



Implementation Of The Utilization Of Village Funds During The Covid-19 Pandemic

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Abstract

Village funds are budget allocations on-budget that can be used directly to support efforts to mitigate the impact of Covid-19 at the household and village levels. This study aims to gain a deeper understanding of the regulation of the use and utilization of village funds during the Covid-19 pandemic, the implementation of village fund usage during the Covid-19 pandemic in the Air Batu Subdistrict, and the supervision of village fund management during the Covid-19 pandemic. The results show that the utilization of village funds during the Covid-19 pandemic remains based on the provisions of Law Number 6 of 2014 concerning Villages. The use of village funds for handling Covid-19 can also be based on the Regulation of the Minister of Village Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 13 of 2020 concerning the Priorities of Village Fund Utilization for the Year 2021. This regulation explicitly governs (1) National economic recovery in accordance with the authority of the village, (2) National priority programs in accordance with the authority of the village, (3) Adaptation of new village habits. The supervision of the use of village funds during the Covid-19 pandemic is carried out by the local government of the district/city (Inspectorate), sub-district head (camat), Village Consultative Body (BPD), and village communities. This is regulated in the Regulation of the Minister of Home Affairs Number 73 of 2020 concerning the Supervision of State Financial Management.

Keywords : Village Funds, Implementation, Utilization.

INTRODUCTION

The rapid spread of the Coronavirus Disease 2019 (COVID-19) pandemic led to its declaration as a global pandemic. The government has undertaken several efforts to prevent and address the economic impact at the village level, one of which is through the utilization of Village Funds (Dana Desa). As a preventive and mitigative measure against the impacts of COVID-19, the government enacted Law Number 2 of 2020, which emphasizes the prioritization of budget allocations for specific activities (refocusing), adjustments to allocations, and/or the postponement of budget transfers to regions and Village Funds based on certain criteria. These regulatory changes also affect the priorities for the usage of Village Funds in 2021, allowing for flexibility in reallocating Village Funds for COVID-19 related purposes. This shift is intended to set priorities for the utilization of Village Funds in 2021 towards programs and/or activities that accelerate the achievement of Village Sustainable Development Goals (SDGs).¹

The regulatory changes also affect the priorities for the utilization of Village Funds in 2021, as explained in the Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration of the

¹ Hiskia Makapele, et al., Implementation of the 2020-2021 Village Fund Refocusing Policy for Handling Covid-19 (Study in Durian Village, Sinonsayang District, South Minahasa Regency) GOVERNANCE JOURNAL, Vol.2, No. 1, 2022, ISSN: 2088-2815, p. 2

Republic of Indonesia Number 13 of 2020 concerning the Prioritization of Village Fund Utilization for the Year 2021. This regulation allows for flexibility in reallocating Village Funds for COVID-19 purposes, specifically aimed at setting priorities for the utilization of Village Funds in 2021 towards programs and/or activities that accelerate the achievement of Village Sustainable Development Goals (SDGs) through:²

1. National economic recovery in accordance with village authorities;
2. National priority programs in line with village authorities; and
3. Adaptation to the new village norms.

The management of Village Funds in 2021 for handling COVID-19 is regulated by the Regulation of the Minister of Finance of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendments to the Regulation of the Minister of Finance Number 17/PMK.07/2021 concerning the Management of Transfers to Regions and Village Funds for the 2021 Fiscal Year in Support of the Handling of Coronavirus Disease 2019 (COVID-19) Pandemic and Its Impact. This Ministerial Regulation includes the management of transfers to regions and Village Funds for the 2021 fiscal year in support of handling the COVID-19 pandemic, which encompasses:³

- (a) Changes in allocation;
- (b) Utilization; and
- (c) Disbursement.

The priorities for the utilization of Village Funds in 2021, mandated by the law, serve as guidelines and references for village governments in formulating programs and activities for village development and community empowerment within the Village Government Work Plan and the Village Budget for the Fiscal Year 2021. These plans are created and attached to the Village Regulation on the Village Government Work Plan (RKPDs) for the Year 2021 and the Village Regulation on the Elaboration of Village Budgets for the Fiscal Year 2021. Throughout the stages of village financial management, supervision plays an integral role and is governed by the Regulation of the Minister of Home Affairs Number 73 of 2020 concerning the Supervision of Village Financial Management. Supervision is of utmost importance in achieving transparency as part of governance, aiming to improve service delivery by local governments. Local governments are urged to play their role as supervisors and quality controllers of public services within the scope of local governance.⁴

