



# FUNCTION OF VILLAGE PEOPLE'S REPRESENTATIVE COUNCIL IN FINANCIAL MANAGEMENT OF VILLAGE POO

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## ABSTRACT

*The village was given a mandate by Law No. 6 of 2014 to manage the government and various natural resources owned, including financial management. In managing Village Poo finances, the village head is required to collaborate with the village council to participate in carrying out the supervision function of village funds as instructed by the Village Law. This study uses the socio-legal method in reviewing the supervisory functions possessed by Village Poo village legislature. This study shows that the village council supervision function of Village Poo's financial management has not gone well because there are still technical village management officials appointed directly by the village head.*

**Keywords:** village council, financial management, supervisory function

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## 1. INTRODUCTION

The Village Law passed in 2014 is expected to be able to accommodate all the interests and needs of the village community well. Villages / villages are given the opportunity to take care of their own governance and even distribution of development is expected to improve the welfare and quality of life of rural communities, so that the problems of disparity between regions, poverty, and other socio-cultural problems can be minimized. The Indonesian nation must be the key to all Indonesian people without exception (Julianto J. J. Kalalo, 2017).

Law No. 6 of 2014 concerning Villages (Law No. 6 of 2014) along with implementing regulations has mandated the village government to be more independent in managing the government and various natural resources owned, including the management of village finance and assets. The village government in this law is the village head and village apparatus as elements of the village administration. The element of village administration organizers in terms of village financial management in question is the Village Consultative

Body / Village Council. Based on article 1 paragraph (4) that the Village Consultative Body or what is referred to by another name is an institution that carries out a government function whose members are representatives of the Village population based on regional representation and democratically determined.

Furthermore, Article 55 emphasizes the function of the council of the Village consisting of:

- a. Discuss and agree on the Draft Village Regulation with the Village Head;
- b. Accommodate and channel the aspirations of the village community; and
- c. Supervise the performance of the Village Head.

To supervise the performance of the village head according to point c in terms of village financial management at the planning and budgeting stage, the village government must involve the Village council so that the work program and activities can accommodate the interests and needs of the village community and in accordance with the capabilities of the village. On the other hand in order to support the realization of good governance in village administration, village financial management is carried out based on governance principles, namely transparent, accountable and participatory and carried out in an orderly and budgetary discipline (Dewi Rasmi et al, 2018).

Kampung Poo is included in the village where the source of the village funds comes from the State Revenue and Expenditure Budget (APBN) which is transferred through the Regency / City Regional Revenue and Expenditure Budget and is used to finance government administration, development implementation, community development, and community empowerment.

In managing Poo village finances, the village head is fully responsible for both village funds and village communities. Because if the village head is wrong in managing village finances, it will result in delayed development in the village both physically and human resources.

In order for the management of village funds to be carried out well and orderly in the village of Poo, the village head of Poo together with the council of the village should work together. What happened in the village of Poo was that the management of village funds run by the village head paid little attention to the supervisory functions of the village council.

Regarding the context of the function of the Kampung Village on village financial management, it is necessary to know the extent of the supervision function in Law No. 6 of 2014. Therefore changes can be identified that need to be carried out related to the supervisory function.

## 2. METHODOLOGY

This research is a socio-legal research. Sociolegal research is also known as non-doctrinal research. Non-doctrinal research places the results of observations on social realities not to be placed as a general proposition. Non-doctrinal research looks for patterns of permanence or patterns of relationships (correlation or causal) between various symptoms that manifest the presence of law in the realm of reality (Victor Nalle, 2016).

This study uses an analytical descriptive approach, namely the procedure or problem solving research is carried out by exposing the object being investigated as it is based on actual facts at the present time is not limited to reaching data collection but includes analysis and interpretation of the meaning of the data. In addition, socio-legal research also uses several approaches that are used to analyze primary legal material and secondary legal

material. These approaches include a regulatory approach and a conceptual approach (Victor Nalle, 2016).

