

THE VILLAGE GOVERNMENTAL BUDGETING: A PHENOMENOLOGY STUDY

Yolanda Heraningtyas
Sri Pujiningsih
Dodik Juliardi

ABSTRACT

The purpose of this study is to digging the meaning of village budgeting process by village apparatus in Ranuklindungan village, Indonesia. This research using qualitative approaches, phenomenology and interpretive paradigms. The data sources in this study are the primary data obtained through deep interview and secondary data in the form of village financial statements. Data analysis is done through thematization. The result of the research shows that the deliberation of development planning (musrenbang) is conducted in Ranuklindungan village is a pseudo-musrenbang because there is still village domination in the planning process budget. While in the implementation of the budget, found the assumption that the presence of the village counselor is only a policy of government politicization, because in fact they do not have the maximum contribution to the village. In budget reporting, an understanding of the village treasurer was found that the nature of village financial records should be flexible and not tied to the village financial system (siskeudes) because there are programs that cannot be input into siskeudes. In addition, there is still no common perception between the village apparatus and the residents, where the budget transparency banner which is meant by bureaucrats as a form of budget transparency is in fact not needed by the citizens.

Keywords: New Public Management, Performance-Based Budgeting, Village Governmental Budgeting

Introduction

Regional autonomy in Indonesia after the reign of the new order is further stipulated in Law No. 23 of 2014 on Regional Autonomy. Therefore, the village administration as the smallest governmental unit in Indonesia has the right, authority and obligation to regulate and manage its own affairs of governance. Although in fact, the authority is still delegated to the upper level of the district or city government.

During the new administration, there was a policy that gave the village administration the full authority to manage its own finances in order to create an independent village. This is an affirmation of the Law No. 6 of 2014 where the authority of village governance and management is based on community initiatives, origins and traditional rights recognized and respected by the Indonesian government system. Furthermore, the village funds, funds used to manage the village independently is regulated by Government Regulation No. 60 of 2014 which has been revised into Government Regulation No. 8 of 2016.

The village funds are the funds sourced from the Indonesian Budget which in the realization of the number of funds provided to every village in Indonesia. The amount of these village funds varies depending on village conditions with an average of IDR 800 million. Even though the implementation of village funds can be said to succeed with good progress, there are some problems in the implementation. These problems include insufficient funds disbursement, misuse of funds, non-transparent reporting. So based on some problems it can be said that the implementation of village government is still far from the principles of Good Governance that is participatory, transparent and accountable.

The development of new public management concepts in Indonesia requires the government to adopt a new performance-based budgeting system. The village budget is one of the instruments that can be used as a measure of good governance. On the implementation of village budgeting practice, the village apparatus is bound by the implementation guidelines. In the guidelines explained that in managing village finances ranging from planning, implementation, reporting, village government is required to always involve the community in every process. The most important thing in the implementation of village funds is the planning process, because at this step people are given the opportunity to be able to convey their needs to the village apparatus. This implementation guideline are derived from the law to make it operationally at every tier of government in Indonesia. This guideline is specially designed for the apparatus. Involving community participation along with village apparatus is the one of guidance, as the example.

To interpret this guideline before executing the village budgeting implementation is the most important for the village apparatus. A different interpretation of this guidelines will bring different practice and in the end lead into a different outcome. Inappropriate interpretation of this guidelines, in many times, will lead to the problems regarding the village budgeting practice. The most problem which caused to this inappropriate interpretation is the low level of village apparatus education. Although, this cannot be justified based on one point of view. Furthermore, the limited participation of the community in accessing information on the realization of village funds, accountability of village funds late reports, allegedly caused by the inappropriate interpretation of the guidelines in the example. Based on some research conducted by Sopanah (2012), Tausikal (2015), Sutrawati (2016), can be concluded that the village apparatus as actors working in the village administration is playing an important role in the managing village budgeting process.

