

Village Fund Management: A Foucauldian Perspective

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ABSTRACT

The village fund was introduced in 2014 to stimulate development in villages all over Indonesia. However, the special task force of the village fund in the mid of 2017 solely had received 10,000 complaints regarding suspicion of misuse of the village fund, which resulted in 200 village officials end up in jail. Therefore, this study is to explore many aspects affecting the processes of planning and establishing of village budget in a village located at Madura. A qualitative approach is applied in this study to enable researchers to explore many aspects of the management of the village fund. The findings of this study indicate that the Musrenbangdes as a tool in the planning stage were interloped by the head of the village without considering the interests of local society. Consequently, development proposals contained in the Musrenbangdes, which later were elaborated in the RPJMDesa as mid-term programs and the RKPDesa as short-term programs, were determined by the head of the village and his officials. Meanwhile, the head of the village is not equipped to handle the planning and budgeting process of the village fund. Hence, the head of the village placed his right-hand man as a coordinator to manage the village fund, resulting in a lack of transparency in the management of the fund.

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1. INTRODUCTION

Villages law no. 06/2014 signifies to give autonomy to every village in four facets, i.e. (1) governance; (2) implementation of development; (3) community development; and (4) empowerment of villagers. The autonomy is accompanied by funding from the central government through an allocation from APBN (national budget) and recognized as a source of village fund (article 72 par.1, point b). Furthermore, the funding from the central government will become the responsibility of the head of the village along with his/her officials. However, the central government encourages the involvement of the local community to participate thoroughly in the planning of usage of the fund or budgeting. The initiative is expected will motivate the head of the village and his/her officials to be more transparent, but on the other side, it will become a challenging task.

All these arrangements make tasks of the head of the village along with his/her officials more complicated than before, and it raises happiness and anxiety at the same time. These phenomena have been portrayed in some previous studies, such as a study in Banyuajuh village of Bangkalan district. His finding indicates that officials of the village become anxious because they have to handle many more tasks along with responsibility compared to the previous era. Also, they feel worried as their reports will be monitored and audited by the Indonesia supreme audit (BPK), which might imply legal consequences if the BPK found any financial irregularities (Rohimanto, 2015). Moreover, the special task force of the village fund in the mid of 2017 solely had received 10,000 complaints regarding suspicion of misuse of the village fund, which resulted in 200 village officials end up in jail.

Prior studies related with village fund management in Madura had been conducted, such as study in Kalimo'o village of Sumenep district indicates that accountability mechanisms do not follow regulation Permendagri No.37/2007, as the mechanisms do not involve local society or BPD (*Badan Perwakilan Desa*) as representative of local society (Furqani, 2010). Besides, APBDes indicates that in the planning stage of the APBDes does not involve local society. Programs contained in the APBDes are supposed to be determined in a village meeting in which the programs will be funded by the central government channeling through the village fund (Surya et al., 2013). These previous studies are corroborated by recent studies conducted by (Dewanti et al., 2015) and (Dachliyati, 2016). Those findings indicate that implementation of management of village fund are varies among areas particularly in Madura. Hence, it will be interested to explore the implementation in order to obtain the pattern of the implementation, which can be used as a reference to formulate the suit approach for the implementation of the village fund management.

Referring to the previous studies, this study intends to investigate in-depth about the background of the observed phenomena; then, analyze it from the Foucauldian perspective. The Foucauldian in this study embracing several facets such as power, exercising power by the power holder, governing themselves and governing others. Finally, the findings of this study are elaborated in a framework of the management of the village fund encompassing planning, budgeting, implementation and reporting processes. The approach applied in this study is a distinguishing factor from the previous studies.

2. LITERATURE REVIEW

Research on financial control of Indonesia local government has been undertaken from many facets and emphasizes, such as opportunistic behavior examined from the agency theory perspective, or the importance of internal control in local governments in which were undertaken by (Mustafa et al., 2011; Nugraha, 2010). Moreover, researches based on institutional theory were undertaken with various objects such as a system of budgeting and accounting in local government by (Amirya et al., 2011; Djamhuri, 2009). Both studies applied institutional theory as a lens through which to view their study in local government or state-owned enterprises.

