

Analysis of the Effectiveness and Efficiency of the Implementation of the Village Fund Budget in Semarang Regency

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ABSTRACT

To improve the quality and welfare of villages, the government has issued Village Funds, which can be used to build village infrastructure and facilities. The use of these Village Funds must be accounted for in financial reports. This study aims to identify the effectiveness and efficiency of Village Fund expenditure in Semarang Regency, using a case study of Mluweh and Kalikayen Villages, East Ungaran District, Semarang Regency, for the 2022-2024 budget period. The analytical methods used were descriptive analysis and data analysis to measure effectiveness and efficiency. The results of this study indicate that from 2022 to 2024, both Mluweh and Kalikayen villages demonstrated balanced effectiveness. Furthermore, from 2022 to 2024, both Mluweh and Kalikayen villages demonstrated efficiency. This means that the village government has been able to reduce expenditure while maintaining the implementation of village programs and activities.

Keywords: Effectiveness, Efficiency, Expenditure Budget, Village Fund

Analisis Efektivitas dan Efisiensi Pelaksanaan Anggaran Dana Desa di Kabupaten Semarang

Abstrak

Dalam meningkatkan kualitas dan kesejahteraan desa, pemerintah telah mengeluarkan Dana Desa yang dapat dipergunakan untuk membangun insfastruktur dan prasarana Desa. Pemakaian Dana Desa ini harus dapat dipertanggungjawabkan akuntabilitas laporan keuangannya. Penelitian ini bertujuan mengidentifikasi efektifitas dan efisiensi anggaran belanja Dana Desa di Kabupaten Semarang, dengan studi kasus pada Desa Mluweh dan Desa Kalikayen Kec. Ungaran Timur Kabupaten Semarang, periode anggaran 2022-2024. Metode analisis yang digunakan yaitu analisis deskriptif dan analisis data perhitungan pengukuran efektifitas dan efisiensi. Hasil penelitian ini menunjukkan dari Tahun 2022 sampai dengan 2024, Ke dua Desa Mluweh dan Desa Kalikayen menunjukkan Efektivitas yang berimbang. Berikutnya di tahun 2022 sampai dengan tahun 2024, kedua Desa Mluweh dan Kalikayen menunjukkan Efisiensi. Artinya pemerintah desa telah mampu menekan pengeluaran belanja dengan tetap mempertahankan pelaksanaan program dan kegiatan desa.

Kata Kunci: Efektifitas, Efisiensi, Anggaran Belanja, Dana Desa

INTRODUCTION

On January 22, 2025, the President of the Republic of Indonesia issued Presidential Instruction (Inpres) No. 1 of 2025 concerning Expenditure Efficiency in the Implementation

of the State Budget and Regional Budget for the 2025 Fiscal Year. This instruction is a strategic step by the government in managing state expenditure more effectively, while reducing the fiscal deficit which is projected to

reach Rp 616.2 trillion or 2.53 percent of GDP. Through this policy, the government targets efficiency of Rp 306.69 trillion, with Rp 256.1 trillion coming from spending cuts by Ministries/Institutions and Rp 50.6 trillion from transfer adjustments to the regions. This effort aims to reduce budget waste and increase the effectiveness of state spending in supporting Economic growth. <https://umj.ac.id/opini/efisiensi-anggaran-dan-produktivitas-nasional-navigasi-kebijakan-di-tengah-tantangan/>

Focusing on the efficiency of the Village Fund, the Village Fund which is reserved of Rp 2 Trillion in the context of spending efficiency is a Village Incentive, so that it does not affect the allocation of Village Funds for each Village that has been previously determined. The Village Fund was previously planned to be Rp 71 Trillion, including Rp 2 Trillion allocated as Village Incentives and/or to implement the Central Government's policy in the form of *burden sharing* funding, in other words, the Village Fund that is reserved is indeed the Village Incentive which is a reserve fund. Law Number 62 of 2024 stipulates that the Government can take policy steps related to State Revenue, State Expenditure and/or Budget Financing to deal with threats that endanger the national economy and financial system stability. (<https://djpb.kemenkeu.go.id/kppn/palopo/id/data-publikasi/berita-terbaru/2929-efisiensi-dana-desa-memacu-kemandirian-desa.html>).