Furthermore, based on the background above, this research is aiming to examine informant interpretation of the village budgeting process including planning, implementing, evaluating and reporting. This research will comprehend comprehensively about the behavior of Ranuklindungan village apparatus in managing the village income source especially in the budgeting process. In seeking the meaning of the village apparatus about the budgeting process, the authors assume that their understanding is a practical experience of daily living. This experience will shape how the village apparatus interpret the village budgeting.

Literature Review

New Public Management (NPM) is a new paradigm in public sector management aimed at improving performance in the public sector. NPM concept suggests several changes which may lead to a better use of public resources and better quality of public services (Swirski, 2016). NPM is closely related to decentralization, public-oriented services, privatization, performance management, etc. (Ehsan, 2003). In Indonesia itself decentralization has been implemented since 1999 with the enactment of regional autonomy.

For now the form of decentralization by the central government is by providing funds sourced from the Indonesian Budget and Regional Budget. These funds are the Village Fund Allocation, Profit Sharing of Local Retribution and The Village Fund.

The emergence of the New Public Management (NPM) paradigm in the public sector affects the existing budgeting system, from traditional models to performance-based (Indrawati, 2010). In traditional budgeting, budget accountability cannot be used to assess the efficiency and effectiveness of the use of funds established in the budget. Because the traditional budgeting of the success of budget execution is based only on the balance between sales and income only. This can lead to the emergence of inefficiency and waste in financial management.

Performance-based budgeting is one of the reforms in finance. Performance budgeting follows the rational-able that a relaxation of input controls and an increased flexibility improves managers performance as long as results are measured and managers are held accountable for their results (Helmuth, 2011). This is mandated in Law No. 17 of 2003 on State Finance Article 14 paragraph (1) and (2), Government Regulation. No. 20 of 2004 Concerning Government Work Plan Article 3 paragraph (2), and other Government Regulation. The performance-based budget offers a budgeting system that allows for assessing the efficiency and effectiveness of budget execution that can link between input, output and outcome of a budget. Putra (2015) explains that the fundamental requirement in the implementation of performance-based budgeting is information about the outcomes and outputs of the budget used through program activities in the form of performance indicators and evaluation of each program in the budget planning process.

In public sector organizations, especially village administrations, there are regulations governing the village budget planning process, namely Ministry of Home Affairs Regulation No. 144 of 2014 on Village Development Guidelines Article 5 paragraph (1) where the village is required to prepare mid-term village work plan and long-term village work plan. The village work plan is prepared based on community initiatives, BPD, and village apparatus contained in the development planning deliberations (*Musrenbang-Des*) forum. It was at that time that the proposals from the community were discussed and approved by the BPD and the Village Head prior to being determined to be The Village Work Plan. The Village Work Plan contains the activities to be undertaken and the budget plan. After village Work Plan is approved by the village consultative bodies and the village head, it will be followed by the preparation of the Revenue and Expenditure Budget (the village budget). This Village Work Plan which later became the basis for the preparation of the village budget. The village budget is the village's annual plan for running a program. In addition, the village budget is also used as a requirement for disbursement of village funds in the first period.

The implications of applying performance-based budgets to village governance can be seen from the process of drafting to the accountability of the village budget, which is not top bottom, but rather oriented to the needs of the community and budgeting existing funds in accordance with the proposed program of citizens in *Musrenbang-Des*. In addition, the community must also be involved in every process that starts with planning, implementation, evaluation to reporting. Vian (2013) explains that performance-based budgets are designed to achieve good governance such as transparency and accountability in terms of budget allocation. This is in accordance with research conducted by Fajarningtyas et al (2016) which discusses the influence of performance-based budget and good governance to the performance of value of money. The results of this study indicate that performance-based budget has a positive and significant effect on the implementation of good governance.

Research Method

This research includes qualitative research. Creswell (2013) argues that qualitative research is essentially a method of exploring and understanding the meaning that some individuals or groups of people deem as coming from problems or humanity. The paradigm in this research uses interpretive paradigm. The Interpretive Paradigm considers that social reality is an order expressed through social interaction and unnecessary to change, but researchers deeply understand why the reality of order occurs (Kamayanti, 2016: 21).

