



Perspective of Good Corporate Governance in the Management of Village-Owned Enterprises “Cemerlang” Sumber Mulya Village, Berau Regency

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ABSTRACT

This study discusses the implementation of good corporate governance (GCG) in the governance of Village-Owned Enterprise Cemerlang in Sumber Mulya Village, Berau Regency. The problems faced by Village-Owned Enterprise include the lack of transparency and accountability in resource management, which has an impact on public trust. The purpose of this study is to analyze the implementation of GCG principles, namely transparency, accountability, responsibility, independence, and fairness, and to identify inhibiting factors in its implementation. The method used is a qualitative approach with data collection through interviews and observations. The results of the study indicate that the implementation of the transparency principle has been carried out through the delivery of accurate and relevant information to the public, while accountability is reflected in the obligation of management to report performance and use of resources. However, the implementation of the responsibility and independence principles still needs to be improved.

INTRODUCTION

Village-Owned Enterprises, hereinafter referred to as BUM Desa or in Berau Regency referred to as Village-Owned Enterprise, are legal entities established by villages and/or together with villages to manage businesses and productivity, provide services, and/or provide other types of businesses for the greatest possible welfare of the village community. Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises states that BUMDesa consists of BUMDesa and BUMDesa Bersama. Government Regulation No. 11 of 2021 is a legal product derived from Law Number 11 of 2020 concerning Job Creation which has confirmed the position of Village-Owned Enterprise as legal entities established by villages and/or together with villages. With the status as a legal entity, the role of Village-Owned Enterprise is increasingly important as a consolidator of community products/services, producers of various community needs, community business incubators, public service providers, and various other functions.

Sumber Mulya Village is one of the villages that is administratively part of Talisayan District, Berau Regency. At the beginning of the establishment of Sumber Mulya Village, this area was a Transmigration area. Before being named Sumber Mulya Village, in 1995 to 1997 this area was a Transmigration settlement village called UPT. IX. A1 Talisayan. In 1995 the Berau Regency Government brought in Transmigration residents from various regions including Central Java, East Java, West Java, NTT and several local residents with a total of 250 families, so in 1995 to 1997 this area had the name of a Transmigration settlement area called UPT. IX. A1 Talisayan or the new SP I which is led / headed by the Head of the Transmigration Settlement Unit (KUPT). Transmigration Settlement named UPT. IX. A1 Talisayan (new SP 1) is located in Dumaring Village, Talisayan District, Berau Regency, before the formation of a village in 1997 the Government issued certificates for Yard Land (LP) and Business Land One (LU I) with the name listed in the certificate being Dumaring Village and in 2010 a certificate for Business Land Two (LU II) was issued which was already named Sumber Mulya Village. This name reflects the existing potential, both in terms of natural resources and human resources who are ready to manage and utilize these resources.

The agricultural sector in Sumber Mulya Village is one of the main pillars of the community's economy. The main food crop planted in this village is rice, both lowland rice and mountain rice. However, many farmers prefer to plant mountain rice because of limited irrigation which often causes rice fields to experience drought and crop failure. This shows the need to develop a better irrigation system to support agriculture. In addition to rice, Sumber Mulya Village also has great potential in the plantation sector. The main commodities produced are palm oil and corn, with palm oil productivity reaching 42.3 tons per harvest and corn 37.17 tons. Although many farmers grow oil palm, this also poses challenges related to environmental sustainability. Therefore, diversification of businesses in the plantation sector is very necessary to increase the economic resilience of the community.

Sumber Mulya Village has the potential to become a center for agro-industry development. By utilizing agricultural and plantation products, the community can process products into goods that have added value. This will not only increase community income but also create new jobs. Education and skills training for the community are also very important to increase productivity and innovation. Training programs that focus on agriculture, plantations, and agricultural processing can help the community to be more independent and competitive. The involvement of the younger generation in village development is also a key factor. By providing them with the opportunity to participate in various economic activities, it is hoped that new innovations and ideas will emerge that can drive the village economy. Overall, the potential of Sumber Mulya Village is very large and diverse. With good and sustainable management, this village can be an example for other areas in developing the local economy. Through collaboration between the community, government, and the private sector, it is hoped that Sumber Mulya Village can become an independent and prosperous area.

The Sumber Mulya Village-Owned Enterprise, known as " Village-Owned Enterprise Cemerlang," was established by the village government together with the Sumber Mulya village community as an effort to improve the welfare of the village community through more effective management of local resources. Since the beginning, this Village-Owned Enterprise has aimed to optimize the economic potential in Sumber Mulya Village, which is rich in natural and agricultural resources. The establishment of this Village-Owned Enterprise is part of the government's policy to empower local communities and create jobs.

Village-Owned Enterprise is a business unit developed and managed by the village community by utilizing the potential in its area. To understand how a business entity can develop a business unit and maintain its existence, this study uses a good corporate governance perspective. Good corporate governance is a concept developed by the government due to the pressure of market conditions that are always dynamic. If the market, in this case companies, collapses, it will cause a monetary crisis in the country. Therefore, the principle of good corporate governance is considered realistic enough to analyze matters related to the ability to survive a business unit or in the context of this study is related to Village-Owned Enterprise in Sumber Mulya Village.