Data in the study are primary data and secondary data. Primary data is data obtained directly from the field. Secondary data in this study are books, journals (Emiliana et al., 2018; Julianto and Jotam, 2018; Martha et al., 2018; Sedayu and Mangkoedihardjo, 2018), and documents related to this research and obtained through library research. In addition, primary legal materials are also used, namely legislation relating to this research.

### **3. RESULTS AND DISCUSSION**

#### **3.1. Geographical Village of Poo**

Kampung Poo is one of the local villages located in Jagebob District, Merauke Regency with an area of 1,500 hectares. Kampung Poo has the following regional boundaries:

1. The North is bordered by Customary Land.
2. South side bordering the National Park.
3. East side borders with Kali Obat.
4. The West is bordered by Kartini Village.

Poo is a fairly large village in the lowlands (Flat), with a number of RTs of 4 and RK of 2. The location of Poo is very strategic because it is in the middle or center of several villages in the Tanah Miring District. The facilities and infrastructure of Poo are already quite good. The Poros Road is always passed by people who want to go to Sp6 and Sp9 as far as 6 km, Jalan Kampung 7.80 km and culverts as far as 300m. The distance of the village which is not too far from the city center makes Poo a spiritual tourist spot.

In terms of social population, the people of Poo are seen from the level of education above the age of 35 years and above, on average elementary and junior high school graduates. While most rural children and adolescents continue their education, some even go to college. The majority in Poo are from the native Yeinan tribe. In terms of economics the main livelihood of the Poo people is hunting, gardening, and raising animals such as pigs, chickens, cows. But not a few also have become civil servants, carpentry, entrepreneurs, laborers and traders.

Whereas the potential of the region in Poo can be observed from agriculture, fisheries, education, and spatial planning. For agriculture, the structure and type of Poo soil is suitable for use as land to cultivate vegetables. In addition to vegetables, coconut trees and sago trees are also quite a lot and thrive on community land. Fisheries many people who are looking for fish everyday at the maro. Freshwater fish species that are often obtained by Poo residents are: mujair, gaster, catfish, betik, snapper, tilapia and thorns. Education is inadequate due to a shortage of educators. Though the willingness and learning interest of Poo children is very high for school. There are 2 schools, one kindergarten and elementary school YPPK. Francis Xavier. And the layout of the majority of Poo residents' houses is a type of plot house. It's just that in some homes residents have experienced a lot of reforms. The layout of residents' houses is quite neat. Arranged based on lane or alley which is divided into 4 RT.

On Poo, the center of Government activities takes place at the village hall. Officials involved in the administrative affairs of the Village are the Head of the Village, the Secretary of the Village, the Four Heads of Affairs (KAUR), namely: KAUR Development, KAUR Government, KAUR Umum, Chairman of the RK as many as 2 people and the RT Chair as many as 4 people. In addition, there is also the Village Consultative Council / Village Council.

### 3.2. The term "village council"

The term village council is a new term to be equated with the Village Consultative Body. From the literature there is no friendly term to use this term. Because this term is weakly applied in terms of theory, but it can be accepted from the side of the concept even though it is a new term.

If based on article 1 paragraph (4) Law No. 14 of 2014 the term village council is acceptable. Because the phrase "other names" can be interpreted as the Village Parliament. It is called the people's representative (DPR), namely legislation, budget and supervision. Indonesia is a country that has lots of resources and lives a variety of tribes and customs (Julianto J J Kalalo, 2018)

Thus the Village Consultative Body or Village Council is an institution that carries out a government function whose members are representatives of the Village population based on regional representation and democratically determined. Democracy here can be interpreted as direct and indirect elections.