Accountability is urgently needed in the management of village finances and assets. The reason is that in the field, it was found that there are various guidelines adopted by village officials. According to Sujarweni, Wiratna. V (2015), "Because there are no financial reporting standards in the village, perhaps the government can make an equation with Government Regulation No. 71 of 2010 where according to the Government Regulation include Budget Realization Report, Balance Sheet, Cash Flow Report, Equity Change Report, and Notes on Financial Statements." Siskeudes is a Village Financial System issued

by BPKP to account for village financial accountability. This financial system is filled in pertussively and online, integrated in sub-districts and districts. Every year-end or beginning of the year is audited by BKPP, the Inspectorate.

The Government budget is related to the process of determining the amount of funds allocated for each program and activity in monetary units that use funds owned by the community. The public budget is a planning tool as well as a control tool. The budget as a planning tool indicates the targets that must be achieved by the government, while the budget as a control tool indicates the allocation of public funds that are approved by the legislature to be spent

A new demand has emerged for public sector organizations to pay attention to value for money in carrying out their activities. The goals desired by the community include accountability for the implementation of *value for money*, namely economical in the procurement and allocation of resources, efficient, in the use of resources in the sense that their use is minimized and the results are maximized and effective in the sense of achieving goals and objectives.

This research replicates the research of Sumenge, Ariel S (2013) & Pangkey, Imanuel & Pinatik, Sherly (2015). The difference between this study and the previous one is the addition of in-depth interviews (*Deeptalk*) with the actors managing the Village APBD, related to the impact of the efficiency of Presidential Instruction No. 1 of 2025. This study aims to test the Level of Effectiveness and Efficiency of the Implementation of the Village Expenditure Budget.

Literature Review

Village Financial System An integrated financial system to record the receipts and expenditures of Village Funds and other funds received by the Village government. Villages in financial management must be transparent and accountable, so an

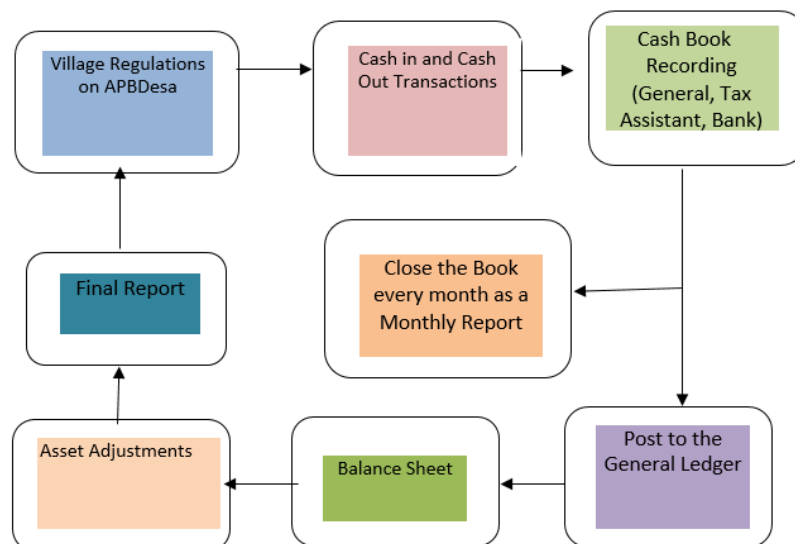
accountable and user-friendly village financial application is needed . The database uses Microsoft Access so it is more portable. This application is used at the village level, district level as a compilation (SQL). The control of opening the application consists of user_id, password and user level. The administrator level in the district, and the operator level in the village.