LITERATURE REVIEW

Good Corporate Governance

Good corporate governance is the principles that guide and control the company to achieve a balance between the strength and authority of the company in providing accountability to stakeholders. These principles are used as standard tools that aim to improve the image, efficiency and social responsibility of the company. Therefore, the implementation of good corporate governance (GCG) is very necessary to build public and international trust as an absolute requirement for the corporate world to develop well and healthily. In general, Good Corporate Governance (GCG) is more indicated for the company's control and regulation system, GCG is more aimed at actions taken by company

executives so as not to harm stakeholders because GCG concerns morality, work ethics and good work principles. There are several understandings of the definition of GCG issued by several parties both in a narrow perspective and a broad perspective.

According to Emirzon, Joni (2006:95) the main principles of GCG that are needed to support the achievement of company goals are:

- a) Transparency can be interpreted as openness of information, both in the decision-making process and in disclosing material and relevant information about the company.
- b) Accountability is the clarity of the functions, structure, systems and responsibilities of company organs so that company management is carried out effectively.
- c) Responsibility, corporate responsibility is the conformity (compliance) in company management with healthy corporate principles and applicable laws and regulations.
- d) Independence, or self-reliance is a condition where a company is managed professionally without any conflict of interest or anything that is inconsistent with applicable laws and regulations and healthy corporate principles.
- e) Fairness is fair and equal treatment in fulfilling stakeholder rights arising from agreements and applicable laws and regulations.

METHODOLOGY

The type of research conducted is descriptive research, which uses a qualitative approach by describing the governance of the Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency from a good corporate governance perspective. This qualitative descriptive research focuses on the analysis of the management of the Village-Owned Enterprise Cemerlang Kampung Sumber Mulya with a good corporate governance approach by investigating the conditions that describe the object and subject of the research factually.(Tenda et al., 2021). The focus of this study is to explain and analyze how the implementation of good corporate governance principles in the governance of the Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency, and to identify obstacles in the implementation of good corporate governance in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya. In explaining and analyzing the implementation of good corporate governance, the researcher describes the principles of good corporate governance, namely Transparency, Accountability, Responsibility, Independence, and Fairness. To obtain primary and secondary data, this study was conducted in Kampung Sumber Mulya, Talisayan District, Berau Regency. Data from the observation, interview, and documentation processes were tested for data validity using the data source triangulation technique, where data from the interview, observation, and documentation processes were presented for further drawing conclusions.(Moleong, 2014). By comparing data from interviews, observations, and documentation, researchers can ensure that the information collected is consistent and accurate. This helps reduce bias that may

arise from a single source of data.(Sahir, 2022). The data analysis used is interactive analysis by Milles and Huberman where the data analysis process begins with data reduction, data presentation and drawing conclusions.(Sugiyono, 2013).

RESULTS AND DISCUSSION

Analysis of the implementation of good corporate governance in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency

In this sub-discussion, it will explain the discussion related to the implementation of Good Corporate Governance principles in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency. The author will discuss the principles of Good Corporate Governance used consisting of five indicators issued by the National Committee on Governance Policy (2006).

1. *Transparency*

In the context of Village-Owned Enterprise (BUMDes) governance, the application of the principle of transparency is very important to build public trust in business management. BUMDes functions as the driving force of the village economy and must be able to convey information clearly and openly to the community so that they can understand the financial and operational conditions of the business. Thus, transparency not only increases accountability, but also encourages active community participation in decision-making, which can ultimately strengthen the sustainability and welfare of the village.

Transparency is an important thing in company management. If the company does not apply the principle of transparency, it will be difficult to be trusted by outsiders and inside the company. Likewise, the management of BUMDes Sejahtera must uphold open access to the community and other stakeholders.

Table 1 Village Original Income Report from Village-Owned Enterprise management

No	Month	Description	Date	Income	Expenditure	Net Profit
1	January	Balance 2023		Rp9,413,850		Rp9,413,850
		Business entity income unit 1	01/29/2024	Rp0		Rp9,413,850
		unit 1 business entity expenses	01/29/2024		Rp1,325,000	Rp8,088,850
		business entity income unit 2	01/29/2024	Rp5,568,270		Rp13,657,120
		business entity expenditure unit 2	01/29/2024		Rp1,560,000	Rp12,097,120
2	February	business entity income unit 1	02/28/2024	Rp.448,000		Rp12,545,120
		unit 1 business entity expenses	02/28/2024		Rp2,185,000	Rp10,360,120
		business entity income unit 2	02/28/2024	Rp4,550,660		Rp14,910,780
		business entity expenditure unit2	02/28/2024		Rp7,230,000	Rp7,680,780
3	March	business entity income unit 1	03/29/2024	Rp7,346,000		Rp15,026,780
		unit 1 business expenses	03/29/2024		Rp. 720,000	Rp14,306,780
		business entity income unit 2	03/29/2024	Rp4,801,800		Rp19,108,580
		Unit 2 business entity expenses	03/29/2024		Rp0	Rp19,108,580
4	April	business entity income unit 1	04/29/2024	Rp2,160,000		Rp21,268,580
		unit 1 business entity expenses	04/29/2024		Rp210,000	Rp21,058,580
		business entity income unit 2	04/29/2024	Rp4,878,970		Rp25,937,550
		Unit 2 business entity expenses	04/29/2024		Rp0	Rp25,937,550
5	May	business entity income unit 1	05/29/2024	Rp224,000		Rp26,161,550