This research will reveal the unique (social reality) meaning of the village budgeting process as understood by Ranuklindungan village apparatus perspective. It is interesting that the process of village budgeting will have various meanings. The reason researchers use qualitative methods because through this method researchers can assess the subjectivity of the object of research objectively. Therefore, this research is expected to produce a theoretical construct on understanding the village apparatus in the village budgeting process which includes planning, implementation, evaluation and reporting.

The approach used in this research is phenomenology. Phenomenology in this study is useful as a method to explore and explore an action, activity, and habits undertaken in the process of village budgeting by the village apparatus. In this case phenomenology makes intuition a means of achieving a truth (Sunardjianto, 2000).

This research was conducted in Ranuklindungan Village, Grati District, Pasuruan Regency. The informants involved in this research include: Ranuklindungan Village Head, village treasurer, government section head, and some of hamlet head. The data source in this research consists of the primary data source and secondary data source. Primary data sources were obtained from in-depth interviews to informants. While the secondary data source is Government Financial Report of Ranuklindungan village.

Research Findings and Discussion

1. Planning

Since 2015 Ranuklindungan village obtained additional sources of income, namely the Village Fund. With the new sources of revenue, revenue of the village are automatically increased. Here is the village revenue Ranuklindungan for 2017 period.

SOURCE OF FUNDS	AMOUNT
Village Allocation Fund	IDR 406.950.000
Village Fund	IDR 804.187.000
Village Revenue	IDR 7.135.000
Tax Revenue Levies	IDR 76.569.707
District Financial Aid	IDR 36.600.000
TOTAL INCOME	IDR 1.331.441.707

However, with increasing rural income sources today are not necessarily able to overcome the problems that exist. The perception of citizens that the village now has more impact on the earnings disregard of the citizens of the other hand they may be reluctant to conduct mutual cooperation as appropriate.

Therefore, Ranuklindungan village apparatus consider that in addition to accommodating the needs of citizens, *Musrenbang-Des* also be used as a means to foster a sense of concern for citizens who have been lost. Umar et al, (2013) stated that the development in the region cannot be separated from the participation of all parties in the region, including the public. In the village infrastructure management, public participation can be ideas or thoughts, energy, and funds (Nur et al, 2003).

The following is an excerpt from an interview with the head of the village:

"It is a lot of proposals, various but which was granted in the village prioritized ... it means that really important ... that concerns the livelihood of the people ... but overall not up to 50% accommodated. So for *musrenbang* it's overall program as a whole, either that can be realized or not all included. But at the time of *APBDes* on the preparation of this *APBDes* that should be implemented in this year running. Because it's their proposal a lot a lot while the village itself yes there is a special program".

The village deliberation of development planning interpreted as a means to foster the participation of citizens and raise people's awareness, an interesting phenomenon is found to be in it. Interestingly, found their sense of "selfish" from village apparatus who thought that in addition to the residents, the village also has a specific program to be executed. It can be seen from up to 50% of the needs of citizens accommodated.

So it can be said that there are still village apparatus dominance in the budget planning process and planning forums do a pseudo-*musrenbang*. Whereas in the concept of good governance (*good governance*) citizens should also be taken as an actor in any budgeting process included in the decision-making, not merely propose any program. These conditions are generally less understood by the village government officials, resulting in the gap between public expectations with the realities facing, in other words there is the ego that faces each other between the community and the village elite (Suangi, 2005).

2. Implementation

a. Perception Errors that Affect the Implementation of Program Activities

In the implementation of the program of activities, the government requires each village to conduct self-management. Self-management in this case means all programs that will be run must be handled by the village concerned and does not use power from outside the village. But in fact this policy raises new dilemmas for the village administration. As we know, the majority of village officials and rural communities have the human resources that are less good. It indirectly affects how they run programs that have been planned.

The following is an excerpt from an interview with the head of the village:

"... the artisan and the laborer feel this is a village fund, not a private party fund, so sometimes it works that is less active. Finally, workers should be paid this way, in fact it's swollen. This artisans and workers are budgeted for so many days, the porters are so late, it turns out, this is what people are afraid of, because yes, it is listed there is a fund".