Cash receipts by the village government according to Permendagri No. 113 of 2014 can be in the form of village revenue sourced from original village income, transfer income, other income, or those sourced from financing receipts. Meanwhile, cash expenditure by the village government can be in the form of expenditure in the field of village government implementation, the field of village development implementation, community development, unexpected fields or for cost expenditure.

The Cash Receipts and Cash Expenditure accounting information system provides useful information for decision-making by management. The preparation of the Village *Financial Statement* involves the 5.

following activities (Yuliansyah & Rusmianto, 2015):

1. The village financial administration cycle begins with the establishment of village regulations on the Village Revenue and Expenditure Budget (APBDesa).
2. Based on the Regional Budget, the village government conducts financial transactions in the form of cash receipts as a source of village income and makes cash expenditures in the form of expenditure to carry out village operations and programs.
3. Based on the evidence of financial transactions, especially the Payment Request Letter and Proof of Cash Receipt, the village treasurer records in the cash books (general cash book, tax assistant book, and bank book).
4. The village treasurer posts the cash book to each account in the ledger. The village treasurer prepares a balance sheet which is a summary of the balance of each account in the general ledger.



Source: Permendagri No. 113 of 2014

Figure 1. Village Financial Administration Cycle

Furthermore, the village treasurer calculates and adjusts the accounts related to

current assets as a stage of preparing the Village Property Statement. Finally, the village treasurer prepares financial reports.

Regional expenditure is used to mark the implementation of revenue affairs that occur when the responsibility for the expenditure is authorized by the unit that has a treasury function. Regional expenditure is used in order to mark the implementation of government affairs that are the authority of the provinces and districts/cities which consist of mandatory affairs, optional affairs and handling matters in parts or fields that can be carried out jointly between local governments as stipulated by the provisions of the law.

Direct and Indirect Spending Budget Effectiveness

- a. Direct Expenditure Budget Direct expenditure budget, which is expenditure that is directly influenced by the existence of planned programs and activities. The type of Direct Shopping can be in the form of Employee/Personnel Shopping, Goods/Services Shopping, Maintenance Shopping and Official Travel Shopping.
- b. Indirect Expenditure Budget Indirect Expenditure is expenditure that is not directly influenced by the existence of programs or activities. Types of Indirect

Expenditure can be in the form of Employee Expenditure/Employee Salaries, Goods/Services Expenditure, Maintenance Expenditure and Official Travel Expenditure (Muttaqinhasyim, 2010).

Effectiveness according to Mardiasmo (2009:132) is basically related to the achievement of policy goals or targets (results). Effectiveness is the relationship between output and goals or targets that must be achieved. Operational activities are said to be effective if the activity process achieves the goals and final objectives of the policy (spending wisely).

Mardiasmo (2009:132) efficiency is closely related to the concept of productivity. Efficiency measurement is carried out using a comparison between the output produced and the input used (*cost of output*). The process of operational activities can be said to be efficient if a certain product or work result can be achieved with the lowest use of resources and funds (*spending well*). Efficiency indicators describe the relationship between resource inputs by an organizational unit (e.g., staff, wages, administrative costs) and the outputs generated.