The district of Air Batu consists of 12 villages: Sei Alim Ulu Village, Pinaggiripan Village, Pulahan Plantation Village, Hessa Perlompongan Village, Air Batu I/II Plantation Village, Air Batu III/IX Plantation Village, Danau Sijabut Village, Air Teluk Hessa Village, Air Genting Village, Sijabut Teratai Village, and Pulau Pule Village. The management of Village Funds in the Air Batu district in 2021 faces several issues, including:

1. Regulation: The lack of responsiveness and adaptability among village officials and the community to dynamic regulatory changes.
2. Capacity of Village Officials: Village heads and officials have not demonstrated sufficient professionalism and integrity in carrying out their duties.
3. Adequacy of Budget: Village heads and officials still face challenges in accurately mapping the needs of activities and prioritizing budgets in accordance with regulations and the needs of the community.
4. Transparency and Accountability: Village officials have not been transparent in publicizing, reporting, and being accountable to the community regarding the management of Village Funds.
5. Supervision and Guidance: There is a lack of supervision and guidance from the local government concerning the understanding and management of regulations that emerged during the pandemic, mainly due to a shortage of human resources in the local government for supervising and guiding each village.

Based on the background issues above, the author is interested in conducting research on the Implementation of Village Fund Usage Utilization During the Covid-19 Pandemic. The methodology of the journal is juridical (normative) methodology, a research approach commonly used in legal studies to analyze and interpret legal norms, principles, regulations, and statutes. It involves examining existing legal texts and materials to derive insights, interpretations, and conclusions about the law. Furthermore, based on the brief background description above, there are several issues that will be interesting to discuss in this study, including: 1. How is the implementation of Village Fund usage and utilization during the Covid-19 pandemic in the Air Batu district? 2.

² Article 5 point 2 Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 13 of 2020 concerning Priority for ^{Using} Village Funds in 2021.

³ Article 2 Regulation of the Minister of Finance of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendments to Minister of Finance Regulation Number 17/PMK.07/2021 concerning Management of Transfers to Regions and Village Funds for the 2021 Fiscal Year in the Context of Supporting the Handling of the 2019 Corona Virus Disease Pandemic (Covid-19) and its impact.

⁴ Epafrans Tuidano, Supervision of the Inspectorate in the Administration of Ternate City Government, Journal of Government Science, Volume 3 Number 2 (July, 2018), p. 45.

How is the supervision of Village Fund management during the Covid-19 pandemic? This paper aims to conduct an analysis of the implementation of Village Fund usage & utilization during the Covid-19 pandemic in the Air Batu district and the supervision of village financial management during the Covid-19 pandemic.

METHOD

Research Type And Nature

The research method used in this study is a type of normative juridical research. Normative juridical research is conducted in this thesis. This is because the research objective is to examine the implementation of Village Fund usage and utilization during the Covid-19 pandemic using legal principles and legal theories as the basis of analysis.

Research Data

The data collection method was conducted through library research to obtain various literature and legislation related to the issues in the thesis. In this case, the author conducted research on literature to obtain scientific theoretical materials as the basis for analysis in discussing the issues in this thesis. The data used in this thesis are secondary data, which consist of primary legal materials, secondary legal materials, and tertiary legal materials.

Techniques And Data Collection

The techniques and tools used for data collection in this research were conducted through literature study (library research), documentary study (documentary research), and field study (interviews). The literature study involved collecting secondary data by reviewing legislation, literature, and writings from legal experts. The documentary study focused on relevant documents related to this research. Meanwhile, the field study was conducted through interviews to obtain information through question and answer sessions to achieve accurate information related to this research.⁵

Data Analysis

Based on the nature of this research, which uses a descriptive analytical research method, the data analysis employed is a qualitative approach to both primary and secondary data. The qualitative analysis involves systematically organizing the collected data for further analysis in the form of descriptions. Once all the data is gathered, it undergoes comprehensive processing, analysis, and construction. Subsequently, data interpretation is conducted to draw conclusions from the realities encountered in the field.⁶

ANALYSIS AND DISCUSSION

The Village Law has become the initial benchmark for villages in redefining their authorities. Villages have ample space to redefine various village assets and utilize them to the fullest for the benefit of the community. The village government is responsible for the administration of local governance affairs and the interests of the local community within the system of the Unitary State of the Republic of Indonesia. The village head holds the authority for managing village finances as their position entails overall responsibility for the management of village finances.⁷