The phenomenon that occurred in the Ranuklindungan village is the same as discussed earlier, that there is a presumption of the citizens that it is granting funds from the government so that understanding decrease the work ethic of the people. It can directly bring up new problems that the swelling costs because the processing time exceeding the set target. As we know the activities cannot be separated by adequate resources.

Human resources have a significant impact on the implementation of a policy (Farkhan, 2008). One of Ranuklindungan village effort to overcome the problem is by aggressive socialization to the residents. Village apparatus assume that building a community is not easy, so the village believes that the village should always conduct socialization to the residents so that citizen involvement is maximized in every respect.

b. Village Assistance Politicization Policy

In managing the village administration, each village will be accompanied by experts from the central government, the Village Counselor. Later this village counselor is in charge of overseeing and ensuring that village financial management is carried out in accordance with established regulations. The phenomenon that occurred in the village is less competent Ranuklindungan village counselor. In the musrenbang activities village level, Ranuklindungan village apparatus firmly says that the Ranuklindungan village counselor is still new and in the learning process. So how village counselor will give a good contribution to the village when in fact they are not competent in their field.

Another problem is the lack of role of village counselors in helping to manage the village administration. One of the clear evidence of the lack of role of village facilitators is the absence of village counselor in the series of musrenbang activities. The assumption from the district that Ranuklindungan village is good administratively is what causes the village counselor tends to release the village Ranuklindungan and more focus to assist other villages that still have a worse administration. Yet on the other hand Ranuklindungan village apparatus said that his side still needs assistance and input from village counselor in running village financial management.

c. "Subscriptions" Used as Sample Rate

Evaluation in the Ranuklindungan village has been done when the program completed. Evaluation called by Ranuklindungan village apparatus as the handover is done at the local level by village apparatus and some interested parties. In addition to evaluation at the local level, Ranuklindungan village officials also explained that there is also an evaluation of the government towards the programs that are currently or have been completed.

The phenomenon that occurs is Ranuklindungan village often selected to be sampled for central assessment. This happens because the parties from hamlets always looking for safety by appointing Ranuklindungan village. This is because of the Ranuklindungan village administratively superior to other villages in the hamlet level. However, this does not necessarily be a problem by Ranuklindungan village. He said he believes that as long as this is the regulatory side has implemented the village administration, as appropriate. Ranuklindungan so village officials assume that it is always ready for anyone at any time will be evaluated by the central government.

3. Reporting

a. Confusing Village Financial System (*Siskeudes*)

In the village finance administration, both village funds, village funding allocations, village original revenues as well as other village income sources are currently required by the central government to use a financial system called "*Siskeudes*". Regardless of the advantages that discourse will be the advantage of *Siskeudes*, it turns out it is still a "specter" for the treasurer of Ranuklindungan village. Although on the one hand, the *Siskeudes* make it easy for the village treasurer to conduct the village financial management, yet another phenomenon indicates that there is a sense of dislike that is felt by the village treasurer because *siskeudes* really have to stick to the rules.

The following is an excerpt from an interview with the head of the village:

"... can not be here, do not want to be the same as planned. so if the plan is 5 million, so later the expenditure should be 5 million, if more cannot it that I'm not happy so yes it can not be like that, can be reduced. If it decreases it can still be silpa / surplus-deficit can still".
"... actually using *siskeudes* is a lot ease... each village's needs are different. Actually the old one is more flexible".

The problem is that it is difficult for the village to harmonize between budgeted and what is realized, because if it happens then the system will automatically refuse. In addition, the treasurer believes that the existence of this *siskeudes* can hinder the village in maintaining the local wisdom of the village due to the unavailability of the budget post, whereas when using village revenue is not sufficient. Based on the phenomenon that occurs can be seen that the village treasurer interpret the recording as flexibility.

