



Financial Governance of Tejo Village, Kanor District, Bojonegoro Regency in the Perspective of Good Governance

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ABSTRACT

This article aims to analyze the application of the principles of good governance in the financial management of Tejo Village, Kanor Subdistrict, Bojonegoro Regency. The focus of the study lies on the application of these principles in village financial management. Data were collected through interviews with resource persons, direct observation, and documentation studies, then analyzed using qualitative methods. The results showed that the application of the principles of good governance, which include compliance with the rule of law, community participation, transparency, and accountability, has not run optimally. For example, community participation in the village musrenbang is still low, while the transparency of village financial management in Tejo Village has not been maximized, as seen from the village financial information that is only accessed by a small portion of the community.

INTRODUCTION

The Law on Villages not only strengthens the position of villages as community government units, but also gives villages the authority to build infrastructure and empower their citizens (Nur et al., 2021). With the enactment of the Village Law, the allocation of funds from the central government to villages has increased significantly, opening up great opportunities to encourage development progress and improve community welfare. In order for village funds to be utilized optimally and provide a positive impact on the community, village financial management needs to be carried out with the principles of transparency and accountability (Riyan et al., 2023). This has been regulated in the Minister of Home Affairs Regulation Number 20 of 2018, which emphasizes the importance of implementing the principles of good governance in managing village funds (Segarawasesa & Mustika, 2023).

Although village funds have great potential to support community welfare, their management often faces a number of challenges (Syairozi, 2021). Sartono (2019) revealed that village fund management is often less than optimal and is marked by various problems, including irregularities (Putra et al., 2021). This emphasizes the importance of implementing good governance principles, such as accountability, transparency, community participation, and compliance with the law. These principles are also in accordance with the provisions of Permendagri Number 20 of 2018, which emphasizes transparency, accountability, community involvement, and discipline in managing village budgets (Prihatini & Kurniawan, 2021).

In Tejo Village, Bojonegoro Regency, the implementation of good governance principles in village financial management is still not optimal. Transparency in financial management has not been fully realized, which can be seen from the limited access to financial information for a small portion of the community. In addition, the use of village websites as a medium for public services and information management is still very minimum. The lack of socialization carried out by the village government regarding the village fund program is a major obstacle in increasing community participation. Therefore, real efforts are needed to strengthen community involvement and increase transparency of information in village financial management. These steps are important to realize efficient village governance that focuses on improving community welfare.

LITERATURE REVIEW

The application of good governance principles has an important role in improving the quality of public services and the performance of state apparatus (Zaman & Nurdiwaty, 2020). These principles aim to encourage improvements in the bureaucratic system so that it can provide better quality public services. However, the public's view of public services organized by the bureaucracy still tends to be negative, often considered slow, unprofessional, and has high costs (Mustaram et al., 2020). Problems that often arise in bureaucracy include inefficient organizational structures, overlapping authority between institutions, and work systems and procedures that are not well organized. In addition, the professionalism of civil servants is often low, neutrality is not maintained,

employee welfare is inadequate, and the practices of corruption, collusion, and nepotism are still significant obstacles. Coordination, integration, and synchronization of programs are also often not optimal, coupled with weak discipline and work ethic of state apparatus (Ira Megasyara & Amrizal Imawan, 2023).

Although the concept of good governance has long been applied by the government, private sector, and society, the understanding of this concept is still often misunderstood. Many parties simplify governance as just government management (Iswahyudi, 2022). In fact, governance does not only cover the structure and management of executive institutions, because the government is only one of the three main actors in governance. The other two actors are the private sector and civil society (Erni Qomariyah et al., 2023). In other words, governance refers to collaboration between government, the private sector, and civil society in forming mutually agreed rules. The government has the responsibility to create a supportive environment in terms of economics, politics, social, culture, law, and security. The private sector plays a role in encouraging economic growth, providing employment opportunities, and increasing income. Meanwhile, civil society is expected to actively contribute to various economic, social, and political activities, while also carrying out a supervisory function on the implementation of these activities (Sinta & Risal, 2023).

METHODOLOGY

This study uses a descriptive method with a qualitative approach to describe and analyze the application of good governance principles in the financial management of Tejo Village. According to Sugiyono (2017), the descriptive method aims to provide a detailed explanation of a phenomenon without generalizing (Sugiyono, 2013). A qualitative approach is used to explore the conditions of the research object in depth, where the researcher functions as the main instrument in the data collection and analysis process (Sahir, 2022).

Data was collected through triangulation techniques involving observation and interviews, allowing data analysis to be carried out inductively with a focus on understanding the meaning contained in the research findings (Sukirman, 2021). The research location is centered at the Tejo Village Office, Kanor District, Bojonegoro Regency, which is the center of village financial management. Through this approach, the researcher aims to compile a comprehensive narrative about the application of good governance principles in village fund management. Systematic data collection and careful analysis are expected to provide deeper insight into the challenges and opportunities in improving transparency, accountability, and community participation in village financial management.