Djamhuri (2009) investigated performance-based budgeting and accrual accounting in a local government. His findings indicated that a new system of budgeting and accounting will cause decoupling due to the rigidity of the bureaucratic environment. Also, the insufficient quantity and quality of staff in accounting. Meanwhile, Amirya et al. (2011) finding indicated that the application of budget and accounting systems was needed to obtain legitimacy. The impact of external pressures, uncertainty, and management commitment to transparency in financial reporting of local government were investigated by the institutional theory as the point of view. Their study emphasized on the isomorphism method, i.e. coercive, mimetic, and normative, in the transparency of financial reporting. Their study indicated that the implementation of financial transparency was affected by external pressures that were imposed by laws and regulations from the central government.

The other research on local government employing the agency theory has been conducted by (Abdullah & Asmara, 2006) regarding how the legislature utilizes government regulations as a media to

behave opportunistically for own benefits. Their study indicated that legislative members behave opportunistically towards budgeting processes, which were affected by *Pendapatan Asli Daerah* (local government income); and *Anggaran Pendapatan Daerah* (local government budget) was used as a medium for corruption.

Moreover, researches focusing on internal control of local government have been accomplished in some Indonesian local governments, such as Nugraha (2010) researched in the Provincial Government of West Java; and Mustafa et al. (2011) investigated practices in Kendari City. Those studies indicated the importance of an effective internal control system to ensure the reliability of financial information. Mustafa et al. (2011) found that technology was essential to enhance the reliability of financial information. However, Mustafa et al. (2011) found that human resources were statistically insignificant when it came to ensuring the reliability of financial information because the staff in accounting were still lack of knowledge as indicated by Djamhuri (2009) regarding quantity and quality of accounting staffs.

The control environment supported with information and communication (Nugraha, 2010) is needed to improve the internal control of an organization (Mustafa et al., 2011; Nugraha, 2010). However, some obstacles need to be resolved such as rigidity of bureaucratic culture (Djamhuri, 2009); lack of quality and quantity of personnel (Bappenas, 2011; Djamhuri, 2009; Harun, 2007; Mustafa et al., 2011), information technology (Mustafa, 2011), and Implementation of a new system as an attempt to obtain legitimacy (Amirya et al., 2011; Ridha & Basuki, 2011). By resolving those obstacles, it is expected that the organization will acquire better governance (Cameron et al., 2005; Mustafa et al., 2011; Sumarto et al., 2004), which at the end the poverty can be reduced (Sumarto, S. et. al., 2004).

Those conditions above are also required to be balanced with a local representative who has to be participated actively (Abdullah & Asmara, 2006; Harun, 2007; Rahmanurrasjid, 2008). Moreover, the involvement of local society, press, or social organization (Alatas et al., 2002; Cameron et al., 2005; Rahmanurrasjid, 2008). All of those phenomena can be depicted in the following figure:

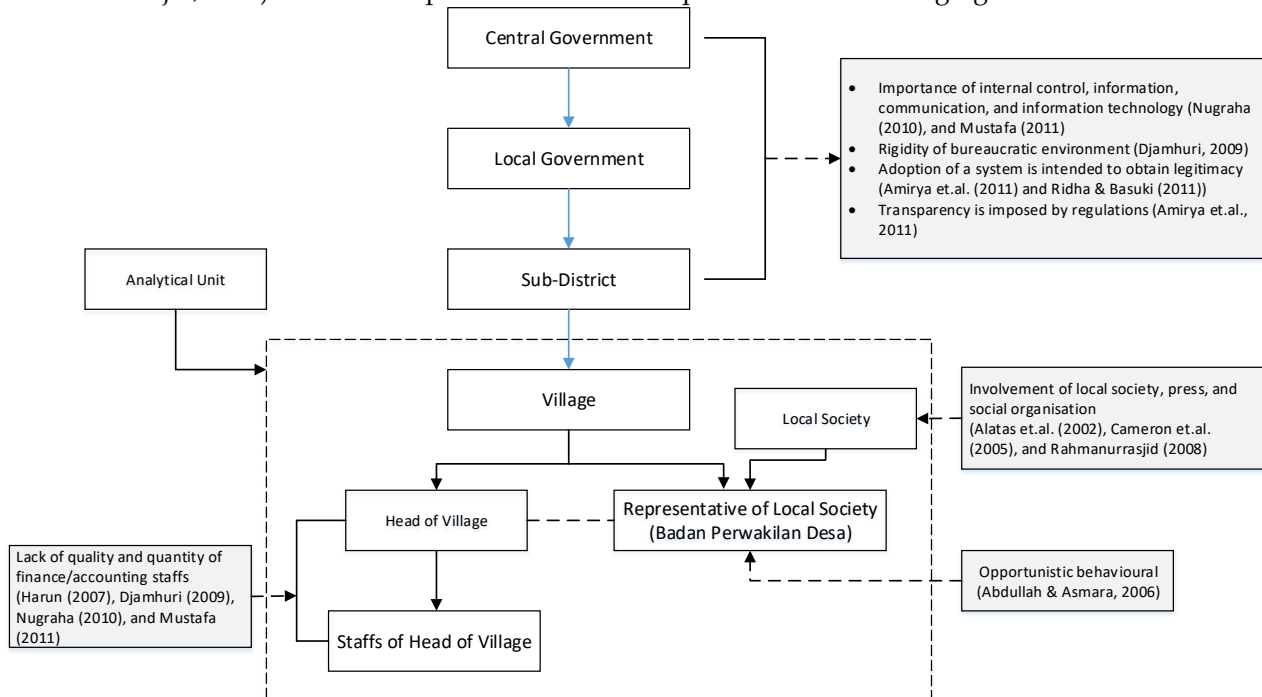


Figure 1. Theoretical Framework

Source: References Synthesized, 2020

Figure 1 describes the conditions based on the previous studies. Several things need to be emphasized, such as importance of internal control, information, and communication in government organization, which the systems are imposed by the higher level. In this senses, we will observe how the power are exercised to the lower level in the government structure. Specifically, in the analytical unit, we will explore on quality and quantity of staffs, opportunistic behavior of the representative of local society, and involvement of local society. In this matters, we will scrutinize how all of the government elements govern themselves and govern the others.

3. RESEARCH METHOD

This study employs a qualitative approach to develop discourse analysis based on the Foucauldian perspective. Aim of the discourse analysis is to explore social condition and processes that are expressed, signalled, or legitimized by language (Wodak, 2001), which is also regarded as the conceptualization of a social phenomenon, then find an explanation about the phenomenon, how the phenomenon occurred and what the structure of the phenomenon is. Meanwhile, Teun van Dijk in (Fairclough, 2001) suggested that the discourse analysis as ‘a framework to systematize the phenomenon of social reality’ and define it as a communicative event. As ‘every social practice has a semiotic element’ (Fairclough, 2001; Meyer, 2001). Therefore, this method covers three social concepts: the concept of power, the concept of history, and the concept of ideology (Wodak, 2001), which are also extensively elaborated by Foucault in his thought. As Foucault suggests the concept of disciplinary power, the relation between knowledge and power, the notion of visibility, and the process of normative judgment that are closely related and hard to be discussed separately (Boland, 1987). Hence, the discussion of this study is focused on that matter as a lens of analysis.