The Indonesian government continues to make efforts and take steps by issuing various legal instruments to address the widespread impact of the COVID-19 pandemic. The issuance of Law Number 2 of 2020 concerning the Determination of Government Regulation in Lieu of Law Number 1 of 2020 on State Financial Policies and Financial System Stability for Handling the Corona Virus Disease (COVID-19) Pandemic and/or in Facing Threats that Endanger the National Economy and/or Financial System Stability, led to the development of new policies to curb the spread and address the virus. One of these policies involves the reallocation of infrastructure budgets to direct cash assistance known as (BLT).⁸

Amidst the global COVID-19 pandemic, the Ministry of Villages has created new regulations to adapt to the situation and address the increasing needs on a large scale to combat the pandemic. The regulation is known as the Minister of Village Development of Disadvantaged Regions and Transmigration Regulation Number 13 of

⁵ Riduan, *Methods & Techniques for Compiling Thesis*, Bandung: Cipta Bina, 2004, p. 97.

⁶ Lexy J. Moleong, *Qualitative Research Methodology*, Revised Edition, Rosdakarya Youth, 2010, p. 248.

⁷ HAW. Widjaja, *Village Autonomy*, Jakarta: Raja Grafindo Indonesia, 2012, p. 4.

⁸ Pajar, Suharno, Dika Yudianto, "Village Fund Management During the Covid-19 Pandemic (Case Study in Parangjoro Village, Sukoharjo Regency)", *Verstek Journal* Vol. 10 No. 1 (January - April 2022), p. 21-24.

2020 concerning the Prioritization of Village Fund Usage for the Year 2021. This regulation was established based on two considerations:⁹

1. To mitigate the social and economic impacts on communities and the hindered development of villages due to the COVID-19 pandemic, there is a need to adapt to new norms in the villages.
2. To confront threats that endanger the national economic system and/or financial stability, implementing state financial policies and stability measures is necessary.

As a follow-up to the Minister of Village Development of Disadvantaged Regions and Transmigration Regulation Number 13 of 2020 concerning the Prioritization of Village Fund Usage for the Year 2021, the Village Funds are also allocated for COVID-19 handling efforts.

1. COVID-19 Safe Villages (COVID-19 Handling):

Based on the Circular of the Minister of Finance Number 2 of 2021 and the Instruction of the Minister of Village Development of Disadvantaged Regions and Transmigration Number 1 of 2021, it is stated that the Village Fund allocation for COVID-19 handling should be at least 8% of the total Village Funds.

2. Village Direct Cash Assistance (BLT-DD):

The distribution of BLT-DD aims to reduce the number of poor residents in the villages, as regulated in the Minister of Finance Regulation Number 222/PMK.07/2020 concerning the Management of Village Funds.

The Ministry of Finance has expanded the priorities for Village Fund usage to protect the poor communities by issuing the Minister of Finance Regulation Number 40/PMK.07/2020 concerning the Amendment to the Minister of Finance Regulation Number 205/PMK.07/2019 concerning the Management of Village Funds. This regulation aims to facilitate the handling of the COVID-19 pandemic, assisting villages in managing Village Funds, and establishing priorities for Village Fund usage in accordance with the applicable regulations.¹⁰

In order to facilitate the implementation of the Village Fund Direct Cash Assistance (BLT-DD), various other policies have been issued, including the Minister of Finance Regulation of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendments to the Minister of Finance Regulation Number 17/PMK.07/2021 on the Management of Transfers to Regions and Village Funds for the Fiscal Year 2021 in Support of Handling the Corona Virus Disease 2019 (COVID-19) Pandemic and Its Impact. Due to the urgent economic needs, the BLT-Dana Desa must be carried out quickly and accurately targeted. Therefore, it is essential to have valid and accurate data to assist villages in managing the Village Funds and providing the Village Direct Cash Assistance to poor or needy families in the village as beneficiaries, following the applicable regulations.¹¹

Some weaknesses identified from the execution of the Minister of Village Development of Disadvantaged Regions and Transmigration Regulation of the Republic of Indonesia Number 13 of 2020 concerning the Prioritization of Village Fund Usage for the Year 2021 are as follows:¹²