RESULTS AND DISCUSSION

Implementation of Good Governance Principles in Village Financial Management

The village government plays a very important role in implementing good governance at the village level, in accordance with the provisions stipulated in Law Number 6 of 2014 concerning Villages. This law gives the village the

authority to regulate and manage the interests of the local community within the framework of village autonomy. Thus, the village government has full authority in managing village finances, including original village income and funds received from the central and regional governments. Management of these funds must be carried out optimally and accountably at every stage, making village financial management one of the main responsibilities of the village government.

Tejo Village, located in Bojonegoro Regency, is one of the villages that receives funds from various sources, including original village income and transfer funds from the government. The funds are managed independently to support operational activities and village development. However, the large budget received also increases the possibility of irregularities by parties in the village government. Therefore, it is important to ensure that there is alignment of vision and mission between the village head and village officials in order to realize good village governance.

Financial management in Tejo Village needs to be based on the principles of good governance, such as accountability, transparency, community participation, and the rule of law, as explained by UNDP (Sedarmayanti, 2004). With the application of these principles, it is hoped that village financial management can take place effectively and efficiently, so that the benefits can be felt optimally by the village community.

1. Rule of Law

This statement emphasizes the importance of implementing the law in village financial management as part of the principle of good governance. According to UNDP (Sedarmayanti, 2004), the law must be applied consistently, especially in matters relating to human rights, which are in line with the principles of the 1945 Constitution of the Republic of Indonesia which makes Indonesia a country of law. Therefore, the Tejo Village Government is expected to carry out its duties within a fair and transparent legal framework, ensuring that every financial management activity can be accounted for without violating the rights of the community.

Tejo Village Government carries out financial management based on various regulations that serve as references. One of them is Law Number 6 of 2014 concerning Villages, which provides a legal basis for the implementation of village autonomy and its financial management. In addition, Regulation of the Minister of Home Affairs Number 20 of 2018 concerning Village Financial Management is also the main guideline, which establishes procedures and principles of transparency, accountability, and participation in the management of village funds. These rules are designed to ensure that the community can be involved in the decision-making process related to the use of village funds.

Furthermore, regulations such as the Regulation of the Minister of Finance Number 145 of 2023 and the Regulation of the Regent of Bojonegoro Number 3 of 2022 provide more detailed guidelines on the allocation and use of village funds. With this comprehensive regulation, it is hoped that financial management in Tejo Village can run well, reduce the possibility of irregularities, and increase public trust in the village government. However, challenges such as

increasing public participation and openness of financial information still need to be improved. Therefore, ongoing efforts are needed to improve both aspects so that the principles of good governance can be implemented optimally.

2. *Participation*

Community involvement in village financial management is a crucial aspect in realizing the principles of good governance. According to UNDP (in Sedarmayanti, 2004), every individual has the right to participate in the decision-making process, either directly or through representatives. This principle is in line with Permendagri Number 20 of 2018, which emphasizes the importance of the element of participation in village financial management. In Tejo Village, financial planning is carried out through several stages, starting from hamlet-level deliberations, continuing with village-level deliberations, and ending with the Musrenbangdesa forum. This forum involves various elements of society, including village officials, RT, RW, BPD, LPMD, and other community organizations, to comprehensively identify community needs.

The implementation of the Village Musrenbang in Tejo Village in 2023 produced a significant budget, with an allocation for the field of village government administration of IDR 1,501,314,954.09, the field of village development implementation of IDR 3,169,212,000.00, the field of village community development of IDR 127,060,000.00, the field of village community empowerment of IDR 180,114,000.00, and the field of disaster management of IDR 72,000,000.00. These figures reflect efforts to meet the various needs of the community through a diverse budget distribution. However, the success of this budget allocation is highly dependent on community participation in the planning process. Although there are existing participatory mechanisms, in reality community participation in the Village Musrenbang in Tejo Village is still not optimal. Research shows that only a small portion of the community attended the forum. This creates a gap between the expectation for active participation and the reality on the ground. Many communities prefer to entrust decisions to their representatives, which can reduce accountability and transparency in village financial management. This low level of involvement may be due to a lack of community understanding of the importance of their participation in the decision-making process.

Lack of community participation in the Village Musrenbang can have a negative impact on the quality of village financial planning and management. Without active community involvement, decisions taken may not be in accordance with their needs and expectations. This can reduce community trust in the village government and cause dissatisfaction. In addition, low transparency in village financial management can make people feel that they do not have sufficient access to information regarding the use of village funds. To increase community participation, the Tejo Village Government needs to strengthen socialization and provide education regarding the importance of their participation in the Village Musrenbang. One step that can be taken is to reactivate the village website as a means of information that is transparent and easily accessible to the community. By providing clear and open information

about village financial management, it is hoped that the community will be more motivated to be actively involved in the planning and decision-making process. This will help village financial management become more effective and in accordance with community needs.

