

Corruption Prevention Management in Village Fund Management

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Abstract

Since the rollout of village funds in 2015 to 2018, around 186 trillion in village funds have flowed to 74,954 villages throughout Indonesia. And according to ICW, during this period, cases of corruption in village funds continued to increase from year to year and there were at least 181 cases of corruption recorded with a state loss of 40.6 billion. This fraud is not solely due to legal factors. But also because of administrative problems related to management, such as weak supervision in the management of village funds, management of village funds is not transparent and accountable, salaries and allowances for village officials are still low and other management problems that encourage village officials to commit corruption. Therefore, corruption prevention management is needed in the form of strengthening the supervisory function both institutionally and strengthening the position of the community as the party that can supervise the management of village funds. Apart from that, the recruitment pattern for Village Head Candidates must be improved, namely implementing strict requirements. Furthermore, the welfare of village officials must be improved through a mechanism for providing adequate wages and allowances according to the regional conditions of each village. Then, the village government is obliged to publish the management of village funds starting from planning to submitting reports (LPJ) on the use of village funds in order to create transparent and accountable village fund management. And finally, the central government needs to evaluate the impact of providing village funds on the welfare of village communities.

Keywords: Corruption; Prevention; Management; Village; Funds.

INTRODUCTIONS

Along with the enactment of Law Number 6 of 2014 concerning villages, accompanied by the disbursement of village funds to each village, it has brought a breath of fresh air to the village community. It cannot be denied that the disbursement of village funds in the hundreds of millions or even billions is euphoric for the village community. Because there is hope that village development will be better, more advanced and the people in the village will become prosperous. Since the distribution of village funds from the central government began, development in villages has continued to grow. However, behind this euphoria, there is one issue that needs attention, namely the misuse of village funds by village officials in several villages in Indonesia.

Quoted from the Indonesian Corruption Watch (ICW), from 2015 to

2018, 186 trillion in village funds have been distributed to 74,954 cities throughout Indonesia. During this period, precisely from 2015 to 2018, semester 1, DD corruption cases continued to increase from year to year. There were at least 181 cases with a state loss value of 40.6 billion. (Sindonews.com, 11-21-2018).

For the author, these irregularities are not solely caused by legal factors. Because, all village officials must know that committing corruption will result in imprisonment. Apart from that, law enforcement has been widely carried out by law enforcement officers and many village officials have been accused and imprisoned, but in fact cases of corruption in village funds still occur repeatedly in different places. This means that corruption in village funds cannot only be seen from a legal perspective, but must also be seen from an administrative science perspective.

Namely, the corruption that has occurred so far is caused by administrative factors related to management. Such as weak supervision in the management of village funds, non-transparent and unaccountable management of village funds, low salaries and allowances for village officials and other management problems that encourage village officials to commit corruption. Therefore, the formulation of the problem in this research is what is the modus operandi and what are the causes of village fund corruption, and how is the management to prevent it?

RESEARCH METHODS

This research is a purely qualitative investigation. As mentioned by Moleong (2007; 5), qualitative research is a naturalistic investigation which aims to investigate and discover the meaning of an event in an unusual setting. Subjective investigation is an investigation with the usual basis for describing an event through the use of several existing strategies. In this case, analysts mostly conduct interviews, perceptions, and utilize reports to gather information (Denzim and Lincoln in Moleong, 2007; 5). the influence or relationship that exists between the independent variable and the dependent variable. Quantitative research focuses on analyzing data in the form of numbers or numeric data which is processed using statistical methods. The research was conducted at Pasar Bawah Bukittinggi City. The population is 560 shop levy payers in at Pasar Bawah, while the research sample is 233 respondents determined using the Slovin formula with an error rate of 5%. Data collection techniques are through the use of questionnaires and documentation. Questionnaire or questionnaire, namely

distributing questionnaires to respondents using a Likert scale.

