, personal documents, official documents, images and so on. Once reviewed, the next step is the reduction of data; preparation of the unit, categorization and the last is the interpretation of the data.

Based on the model of Miles and Huberman data analysis, among other things: 1) Reduction of data by researchers continuously while doing research to produce records of the core of the data obtained from the results of data mining, 2) Presentation of data in the form of narrative texts, 3) Withdrawal conclusion by comparing the suitability statement with the study subjects with the basic concepts of meaning contained in the study (Sugiyono, 2014; Nasution, 2003) ie interviews, observations that have been written in the field notes, personal documents, official documents, images and so on. Once reviewed, the next step is the reduction of data, preparation of the unit, categorization and the last is the interpretation of the data.

- 1) Based on the model of Miles and Huberman data analysis, among other things: 1) reduction of data by researchers continuously while doing research to produce records of the core of the data obtained from the results of data mining,
- 2) presentation of data in the form of narrative texts,
- 3) withdrawal conclusion by comparing the suitability statement with the study subjects with the basic concepts of meaning contained in the study (Sugiyono, 2014; Nasution, 2003).

### 3. Results and Discussion

The research was conducted with unstructured interviews that revealed the weak aspects of coordination in the allocation of funds and aspects related to the management of the



village. The coordination aspect is also becoming an important part of research findings in the context of the groove on the side frame of mind to understand the basis of his theory. Every organization has a purpose, containing both general and specific objectives, short term and long term, meant to be realized using a variety of resources and factors of production. The implementation cannot achieve an optimal destination when the use of resources or factors of production is not correct.

A process is a systematic way to do the job. Management is defined as the process for all managers, regardless of skill or special skills, they must carry out certain activities related to each other to achieve the desired goal. According to Steers (1980), there are three terms of reference that are often used to describe the effectiveness of the organization, namely; understand the purpose of optimization, systems perspective, and pressure on human behavior in organizational structure (Halim, 2004).

Village Allocation Funds Management started to be implemented in Indonesia in 2005 based on Government Regulation No. 72 of 2005 on the village which has now been reinforced by the enactment of Law No. 6 2014 about the village. This rule requires the local government district/city to allocate funds transfer from the center and forwarded it to the account of the village known as the Village Fund Allocation (ADD).

Village Fund Allocation (ADD) is a fund sourced from the local budget (APBD) which is allocated to bring equality and to fund the needs of rural villages in the framework of the administration and development as well as community service. Village Fund Allocation (ADD) is the acquisition of the financial part of the district villages and implement the fund distribution through the village treasury. The collection of data was related to find out the purpose of understanding the program, systems, and behaviors on the allocation of village funds in the management of the Village Fund Allocation.

This can be seen in the following stages:

### **A. Management Plan Phase**

The design team of Village Allocation Fund consists on the village chief, the Project Officers (PJOK), the secretary of the village as the Person in Charge of Administration (PJAK), the treasurer of the village as the Head of Financial Affairs (KUK). They are assisted by an association of villages.

Planning is done through a participatory model with *musrenbang* village by involving all elements of society ranging from community agencies, community leaders and the whole village. The village *Musrenbang* is aimed at encouraging people to join and participate in constructing and plan development activities in the village. So that the action plan contained in the List of Proposed Action Plan (Durk-) generated is an overview of the expectations and needs of the entire local community.

*Musrenbang* activities in the planning stages in Bintang Ninggi II District South Teweuh are still limited to meet the requirements. The level of participation is still very low, the condition is indicated by the small number of people who are present and those who deliver the aspirations/opinions in *musrenbang* with activities undertaken. *Musrenbang* village government is less transparent in providing information to the public.

These conditions cause the village *musrenbang* activities in promoting development Bintang Ninggi II to be less effective than the estimated. The result is a proven absence of structured action plans.

The planning of activities is undertaken by the village government and disseminated to the entire community in order to find out the community's feedback. However, the informing of the public that the proposed activities are not targeted was not effective. Lack of public awareness and the lack of transparency from the village government in the Village Fund Allocation Management are common facts.

### **B. Implementation Phase**

The implementation of the Village Fund Allocation Management activities for promoting development, with a budget of Village Allocation Fund Bintang Ninggi II is based on the North Barito regency regent regulation No. 15 of 2012 on the management of village fund allocation. The physical implementation of the public supporting facilities in the form of infrastructure and community empowerment with the provisions of 30% (thirty percent) are used for operational activities and BPD village government and 70% is used for community development activities. Furthermore, based on the provisions of decree No. 2 the Year 2015 regarding the determination of the amount of the minimum and the Village Fund Allocation proportional village in North Barito regency government environment budget year 2018, the amount obtained Village Fund Allocation Bintang Ninggi II amounted to Rp.576.418.000.