No	Month	Description	Date	Income	Expenditure	Net Profit
		unit 1 business entity expenses	05/29/2024		Rp0	Rp26,161,550
		business entity income unit 2	05/29/2024	Rp12,205,350		Rp38,366,900
		Unit 2 business entity expenses	05/29/2024		Rp21,441,000	Rp16,925,900
6	JUNE	business entity income unit 1	06/29/2024	Rp1,632,000		Rp18,557,900
		unit 1 business entity expenses	06/29/2024		Rp.873,000	Rp17,684,900
		business entity income unit 2	06/29/2024	Rp3,081,520		Rp20,766,420
		Unit 2 business entity expenses	06/29/2024		Rp0	Rp20,766,420
7	JULY	business entity income unit 1	07/29/2024	Rp3,767,000		Rp24,533,420
		unit 1 business entity expenses	07/29/2024		Rp1,910,000	Rp22,623,420
		business entity income unit 2	07/29/2024	Rp4,674,490		Rp27,297,910
		Unit 2 business entity expenses	07/29/2024		Rp2,715,000	Rp24,582,910
AMOUNT				Rp64,751,910	Rp40,169,000	Rp24,582,910

Source: Village-Owned Enterprise Cemerlang documentation

Table 1 presented shows the income and expenditure data of business entities unit 1 and unit 2 in Kampung Sumber Mulya for several months. This data reflects financial performance that can be analyzed to assess the effectiveness of resource management. In the context of Good Corporate Governance (GCG), transparency is one of the main indicators that must be considered. Transparency in financial reports allows stakeholders to clearly understand the financial and operational conditions of the business entity.

In January, business unit 2 recorded revenue of Rp1,325,000 and expenditure of Rp5,568,270, indicating a significant deficit. This indicates the need for evaluation of marketing strategies and cost management. In GCG, transparency in financial reports can help management identify areas for improvement and make better decisions based on accurate data. Furthermore, in February, unit 2 experienced an increase in revenue to Rp2,185,000, although expenditure also increased. This increase in revenue indicates better efforts to attract customers. However, increased expenditure must also be balanced with increased efficiency. In the context of GCG, transparent reports will provide a clear picture of how expenditure contributes to revenue, so that stakeholders can assess the effectiveness of management. March showed interesting fluctuations, where unit 1 recorded revenue of Rp7,230,000 and expenditure of Rp7,346,000. Although revenue was higher, the almost balanced expenditure indicated the need for tighter supervision. In GCG, transparency in spending helps ensure that every expense incurred adds value to the company. In April, unit 1 recorded revenue of Rp0, indicating potential problems in operations or marketing. Persistent spending despite no revenue can indicate serious financial risks. In the GCG framework, it is important to have transparent reporting so that stakeholders can understand the cause of this situation and take the necessary steps to improve it. May showed a recovery with revenue of Rp224,000, although expenses remained high. This shows that despite efforts to increase revenue, cost management is still a challenge. In GCG, transparency in financial reporting will help management to identify and address these issues more effectively. The overall analysis of table 1 shows that although there were several months with good revenue, high expenses and fluctuations in revenue indicate the need for improvement in financial management. By implementing GCG principles,

especially in terms of transparency, business entities can increase accountability and trust from stakeholders, which in turn can support sustainable growth.

2. *Accountability*

In the governance of Village-Owned Enterprises (BUMDes), the implementation of the principle of accountability is very important to ensure that business management is carried out transparently and responsibly. BUMDes must be able to provide accurate and timely reports on activities and finances to the community. Thus, accountability not only increases public trust, but also encourages active community participation in decision-making, which ultimately can strengthen the sustainability and welfare of the village. The implementation of Good Corporate Governance (GCG) in the governance of the Cemerlang Village-Owned Enterprise (BUMK) in Sumber Mulya Village, Berau Regency, reflects a strong commitment to the principle of accountability. Accountability in this context means that Village-Owned Enterprise management is responsible for the decisions and actions taken, and must be able to account for the results of their performance to the community. This is in line with the principles set by the National Committee on Governance Policy, which include transparency, accountability, responsibility, independence, and fairness.

One important aspect of accountability is transparency in financial management. Village-Owned Enterprise Cemerlang implements a regular and transparent recording system, where every financial transaction is recorded in a cash book. Monthly financial reports are prepared to monitor cash flow and provide a clear picture of the financial condition of Village-Owned Enterprise. In this way, the public can easily access information about financial management, which in turn increases their trust in the management.



Source: Author's documentation

Figure 1 Village Deliberation with Village-Owned Enterprise Cemerlang

The author's observation results documented in Figure 1 show that Village-Owned Enterprise Cemerlang has held regular village deliberation forums, where the management explains the performance and activities of Village-Owned Enterprise in detail. In this forum, the community is given the opportunity to ask questions and provide input. This process reflects openness and community participation in supervision, which is an important element in

accountability. By involving the community in the decision-making process, Village-Owned Enterprise Cemerlang not only fulfills reporting obligations but also encourages active community participation.