1. Outdated Data: The data from the Integrated Data for Social Welfare (DTKS) and non-DTKS (village government) is not updated, making it difficult for the Village Task Force (SATGAS) or village volunteers during field cross-checking processes.
2. Inadequate Data Inclusion: The new criteria for aid recipients, as stipulated in the regulation, were not properly included in the data collection. As a result, eligible citizens might not be registered or face exclusion errors.
3. Lack of Data Transparency: Data transparency is a major concern. The principle of openness demands that governance at all levels should prioritize transparency.
4. Community Participation: Community participation is crucial in supporting every government activity.
5. Public Service Activities and Grievance Mechanisms: Public service activities should be accompanied by mechanisms for community complaints to minimize maladministration, such as corruption, procedural deviations, and abuse of authority.

IMPLEMENTATION OF VILLAGE FUND USAGE AND UTILIZATION DURING THE COVID-19 PANDEMIC IN AIR BATU DISTRICT

Mechanisms of Village Fund Usage and Utilization During the Covid-19 Pandemic

⁹ Ro'is Alfauzi, Accountability for Prioritizing the Use of Village Funds in Disadvantaged Areas Amid the Covid 19 Pandemic, *Journal of Sharia and Law*, Volume 18 Number 2 December 2020, page 193.

¹⁰ Rudy S. Prawiradinata, Direct Cash Assistance – Village Funds (BLT-Dana Desa), Jakarta: Deputy for Regional Development of the Ministry of National Development Planning/Bappenas, (2020), p. 2.

¹¹ Selvy Melda Hartanti, et al, "The Urgency of Transferring Village Funds for Covid-19 Disaster Management, *Sosio Yustisia: Journal of Law and Social Change*", Volume 1, Number 1, May; p-ISSN: 2776-4540; e-ISSN:2776-3323, p. 42-45.

¹² *Ibid.*

The mechanism for village financial management follows the stages of Village Fund usage planning, which involves several planning processes:

1. Socialization of Village Fund usage, based on the Minister of Village Development of Disadvantaged Regions and Transmigration Regulation Number 13 of 2020 concerning the Prioritization of Village Fund Usage for the Year 2021.
2. Village Consultation (Musdes) for the determination of the Village Government Work Plan (RKPDs) for the fiscal year 2021.
3. Village Development Planning Consultation (Musrenbangdes).
4. Determination of the Village Budget (APBDes) for the fiscal year 2021 based on the regulations issued by the regency in 2021.¹³

Implementation of Village Fund Usage and Utilization During the Covid-19 Pandemic in Air Batu District

The budget allocation for the Village Budget (APBDes) sourced from the Village Fund for the fiscal year 2021 in the villages of Air Batu district is Rp. 10,036,349,000. Based on the agreed APBDes allocation for each village in Air Batu district, the Village Funds budgeted for the utilization during the Covid-19 pandemic in 2021 are provided to each village to be used for Covid-19 prevention and handling activities, Cash-for-Work Program, and Village Direct Cash Assistance. The planning of Village Fund usage is determined through the establishment of the Village Budget (APBDes) for the year 2021, following the Technical Guidelines for Village Funds of the Fiscal Year 2021, as stated in the Asahan Regent Regulation Number 10 of 2021.

Table 1
Village Fund Priorities of Air Batu Sub-district in 2021

No	Village	DD 2021 for BLT		Digitalization of Village Data & SDGs	Revitalization of Village-Owned Enterprises	DD 2021 for COVID-Safe Village (Minimum 8%)		DD Allocation for Year 2021 (IDR)
		Number of Beneficiaries	Amount per Year			(IDR)	%	
1	Sei Alim Ulu	20	72.000.000	49.275.550	3.500.000	69.726.800	8,00%	871.585.000
2	Pinanggiripan	28	100.800.000	41.005.000	3.500.000	60.336.880	8,00%	754.211.000
3	Perkebunan Pulahan	28	100.800.000	38.800.500	3.500.000	83.871.920	8,00%	1.048.399.000
4	Hessa Perlompongan	19	68.400.000	45.493.750	3.500.000	66.674.800	8,00%	833.435.000
5	Perkebunan Air Batu I/II	35	126.000.000	49.099.000	3.500.000	60.151.600	8,00%	751.895.000
6	Perkebunan Air Batu III/IX	19	68.400.000	37.116.350	3.500.000	64.289.920	8,00%	803.624.000
7	Danau Sijabut	31	111.600.000	44.966.750	3.500.000	72.616.880	8,00%	907.711.000
8	Air Teluk Hessa	9	32.400.000	37.711.250	3.500.000	60.437.360	8,00%	755.467.000
9	Air Genting	6	21.600.000	55.095.650	3.500.000	73.175.520	8,00%	914.694.000
10	Hessa Air Genting	25	90.000.000	43.567.000	3.500.000	70.488.400	8,00%	881.105.000
11	Sijabut Teratai	28	100.800.000	40.996.450	3.500.000	61.171.920	8,00%	764.649.000
12	Pulau Pule	60	216.000.000	38.758.000	3.500.000	59.965.920	8,00%	749.574.000