3. Transparency

Transparency in village financial management is an important aspect in creating trust between the community and the government. According to UNDP in (Sedarmayanti, 2004), transparency is the freedom to obtain information that can build trust. In Tejo Village, the budget received in 2023 reached IDR 2,612,741,315.18, which shows the great responsibility of the village government to manage these funds openly and accountably.

In the planning stage, the Tejo Village government has attempted to convey information about the amount of finances received by the village through the Village Musrenbang. This is a good initial step to involve the community in the decision-making process. However, despite these efforts, community participation in this forum is still less than optimal, which can reduce the effectiveness of the expected transparency.

The implementation of programs that have been agreed upon in the Village Musrenbang also shows the existence of a mechanism for recording income and expenditure carried out by the Village Financial Management Implementer (PPKD). The use of activity auxiliary books as a recording tool is a good step, but it needs to be balanced with the delivery of wider information to the community. Information boards or project boards installed to provide information on funding sources and their use are also a form of transparency that needs to be improved.

One indicator of transparency is the existence of a reporting mechanism that facilitates the dissemination of information to the public. In Tejo Village, the APBDesa implementation report and activity realization report are submitted to the Bojonegoro Regent through the Kanor Sub-district Head every July. However, the openness of information to the public is still limited, because the financial accountability report is only submitted through a banner placed at the Tejo Village Government Office.

The limited publication media is an obstacle in the dissemination of information. People who are not involved in the village Musrenbang feel that they do not receive adequate socialization regarding village financial activities. This creates an information gap, where only a portion of the community knows about village financial management. Research shows that community understanding of village financial activities is still very limited, which can reduce their participation in the decision-making process. Although the Tejo Village government has attempted to implement the principle of transparency, the results of interviews and observations show that the information provided is still global in nature. The reports submitted do not include the details needed by the community to understand the use of village funds as a whole. This less than optimal information transparency can reduce community trust in the village government.

One step that can be taken to increase transparency is to reactivate the village website. The village website can function as an effective publication media to convey information in more detail and easily accessible to the public. With the website, the public can obtain more complete information regarding village financial management, including reports on the realization of the Village Budget and the remaining budget.

The importance of socialization regarding village financial management also cannot be ignored. The Tejo Village Government needs to conduct wider socialization to the community, not only to the participants of the Village Musrenbang. Transparency of information must cover all levels of society, ensuring that every villager has the right to know about village financial activities. Community participation in village financial management is crucial to realizing accountability and openness. Without active involvement from the community, decisions taken may not be in accordance with their needs and expectations, which can reduce community trust in the village government and cause dissatisfaction.

In order to improve transparency and accountability, the Tejo Village government must commit to improving reporting and information dissemination mechanisms. By providing clear and open information regarding village financial management, it is hoped that the community will be more motivated to actively participate in the planning and decision-making process. Overall, transparency in village financial management in Tejo Village still faces various challenges. Although there are efforts to convey information, limited publication media and lack of socialization to the community are obstacles that need to be overcome. By increasing transparency and community participation, it is hoped that village financial management can be carried out better and in accordance with community needs.

4. Accountability

Accountability in village financial management is an important aspect that reflects the obligation of the village government to be accountable for every action and decision taken in achieving village development goals. In Tejo Village, the accountability process starts from the planning, implementation, to reporting stages, all of which must be carried out transparently and accountably. With a budget received of IDR 2,612,741,315.18 in 2023, the village government has a great responsibility to manage these funds properly and in accordance with applicable regulations. At the planning stage, the Tejo Village government has taken steps in accordance with the established procedures. The preparation of the Draft Village Budget for the 2023 fiscal year was carried out by the village secretary and discussed with the Village Consultative Body (BPD). This process shows that there is community participation in decision-making, although this participation still needs to be improved. The ratification of the Draft Village Budget by the village head after verification by the regent through the sub-district head also reflects vertical accountability, where the village government is responsible to a higher authority.

In the implementation, the Kaur and Kasi of Tejo Village act as the Village Financial Management Executors (PPKD). They prepare the Budget Implementation Document (DPA) which includes the village activity plan and budget. Each disbursement of funds must be accompanied by a Payment Request Letter (SPP) approved by the village head. Recording of financial activities is carried out properly through the general cash book, tax book, and the Siskeudes application. The use of Siskeudes as a village financial system is expected to increase the openness of public information and facilitate village financial management.