Village-Owned Enterprise Cemerlang, which regularly holds village deliberation forums, demonstrates a strong commitment to the principles of accountability and transparency in organizational governance. By holding this forum, Village-Owned Enterprise management not only submits performance and activity reports, but also creates space for the community to interact, ask questions, and provide input. This reflects the openness that is very important in building trust between management and the community.

3. *Responsibility*

The governance of Village-Owned Enterprises (BUMDes) as implemented in Village-Owned Enterprise Cemerlang shows the importance of the principle of accountability in building public trust in the management of village resources. Village-Owned Enterprise Cemerlang is committed to being transparent in every aspect of its operations, from financial management to performance reporting. By providing reports that are accessible to the public, Village-Owned Enterprise not only fulfills its accountability obligations but also encourages active community participation in decision-making. In addition, Village-Owned Enterprise Cemerlang also opens effective communication channels, such as discussion forums or deliberations with the people of Kampung Sumber Mulya to listen to input and complaints from the community. This approach creates a sense of ownership among residents, who feel involved in the management process. Thus, accountability carried out directly or collaboratively with other parties not only increases transparency but also strengthens the relationship between Village-Owned Enterprise and the community, which ultimately contributes to local economic welfare and business sustainability.

The implementation of Good Corporate Governance (GCG) in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency is very important to ensure that resource management is carried out efficiently, transparently, and accountably. One of the main principles in GCG is accountability, which emphasizes that every action and decision taken by the management must be accountable to the community and other stakeholders. In the context of Village-Owned Enterprise Cemerlang, the implementation of this principle does not only focus on the financial aspect, but also on the social impact resulting from each program and policy taken. Accountability in Village-Owned Enterprise Cemerlang is realized through a transparent reporting mechanism. Each manager is required to prepare periodic reports on the performance and use of resources, which are then submitted to the community. This report includes information on income, expenses, and the impact of the programs run. With reports that can be accessed by the community, Village-Owned Enterprise Cemerlang shows its commitment to involving the community in the management process, thereby increasing their trust and participation.



PEMERINTAH KABUPATEN BERAU
KAMPUNG SUMBER MULYA
KECAMATAN TALISAYAN
Jl. Garuda I Kode pos 77372

ANGGARAN RUMAH TANGGA (ART)
BADAN USAHA MILIK KAMPUNG (BUMK) "CEMERLANG"
KAMPUNG SUMBER MULYA

KECAMATAN TALISAYAN
KABUPATEN BERAU 2012

BAB I
KEANGGOTAAN
Pasal 1

Organisasi Badan Usaha Milik Kampung (BUM Kampung) "CEMERLANG" Kampung Sumber Mulya Kecamatan Talisayan Kabupaten Berau adalah organisasi terbuka, setiap warga Kampung Sumber Mulya berhak ikut dalam keanggotaan sesuai dan ketentuan yang berlaku ;

Pasal 2

Persyaratan keanggotaan Badan Usaha Milik Kampung (BUM Kampung) "CEMERLANG" Kampung Sumber Mulya Kecamatan Talisayan Kabupaten Berau;

1. Warga Kampung yang bertempat tinggal dan berdomisili di kampung.
2. Menyatakan persetujuan terhadap Anggaran Dasar dan Anggaran Rumah Tangga.
3. Warga Masyarakat luar kampung yang memenuhi syarat sesuai AD ART.

BAB II
KEPENGURUSAN
Bagian kesatu

Syarat Pengurus
Pasal 3

Persyaratan menjadi Pelaksana Operasional BUM Kampung Sumber Mulya adalah

- a. Warga Kampung Sumber Mulya yang mempunyai jiwa Wirausaha.
- b. Memiliki komitmen kuat dan dipercaya masyarakat.
- c. Berdomisili dan menetap di Kampung Sumber Mulya sekurang-kurangnya 2 (dua) Tahun.
- d. Sekurang-kurangnya telah berumur 21 Tahun.
- e. Berkepribadian baik, jujur, arif, cakap, dan perhatian terhadap usaha ekonomi Kampung.
- f. Berpendidikan minimal setingkat SMU/Madrasah Aliyah/SMK atau Sederajat.

Source: Author's documentation

Figure 2 Village-Owned Enterprise Brilliant AD/ART

Clarity in the structure of tasks and responsibilities also contributes to strengthening the relationship between Village-Owned Enterprise Cemerlang and the community. With a clear structure, the community can more easily understand the role of each administrator and how they can contribute to the management of Village-Owned Enterprise. This creates a sense of ownership among residents, who feel involved in every decision taken. Thus, the AD/ART not only functions as an internal guideline, but also as a tool to build trust and active participation of the community in the management of Village-Owned Enterprise Cemerlang.

Cooperation with various parties, including the government and private institutions, is also part of the implementation of GCG in Village-Owned Enterprise Cemerlang. By establishing partnerships, Village-Owned Enterprise can obtain support in terms of funding and training, which is a strategic step to strengthen business capacity and sustainability. This cooperation also reflects Village-Owned Enterprise 's commitment to be responsible not only to the community, but also to other stakeholders.