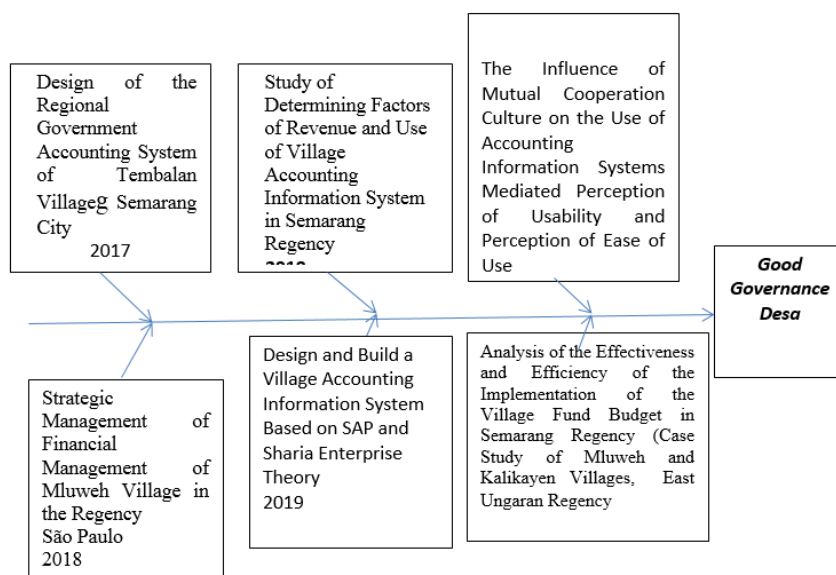


Figure 2 Research Roadmap

RESEARCH METHODS

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions (Sugiyono, 2011, 73). The population used in this study is all villages in Semarang Regency.

Meanwhile, the sample is part of the number and characteristics possessed by the population (Sugiyono, 2011, 70). The sample of this study is Mluweh Village and Kalikayen Village, East Ungaran District, Semarang Regency.

The data collection technique is direct research in the field. Data collection is carried out by several methods, namely: a. Direct review (observation), which is a data collection technique where the author goes directly to the location of a government agency and observes the activities carried out by the government agency. Observations will be carried out in September and October 2025. Interviews, which are face-to-face and Q&A directly with

the parties responsible for the problem being researched. The interview was carried out by interviewing the Village Head and the Kalikayen Village Secretary. Next was the next interview with the secretary of Mluweh Village. c. Observation of procedures or policies carried out by government agencies. Observation of the online input and recording process at both Mluweh and Kalikayen Village Offices.

The method used is a descriptive analysis method, which is a discussion method that describes, describes, compares, and explains a data or situation in such a way that a conclusion relevant to the theory can be drawn. Data analysis begins with:

1. The effectiveness ratio describes the ability of the Provincial Government (Pemprov) to realize the planned budget compared to the target set based on the real potential of the region.

The formula for measuring effectiveness is as follows:

$$\text{Effectiveness} = \frac{\text{Realization of the Village Fund budget}}{\text{Village Fund Budget}} \times 100\%$$

In this study, the effectiveness level was calculated from 2022-2024.

2. Efficiency ratio is a ratio that describes the ratio between the amount of costs

incurred to obtain expenditure and the realization of the expenditure budget, which is received.

The formula for measuring efficiency is:

$$\text{Efficiency} = \frac{\text{Realization of Village Fund Expenditure}}{\text{Village Fund Budget}} \times 100\%$$

Data is a set of information needed to make decisions. Kuncoro (2009:145) stated that data types can be differentiated into. 1. Quantitative data, is data measured on a numerical scale (numbers). 2. Qualitative data is data that cannot be measured on a numerical scale. However, because in statistics all data must be in the form of numbers, qualitative

data is generally quantified so that the data can be processed further.

In this study, the analysis techniques used are:

1. Study the revenue and expenditure budget posts in the sample villages: Mluweh and Kalikayen Villages, East Ungaran District, Semarang Regency.

2. Hold a Q&A with management/officials of the sample Village Government: Mluweh and Kalikayen Villages, East Ungaran District, Semarang Regency.
3. Studying the effectiveness and efficiency of services of the Mluweh and Kalikayen Village Offices, East Ungaran District, Semarang Regency.
4. Learn how to prepare a good budget from the Mluweh and Kalikayen Village Offices, East Ungaran District, Semarang Regency.
5. Conduct a comparison between the preparation of the revenue budget and the expenditure budget at the Mluweh Village Office and Kalikayen East Ungaran District, Semarang Regency.