Source: Result of Evaluation of Village Funds Priority in Air Batu Sub-district, Year 2021.

During the implementation stage of Village Fund usage to address the impact of the Covid-19 pandemic, the plans for fund usage as determined in the Village Government Work Plan (RKPDs) and Village Budget

¹³ Hiskia Makapele, *Op.Cit.*, p. 7.

(APBDes) for the year 2021 are followed. The Covid-19 pandemic mitigation activities funded by the Village Funds include: Micro Village Community Activity Restrictions (PPKM Mikro Desa), Village Direct Cash Assistance (BLTD), and Cash-for-Work Program (PKTD). The allocation of Village Funds as direct cash assistance (BLT) in each village in Air Batu district for disaster, emergency, and urgent matters in 2021 varies according to the number of BLT recipients in each village. The Village Funds allocation is used for providing direct cash assistance (BLT) to the villagers. The distribution of BLT is done on a monthly basis throughout the fiscal year 2021. The number of BLT recipients in each village is fixed and cannot be changed unless there are recipients who pass away. The direct cash assistance is distributed in the amount of Rp. 300,000 per month. In the Covid-19 safe village program, each village in Air Batu district conducts several prevention and handling activities for Covid-19, which are divided into various needs, such as Covid-19 posts, volunteer operations, procurement of disinfectants, operational spraying, mask procurement, handwashing facilities, and others. The percentage of funds allocated for Covid-19 handling in relation to the total Village Funds is 8%.

The digitalization program for village database & SDGs (Sustainable Development Goals) in each village of Air Batu district focuses on the capacity building of village personnel. This is because the village personnel in each village have limited capabilities in conducting data collection. The digitalization program for village database & SDGs is highly beneficial for the village government and the community as it can support village government programs by providing essential community data or aiding in the distribution of assistance to the underprivileged community in the future. The BUMDes (Village-Owned Enterprises) program for the community in each village of Air Batu district encompasses all planning aspects to be implemented by the BUMDes, including business planning, financial planning, program and activity planning, as well as partnership planning. The budget allocated for each village in Air Batu district for this program amounts to Rp. 3,500,000.

Based on the breakdown of Village Fund utilization in Covid-19 handling, the village governments in Air Batu district have carried out their duties in accordance with the applicable regulations regarding the usage of Village Funds in Covid-19 handling. Some challenges, as explained by Mr. Halimuddin Siregar, the village facilitator of Air Batu district, include:

1. Delay in the disbursement of Village Funds.
2. Protests from community members who feel dissatisfied with the village government due to perceived unfair distribution of Village Direct Cash Assistance (BLT-DD).
3. Community members feel that the village government lacks transparency and professionalism in the usage of Village Funds.
4. Village needs, such as physical infrastructure development, are not fully met because the priorities for Village Fund usage have been predetermined by regulations.
5. The Village Funds in Air Batu district are relatively small and are considered insufficient to meet the village's needs during the Covid-19 pandemic.
6. The regulations in 2021 allowed villages the freedom to use Village Funds for Covid-19 disaster management without specifying the percentage of Village Fund utilization, resulting in minimal implementation of physical infrastructure development in the villages in 2021.