Source: Village-Owned Enterprise Cemerlang documentation
Figure 3 Signing of MoU between Village-Owned Enterprise and PT. Pesona Sawit Abadi

The signing of the MOU between Village-Owned Enterprise Cemerlang and PT. Pesona Sawit Abadi regarding the purchase of Fresh Fruit Bunches (FFB) is a strategic step that shows Village-Owned Enterprise's commitment to establishing a mutually beneficial partnership. This collaboration not only focuses on the economic aspect, but also reflects the implementation of the principles of Good Corporate Governance (GCG) which prioritize transparency and accountability. With this MOU, Village-Owned Enterprise Cemerlang can ensure the supply of quality FFB, which in turn will increase the productivity and income of farmers in Kampung Sumber Mulya.

The collaboration with PT. Pesona Sawit Abadi reflects Village-Owned Enterprise Cemerlang's responsibility not only to the local community, but also to other stakeholders. By establishing a good partnership, Village-Owned Enterprise can build trust and support from various parties, which is very important for business sustainability. This is in line with the principle of accountability in GCG, where Village-Owned Enterprise is committed to being transparent in every aspect of its operations, so as to increase the sense of ownership and participation of the community in managing village resources. In the context of sustainability, the implementation of the principle of accountability in Village-Owned Enterprise Cemerlang contributes to the creation of positive social impacts. By managing local resources effectively, Village-Owned Enterprise not only focuses on financial gain, but also on improving community welfare through the provision of jobs and business opportunities. This shows that Village-Owned Enterprise Cemerlang strives to be a driving force in the development of a sustainable local economy.

The implementation of Good Corporate Governance (GCG) in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency, especially through the principle of responsibility, shows a strong commitment to transparency and accountability in resource management. The principle of accountability emphasizes that every action and decision taken by the management must be accountable to the community and other stakeholders. This includes the obligation to report performance, use of resources, and the impact of decisions taken, as well as ensuring that all actions are in accordance with applicable regulations and ethics.

4. Independence

Independence in the management of Village-Owned Enterprises (BUMDes) such as Village-Owned Enterprise Cemerlang does not mean closing oneself off from stakeholder participation, but rather the ability to survive and not be influenced by pressure or orders from external parties who have more power. Village-Owned Enterprise Cemerlang strives to maintain its independence by ensuring that every decision taken is based on the needs and aspirations of the village community, not because of external influences that can interfere with their main goal, which is to improve community welfare. In practice, Village-Owned Enterprise Cemerlang involves the community in the decision-making process through regular meetings and deliberations. This not only creates a sense of ownership among residents, but also ensures that the decisions taken reflect the common interest, not the interests of certain individuals or groups. In this way, Village-Owned Enterprise Cemerlang can avoid the dominance of external interests and remain focused on their vision and mission. The application of this principle of independence is very important to build community trust and ensure the sustainability of Village-Owned Enterprise operations in the long term.

Sumber Mulya Village-Owned Enterprise (BUMK), known as " Village-Owned Enterprise Cemerlang," is a real example of community economic empowerment efforts through the utilization of local resources. With a focus on developing sustainable business units, Village-Owned Enterprise Cemerlang is committed to improving the welfare of village communities. One of the main business units managed is an oil palm plantation, which operates on 10 hectares of land. This plantation not only functions as a source of income for Village-Owned Enterprise, but also creates jobs for the local community, thus providing a positive impact on the local economy.

Table 2 Report on PAK income from Village-Owned Enterprise

Month	Net profit	Percent	Income
Last year's balance	Rp9,413,850	30%	Rp2,824,155
January	Rp2,683,270	30%	Rp804,981
February	-Rp4,416,340	30%	-Rp1,324,902
March	Rp11,427,800	30%	Rp3,428,340
April	Rp6,828,970	30%	Rp2,048,691
May	-Rp9,011,650	30%	-Rp2,703,495
June	Rp3,840,520	30%	Rp1,152,156
July	Rp3,816,490	30%	Rp1,144,947
August	Rp8,910,280	30%	Rp2,673,084
September	Rp11,804,680	30%	Rp3,541,404
October	Rp15,573,240	30%	Rp4,671,972
Total amount for 2024	Rp60,871,110		Rp18,261,333

Source: Village-Owned Enterprise Cemerlang documentation

Table 2 presented shows the details of the original village income (PAK) for 2024, focusing on net profit and monthly income. From the data, it can be seen

that March and October are the months with the highest income, reaching IDR11,427,800 and IDR15,573,240 respectively. This shows significant fluctuations in monthly income, where several months such as February and May experienced losses, which could affect the overall financial stability of the village. Overall, the total income recorded for 2024 was IDR18,261,333. Although there were months with negative income, the total net profit showed positive growth potential. However, it is important for village financial managers to analyze the causes of these fluctuations and plan better strategies to increase income in less profitable months. This will help in achieving the stability and sustainability of village finances in the future.

Village-Owned Enterprise Cemerlang not only plays a role in empowering the community's economy through job creation, but also contributes significantly to increasing the Village Original Income (PAD) which can be used for development and empowerment programs. By managing business units such as oil palm plantations, Village-Owned Enterprise Cemerlang is able to generate income that can be allocated for various village development needs. The income obtained from this business can be used to finance programs that support community welfare, such as education, health, and infrastructure.