RESULTS AND DISCUSSION

Village financial management planning is no later than October of the current year. The draft village regulation on the APBDes is made and must be approved by the Village Head and the Village Consultative Body. The Village Head must submit the approved draft APBDes regulations to the Regent/Mayor through the Sub-district Head or other designation, within three days from the date of approval for evaluation. The Accounting Section records all financial transactions involving the receipt and disbursement of village funds. This includes village tax revenue, transfer funds from the central or local government, as well as expenditure on infrastructure development, community services and other programs.

In the village accounting process, budget planning is key. The village government must plan the budget wisely, ensuring that available funds are allocated efficiently to projects that support the development and welfare of the village community. In addition, village accounting can also be a powerful tool in supporting transparency, community participation, and village government accountability.

Analysis Results

Semarang Regency is a regency in Central Java Province with its capital city Ungaran. The area of Semarang Regency covers an area of 981.95 km² with a total population of 978,253 (Th 2009) inhabitants. Semarang Regency consists of 19 sub-districts, which are subdivided into 208 villages and 27 sub-districts. Areas that have density or dense residential distribution are the downtown area (Ungaran District), areas along the Semarang-Bawen corridor and areas that directly border Semarang City and Salatiga City. The livelihood of residents in Semarang Regency in general still works in the agricultural sector, this is in accordance with the potential of the region.

Semarang Regency is still mostly agricultural land. Rural areas in Semarang Regency are in accordance with the Village Law no. 6 of 2014, which states that a village is an area where residents or people have a basic livelihood in the field of agriculture, farming or agrarian (Yuliansyah & Rusmianto 2016). In the village location of Semarang Regency, the recording and financial reporting of village funds has been attempted using the village financial system or what is called SISKUEDES. After an initial investigation, according to the user, the implementation of SISKUEDES has not been able to meet all reporting needs according to SAP Desa. The system can only fulfill planning, budgeting, and general cash statements.

Ration Effectiveness

The financial performance of the Village can be categorized as effective and balanced if the ratio achieved is at the level of 100%. The alignment between the budget that has been set and the realization shows that the implementation of financial performance has run optimally. The calculation of the Effectiveness Ratio in detail is presented in tables 1 and 2 below.

Table 1. Results of the Kalikayen Village Effectiveness Ratio Calculation Process for 2022-2024

Year	Estimated Revenue	Revenue Realization	Effectiveness Ratio	Remarks
2022	IDR 916,199,000.00	IDR 916,199,000.00	100%	Balanced Effectiveness
2023	IDR 826,801,000.00	IDR 826,801,000.00	100%	Balanced Effectiveness
2024	IDR 834,667,000.00	IDR 834,667,000.00	100%	Balanced Effectiveness

Source: Processed secondary data

Table 2. Results of the Calculation Process of the Effectiveness Ratio of Mluweh Village in 2022-2024

Year	Estimated Revenue	Revenue Realization	Effectiveness Ratio	Remarks
2022	IDR 831.123.000.00	IDR 605,288,855.00	137%	Effective Balanced
2023	IDR 867,382,800.00	IDR 867,382,800.00	100%	Effectiveness Balanced
2024	IDR 825,029,000.00	IDR 825,029,000.00	100%	Effectiveness

Source: Processed secondary data

Based on the results of the calculation of the effectiveness ratio of Village Funds in Kalikayen Village and Mluweh Village from 2022 to 2024, results were obtained that showed that the financial performance of the two villages was considered to be effectively balanced. This can be seen from the achievement of the effectiveness ratio of Kalikayen Village which has consistently reached 100% in 2022, 2023, and 2024. This condition indicates that Kalikayen Village is able to realize village income in accordance with the target that has been budgeted every year. Thus, the performance of village income management shows stable and balanced results between realization and the set budget.

Meanwhile, Mluweh Village in 2022 showed an effectiveness ratio value of 137%, which means that its performance is effective, because the realization of revenue exceeds the planned budget. However, in 2023 and 2024,

the effectiveness ratio was recorded at 100%, indicating a balanced effective condition. This change shows that Mluweh Village is able to adjust its revenue management policy to be in line with the predetermined budget.