Based on observations during 2021, the general issues related to Village Funds can be seen from the aspects of planning, management, and accountability, as follows:

- a. Planning:
 1. Changes in policies necessitated multiple budget refocusings.
 2. Delays in the preparation and approval of local regulations (perda) and/or village regulations (perkades), partly due to vacant positions of regional or village heads.
 3. Different indicators used by various ministries/institutions (K/L) in evaluating village development, leading to confusion in measuring village progress, such as Village Development Index (IDM), Village Development Index (IPD), Village and Sub-District Profiles, as well as Village and Sub-District Development Evaluation.
- b. Management:
 1. The utilization of Village Funds is not in line with priorities.
 2. The utilization of Village Funds for COVID-19 is suboptimal, with only administrative documentation (such as photos) provided for accountability, while actual activities are not implemented.
 3. Unutilized Village Funds in the State Treasury Account (RKUN) are not transferred to the Regional Treasury Account (RKUD) due to discrepancies between the number of villages based on regency/mayorality regulations and the number of villages according to DJPK data.
 4. Legal issues arising for village heads due to misappropriation of Village Funds.
- c. Accountability:

Due to administrative delays in reporting and accountability by village or regional governments, there are delays in the disbursement of subsequent stages of Village Funds.

The implementation of the utilization and allocation of Village Funds carried out in each village in Air Batu Sub-district has followed the stages from planning, usage, to accountability and evaluation as mandated in the Asahan Regency Regulation Number 10 of 2020 concerning the Technical Guidelines for Village Funds in the 2021 Fiscal Year. Among the twelve villages in Air Batu Sub-district that have gone through the mechanistic stages related to the theory of village benefits, the author believes that Hessa Air Genting village has been the most beneficial in the utilization and allocation of Village Funds. This is because, out of the twelve villages, only Hessa Air Genting has implemented public works and spatial planning in two locations in Dusun I, provided targeted BLT Desa, and so on. It does not mean that the utilization and allocation of Village Funds in other villages are not beneficial, but rather, the planned RKPDes in other villages has not been fully realized due to insufficient funds for other sectors. There are more prioritized needs in each village, leading to the allocation of Village Funds for those purposes, especially in disaster management activities.

SUPERVISION OF VILLAGE FUNDS MANAGEMENT DURING THE COVID-19 PANDEMIC

Supervision of Village Funds is carried out in the context of overseeing the administration of village government. The entity accountable for this is the village itself, which includes the management of village finances. The Village Law emphasizes the rights of the Village Consultative Body (BPD) to supervise and request information regarding the administration of village government, including the utilization of Village Funds.

Regulations related to the oversight institution of Village Funds management in Indonesia, in addition to Article 55 of the Village Law, can be elaborated as follows:

1. Government Regulation Number 43 of 2014 on the Implementation of Law Number 6 of 2014 concerning Villages: The village head is required to submit a written report on the administration of the village government to the Village Consultative Body (BPD) at the end of each year, which includes the implementation of village regulations. This report will be used by the BPD in carrying out its oversight function over the village head's performance.
2. Ministry of Home Affairs Regulation Number 7 of 2008 on Guidelines and Procedures for Oversight of Village Government Administration: Oversight of village government includes the administration of village finances (including Village Funds), and it is conducted by government supervisory officials at the district/city inspectorate.
3. Law Number 6 of 2014 concerning Villages and Ministry of Home Affairs Regulation Number 71 of 2015 on the Policy of Oversight in the Ministry of Home Affairs and the Implementation of Regional Government in 2016: One of the oversight activities carried out by the Inspectorate of Local Government is the oversight of Village Funds.
4. Article 44 of the Ministry of Home Affairs Regulation Number 113 of 2014 on Village Financial Management: Provincial and district/city governments play a role in overseeing Village Funds.
5. Ministry of Home Affairs Regulation Number 73 of 2020 on Oversight of Village Financial Management: Oversight of village financial management includes oversight by the Inspectorate of Local Government (APIP), oversight by the sub-district head (Camat), oversight by the Village Consultative Body (BPD), oversight by the village community, oversight through an information system, and funding for oversight activities.

The Role of the Village Consultative Body in Implementing Village Fund Supervision.

The scope of oversight by the Village Consultative Body consists of:

1. BPD conducts oversight of the village head's performance in managing Village Funds.
2. BPD carries out oversight through:
 - a. Planning village government activities and budgets.
 - b. Implementing activities.
 - c. Reviewing reports on the implementation of the Village Budget (APBD).
 - d. Monitoring the achievements of the Village Medium-Term Development Plan (RPJMD), Village Work Plan (RKPD), and Village Budget (APBD).
3. The results of BPD's oversight are communicated to the village head during the Village Consultative Body meetings and are also reported to the sub-district head and the Regional Inspectorate for District/City.¹⁴

¹⁴ Article 20 Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management.