Based on the above statement can be seen that *Siskeudes* not always give a positive contribution to the recording of village finances. *Siskeudes* application on its implementation is still full of problems that occur in the field, the main problem is the lack of human resources and constraints in data input (Novirania, 2018). It should be in this case the government should be more active in providing training and socialization to the village apparatus maximally. In this case, the socialization should not only be limited to how to operationalize the system, but to develop new knowledge about the concept of village financial records, so that there will be no misunderstanding of the village apparatus about *Siskeudes*.

b. Transparency Budget Banner was "Surprisingly Not Needed" by The Citizens

Transparency is the opening of access for all parties interested in any information relating to various regulations and legislation (Yesika, 2013). The forms of public financial reporting transparency assortment, such as bulletin boards which can be found in the village hall as well as other strategic places. Substantive indeed, this media can be used as a medium of socialization and communication to the public village. However, Solekhan (2014: 159) states that the substantive various media published by villagers often only a medium of socialization in one direction only and the terms will be the interests of accountability to higher authority.

The following is an excerpt from an interview with the head of the village:

"...that's not the real people who banner it. It is more to the higher side to the examiner, the police to be more transparent".
"Originally yes...if I and maybe other people think, no matter how many, from where the source, the important must have its form, it must be seen by the eye. So what's so useful?"

The phenomenon that is found in the village which is normatively Ranuklindungan village had complied with existing regulation, by placing banner as a form of reporting of budget transparency to the citizens. However, the village head Ranuklindungan assume that the actual budget transparency *banner* was intended to fulfill the obligations of the central government. Interesting phenomenon discovered the *banner* of budget transparency is understood by the bureaucrats as a form of transparency to citizens, however, have not needed by citizens. Residents prefer to regard that the concrete evidence of physical development is a form of real transparency of budget reporting.

Conclusion

In the implementation of MusrenbangDes there is still village domination in decision making. This can be seen from less than 50% of proposals from accomodated. In terms of budget execution found a different perception of the community who assume that the current village has a large income so that in the implementation of the program residents tend to be indifferent to the program being undertaken. In addition, another finding of budget execution is the lack of role of village facilitators in village financial management. However, this is not a problem by the village apparatus because it assumes that the implementation of the budget is regulatively considered to be good. This makes the growth of confidence in the village apparatus because it is often used as a sample examination by the kecamatan.

In the budget reporting, there was an understanding of the village treasurer that the village financial records should be carried out in a flexible manner. This is because there are some activities that can't be included in the *siskeudes*. There is still no perception of the transparency of the budget published by the village, where the budget transparency banner that is interpreted by bureaucrats as a form of transparency is not needed by the citizens.

Suggestion

From the above conclusions, the researcher put forward some suggestions, as follows:

1. Villages should not make *Musrenbang* as a formality activity only. Because if the village conducts these activities maximally then the activities programs that run can reflect the needs of the real people and not the needs of the village apparatus.
2. It is recommended that both central and local governments re-evaluate village counselors. The government should be more selective in determining who the professionals in their field can be consultants for the village to manage the existing funds. This is related to the incompetence of village counselors in establishing villages in managing village finances.
3. In evaluating the implementation of the program, the central government should choose randomly the village to be assessed, because if the central government coordinates first to the sub-district, it will lead to the tendency of only certain villages to be the object of assessment.
4. For the central government should re-evaluate the Village Financial System (*Siskeudes*) because currently there are polemic *Siskeudes* such as the lack of experts who can operate *Siskeudes*, budget items that are not adjusted to the conditions of each village, and so forth.