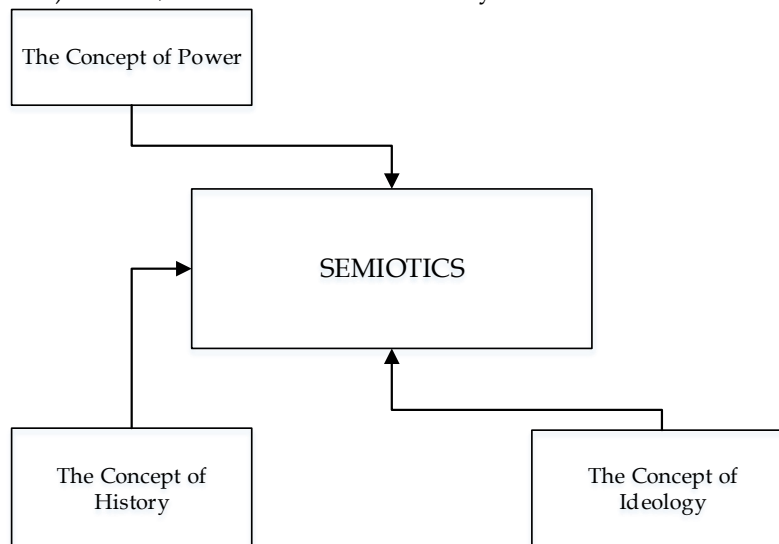


Figure 2. Research Framework of Discourse Analysis

Source: References Synthesized, 2020

The figure 2 describe about how semiotics are perceived by local society, which cannot be separated from three concepts, i.e. the concept of power, history, and ideology. Hence, any symbols or signs in particular area might have different meaning in other area. The differences are influenced by those concepts of power, history and ideology. In this study, the semiotics are bounded with conception of Foucault concerning power, governing themselves, and governing others in which will be elaborated referring to the three concepts.

The qualitative approach is applied in this study to give more emphasis on the quality of information, investigate it, and comprehend phenomena flourishing in a setting of real condition to be able to develop a framework. Information for this study is collected from several informants that directly engage in management village funds from the central government. All the informants hold a formal position in the chosen village and information is also gathered from community leaders as the representative of informal leaders. Informants of this study are listed in the following table 1:

Tabel 1. List of Informants

No.	Name	Position	Gender
1.	Ahmad	Head of the village	Male
2.	Hafid	The temporary person in charge as head of the village (PJS Kades)	Male
3.	Sairi	Village secretary	Male
4.	Soleh	BPD (Local community representative)	Male
5.	Kholiq	Informal leader	Male
6.	Sa'diyeh	Village official	Female

Source: Data Processed, 2020

Data is gathered through an unstructured interview with all the informants; then the information collected is triangulated by observation and documentation study to confirm information from the informants. The interview is not performed in the head of the village office merely, but also in the house of

the village official, because the office of the head village is not open daily. Meanwhile, the documentation investigation is undergone by investigating all the village documentation related to the village fund, such as RPJMDesa, RKPDesa, and APBDesa.

4. RESULT AND DISCUSSION

The planning stage is the initial phase of village fund management and fraud tends to occur in this stage. In this stage, proposals for a village development are raised in *Musrenbangdes*, then included in the RPJMDes as mid-term planning to realize the vision and mission of the head of the village. In the *Musrenbangdes*, planning, and budgeting in APBDes are discussed and must get approval from local society to be implemented in the following year. Including in this village, every year *Musrenbangdes* are held on to discuss work plan for the following year, which is later followed by a budget in APBDes. This condition is expressed by Ahmad as head of the village:

"We hold Musrenbangdes every year, it forms proposals that are raised by the head of hamlet (kepala dusun) in the village meeting"

Furthermore, the head of the village stated that he has invited local society to the *Musrenbangdes* to discuss the proposal of the village development, but there is no response from the local society. Hence, local society does not know what is proposed in the RPJMDes and RKPDDes:

"local society does not want to attend the Musrenbangdes if they do not get any money, because they perceive if they come in assembly, they will get some money or at least a pack of a cigarette (he is shaking his head)"

These statement of Ahmad (Head of the village) is also confirmed by Soleh (Head of BPD (representative of local society)):

"The Musrenbangdes is held on and only attended by village officials. Any development ideas are proposed through the head of hamlet (kepala dusun), such as a hamlet proposed a road to connect his hamlet with the village head office."