The Village Consultative Body has functions (Article 55) and rights (Article 61) stated in the Village Law. The oversight conducted by BPD aims to gather all feedback from the community regarding the use and utilization of Village Funds and to supervise the performance of the village head in managing the village's finances in each village in Kecamatan Air Batu. The results of the oversight by BPD serve as an evaluation of the village government's implementation of its duties and functions to prevent any violations of regulations.

The Role of the Sub-district Head in Implementing Village Fund Supervision.

The scope of oversight by the Sub-District Head includes:¹⁵

1. The Sub-District Head carries out oversight over the Village Financial Management and the utilization of Village assets in accordance with the provisions of the laws and regulations.
2. Oversight of Village Financial Management and utilization of Village assets is conducted through:
 - a. Evaluation of Village regulations related to the Village Budget (APB Desa).
 - b. Evaluation of Village Financial Management and Village asset utilization.
 - c. Evaluation of the documents related to the accountability report of the Village Budget (APB Desa).
3. Evaluation is performed to ensure the conformity of the documents with the norms and procedures of Village Financial Management.
4. The results of the Village Financial Management oversight by the Sub-District Head are reported to the Regent/Mayor and copied to the Regional Inspectorate (APIP) of the respective district/city.

The results of Village Financial Management oversight by the Sub-District Head become the basis for the Regional Inspectorate (APIP) of the respective district/city to determine the scope of Village Financial Management oversight.

The oversight conducted by the Sub-District Head on Village Financial Management includes:

1. Assisting the Village Government (Village Head) in the preparation of the Village Budget (APBD) by providing guidance to ensure that the APBD is aligned with the local conditions and needs of the village.
2. Directly evaluating the draft Village regulation on the Village Budget (APBD) before it is submitted to the Regent/Mayor.
3. Conducting direct monitoring of the implementation of the Village Budget (APBD) in the villages and visiting the villages if there is any information or reports from the community regarding discrepancies or irregularities.
4. Requesting oral reports and explanations from the Village Head during coordination meetings or other official meetings at the sub-district level, requesting written reports periodically every quarter on the progress and implementation of the Village Budget (APBD), requesting oral reports and explanations from the Village Head on the implementation of the Village Budget (APBD) during sub-district coordination meetings, and conducting evaluations of the implementation reports of the Village Budget (APBD) every semester to be submitted to the Regent/Mayor.

The monitoring and evaluation carried out by the Sub-District Head in providing guidance and oversight to the implementation of Village governance aims to assess whether the Village Budget (APBD) and Village Medium-Term Development Plan (RKPDs) prepared by each village comply with the provisions of the Regulation of the Regent of Asahan Number 10 of 2021 concerning Technical Guidelines for Village Funds in the 2021 Fiscal Year. The evaluation results conducted by the Sub-District Head for each village in the Air Batu sub-district must be reported to the Regent/Mayor, the Inspectorate, and the PMD department to be used as evaluation materials for the implementation of village fund disbursement in the next quarter or in the following fiscal year.

The Role of Local Government of Districts/Cities in Implementing Village Fund Supervision.

The scope of supervision of Village Financial Management by the Regional Inspectorate (APIP) of the district/city consists of:¹⁶

1. Evaluation of the effectiveness of Village Financial Management within the district/city scope;
2. Performance examination of village financial management and assets;
3. Performance examination of BUMDes financial management;
4. Review of the evaluation process of Village Budget Draft regarding the Village Budget, including its consistency with RKPD;
5. Review of the quality of Village expenditures;

¹⁵ Article 19 Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management.

¹⁶ Article 7 number (3) Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management.

6. Review of procurement of goods and services in the Village;
7. Monitoring the disbursement of transfer funds to the Village and the achievement of Village outputs; and
8. Investigative Inspection.

The supervision carried out by the district inspectorate includes:

1. Based on the routine annual work program. This program is created through meetings involving all members of the district inspectorate in Asahan, scheduling supervisions throughout the year, considering various factors, and forming inspection teams for village financial management within the Asahan district.
2. Based on the results of reports or complaints from the public related to village financial management. Reports or complaints from the public may directly or indirectly reach the inspectorate's office to address issues concerning village funds that are deemed to have irregularities in their management.