Qualitative research is discovery-oriented. Not testing a theory, but needing to find the meaning of the event you want to study. In this research an inductive approach was used, more precisely the actual hypothesis was used as a tool which would then be tested with information and asking about disobedience (Poerwandari in Markus, 2011; 17).

Qualitative research is based on post-positivist reasoning to look at the condition of general objects (which are limited to tests) where the analyst is the key instrument, the information collection strategy is carried out by triangulation (combination) of examining information which is inductive and comes about qualitative research emphasizing meaning rather than generalization (Sugiyono (2009; 9). Research data comes from archives and results of investigations in the framework of theses, theses, papers, distributed and unpublished diaries), reference books, information on the web (links/websites), print media, electronic media and other supporting information.

Prepare information by selecting, focusing on rearranging, abstracting and transforming rough information that emerges from field notes. Presents an organized data set that provides the possibility of drawing conclusions. Drawing conclusions and confirming them, especially the implications that emerge in the data, must be tested for their truth, strength and reasonableness, especially their legitimacy (Miles, Mathew & Huberman, 2007).

DISCUSSION

A. Mode and Causes of Village Fund Corruption

According to ICW (in Yusrianto Kadir and Roy Marthen Moonti, 018) there are several acts of corruption in village funds with modus operandi such as: (1) Preparing a budget plan that exceeds market prices but is paid based

on another agreement; (2) The Village Head makes accountability for the financing of physical project village funds even though it comes from other sources; (3) Village officials borrow village funds through personal accounts but do not return them; (4) Circumcise village funds; (5) Make fake official travel reports with accommodation and travel tickets; (6) Markup for village officials' honoraria; (7) Shopping for office stationery does not match the actual price by manipulating proof of purchase; (8) Collecting levies/taxes, but not depositing them to the levies office; (9) Shopping for office inventory, but used for the benefit of individual village officials.

Meanwhile, according to ICW Legal Division Coordinator, Tama S. Langkun, the patterns or modes of fund corruption vary, including: Fictitious projects with the mode of including budget for work, but the project does not exist at all; Another pattern, namely double budgeting, involves entering a budget for projects that have already been completed. Then there are also those who owe village funds, but are not returned (Tempo.co, 9-11-2019).

The explanation above is in accordance with several research results from corruption monitoring institutions. For example, Indonesia Corruption Watch has released several causes of village fund corruption where management factors are the main cause and not caused solely by legal factors. Some of these causes include: (1) Competence of village officials is minimal; (2) Not transparently managing village funds; (3) Government, community and village supervision is still weak; (4) There is a lot of markup; (5) There is intervention from superiors; (6) Physical projects are carried out deviated from planning; (7) There is a culture of giving goods/money as a form of appreciation and thanks; (8) The planning has been set in such a way by the Village Head together with the Village Consultative Body (BPD); (9) Use of DD is not in accordance with RAB; (10) Purchases do not comply with RAB; (11) The activity management team (TPK)

receives fees and material providers, specifications do not match; (12) Village officials' knowledge is low and they do not understand the SisKueDes application; (13) The nomenclature of activities does not or does not comply with the Village Minister's Regulation on priority uses of village funds; (14) Standardization of prices for goods and services varies between villages; (15) The welfare of village officials is still low; (16) The welfare of operators or village officials is not guaranteed (SindoNews.com, 11-21-2019).

According to Maratul Makhmudah (in Marten Bunga, Aan Aswari and Hardianto Djanggih, 2018) several aspects can trigger corrupt practices in villages, namely policy or regulatory and institutional aspects, management aspects, supervision and human resources. Furthermore, quoted from (tokopena.com, 11-20-2018) Director of the Larantuka Socio-Economic Development Foundation, Father Benyamin Daud, said that there are several triggers for corruption in Village funds, namely: (1) Minimal competence of village officials; (2) Weak government supervision and lack of transparency; (3) Price inflation or mark ups are becoming increasingly common and there is interference from superiors; (4) There are physical projects outside of planning and a culture of giving thanks in the form of gifts.