Another confirmation comes from Sairi as Secretary of the village:

"if we hold the Musrenbang, we usually only invite village officials and all head of hamlets"

Those interviews indicate that the *Musrenbangdes* most likely is attended by village officials and the head of hamlets, as the local society still perceives the *Musrenbangdes* do not give any direct benefit for them. Although the local society presence is required to give a contribution to their village development. Hence, planning for village development cannot be achieved optimally. However, a different point of view regarding *Musrenbangdes* comes from Kholiq as informal leader that stated:

"regarding the Musrenbangdes, I have never been invited to planning and budgeting of the village development. I do not know how the village fund is located and used. I do not know where the village will be headed to; what are our potentials and challenges we face in the future. Once, I was invited to the Musrenbangdes but it only discusses the committee for the head of the village election"

The statement of Kholiq as an informal leader in the local community gives a different perspective from a formal leader concerning the absence of local society in the *Musrenbangdes* that supposed to be attended by local society. The absence of local society for any reason violates Permendes No. 2/2015 and Permendagri No. 114/2014 requiring *Musrenbangdes* to be participative, democratic, transparent, and accountable.

In order to validate the statement of the formal and informal leader, researchers checked official reports available in the village. When official reports and attendance lists of the *Musrenbangdes* are checked, all the documents are complete. Even in an attendance list of the *Musrenbangdes* was found 20 signatures, though in reality it was only attended by village officials that the number of the officials did not reach 20 people. It indicates that the *Musrenbangdes* is intended to fulfill administrative requirements. The *Musrenbangdes* was arranged by village authority, and the village authority intervened execution of the *Musrenbangdes* include the official reports of the *Musrenbangdes*. It contradicts with regulations UU No. 6 / 2014, Permendagri No.114 / 2014, PP No. 47 / 2014, and Permendes No. 2 / 2015 regulating obligation of the village to organize *Musrenbangdes* without intervention from any other parties.

Documentations also raised a concern, as every village is required to provide documentation, such as planning documents, RKPDDes, APBDes, and RAB when the villages want to execute their programs. When the researcher asked about the availability of the documentation, the head of the village said that he does not have all the documentation, although those documents are needed as guidance to implement the scheduled programs.

"Documentations such as RPJMDes, RKPDDes, and APBDes, I don't have it. I asked the village secretary (carik) and village officials to compile it as I cannot operate a computer. All data is complete and hold by the village officials. You can ask them"

The head of the village supposes to know all the documents because all the documents are very important and become a reference for his programs including all funding for the programs. In order to confirm the head of the village statement, the researchers went to the village secretary:

"regarding documentations RPJMDes, RKPDDes, and APBDes, I did not compile it. May you ask Mr. Hafid (temporary person in charge as head of the village (PJS Kades)), he knows the processes"

The researchers went further to Mrs. Sa'diyeh as one of village official to confirm the statement of the head of the village regarding documentations, she said that:

"documentations of RPJMDes, RKPDDes, and APBDes are not compiled by the head of village or village officials, but by sub-district officials. They (head of village and village officials) do not bother with all documents. The most important things are the fund can be disbursed. My tasks are to make any corrections if it is needed, and preparing disbursement reports along with all the receipts"

Based on the information from the village official, then the researcher went to the sub-district office to confirm it and it was quite surprising because all the original documents such as RPJMDes, RKPDDes, and APBDes are held by the sub-district official; while the village officials do not have any of the documents. In addition, the sub-district official confessed that he was involved in preparing and compiling the documents, i.e. RPJMDes, RKPDDes, and APBDes. Hence, based on regulations No.113 dan 114 / 2014 has been violated by this village as those regulations suggest that the planning stage should be composed by the village itself without any interference from other parties.