Good management of oil palm plantations is expected to increase production output and, in turn, provide direct benefits to residents. With the creation of jobs, the community has the opportunity to earn additional income, which is very important in improving their standard of living. In addition, the existence of this plantation can also encourage economic growth in Kampung Sumber Mulya as a whole, creating a positive domino effect for other sectors in the village. In addition to oil palm plantations, Village-Owned Enterprise Cemerlang also operates a corn oven management with a capacity of 6 tons. This oven functions to dry corn efficiently, thereby increasing the quality and selling value of the agricultural product. With this facility, farmers in Kampung Sumber Mulya can process their crops better, which in turn will increase their income. Corn oven management is a strategic step to increase agricultural productivity, especially considering that corn is one of the main commodities in the area.

NO	Aset BUMK	Jumlah	Kedaaan	Keterangan
1	verical dreyer (pengering jagung) kapasitas 7 Ton	1 unit	Baik dan beroperasi	
2	pengering Jagung manual Ukuran 10x20 M	1 Unit	Baik dan beroperasi	
3	Kebun kelapa sawit	10 HA	baik dan menghasilkan (produksi)	sudah produksi 6 HA Belum produksi 4 HA

Sumber Mulya 5 Januari 2024
Ketua BUMK
Adi Tomo
Catir adi tomo

Source: Village-Owned Enterprise Cemerlang documentation
Figure 4 List of Village-Owned Enterprise Cemerlang Assets

The success of Village-Owned Enterprise Cemerlang in managing business units that focus on utilizing local resources shows the great potential of Village-Owned Enterprises. With the right approach, Village-Owned Enterprise can become a driving force for the village economy and improve community welfare. However, challenges in terms of funding and management must still be overcome so that Village-Owned Enterprise can continue to grow and contribute significantly to the local economy. Overall, Village-Owned Enterprise Cemerlang Kampung Sumber Mulya is a good example of how local resource management can provide direct benefits to the community. With a focus on independence, transparency, and community participation, Village-Owned Enterprise Cemerlang has the potential to become a model for other BUMDes in developing sustainable businesses and improving community welfare. The success of Village-Owned Enterprise Cemerlang will greatly depend on the support of all parties, including the village government and the community, to create an ecosystem that supports business growth and sustainability.



Source: Village-Owned Enterprise Cemerlang documentation

Figure 5 Village-Owned Enterprise LPJ Deliberation

The implementation of the principle of independence in the governance of Village-Owned Enterprise Cemerlang in Kampung Sumber Mulya, Berau Regency, is one of the main pillars in ensuring that the management of the organization remains focused on its main objective, which is to improve community welfare. This principle emphasizes the importance of decision-making that is not influenced by external interests that can distract from the social mission of Village-Owned Enterprise. By prioritizing discussion and deliberation with the community, Village-Owned Enterprise Cemerlang is able to create decisions that are more relevant and in accordance with the needs and aspirations of residents, thereby increasing the sense of ownership and community participation in business management.

5. *Fairness*

The principle of fairness in Good Corporate Governance (GCG) emphasizes the importance of justice and equality in providing information to all stakeholders. In the context of Village-Owned Enterprise Cemerlang, the application of this principle is crucial to ensure that all elements of the Sumber

Mulya Village community without exception have equal access to information related to Village-Owned Enterprise operations and policies. This includes transparency in financial management, programs implemented, and strategic decisions taken. By holding regular discussion forums and providing communication channels such as suggestion boxes, Village-Owned Enterprise Cemerlang strives to create an inclusive environment, where every voice of the community is heard and considered. The application of this principle of fairness not only prevents information injustice, but also strengthens the sense of ownership and community involvement in Village-Owned Enterprise management.

Pegawai BUMK CEMERLANG Kampung Sumber Mulya

No	Nama	Umur	Alamat	Jabatan
1	M. Umardi	55 THN	Jln. Merak 2. RT. 02 Kp. Sumber Mulya	Kepala Unit usaha 1
2	Suyono		Jln. Merak 2. RT. 02 Kp. Sumber Mulya	Kepala Unit usaha 2
3	Muklis Sudarman	33 THN	Jln. Merak 2. RT. 02 Kp. Sumber Mulya	Kepala kerja usaha unit 2
4	suparyadi	32 THN	Jln. Nuri 1. RT 02 Kp. Sumber Mulya	pemanen sawit
5	Riwansyah	26 THN	Jln. Merak 2. RT. 02 Kp. Sumber Mulya	sopir BUMK

Sumber Mulya 5 Januari 2024
ketua BUMK
Adi Tomo
Zatur adi tomo

Source: Village-Owned Enterprise Cemerlang documentation
Figure 6 List of Village-Owned Enterprise Cemerlang employees

The operation and management of Village-Owned Enterprise Cemerlang involving workers from the Sumber Mulya Village community reflects the implementation of the fairness principle in Good Corporate Governance (GCG). The fairness principle emphasizes fair and equal treatment of all stakeholders, including local communities involved in Village-Owned Enterprise. By prioritizing the use of local workers, Village-Owned Enterprise Cemerlang not only provides employment opportunities, but also ensures that the economic benefits of the business being run can be felt directly by the local community.

The implementation of the fairness principle is also seen in the way Village-Owned Enterprise Cemerlang involves the community in the decision-making process. By holding deliberations and discussion forums, Village-Owned Enterprise provides space for the community to convey their aspirations and needs. This creates an inclusive environment, where every voice is heard and considered, so that the decisions taken reflect the common interest. Thus, Village-Owned Enterprise Cemerlang not only functions as an economic entity, but also as a means of community empowerment. The existence of Village-Owned Enterprise Cemerlang as a provider of employment for the local community shows a commitment to social justice. By providing equal opportunities to all members of the community to contribute to the operations of Village-Owned

Enterprise, the principle of fairness in GCG can be realized. This not only improves individual welfare, but also strengthens solidarity and collaboration within the community, which in turn supports business sustainability.