References

- Creswell, Jhon W. (2013). *Penelitian Kualitatif & Desain Riset Memilih Diantara Lima Pendekatan*. Terjemahan Ahmad Lintang Lauardi. (2015). Yogyakarta: Pustaka Belajar.
- Ehsan, M. (2003). *Orgin, Ideas and Practice of New Public Management: Leason for Developing Countries*. Asian Affairs. Vol. 25, No. 3: 30-48, July-September 2003.
- Fajarningtyas, Lia., Muslimin. & Kahar, Abdul. (2016). *Pengaruh Anggaran Berbasis Kinerja dan Good Governance Terhadap Kinerja Value of Money (Survei pada Pemerintah Daerah Kota Palu)*. e Jurnal Katalogis Volume 4 No 10, Oktober 2016 hlm 109-117
- Farkhan, Muhammad. (2008). *Implementasi Alokasi Dana Desa (ADD) dalam Perencanaan dan Penganggaran Pembangunan Desa (Studi di Desa kecamatan Putan Wonosari Kabupaten Gunungkidul provinsi daerah Istimewa Yogyakarta*. Malang. PPs UB.
- Helmuth, Uts. (2011). *The Impact of Performance Budgeting on Public Management*.
- Indrawati, Novita. (2010). *Penyusunan Anggaran dalam Era New Public Management: Implementasinya di Indonesia*. Jurnal Riset Akuntansi dan Bisnis. Vol 10 No.2, September 2010. PPs Universitas Padjajaran Bandung.
- Kamayanti. (2013). *Mengungkap Pemahaman Tentang Akuntansi Dari Sudut Pandang Kecerdasan Spiritual: Sebuah Studi Fenomenologi*. Jurnal Ilmiah Multiparadigma. Universitas Brawijaya Malang.
- Novirania, Azizah. (2018). *Implementasi Aplikasi Sistem Keuangan Desa (SISKEUDES) di Desa Bojonegoro, Kecamatan gedong Tataan Kabupaten Pesawaran*. Lampung. Universitas Lampung.
- Nur., Buklis, Siti. & Naping, Hamka. (2003). *Partisipasi Masyarakat dalam Proses Pembangunan Infrastruktur Desa studi Kasus: Program Alokasi Dana Desa Bailo Kabupaten Bulukumba*. Jurnal Pasca Sarjana Universitas Hasanudin. Makasar.
- Parker, R.J. & Kyj. L. (2006). *Vertical Information Sharing in The Budgeting Process*. Elsevier. DOI: 10.1016/j.aos.2004.07.005
- Putra, A.F.P. (2015). *Sikap dan Perilaku Aparatur dalam Pengelolaan Anggaran Pendapatan dan Belanja Daerah (APBD) (Studi di Dinas Pemerintahan Kota Batu)*. Tesis tidak diterbitkan. PPs UB.
- Umar, Ismail., Yuardani. & Rinaldi, Hasymi. (2013). *Peran Pemerintah Desa dalam Meningkatkan Partisipasi Masyarakat di Desa rasau Jaya Umum*. Jurnal Eksos Th. IX No.2. Pontianak
- Sopannah. (2012). *Ceremonial Budgeting dalam Perencanaan Penganggaran Daerah: Sebuah Keindahan yang Menipu*. Banjarmasin: Simposium Nasional Akuntansi XV
- Sutrawati, K. (2016). *Peran Perangkat Desa dalam Akuntabilitas Pengelolaan Dana Desa*. (Online), (<http://sitedi.uho.ac.id/>), diakses 4 September 2017.
- Swirski, A. (2016). *Performance-Based Budget as an Element of New Public Management in the Public Finance System in Poland*. Faculty of Economic and Legal Sciences, University of Natural Sciences and Human, Siedlce, Poland.
- Vian, T & Bicornell, W. (2013). *Good Governance and Budget Reform in Lesotho Public Hospitals: Performance, Root Causes and Reality*. 1-12 doi 10933/heapol/cs121. Boston University.
- Yanuarisa, Yesika. (2013). *Studi Fenomenologi tentang Transparansi dan Akuntabilitas Performance Based Budgeting Pemerintah Kalimantan Tengah*. Tesis tidak diterbitkan. Malang. PPs UB.
- Zhang, Y., Yang, K. (2009). *Citizen Participation in the Budget Process: The Effect of City Managers*. Journal of Public Budgeting, Accounting & Finance Management. 21 (2) Summer 2009: hal. 289-317.

Yolanda Heraningtyas
State University of Malang
Jl Semarang No 5 malang, 65145 Indonesia
E-mail: yolandahera2012@gmail.com

Sri Pujiningsih
State University of Malang
Jl Semarang No 5 malang, 65145 Indonesia

Dodik Juliardi
State University of Malang
Jl Semarang No 5 malang, 65145 Indonesia
E-mail: yolandahera2012@gmail.com