Planning documentations that have been composed by village authority with the assistance of a third party (i.e. sub-district official) need to be assigned by the village regulations because without any signature from the BPD as representative of local society and head of the village, the planning cannot be implemented. Although it has been assisted by the sub-district official, determination of APBDes usually is late and consequently, development programs are late executed as well, as expressed by the head of the village:

"budget determination uses to be late because we have to wait for the indicative budget limit from central government. If the determination was late, disbursement of funds will be late, and development programs will be late also."

The statement has been confirmed by Mr. Hafid as a temporary person in charge as head of the village (PJS Kades):

"determination of the APBDes use to be late three or four months, even though planning along with all documentation has complete. I reckon several factors trigger the lateness. First, the local government does not give information about the budget limits that will be disbursed. Our concern is if the village budget does not match with the budget from the local government. Secondly, I suspect that some persons in the local government try to keep the villages fund in a bank to get a bank interest."

Another factor affecting delay of determination of the APBDes is the discrepancy between the schedule of planning and budgeting in the *Musrenbangdes* with a compilation of documentations by the sub-district officials. The documentation will be completed if the *Musrenbangdes* has been held on and after the indicative budget ceiling has been determined by local government (*Kabupaten*) as stated in Permendagri No. 114/2014 par. 35:

"head of the village will get data and information about indicative budget ceiling from particular local government...the data will be informed to the head of the village at the latest in July in the current year"

The delay of determination of the APBDes is also found in several studies, such as Sutaryo and Carolina (2014) and Wangi and Ritonga (2010), Subchan et. al. (2014). Another concern regarding the mechanism of documentation of the APBDes is ignorance of the head of the village about detailed in planning documentations as expressed by the head of the village himself:

"about planning and budgeting in our village will be assisted by a consultant who will calculate how much money we need. Then we will put it in our budget because I don't know how to calculate it. I just accept the calculations (from the consultant) and sign it"

In this case, the consultant is referring to a consultant for the construction of infrastructure that will determine the specification of the building along with the costs. After the calculation for the consultant is approved by the head of the village, then the building can be constructed. The building consultant and the appointed contractor supposes to comes from a different company. In this village, the roles of the building consultant are dominant to determine the specification of construction and the costs; and the village officials just take for granted the specification and the costs without any attempts to check the price of building materials. In this area, there are not many construction companies, and they use to cooperate. Hence, it creates an opportunity to commit fraud. The village budget supposes to be discussed in the

Musrenbangdes, but on the other side local society are also afraid to get involved in the budgeting process as stated by Mr. Kholiq as one of the informal leaders

“about the village budget, I don't know about it. How much funds from the government (central government), and what is for? I don't know; I don't have any information about it. Moreover, the budget is a very sensitive matter and I am afraid to intervene about it”

In this study, the researchers also tried to observe any media that might be used by village officials to communicate budgeting and disbursement of the village fund, which is required by regulation. However, the researchers did not find any media either leaflets or banners about the village fund. Hence, the local society does not really know how much and how the fund is allocated for village development as suggested by Mr. Kholiq. This practice contradicts with budgeting principle in the public sector that has been regulated in UU No. 14/2008 concerning transparency of public information which requires a public institution to publish about its activities, performance, and financial reports.

This section is divided into three sub-sections topic. The first sub-section discusses about control mechanisms in management of village fund revisited from concept of power, historical and ideological. Control mechanisms become focus in this discussion because all regulations proceeded by the central government are directed to control the usage of the fund. In this sense, control mechanisms have been employed in various ways. Establishing control mechanisms must be referred to the context, values, and beliefs of an organization because each circumstance might require different types of control (Follett, 1932; Scheytt & Soin, 2005; Edmonds et al., 2011). Even in a different department within an organization may behave differently even though they employ the same control system (Berry et al., 2005b). Therefore, designing a management control system need to consider the expectations of an organization towards their employees in order to conceive the strategies and objectives of the organization, which is expected to reduce the occurrence of behavioural problems, and to prevent any unpleasant surprises (Merchant & Stede, 2012).