### 3.3. Village Finance

Matters relating to village finance in Law No. 6 of 2014 jo Permendagri No. 20 of 2018 explains the definition of village finance as follows: Village Finance is all village rights and obligations that can be valued with money and everything in the form of money and goods related to the implementation of the rights and obligations of the Village. The rights and obligations referred to generate income, expenditure, financing, and management of Village Finance (Article 71 paragraph 2). Whereas Village Assets are Village property originating from the Village's original wealth, purchased or obtained at the expense of the Village Revenue and Expenditure Budget or other legal rights acquisition (article 1 paragraph 10 and 11). The authority of the Village Head in Village Finance is stated in Article 26 paragraph 2 c, e that the Head of the Village holds the power of managing Village Finance and Assets and sets the Village Revenue and Expenditure Budget. Village income as referred to in Article 71 paragraph (2) comes from:

- a. Village original income consists of the results of the business, the results of assets, self-help and participation, mutual cooperation, and other village income;
- b. Allocation of State Revenue and Expenditure Budget;
- c. Part of the results of regional taxes and retributions of Regency / City area;
- d. Allocation of Village funds which are part of the balance funds received by the Regency / City;
- e. Financial assistance from the Provincial Regional Income and Expenditure Budget and Regency / City Regional Revenue and Expenditure Budget;
- f. Grants and non-binding donations from third parties; and
- g. Other legitimate village income. (Article 72)

Then Village Expenditures are prioritized to meet the development needs agreed upon in the Village Conference and in accordance with the priorities of the District / City Governments, Provincial Governments and Governments. Development needs include, but are not limited to primary needs, basic services, environment, and village community empowerment activities (Article 74). The Village Revenue and Expenditure Budget consists of the portion of income, expenditure and village financing. The draft Village Revenue and Expenditure Budget is submitted by the Village Head and discussed with the Village Consultative Body in accordance with the results of the deliberation, the Village Head

determines the Village Revenue and Expenditure Budget each year with a Village Regulation (Article 73). Also the Village Head is the holder of Village Finance management power, and the Village Head authorizes part of his power to the Village apparatus. Further provisions regarding Village Finance are regulated in Government Regulations (Article 75). Village assets can be in the form of village cash land, ulayat land, village markets, animal markets, boat moorings, village buildings, fish auctions, agricultural product auctions, village-owned forests, village-owned springs, public baths, and other village assets. Other assets belonging to the Village as referred to in paragraph (1) include:

1. Village wealth purchased or obtained from the burden of the state's income and expenditure budget, regional income and expenditure budget, and village income and expenditure budget;
2. Village wealth obtained from grants and donations or similar;
3. Village wealth obtained as the implementation of the agreement / contract and others in accordance with the provisions of the legislation;
4. The results of village cooperation; and
5. Village wealth derived from other legal gains (article 76).

### **3.4. Supervision function**

Supervision is a process to ensure that all activities carried out are in accordance with what has been planned. According to Winardi Supervision is all activities carried out by the manager in an effort to ensure that the actual results are in accordance with the planned results. Whereas according to Basu Private Supervision is a function that ensures that activities can produce results as desired. Meanwhile, according to Komaruddin, supervision is related to comparisons between the actual implementers of the plan, and the beginning for steps to correct irregularities and meaningful plans (Esther J Punu, 2019).

In terms of legal supervision, according to Ten Berge is a preventive step to enforce compliance.

Basically supervision is fully directed to avoid the possibility of fraud or deviation from the objectives to be achieved. through supervision it is expected to help implement the policies that have been set to achieve the goals that have been planned effectively and efficiently. The existence of state institutions conducts mutual supervision in accordance with their authority in order to create a function of control over fellow state institutions (Julianto J.J. Kalalo, 2018)

For this reason, the following functions are explained according to Ernie and Saefulah as follows:

1. Evaluate the success and achievement of goals and targets in accordance with the indicators specified.
2. Take the necessary clarification and correction steps.
3. Perform various alternative solutions to various problems related to achieving company goals.

According to Marigan the monitoring function is:

1. Strengthen the sense of responsibility towards the official who is entrusted with the duties and authority in carrying out the work.