Overall, the average effectiveness ratio of the two villages during the 2022–2024 period was around 112%, which shows that village income management is relatively effective. These results illustrate that the village government has been able to carry out its duties well in realizing village revenue targets, and is able to utilize potential sources of income to support development activities and community services.

Efficiency Ratio

The Efficiency Ratio describes the ratio between the amount of costs incurred and the revenue generated. The results of the complete Efficiency Ratio calculation are presented in Table 3 and Table 4.

Table 3. Results of the Kalikayen Village Efficiency Ratio Calculation Process for 2022-2024

Year	Budget	Realization of Spending	Effectiveness Ratio	Remarks
2022	IDR 1,109,071,500.00	Rs. 942.553.553,00	85%	Efficient
2023	IDR 993,318,947,00	IDR 801,140,481,00	81%	Efficient
2024	IDR 1,026,845,466,00	IDR 874,093,479.00	85%	Efficient

Table 4. Results of the Calculation Process of the Efficiency Ratio of Mluweh Village in 2022-2024

Year	Budget	Realization of Spending	Effectiveness Ratio	Remarks
2022	IDR 2,584,491,885.00	Rp.2,145,142,760,00	83%	Efficient
2023	Rp.1.095.574.523.00	IDR 996,385,000.00	91%	Efficient
2024	IDR 924,217,723,00	IDR 868,484,000.00	94%	Efficient

Based on the analysis of the efficiency ratio of the Village Fund, it shows that Kalikayen Village during 2022 to 2024 has an efficiency level of 85%, 81%, and 85%, respectively. The ratio value of below 100% indicates that the implementation of village shopping activities is relatively efficient. This means that the realization of expenditure does not exceed the set budget, so that the use of village funds can be controlled effectively and economically. This shows that the Kalikayen Village government is able to manage spending well without causing waste.

Meanwhile, based on the results of the calculation of the Mluweh Village Efficiency Ratio in 2022–2024, a score of 83% in 2022, 91% in 2023, and 94% in 2024 was obtained. These results show that the financial performance of Mluweh Village for three consecutive years is relatively efficient because the ratio value is below 100%. When viewed as a whole, the average efficiency ratio

of the two villages during the 2022-2024 period is below 100%, which means that the financial management of village funds is relatively efficient. This condition shows that the village government has been able to reduce expenditure while maintaining the implementation of village programs and activities. In general, village financial performance shows a positive trend towards economical, controlled, and in accordance with the principles of good village financial governance.

Based on interviews with the village secretaries of Mluweh and Kalikayen, in 2022 still in a state of recovery from the Covid Pandemic, the two villages showed little Efficiency and Effectiveness. Village spending is more on Covid 19 expenditure by procuring PPE, Medical Devices, and handling Covid 19 victims. In 2024, the budget will be prioritized on Food Security Spending. The

use of the budget cannot be freely but refers to the MAK from the central Government.

The shortcomings of the flexibility in the use of the Budget are still limited to Infrastructure Development such as roads, which is not finished. Complaints about the use of the Village Fund Budget which is not allowed for the construction of the Village Office, such as Lobby Room or Meeting Room.

CONCLUSION

The conclusion of the data processing results is as follows: from 2022 to 2024, both Mluweh Village and Kalikayen Village show balanced effectiveness. Next, in 2022 to 2024, both Mluweh and Kalikayen Villages showed Efficiency. What it means The village government has been able to reduce expenditure while maintaining the implementation of village programs and activities.

The limitation of the use of the Village Fund Budget is limited to MAK from the center. It is not allowed for the renovation of the Village Office or Lobby Room, so it seems unfeasible. The results of this study are limited to two villages as a model for the use of Village Funds in Semarang Regency (Java Island), it may not be possible to generalize to villages outside Java or Eastern Indonesia.

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