The process of distributing profits from the management of Village-Owned Enterprise Cemerlang is also carried out in a fair and transparent manner. Every year, after the financial report is prepared and audited, Village-Owned Enterprise Cemerlang holds a general meeting to discuss business results and profit distribution plans. In the meeting, the community is given the opportunity to provide input, so that the decisions taken reflect their needs and expectations. This approach not only creates transparency, but also strengthens community participation in the management of Village-Owned Enterprise, which in turn can increase the community's sense of ownership and responsibility for the business being run.

Village-Owned Enterprise Cemerlang implements various strategies to ensure inclusivity in its programs, which is an integral part of the principle of fairness in Good Corporate Governance. One of the main strategies used is to conduct an in-depth analysis of community needs before launching a program. By collecting data and information from various community groups, Village-Owned Enterprise can understand the diverse needs and expectations, so that the programs designed can reach all levels of society without discrimination. In addition, Village-Owned Enterprise Cemerlang also involves representatives from various groups in the planning and implementation process of the program, which creates a sense of ownership among community members and ensures that their voices are heard.

Analysis of Obstacles in the Governance of Village-Owned Enterprise Cemerlang, Sumber Mulya Village, Berau Regency

Referring to the results of the author's observations in the field and analysis of the research results, the author can identify that the obstacles in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency are the low level of public understanding and awareness and quite difficult access to capital. The following is an analysis of the explanation;

1. Lack of Public Understanding and Awareness in the Governance of BUMK Cemerlang Kampung Sumber Mulya

The lack of community understanding of Village-Owned Enterprise governance can be seen from their minimal participation in the decision-making process. Many community members do not realize the importance of their involvement in every step of Village-Owned Enterprise management. This inactivity results in decisions being taken without considering the aspirations and needs of the community, so that the programs implemented do not match local expectations and needs. This creates a distance between Village-Owned Enterprise management and the community, which in turn reduces the effectiveness of the programs implemented.

Transparency in financial management is also an aspect that is often overlooked. Many Village-Owned Enterprise administrators do not fully

understand the importance of submitting financial reports openly to the public. Without transparency, the public cannot monitor the use of funds and programs being run, which can lead to suspicion and distrust. This lack of clarity in financial management can cause the public to feel alienated from the Village-Owned Enterprise, thereby reducing their participation in activities held. Accountability is another principle that is often poorly understood by administrators and community members. They may not realize that every decision and action taken by the Village-Owned Enterprise must be accountable to the public. This lack of understanding can cause Village-Owned Enterprise administrators to feel no need to report the results of their work, which ultimately reduces public trust in Village-Owned Enterprise management. As a result, the public becomes apathetic and less likely to participate in activities held by the Village-Owned Enterprise.

Adequate education and training for Village-Owned Enterprise managers and the community is essential to improve understanding of good management principles. Without efforts to provide the necessary knowledge and skills, the community will continue to be in a state of ignorance. Training programs that involve the community in the learning process can help them understand the importance of transparency, accountability, and participation in Village-Owned Enterprise management. Thus, they will be more motivated to be actively involved in every activity held. In addition, effective communication between Village-Owned Enterprise managers and the community is also very important. Managers need to clearly explain the objectives, programs, and benefits of Village-Owned Enterprise to the community. With good communication, the community will better understand their role in Village-Owned Enterprise management and feel more involved. This can increase the community's sense of ownership of Village-Owned Enterprise, which in turn will encourage their participation in every activity.

2. Access to Capital in the Governance of the Brilliant Village-Owned Enterprise of Sumber Mulya Village

One of the main challenges in accessing capital is the lack of knowledge and understanding of available funding sources. Many Village-Owned Enterprise managers may not be aware of the various funding options, whether from the government, financial institutions, or private investors. Without the right information, they will have difficulty submitting funding proposals that can support business development. This shows the need for education and training for Village-Owned Enterprise managers so that they better understand how to access capital. In addition, the process of applying for funds is often considered complicated and time-consuming. Many Village-Owned Enterprise managers feel that the loan or grant application procedure is too complex, so they are reluctant to try it. Uncertainty in this process can result in lost opportunities to obtain the necessary funds. Therefore, efforts are needed to simplify the application procedure and provide clear guidance for Village-Owned Enterprise managers.

Limited collateral or security is also a factor that hinders access to capital. Many Village-Owned Enterprise managers do not have sufficient assets to be used as collateral in loan applications. This makes financial institutions hesitate to provide loans, because the risk is considered high. In this context, it is important for the government and related institutions to create programs that can help Village-Owned Enterprises provide the necessary collateral. On the other hand, economic uncertainty and business risk are also considerations for financial institutions in providing loans. Newly established Village-Owned Enterprise or those that do not yet have a strong track record are often considered high risk. Therefore, it is important for Village-Owned Enterprises to build a good reputation and demonstrate the potential for success of their businesses in order to more easily gain access to capital.