On the other side, the application of control mechanisms uses to provoke various responses, such as resistance (Cowton & Dopson, 2002). Therefore, the control mechanisms need to strike a balance between several aspects, for instance: top-down direction and bottom-up creativity; the balance between surveillance and feedback systems, and balance between command control and social and cultural controls (Simons, 1995; Merchant & Stede, 2012). Particularly, concerning social control, social control reflects social perspectives or norms along with patterns of social interaction (Berry et al., 2005a). Meanwhile, cultural control offers mutual monitoring of those who wittingly or unwittingly violate group norms and values; it is regarded as the most effective control model when a group has social or emotional bonds (Merchant & Stede, 2012).

The effectiveness of cultural control is determined by its interaction with the environment that influences all aspects of the organization. Dimensions of this mingling can be seen in certain issues such as primary tasks and internal operations, rituals, climate, artefacts, jargon, stories, jokes and humour, legends, myths, sagas, rewards or punishments, and behaviour (Schein, 2004; Scheytt & Soin, 2005; Watson, 2012; Merchant & Stede, 2012). However, each organization has different ways of responding to its environment, because the culture of an organization varies either locally or nationally. Therefore, a study in international settings indicates that the application of a particular management technique in one culture does not always produce the same result in another culture (Silverthorne, 2005).

In this study, findings concerning the *Musrenbangdes* can be regarded as control mechanism in planning stage. Meanwhile, control mechanism in the reporting stage can be found in the dissemination information through leaflets or banners related usage of village funds did not meet expectations. Those mechanisms are supposed to be social control. However, culture affects the implementation of social control. On one side, local society tends to be apathetic because the local society thinks they will not get benefit from those mechanisms, and money is still perceived as a very sensitive matter. Hence, local society tends to avoid involving with all things related to the village fund. These conditions can be seen as a problem for the village authorities as it is required by regulations. Hence, the village authority with its power tries to overcome this problem by producing documentation to meet all the requirements.

Regarding power, Foucault argues that power as an omnipresent matter, an endless and open strategic game (Gordon, 1991). Power can be perceived as a way to direct individuals or groups concerning their subjection to political or economic ideas as an attempt to “structure the possible field of action of others” (Foucault, 1994a). In addition, Foucault (1994) indicates that power tends to be repressive, but in some sense, it is considered productive as well. However, power from the perspective of political science will contribute a narrow perspective, as the power is only emphasizing on power in the public domain and disregards any facets of sets of practices (McKinlay & Starkey, 1998). This condition consists of two parties,

i.e. a party who holds the power and the 'subject' that gives up his own identity consciously and is put under the control of the party who holds the power. It can be called a form of subjectivity in which can be prompted by economic and social processes. Consequently, the mechanisms of subjection will conduce exploitation and domination (Gunn, 2006). It can be considered as a manifestation of power in which people use to exercise the power over others, as power is designed in relation to 'partners' (Foucault, 1994b). The domination can be described as a stable and hierarchical relationship that gives subordinates extremely limited space to manoeuvre (Lemke, 2002).

Meanwhile, referring to Gramsci's perspective power is conceptualized as 'hegemony' that tends to be exercised through the channels of intellectual and moral capacity rather than by coercion (Lemke, 2007). Those mechanisms are perceived to be more complex than the propaganda and manipulation methods. The hegemony involves negotiation between the dominant and dominated concerning the realities of the politics, economics, and social structure of the masses because the interests of the masses tend to change from time to time (Gunn, 2006). In addition, Lukes, in Gunn (2006), there are three different views of power i.e. the one-dimensional view, involving visible conflict; the two-dimensional view, involving visible and latent conflict between parties with a conflict of interest; and a three-dimensional view, which extends the previous concepts to embrace the social structures and cultural patterns of groups and the practices of institutions. From those perspectives, power affects groups more than individuals (Gunn, 2006).