Reporting is an important stage in accountability, where the village head is responsible for reporting village finances to the Regent of Kediri through the Kanor Sub-district Head. The reports submitted include the realization of the budget that has been implemented in the first semester and the final report for the 2023 budget year. In accordance with Permendagri number 20 of 2018, this reporting must be carried out periodically and transparently. This shows that the village government is trying to fulfill the reporting obligations stipulated by the regulations. Although the Tejo Village government has carried out reporting in accordance with the provisions, there are challenges in terms of transparency of information to the public. The village financial accountability report is only submitted via a banner placed at the Tejo Village Government Office, which can result in limited access to information for people who are not involved in the Village Musrenbang. This creates an information gap, where only some people know about village financial management.

The limitations of publication media are an obstacle in the dissemination of information. Communities that are not involved in the village Musrenbang feel that they do not receive adequate socialization regarding village financial activities. Research shows that community understanding of village financial activities is still very limited, which can reduce their participation in the decision-making process. Therefore, it is important for the village government to increase socialization and community involvement in village financial management.

One step that can be taken to increase transparency is to reactivate the village website. The village website can function as an effective publication media to convey information in more detail and easily accessible to the public. With the website, the public can obtain more complete information regarding village financial management, including reports on the realization of the Village Budget and the remaining budget. This will help increase public trust in the village government.

The importance of socialization regarding village financial management also cannot be ignored. The Tejo Village Government needs to conduct wider socialization to the community, not only to Musrenbangdesa participants. Openness of information must cover all levels of society so that all villagers have the right to know about village financial activities. Thus, the community will better understand and be involved in village financial management.

Community participation in village financial management plays a crucial role in realizing accountability and transparency. When the community is not actively involved, the decisions taken are at risk of not being in accordance with

their needs and aspirations. This condition can reduce the level of community trust in the village government and trigger dissatisfaction among residents. Therefore, the village government needs to commit to increasing community involvement at every stage of village financial management. In general, village financial management in Tejo Village still faces various challenges related to accountability. Although there have been initiatives to convey information to the community, limitations in the use of publication media and minimal socialization activities are obstacles that must be overcome immediately. By increasing transparency and involving the community more actively, village financial management is expected to run better, be more responsive to community needs, and in line with the principles of good governance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The implementation of good governance principles in the financial management of Tejo Village is in line with the Regulation of the Minister of Home Affairs Number 20 of 2018. Although the Tejo Village Government has attempted to implement these principles, the implementation is still not fully optimal. The principles of good governance applied include:

1. Legal Rules: There is a clear legal framework in village financial management.
2. Principle of Participation: Community participation in village planning deliberation activities (musrenbangdesa) is still low, with only a small portion of the community attending the forum.
3. Transparency Principle: Openness of information regarding village finances is not yet optimal, where information is only known by the community involved in the village musrenbang.
4. Principle of Accountability: Although there are efforts to convey financial reports, the publication media used, such as banners installed at the Village Government Office, only provide general information.

Although Tejo Village already has a village website, the use of this media has not been fully effective in conveying APBDesa realization reports to the wider community. Therefore, there needs to be an increase in participation and transparency to achieve better village financial management.

Recommendation

In order to improve the principle of community participation, Tejo Village residents need to increase their awareness and involvement in village planning deliberation activities (musrenbangdesa). This is important so that the community is more active in knowing and contributing to village financial activities. In addition, to strengthen the principle of transparency, the village government must conduct wider socialization regarding village financial management. Openness of information must be expanded not only to musrenbangdesa participants, but also to the entire community, so that all residents have the right to know about village financial activities. Thus, transparency can be implemented optimally. The Tejo Village Government is also advised to reactivate the village website. This website can function as an effective

publication media, providing convenience for the community to access information related to village financial management, including sources of funds received and their implementation.

ADVANCED RESEARCH

The implementation of good governance principles in Tejo Village's financial management aligns with the Regulation of the Minister of Home Affairs Number 20 of 2018; however, its execution remains suboptimal, particularly in participation, transparency, and accountability. While a legal framework exists, community engagement in village planning deliberations (*musrenbangdesa*) is minimal, limiting public oversight and input. Transparency efforts are hindered by restricted access to financial information, which is primarily available to *musrenbangdesa* participants, rather than the broader community. Furthermore, accountability mechanisms, such as financial disclosures via banners and the village website, lack effectiveness due to limited accessibility and outreach. To enhance governance, fostering greater community involvement through awareness campaigns and structured participatory mechanisms is crucial. Additionally, strengthening transparency requires broader dissemination of financial data beyond *musrenbangdesa*, leveraging digital platforms for more inclusive access. Reactivating and optimizing the village website as a central hub for financial reporting and public engagement could significantly improve information flow, ultimately fostering a more participatory and accountable financial management system in Tejo Village.

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