DIJEFA: Dinasti International Journal of Economics, Finance & Accounting
E-ISSN: 2721-303X
P-ISSN: 2721-3021
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v6i5.5197
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Received: 14 July 2025 | **Revised:** 01 October 2025 | **Accepted:** 14 October 2025

Analysis of The Implementation of Good Village Governance Principles in Optimizing Village Fund Allocation Management in Tanjungtani Village

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Abstract: A substantial Village Fund Allocation (ADD) can certainly support a village's progress in village development and governance. The village financial management crisis remains an unresolved issue in Indonesia. Frequently encountered issues in village financial management include effectiveness, efficiency, prioritization, leakage and irregularities, and low professionalism. This study employed a qualitative descriptive method. Data sources included primary and secondary sources, with interviews and documentation as data collection techniques. The results indicate that the implementation of Good Village Governance principles in Tanjungtani Village has been quite successful, particularly in aspects of participation in planning and implementation information, transparency through public media, and accountability through open reporting. However, community involvement in evaluation remains limited. This study recommends increasing community participation in the evaluation stage and improving the information system to improve the quality of village fund governance.

Keywords: Good Village Governance, Village Funds, Participation, Transparency, Accountability, Village Fund Management.

INTRODUCTION

Village Fund Allocation (ADD) is a fiscal policy instrument designed to encourage accelerated village development and improve community welfare evenly.(Martondi, 2022)Since the enactment of Law Number 6 of 2014 concerning Villages, the central government has granted village governments broader authority in managing available financial resources. One form of fiscal intervention is through the Village Fund Allocation, which is sourced from balanced funds in the State Budget (APBN) and then allocated to each village. The primary objective of this policy is to strengthen village capacity in development and community empowerment.

However, in its implementation, Village Fund (ADD) management still faces various challenges related to the principles of good village governance (GVG). GVG principles

encompass transparency, accountability, community participation, effectiveness, efficiency, and the rule of law in village governance. Unfortunately, various reports and studies indicate that the implementation of these principles is still suboptimal in ADD governance in many villages in Indonesia.

One of the main problems in ADD management is the low level of transparency in the planning and use of funds. Transparency is a fundamental principle of good financial governance, requiring that all use of funds be accessible and monitored by the public.(Medina and Alya, 2025)In practice, many villages have not fully provided clear and transparent information regarding the allocation and use of funds received. Some villages even face limitations in presenting financial reports that are widely accessible to the public.

Furthermore, accountability in the management of Village Funds (ADD) is also a significant issue. Accountability relates to the village government's responsibility to manage and account for the funds received in accordance with applicable regulations.(Indraswari and Rahayu, 2021)However, in many cases, weak internal and external oversight systems continue to create the potential for budget misuse. Reports from the Supreme Audit Agency (BPK) and the Regional Inspectorate indicate that cases of irregularities in village fund management persist due to the lack of adequate control systems.

Community participation in Village Fund (ADD) planning and management also remains a challenge. Ideally, village communities should play an active role in determining development priorities and overseeing the implementation of village fund policies. However, the reality on the ground shows that the level of community involvement remains relatively low. Many strategic decisions are made without full community involvement, resulting in fund allocations that often do not fully reflect the actual needs of villagers.

The effective management of Village Allocation Funds (ADD) is significantly hampered by the limited capacity of village officials. A primary challenge lies in the insufficient comprehension among many officials regarding the village financial accounting system and the regulatory frameworks governing village fund utilization. This deficit in understanding frequently results in administrative inaccuracies and suboptimal allocation and expenditure of funds.

A weak oversight system also contributes to the suboptimal management of Village Funds (ADD). Oversight of village fund management should be carried out by various parties, including the Village Consultative Body (BPD), local government, and the village community itself. However, in many cases, oversight remains a formality and is ineffective in preventing misappropriation or inefficiency in fund use.

Another frequent issue in Village Fund Management (ADD) is external intervention that influences the allocation of village funds. In some cases, the use of village funds is influenced by specific political interests that do not always align with community needs. This phenomenon results in the use of village funds not always being targeted effectively and not fully reflecting village development needs.

In Tanjung Tani Village, issues with Village Fund (ADD) management remain a concern. Although the village government has attempted to implement the principles of Good Village Governance, various obstacles remain. Transparency in budget preparation and use remains suboptimal. Villagers often experience limited access to information regarding village funds managed by the village government. Furthermore, community participation in the development of programs and activities funded by ADD still needs to be improved.

Accountability in the management of Village Funds (ADD) in Tanjung Tani Village also continues to face challenges. Although financial reporting and accountability mechanisms are in place, their implementation in the field still faces various obstacles. Some of these obstacles include the limited capacity of village officials to prepare financial reports systematically and in accordance with established standards.

In terms of effectiveness and efficiency, the use of Village Funds (ADD) in Tanjung Tani Village has not yet achieved optimal results. Several programs funded by village funds still face implementation challenges, both in terms of technical implementation and in terms of outcomes. This indicates that improvements are still needed in the planning, management, and evaluation of ADD-funded programs. In the context of oversight, the role of the Village Consultative Body (BPD) and the village community in controlling the use of village funds is still not optimal. Several factors contributing to weak oversight include limited public understanding of ADD management mechanisms and limited access to village budget documents.(Saputri, 2024).

A significant disparity exists between the anticipated application of Good Village Governance (GVG) principles in Village Fund Management (ADD) and the actual on-the-ground implementation. Specifically, the principles of transparency, accountability, participation, effectiveness, and efficiency in ADD within Tanjung Tani Village are encountering substantial challenges that warrant further examination and intervention.

