

# Study on the Misuse of Village Fund Management on The Implementation of Decentralization in Indonesia

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**Abstract.** Village is a legal community unit led by a person and has the authority to regulate and manage the community to achieve common goals in the region. The existence of the Minister of Home Affairs Regulation Number 113 of 2014 and the Government Regulation Number 34 of 2014, it is necessary to prepare related to the readiness of the village government in implementing the new regulations in force so that everything can run according to the applicable rules so that it can provide great benefits in development efforts in Indonesia. village. The regulation and management of village funds must be managed using transparent, accountable, participatory principles and can be carried out in an orderly and budgetary discipline. but in its implementation to regulate and manage village funds, there are still many cases of village heads who often misuse the village fund budget due to several factors. The type of research used in this research is library research with a normative approach as a rule that determines what is allowed and what cannot be done by emphasizing the norms prevailing at that time or the norms stated in the law. This writing discusses the factors that cause the misuse of village fund management and the efforts that can be made in overcoming the misuse of village fund management

**Keywords:** Decentralization, Misuse, Village Funds

## 1. Introduction

Village is a legal community unit led by someone and has the authority to regulate and manage the community to achieve common goals in the region. Villages can also be interpreted as the result of a combination of the activities of a group of humans and their environment which are manifested on earth and caused by social, economic, political and cultural elements that result in interactions and relationships with other areas. In the administration of government, the village head and village officials need village sources and income which are managed through the Village Revenue and Expenditure Budget (APBDes) as outlined in the village regulation concerning the Village Revenue and Expenditure Budget. As time goes by, the village is increasingly empowered by the state by being given a mandate to manage large amounts of village funds in the hope that the management of these village funds can improve the welfare of the community. A prosperous society can make the country stronger so that it can compete with other countries. Welfare is a condition of meeting the needs of people's lives that are increasingly qualified, therefore welfare is the most important factor that is always strived to be realized. To achieve this welfare, it is necessary to have good financial management of village funds so that they can be used effectively and efficiently.

The leeway given to the village government to regulate and manage village funds has succeeded in providing many benefits, especially in the field of development in the village. However, authority that is not balanced with legal awareness from the village head and his

apparatus will actually cause various problems and losses. Whereas the village is the forerunner to the formation of a prosperous society and good governance. The existence of the Minister of Home Affairs Regulation Number 113 of 2014 and the Government Regulation Number 34 of 2014, it is necessary to prepare related to the readiness of the village government in implementing the new regulations in force so that everything can run according to the applicable rules so that it can provide great benefits in development efforts in Indonesia. village. Therefore, the management of village funds must be in accordance with existing regulations and the authority to manage village funds must be carried out honestly in order to achieve the right goals and not lead to legal cases.

In the future, village funds are the largest source of the State Revenue and Expenditure Budget received by the village government which is used to finance government administration, development implementation, development, community development and community empowerment. The regulation and management of village funds must be managed using transparent, accountable, participatory principles and can be carried out in an orderly and budgetary discipline. but in its implementation to regulate and manage village funds, there are still many cases of village heads who often misuse village fund budgets. This is due to several factors, namely:

1. Lack of community involvement and difficulty in accessing the planning and monitoring process for village funds
2. Less than optimal village institutions such as the Village Consultative Body
3. Limited human resources within the scope of village government.

The application of sanctions to village heads who are proven to have committed criminal acts as it is known that the application of sanctions to make criminal sanctions an ultimatum. Ultimatum can be said as an effort taken in resolving cases through other channels such as civil law or administrative law, this path should be taken before operationalizing criminal law. The process of managing village funds has brought many village heads into convicts who have to carry out criminal penalties[1]. The main cause in this case is that village funds are not used according to the rules by abusing and even the village funds are taken away to be used for personal purposes. Misuse of village finances such as misuse of village fund allocations is an act that is prohibited to do. If it is done, it can be subject to administrative sanctions in the form of verbal warnings and/or written warnings. In the event that administrative sanctions are not implemented, a temporary suspension may be imposed and can be continued with dismissal[2,3].