Meanwhile, quoted from the Anti-Corruption Journal published by the Corruption Eradication Commission (KPK), corruption in village funds is vulnerable to occurring due to the low level of responsibility and role of the public in managing village budgets. The way that can be taken to increase community participation in overcoming corruption is to provide access to information on optimal village use policies. Public awareness to get involved, communication access to village officials by the community must be made easier, Optimizing the role of village community organizations and BPD.

B. Preventive Management

a) Supervision

Supervision is one of the factors causing corruption in state funds, including village funds in various regions of Indonesia. This is related to weak control of the village government in managing village funds. Starting from the planning stage to reporting budget usage. This creates an opening for those who are irresponsible to commit fraud. As a result, various tricks and modus operandi of irresponsible individuals have emerged to commit corruption. The occurrence of corrupt practices in village funds with various kinds of operandi is an indication that so far the supervision carried out by related parties in managing village funds is very weak and ineffective in preventing corrupt practices.

Therefore, the supervisory function needs to be strengthened through several policy steps, both institutionally and with community participation in monitoring the use of funds in their respective villages. Institutionally, it is necessary to establish a special institution to supervise village funds which has the authority to examine all activities related to the management of village funds. This kind of institution is needed because the current role of supervisory institutions is less effective in preventing irregularities in village funds. To strengthen the supervisory function of village fund management, an audit institution must also be established and given special authority to audit the use of village funds. because so far there has been an impression that accountability reports for the use of village funds by village governments have almost never been audited. So it is not known whether the use of village funds is right on target and in accordance with the facts on the ground. Without an audit, it is difficult to know whether the LPJ for village funds submitted by each

village is in accordance with reality or is fictitious and full of fabrications. The use of village funds must be audited regularly to ensure that village fund expenditure is in accordance with applicable regulations and that there are no attempts to inflate funds in the LPJ.

Institutional strengthening also needs to be carried out for the Village Consultative Body (BPD) as a village legislative institution so that it can properly control village government policies in using village funds. The BPD must be given great authority in controlling the Village government/Village Head. This is necessary so that the BPD has the power to dictate and even cancel the Village Head's policy regarding the use of village funds if the Village Head's policy deviates from applicable regulations or the Village Head commits deviations.

Meanwhile, strengthening the supervisory function through community participation means that the community must be involved and facilitated by the government to carry out supervision. The government must provide a forum for village communities to submit their reports if they find indications or real practices of corruption in village funds. Apart from this, the government needs to guarantee security and safety for the community. Because, so far, many people generally know and often encounter corrupt practices in their villages. However, they are reluctant to report individuals who commit corruption. This is because people do not know and do not have a place to report, and are afraid of the bad consequences they might receive when reporting individuals who corrupt village funds.

Strengthening community participation is the most effective step in preventing corruption in village funds because they are the ones who see development activities

in the village closely on a daily basis. Those who interact with the village government every day, and those who receive information every day about the activities of the village government. The lack of community participation in monitoring the management of village funds has so far been considered as one of the opportunities for individual village officials to dare to commit corruption. This is as quoted from the Anti-Corruption Journal published by the Corruption Eradication Commission. In detail, several policy steps that need to be taken in order to strengthen the supervisory function of village fund management include:

1. It is necessary to establish a special institution to supervise village funds which is given the task and authority to specifically supervise the use of village funds

2. It is necessary to establish a special audit institution for village funds that routinely audits every Village Fund Use Accountability Report (LPJ).

3. The government is obliged to facilitate and strengthen the position of village communities in playing an active role in supervising the use of village funds. This is so that the community feels safe and has the courage to submit reports when they find symptoms or indications of irregularities in the use of village funds.