As for the related Village Fund Allocation Management effectiveness in promoting development in the village of Bintang Ninggi II that the number of Village Allocation Funds received by Village Bintang Ninggi II is Rp 576.418 million, of which the allocation of budget allocation by the government of the Village Fund Bintang Ninggi II is intended for rural development by type of activity ie, rigid cast concrete road Bintang Ninggi II with a budget of Rp 445 million, of making other buildings procurement with a budget of US\$ 97.4732 million, and the purchase of water pumps machinery and equipment with a budget of Rp 26 million.

Implementation of the plan of the village government activity is less transparent in providing information to the public. The lack of transparency refers to the implementation of the action plan; this because the village government does not first give information or ask the community. This condition has become the cause of the low level of community participation in supporting development activities in the village.

Stages of implementation of the management of village fund allocation on Bintang Ninggi II, from each village development, made that cementing the budget 445 million and the manufacture of other building procurement with a budget of 97.4732 million, as well as the procurement of equipment and machinery with a budget of 26,000. 000 can be resolved properly, but due to the lack of transparency of information related to the implementation of the planning of activities by the village government to the public, so that the achievement of management goals village fund allocation conducted in the village of Bintang Ninggi II has not been effective. It is said to be effective if the

management of the Village Fund Allocation following the needs of society as well as the targeted use.

### **C. Management Accountability Stage**

The stage of completion and preparation of accountability for the Management of Village Allocation Fund in promoting development is ineffective; this happens because the preparation Accountability Report (LPJ) is prepared by the village government, but the preparation of accountability reports this answer drafted and finalized by a third party who is not from the government or agency Bintang Ningsi II as well as the lack of transparency to the public, so that people do not know their responsibilities as a team evaluation of all activities.

The village accountability report Bintang Ningsi II was not drafted by the village government as a responsible executor of activity. It was arranged by the party able to prepare and work on the financial statements. Accountability is made to be well received by the district government. Statements made by the Government Accountability village Bintang Ningsi II are destined to all villages in the district of South Tewe. As for the principle of budget management, all activities should be evaluated together with the community.

Thus, the administration of responsibility of the government can be resolved. However, the LPJ is generated by third parties and has not been evaluated with the community Bintang Ningsi II.

## **4. Factors Hindering the Village Fund Allocation Management**

Factors that inhibit the management of village fund allocation can be identified through the results of interviews of the village government as the institution that served and applied the executive management of village fund allocation, reached the stage of evaluation and reporting of the management of the allocation of funds countryside and promoted the development in the village Bintang Ningsi II District South Tewe. Good government is depending of the following factors:

### **a. Human Resources**

One of the inhibiting factors are the human resources. They are still very limited and not in accordance with the standards of competence. They are below the required quality of education or work experience established by Bintang Ningsi II management plan

### **b. Information**

The information submitted by governments related to the management of Village Allocation Funds is less clear than necessary. Besides never socialized before, in the village *musrenbang* stages of the village government also simply specify nominal Village Allocation Fund earned. However, no further details related to the purpose of the Village Fund Allocation Management, how the use of the budget, or which is the role of the



community in all stages of the Village Fund Allocation Management are released. In addition, the management of the Village Fund Allocation is done through the process of socialization. Information obtained through the socialization government held Bintang Ninggi II Village Allocation Funds Management process is not good.

### c. Society participation

The management of the Village Fund Allocation is inseparable from community involvement. Society is part of the government members of the village. Therefore, the village government in this case the village chief along with village officials need to be aware that in the management of Village Fund Allocation need the community participation; so, the financial management can be implemented as planned, cementing the Bintang Ninggi II development. This is evidenced by the small number of people who are present and those who deliver the aspirations/opinions related to the activities carried out.

## 6. Conclusion

The process of Village Allocation Funds Management in promoting development in the village has three stages: planning, implementation, and accountability. Based on this research, the planning stage, seen from *musrenbang* who held the team implementing the Village Fund Allocation, is still less effective. The implementation is deficiently on the use of budgetary Village Allocation Fund, this due to the lack of transparency of information related to the implementation of the planning of activities by the village government to the people, thus achieving the purpose of administering the Village Fund Allocation conducted in the village of Bintang Ninggi II is still less effective. The accountability of the process of Village Allocation Funds Management in promoting development in the village of Bintang Ninggi II can be improved too; the preparation of accountability reports is not made by governments Ninggi Star Village II and because that there is the absence of evaluation activities. This is because the process is created in each phase of the Village Fund Allocation Management and is not following the principles and objectives of the management.

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