Based on a circular issued by the directorate general of the interior ministry on procedures for overseeing village funds, in the pre-distribution stage there were aspects of the readiness of the village apparatus and regulations in receiving village funds, in this aspect there must be

clarity regarding village officials who have the authority to manage village funds , in this case the village secretary, village treasurer and financial statements must be made by the village head. In reality in Kampung Poo, technical officials of village finance managers do not have a decree issued by the village head only direct appointment by the village head to the village secretary and a financial basis for managing village funds, this is inversely proportional to the rules made by the interior minister contained in the Ministry of Home Affairs Regulation No. 113 of 2014 concerning Village Financial Management article 3 paragraph (3) which reads the Village Head in implementing village financial management, assisted by PTPKD, so that it can be said that supervision of village funds is still not well implemented in the pre-distribution aspects village funds.

From the results of field studies, it can be said that the village fund planning discussed in the development planning meeting can be said that the community has actively participated in the planning of programs funded by Kampung Poo village funds, only in determining the priority programs that will be carried out by the village government when village funds were disbursed, the village government did not involve the community to determine what programs were prioritized funded by village funds. Even though according to the rules contained in the technical guidelines for village fund supervision by village consultative bodies, the village government must conduct deliberations with the village consultative bodies and the community in determining the priority programs to be carried out. So that the community and village consultative bodies can oversee the implementation of programs funded by village funds. Village consultation bodies and communities are only invited to conduct final reviews and evaluations when the program has been completed. So, it can be said that community participation in village fund management in the pre-distribution aspect is still not well implemented. In addition, information boards about the program and the funds needed are not clearly known by the community so that supervision does not go well.

Supervision of village funds is carried out by the District Government and the Village Council. The council of the Village has the task of overseeing village funds which is one part of the implementation of the main tasks and functions of the village itself which is explained in Government Regulation No. 43 of 2014. Article 51 paragraph (3) explains that the report on the administration of Village Government is used by the people's representative in carrying out the performance supervision function of the village head.

In supervising village funds, the community participated by being represented by the DPR The village became a direct supervisor in the implementation of village governance, including supervision of village funds. In addition, the community represented by community leaders was also directly involved in the development planning meeting (Musrenbang), where a portion of the funds used came from village funds.

The form of supervision of village funds carried out by the Village Parliament is by supervising the use of village funds starting from program planning, program implementation and evaluation of village funds. DPR Kampung has an important role in overseeing village funds as stated in Law No. 6 of 2016. The supervision of village funds is represented by the village council where in the supervision of village funds proposed by the Inspectorate General of the Ministry of Home Affairs, that supervision of village funds is carried out in 3 stages namely the pre-distribution stage, the distribution and use stages and the post-distribution stage. In these three stages the supervision process starts from the pre-distribution stage where supervision is related to the readiness of the village apparatus and regulations in receiving village funds and the suitability of the village fund planning process.

Then in the stages of distribution and use that must be considered is the financial aspect in the use of village funds, then in the post-distribution stage that must be considered is administration, reporting and accountability for the use of village funds.

Based on a circular made by the Inspectorate General of the Ministry of Home Affairs regarding the procedure for supervision of village funds starting from the pre-distribution of village funds to the post distribution of village funds. Looking at the three stages of supervision of village funds, it can be said that the supervision of village funds by the Village Poo council is not too good because these three stages have not been implemented properly, especially in the pre-distribution stage and the distribution and use of village funds. Because in this process the Village Poo council was not called to hold a meeting on what programs should be prioritized in the development and empowerment of the community, but was only instructed to review the programs that had been carried out by the village government funded by village fund allocation, besides the absence of letters decisions regarding technical staff of village funds made by the village head, but only direct appointment by the Village Head. Therefore supervision of village funds cannot be said to be going well.

#### **4. CONCLUSION**

The results and discussion show that the village council supervision function of Village Poo's financial management has not gone well because there are still technical village management officials appointed directly by the village head. So that the supervision function of the Kampung Poo DPR from the stage of distribution and use of village funds have not been too good. Therefore the advice that can be given is the Head of the Village in appointing technical manager of village funds should use a decree.

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