Based on cases of abuse that occurred in management and the village, there were several modus operandi carried out, including drafting a budget that exceeded the market price and then paying it based on another agreement; the village head is responsible for financing the physical building of village funds even though they come from other sources; temporary borrowing of village funds by transferring funds to a personal account and then not returning them; deduction of village funds by the perpetrators; making fictitious official trips by falsifying lodging/travel tickets; mark-up payment of village apparatus honorarium; payment for office stationery does not match the real cost by falsifying proof of payment; collect taxes, but the tax collection proceeds are not deposited with the tax office; and purchase office inventory with and village but for private purposes.

## **2. Method**

Type of research used in this research is library research[4]. Literature study is a study that uses the main source, namely documents such as manuscripts, books, newspapers, magazines, and others, but literature studies also do not only refer to documents but can also combine them with existing data in the field to strengthen the data or findings. This research is made in a systematic and factual manner that describes the problems that occur in the implementation of regional autonomy and their solutions. The approach used by the research is a normative approach. a normative legal approach or normative study as a rule that determines what is allowed and what cannot be done by emphasizing the norms in force at that time or the norms stated in the law.

## **3. Result & Discussion**

### **3.1. Factors Causing the Misuse of Village Funds**

The addition of village funds and flexibility in managing these funds can provide many benefits for village development. The utilization of central government policies for villages to better manage and regulate village funds can be used to support the development of village facilities and infrastructure in order to create a prosperous village. However, in its implementation, village fund management is often misused by the village head for personal interests. It is not surprising that recently quite a number of village heads have been investigated in connection with the misuse of village funds. Several factors caused the village head to misuse the village funds as follows:

- 1) The lack of community involvement and the difficulty of accessing the planning and monitoring process of village funds The responsibility for managing village funds is not only given to village government officials but also community involvement in overseeing the management of village funds. the lack of participation in supervising the management of village funds can be used by the village government, especially the village head to misuse village funds. This is because human resources in rural areas are still not sufficient and the community is reluctant to participate in managing the village funds.
- 2) Less than optimal village institutions  
Such as the Village Consultative Body Community participation is not the only important factor in managing village funds, but village institutions such as the Village Consultative Body also have an important role in supervising the management of village funds. The Village Consultative Body has an important role in determining village policies and supervising village government activities in order to reduce abuses of village authority and finances in the administration of village governance.  
The Village Consultative Body in fact is often only used as a complement to the authority institution at the village level. The important role of the Village Consultative Body, which should be able to do well, actually seems passive so that this gap can be used to abuse village funds. In fact, it is not uncommon for members of the Village Consultative Body, which should supervise the management of village funds, to misuse village funds.
- 3) Limited human resources within the scope of village government.  
Human resources are one of the resources in an organization that has an important role in achieving goals in an organization. Quality human resources are indispensable in balancing the existence of central government policies in managing villages. at this time, there are still many village government officials who do not have adequate

quality in managing village government. This is because there are still many village governments who are aged towards the elderly and find it difficult to keep up with the development of village digitization programs so village management also experiences obstacles that can be used to misuse village funds.

### **3.2 Efforts in Overcoming the Misuse of Village Funds**

Various efforts can be made in overcoming the misuse of village funds by the village government, namely through preventive and repressive efforts. This preventive effort can be carried out by preventing by reducing the space or opportunity for violations to occur. This effort can be done by increasing community participation and optimizing village government institutions such as the Village Consultative Body in supervising the management of village funds. Another effort that can be taken to prevent misuse of village funds is to improve the quality of human resources for village government officials by holding counseling and training related to the implementation of village management, including village management. Increasing human resources is very important to do in order to optimize central government policies that provide leeway for village governments to be able to optimize in carrying out village development. Repressive efforts can also be made to overcome the misuse of village funds, namely by taking action on a crime or violation related to the management of village funds that can interfere with the implementation of village development. this can be done through reporting as regulated in the Criminal Procedure Code.

### **4. Conclusion**

Misuse of village fund management can occur due to several factors such as: lack of community involvement and difficulty in accessing the planning and monitoring process of village funds, less than optimal village institutions such as village consultative bodies, limited human resources within the scope of village government. Various efforts can be made in tackling the misuse of village funds by the village government, namely through preventive and repressive efforts. This preventive effort can be carried out by preventing by reducing the space or opportunity for violations to occur. Repressive efforts can also be made to overcome the misuse of village funds, namely by taking action against a crime or violation related to the management of village funds.

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