To analyze the optimization of Village Fund Allocation (ADD) management in Tanjung Tani Village, this study will investigate the application of Good Village Governance principles. A more in-depth examination is necessary to understand how these principles are implemented and their impact on the effectiveness of village fund management.

Based on the description, the author is interested in conducting research with the title "Analysis of the Application of Good Village Governance Principles in Optimizing the Management of Village Fund Allocation in Tanjung Tani Village".

METHOD

This qualitative descriptive study investigates the implementation of Good Village Governance principles in the management of Village Fund Allocation (ADD) within Tanjung Tani Village. The research employs a qualitative descriptive approach to thoroughly detail phenomena observed in the field, drawing upon data gathered from informants and other pertinent sources.

A qualitative approach was chosen because this research focuses on understanding the meaning, perceptions, and experiences of stakeholders in Village Fund Management (ADD). Data collection for this study employed a multi-method approach, incorporating observation, in-depth interviews, and documentation. This comprehensive strategy was utilized to gather extensive information concerning the practical application of Good Village Governance principles, specifically focusing on transparency, accountability, and community participation.

Furthermore, this study employed data triangulation, a method used to increase the validity and credibility of findings by comparing observations, interviews, and documentation. Data triangulation helps ensure the accuracy and reliability of the information obtained by examining the relationships between various data sources.

RESULTS AND DISCUSSION

The allocation of village funds from the central government to villages across Indonesia represents a strategic governmental initiative aimed at enhancing community welfare. Effective governance of these funds is crucial for realizing this objective. As stipulated in Minister of Home Affairs Regulation Number 113 of 2014 concerning fund management, the administration of village funds must adhere to principles of participation, transparency, and accountability, while also maintaining budgetary order and discipline. The implementation of these core principles—transparency, accountability, and participation—is essential for achieving good village governance. The application of good village governance principles in the management of village funds in Tanjungtani Village demonstrates the village government's efforts to realize good governance and comply with applicable regulations. Based on the results

of interviews, the application of several good governance principles can be described as follows:

Participation

"The level of community participation in Tanjungtani Village in managing village funds is quite high, particularly in the planning and implementation stages of development. This is evident in community involvement in the Development Planning Meeting (Musrenbang) and participation as laborers in village development projects. However, community involvement in the evaluation stage is still limited, represented by the Village Consultative Body (BPT) as community representatives. This community participation demonstrates that the village government values community input and uses it as a basis for developing development programs that meet community needs.

Transparency

Transparency in village fund management is a principle well implemented by the Tanjungtani Village government. The village government openly disseminates information regarding the budget and fund implementation through various media, such as banners, information boards at construction sites, and the official village website. This demonstrates the village government's commitment to providing the public with clear and honest access to information, thereby increasing public trust in the management of village funds.

Accountability

The principle of accountability is implemented by involving the community in the process of accountability for the use of village funds. The Tanjungtani Village Government also complies with applicable regulations, from disbursement to reporting, and provides transaction documentation for each development activity. The use of information boards at development sites and reporting through open media ensure that village fund management is accountable to the community and relevant parties.

Responsibility

The Tanjungtani Village Government demonstrated responsibility in responding to community input and complaints. Through open communication and village apparatus meetings, the village government responded quickly to any input regarding the use of village funds. This prompt response demonstrated that the village government not only understood its responsibilities but also maintained transparency and avoided any negative public suspicions.

Effectiveness and Efficiency

Based on interviews, the use of village funds in Tanjungtani Village was deemed effective and efficient because it was targeted and aligned with community needs. One example is the construction of roads that improve farmers' access to their fields. Optimal use of funds in accordance with planned priorities demonstrates the village government's ability to achieve development goals that directly impact community well-being.

Legal certainty

Village financial management in Tanjungtani Village is carried out in accordance with applicable laws and regulations, specifically referring to Home Affairs Ministerial Regulation Number 20 of 2018. Alignment with this provision demonstrates that the village government understands the importance of legal certainty in village fund management and ensures that all processes run according to regulations, from planning to evaluation. This creates public trust that village fund management has been carried out in a correct and transparent manner.

The success of village fund management stems from the active role of the village government and community in the planning process through to accountability. Improving human resources (HR) is a crucial step to achieving success in village fund management, as quality HR will positively impact the government's performance in managing these funds. Law Number 6 of 2014 concerning Villages explains that village financial management must be carried out professionally to prevent deviations and errors. Therefore, improving HR is necessary to ensure the proper management of village funds for development and community empowerment.

CONCLUSION

The implementation of good governance principles in the management of village funds in Tanjungtani Village has been successful, encompassing participation, transparency, accountability, responsibility, effectiveness, efficiency, and legal certainty. The high level of community participation, particularly in development planning and implementation, demonstrates that the village government values community input and uses it as a basis for developing programs tailored to needs. Transparency is achieved through the open dissemination of budget information and fund realization, thereby enhancing public trust. The principle of accountability is realized through periodic reporting accessible to the public and community involvement in monitoring fund use.

The success of village fund management is inseparable from the active role of the government and community participation in every stage of management, from planning to evaluation. Improving human resources (HR) is crucial to ensure the continued quality and professional implementation of village fund management, in accordance with Law Number 6 of 2014 concerning Villages". This is expected to prevent misappropriation, maximize fund utilization, and strengthen development that directly impacts the well-being of the community in Tanjungtani Village.

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