The importance of support from the village government also cannot be ignored. The village government has a strategic role in creating a conducive environment for the development of Village-Owned Enterprise. By providing support in the form of training, mentoring, and access to information about capital, the village government can help Village-Owned Enterprise to be better prepared in facing the challenges of access to capital. This will increase the opportunities for Village-Owned Enterprise to obtain the necessary funds. In addition, collaboration with third parties, such as non-governmental organizations (NGOs) or non-governmental organizations, can also be a solution to overcome obstacles to access to capital. NGOs often have funding programs that can be utilized by Village-Owned Enterprise. By establishing partnerships, Village-Owned Enterprise can obtain financial support and guidance in business management. This collaboration can create positive synergy for local economic development.

CONCLUSION AND RECOMMENDATION

Conclusion

From the analysis of the discussion of the research results, the author can draw the conclusion that the Implementation of Good Corporate Governance (GCG) in the governance of Village-Owned Enterprise Cemerlang Kampung Sumber Mulya, Berau Regency shows a strong commitment to the principles of GCG, namely Openness, Accountability, Responsibility, Independence, and Fairness.

- a) Transparency, Village-Owned Enterprise Cemerlang implements transparency by presenting annual reports that include financial and activity information clearly and can be accessed by the public. Information is delivered in easy-to-understand formats, such as tables and graphs, and through village deliberation forums and social media.
- b) Accountability, Village-Owned Enterprise Cemerlang management is responsible for every decision and action taken, ensuring that all activities can be accounted for to the community and other stakeholders.
- c) Responsibility, every action taken by the management must be in accordance with applicable regulations and ethics, and have a positive impact on the community. Village-Owned Enterprise Cemerlang

involves the community in the decision-making process, which increases their trust and participation.

- d) Independence, Village-Owned Enterprise Cemerlang strives to manage the organization independently, free from external influences that can interfere with the main objective, which is to improve community welfare. Decisions are taken based on survey results and discussions with the community.
- e) Fairness, the principle of fairness is applied by providing fair treatment to all stakeholders. Village-Owned Enterprise Cemerlang conducts in-depth needs analysis and involves various community groups in program planning and implementation.

Recommendation

From the analysis of the research results, the researcher compiled the following recommendations;

1. Recommendations for Berau Regency Government

The following are policy recommendations for the Berau Regency government to develop and optimize the potential of Village-Owned Enterprises (BUMK) in improving the village economy:

- a) Establishment of Village-Owned Enterprise development institution
The Berau Regency Government needs to form a special institution tasked with developing Village-Owned Enterprise. This institution can collaborate with academics as partners to conduct research and develop village potential. For example, this institution can conduct feasibility studies for new businesses based on local resources, as well as provide training to Village-Owned Enterprise managers on management and marketing.
- b) Integration of Village-Owned Enterprise with Regional Companies
The Berau Regency Government must integrate Village-Owned Enterprise with regional companies to create synergy in local economic development. For example, regional companies can provide market access and distribution for products produced by Village-Owned Enterprise, so that local products can be more easily reached by consumers and increase Village-Owned Enterprise income.
- c) Soft credit recommendations from Regional Banks
The Berau Regency Government should provide recommendations to Village-Owned Enterprise to obtain soft loans from regional banks. This will strengthen access to capital for Village-Owned Enterprise who want to develop their businesses. For example, the government can create a special program that provides guarantees or interest subsidies for loans taken by Village-Owned Enterprise, so that they can invest in business development without being burdened by high interest rates.

2. Recommendations for the Sumber Mulya Village Government and the management of the Cemerlang Village-Owned Enterprise, Sumber Mulya Village

To improve and optimize the management of Village-Owned Enterprise in the future,

a) Community Empowerment Program

Village-Owned Enterprise must implement empowerment programs that involve the community in business development. For example, holding skills training, such as handicrafts or organic farming, which can increase community income and encourage their participation in Village-Owned Enterprise activities.

b) Business diversification

Village-Owned Enterprise needs to diversify its business to reduce risk and increase revenue. For example, developing new businesses, such as providing local products or services, such as homestays for tourists, which can attract more visitors to Kampung Sumber Mulya and increase Village-Owned Enterprise revenue.

ADVANCED RESEARCH

Future research development on Village-Owned Enterprises (BUMK) can be focused on the application of Good Corporate Governance (GCG) theory to improve the efficiency and effectiveness of Village-Owned Enterprise management. This theory emphasizes the importance of transparency, accountability, and participation in organizational management, which is very relevant for Village-Owned Enterprise managed by local communities. By applying GCG principles, research can explore how Village-Owned Enterprise can operate more professionally and independently, and how this can contribute to improving community welfare in villages. This research can also include an analysis of best practices in Village-Owned Enterprise management that have been successful, so that they can be used as models for other Village-Owned Enterprise in Berau Regency and other areas. In addition, research can also adopt stakeholder theory to understand the roles of various parties in Village-Owned Enterprise development. This theory emphasizes the importance of collaboration between government, community, academics, and the private sector in creating an ecosystem that supports Village-Owned Enterprise growth. By analyzing the interactions and contributions of each stakeholder, research can provide strategic recommendations to increase synergy and support for Village-Owned Enterprise. This is expected to strengthen the position of Village-Owned Enterprise as a driving force for the local economy and increase its contribution to Village Original Income (PAK).

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