4. Strengthen the position of the Village Consultative Body as a village legislative institution.

b) Human Resource Management

Human resource factors are one of the causes of corruption in the management of village funds, as quoted from Indonesian Corruptin Watch (2018), namely: (1) The lack

of competence of village government officials; (2) The lack of welfare of village officials: and (3) The welfare of operators or village officials has not been met. Therefore, Human Resource Management is needed related to two things, namely: First, the Village Head recruitment pattern. Here a strict mechanism is needed. There need to be special requirements that must be met by those interested in becoming Village Head, namely:

1. The selection process for Village Head Candidates must go through the interview/Intrview stage to obtain information about the integrity, capacity and capability of the village head candidate.
2. The Village Head Candidate makes a written statement with a 10,000 stamp stating that he will not commit corruption and will not influence his subordinates to cooperate in committing corruption.
3. Prospective Village Heads have a minimum of a Bachelor's degree (S1).
4. Candidates for Village Head have a good track record in the community.
5. Candidates for Village Head must receive recommendations from local community leaders.

Second, the welfare of village officials must be improved, providing adequate salaries and allowances in accordance with the regional conditions of each village. It is hoped that this can meet the needs of village officials. If the needs of village officials are met, then the motivation to commit corruption will be eliminated. Because the factor of

fulfilling life's needs is the main factor that motivates individuals to do anything to fulfill their needs as proposed by Maslow regarding motivation theory, namely.

c) Village Fund Management

Financial management is related to the transparency and accountability of village fund management. Here there must be openness to the public, namely the village government is required to publish the amount of village funds received each year and their use. This publication is carried out by displaying billboards or notice boards in every corner of the village containing information on the amount of village funds received each year. This also includes the Budget and Expenditure Plan as well as the Village Fund Accountability Report (LPJ). Other publications can be made through the media or an information system on the use of village funds that can be accessed by the entire community.

The need for publication of village funds like this is so that people can easily access information about village funds. So that they know the amount of village funds managed by the village government. Knowing what programs the village government will carry out, as well as knowing where and for what village funds are spent. The ease with which the community can access information on village fund management automatically makes it easier for the community to control the use of village funds. It is easy for the public to see and discover violations in the form of corrupt practices in village funds.

In this way, the loophole for corruption by unscrupulous village officials will be closed. Because so far, it seems that corruption in village funds has been easily carried out by irresponsible village officials

because there is no openness of information in the management of village funds. Information about village funds starting from planning, amount, expenditure and LPJ is only known by Village officials, especially the Village Head.

d) Evaluation

Since 2015, the government has poured trillions in state money to finance development in villages. Therefore, it is time for the disbursement of funds to each village to be evaluated to find out what kind of impact the provision of village funds produces each year. Does it bring changes to improve the welfare of the people in the village?

On the other hand, evaluation needs to be carried out as a consideration of whether the provision of village funds to all villages needs to be continued. Because based on the author's observations, currently many villages have advanced in terms of development, especially village infrastructure, so village governments like this tend to be confused and do not know where village funds will be spent. They are confused about what else to build in the village when all the facilities in the village are already available. Things like this can encourage village officials to include fictitious programs in the Village Fund RAB. Because they still want to get large village funds, but the space and land to build is no longer available.

It is also hoped that the evaluation activity will give rise to a consideration that the provision of village funds in the future only needs to be given to villages with a priority scale, such as villages that have just blossomed and are newly developing. Meanwhile, villages that are already developed may no longer need to be given village funds. Or still be given but in the same amount as previously given. This prevents

the use of the budget to pay for fictitious village development programs. At the same time, it also saves state money from corrupt practices.

CONCLUSION

To prevent corruption in village funds, village fund management needs to be improved. The village fund monitoring mechanism must be strict and the reporting system for the use of village funds must be transparent and accountable. The welfare of village officials needs to be improved through providing adequate salaries and

allowances. Procedures and requirements for recruitment of village officials need to be tightened. The central government must evaluate the use of village funds that have been provided so far.

SUGGESTION

So that the central government immediately evaluates and improves policies related to the management of existing village funds. This step needs to be taken because the current policies or laws and regulations regarding the management of village funds are proven to have weaknesses and shortcomings which are often exploited by village officials to corrupt village funds.

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