As can be seen in the planning stage and in reporting processes, there are two parties in which one party is the one who hold the power, and another party constitutes of a subject. The local society has given up their own identity and subjectified by villages' officials as the power holder. In the *Musrenbang*, the local society tends to be apathetic and gives up all the matters to the villages' officials. Consequently, the officials have to play dominant roles through intellectual and moral capacity as indicated by Lemke (2007). However, the apathetic behaviour also can be interpreted as latent conflict between the dominated and dominant parties as reflection of resistance of local society towards village authority.

Moreover, this condition can be observed not only on relation of village authority and local society, but also in relation between local government - village authority. In the later relations, the authorities who hold the power are very dominant and tend to exercise their power to other parties. For instance, the local government did not determine the budget limit for villages as soon as possible resulting delay in the implementation of the budget. Meanwhile, in the lower hierarchy, village authorities tried to exercise its power to local society by determining the village's programs based on interests of the village authorities.

The perceptions of power are acquired based on historical development, which later will affect the interactions between the nature and objectives of control systems and systems of communication and power. Hence, the interactions cannot be over-generalized because it is influenced by social, political, and economic history, as well as the history of society. Understanding social history is useful for understanding the expression of power, and how power relations between dominance and resistance occur (Gunn, 2006).

The village fund is a new program introduced by the central government. Historically, Indonesia adopted the centralistic model, and after reformation programs in the 2000s, Indonesia adopts the de-centralistic model. The de-centralistic model is applied to the village as the lowest level of government. However, implementation of the de-centralistic model is not followed by upgrading the competencies and capabilities of local authorities. Consequently, the dependency of local authorities to a third party is quite extensive, such as preparation all documentations by sub-district officials that it is not supposed to happen. As the practice is not allowed by regulations, and hence the village officials made up the financial reports to spare some money to pay the sub-district officials for their 'assistance'.

5. CONCLUSION, LIMITATIONS, AND SUGGESTIONS

This study explores practices in the management of the village fund that has been disbursed by the central government. The central government intends to stimulate development in every village in Indonesia. However, the good intention from the central government is not followed by the capabilities of village authorities to manage the fund and awareness of local society to participate in overseeing the usage of the fund. For example, as found in this study that lack of awareness of local society become a loophole in the management of the village fund, and the village authorities take advantages from the loophole. Development proposals are raised by the head of the village along with his officials and calculations of funds needed for the development are assisted by contractors. Meanwhile, all the documentation is prepared by sub-district officials.

Lack of capabilities of village authorities is also captured in this study in which the head of the village only accepts calculation from contractors regarding the cost needed for development that later is included in the village budget. After all stage of planning was established, which is started from the

Musrenbangdes until the village got indicative budget ceiling; then, all documentation including all financial reports are completed with the assistance of sub-districts officials. Meanwhile, the village officials only provide payment receipts and alteration sum of the budget it is needed.

Several limitations of this study that can be considered for future studies are (1) researchers did not interview all the village officials and members of BPD as local society representative; (2) researchers only interviewed an informal leader instead of local society in general because interviewing of all the local society member will be time consuming. Hence, it can be represented by the informal leader that are not included in the government structure; (3) regarding the delay on the determination of village budget because of delay on the indicative budget limit from local government, researchers cannot go further to confirm about this matter to local government.

Suggestion for practice improvement in the management of village fund, i.e. (1) need technical guidance from local government or central government to improve capabilities of village officials; hence, the village officials able to complete all documentation for accountability of the village fund. (2) the central government oversees the determination of the indicative budget ceiling because mostly delay on the determination of the village budget depends on the determination of the indicative budget ceiling from the local government. (3) the village needs to disseminate information about current development to the local society. (4) empowering roles of BPD as representative of local society to monitor implementation planning and budgeting processes. (5) enhancing awareness of local society; hence they willing to engage in development proposals that will be stated in planning and budgeting documents. As the local society will get directly impact from the development.

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