The Inspectorate of Asahan Regency faces several obstacles or hindering factors in carrying out its duties and functions, which include:

1. Insufficient personnel and their competencies. Based on data obtained by researchers, Asahan Regency has 25 districts, 27 sub-districts, and 177 villages. The number of villages is not proportional to the number of inspectorate personnel. This poses a challenge for the Asahan district inspectorate in conducting supervision and examinations.
2. Lack of cooperation from village officials in submitting reports. However, this can be overcome by providing universal and targeted coaching. Competent inspectorate personnel should provide effective guidance and coaching to assist villages that lack understanding of village governance. Training and socialization for the inspectorate are also essential to enhance their knowledge and understanding of their duties and responsibilities according to the regulations. With improved quality and quantity, the inspectorate can fulfill its tasks and functions efficiently.
3. Insufficient budget and accommodation facilities for conducting inspections. The limited funds available to the Asahan district inspectorate also affect the performance of personnel in carrying out their duties and functions.

The results of monitoring and evaluation conducted by the district/city government regarding the Asahan district inspectorate's supervision of village fund management involve examining the accountability reports made by the villages to determine if they comply with applicable regulations. The inspectorate's findings are then reported by the regent and other supervisory bodies to assess compliance with regulations and identify any violations. If the inspectorate identifies any irregularities or receives complaints from the public about non-compliant accountability reports before conducting their own examination, they assign the sub-district head (camat) to conduct an immediate on-site inspection of the reported findings.

The scope of financial management supervision by the provincial inspectorate (APIP) includes:

1. Evaluating the effectiveness of financial management in the provincial area.
2. Examining the supervision and coaching conducted by the regent/mayor in financial management.
3. Examining the coaching provided by the regent/mayor to improve the capacity of village apparatus in financial management.
4. Reviewing policies related to financial management and Village-Owned Enterprises (BUM Desa) set by the regent/mayor.
5. Reviewing the calculation and disbursement of village funds, village fund allocation, and transfers from the district/city to villages conducted by the district/city government.
6. Monitoring the distribution of transfer funds to villages and assessing village outputs.
7. Conducting investigative inspections.¹⁷

The scope of financial management supervision by the Ministry's Inspectorate General (APIP Kementerian) includes:

1. Evaluating the effectiveness of village financial management at the national level.
2. Examining the supervision and coaching provided by the Governor, as a representative of the central government, over the implementation of duties by regents/mayors in financial management at the district/city level.
3. Examining the Governor's coaching, as a representative of the central government, in enhancing the capacity of district/city apparatuses related to financial management.
4. Examining the policies regarding financial assistance sourced from the provincial budget to villages.

¹⁷ Article 7 number (2) Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management.

5. Examining the supervision and coaching provided by the Governor, as a representative of the central government, over the implementation of duties by regents/mayors in the supervision and coaching related to Village-Owned Enterprises (BUMDes).
6. Conducting investigative inspections.

The community also has the right to conduct participatory supervision over the use of village funds, including monitoring the implementation of village development by comparing it with the content of the issued village regulations. The community is entitled to obtain information about activities that use village funds. To ensure more accountable village fund management, a monitoring mechanism is necessary.

The scope of community supervision includes:¹⁸

1. The Village Community conducts supervision through monitoring of Village Financial Management.
2. Supervision is one form of community participation.
3. In carrying out supervision, the Village Community has the right to request and obtain information from the Village Government.
4. The information includes:
 - a. Village Budget (APBD)
 - b. Implementing agencies and teams responsible for budgeted activities
 - c. Realization of the Village Budget (APBD)
 - d. Realization of activities
 - e. Unfinished and/or unimplemented activities
 - f. Remaining budget
5. Monitoring is conducted through:
 - a. Participation in village meetings to respond to reports on Village Financial Management
 - b. Conveying aspirations related to Village Financial Management
 - c. Submitting complaints from the community related to Village Financial Management
6. The results of monitoring by the community are communicated to the Village Government and the Village Consultative Body to obtain responses or follow-up actions. If complaints arise from the monitoring, they are resolved independently by the Village through local wisdom via discussions in the Village Consultative Body. If the resolution is deemed unsatisfactory by the community, the monitoring results can be reported to the sub-district head for mediation. In cases where the monitoring results indicate abuse of authority, financial losses in the village, and/or indications of corruption, the community can report the monitoring results to the Inspectorate General (APIP) at the district/city level.

CONCLUSION

The implementation of village fund utilization during the Covid-19 pandemic has been carried out appropriately according to the mechanisms and regulations set by the government, such as the Minister of Village Development of Disadvantaged Areas and Transmigration Regulation Number 13 of 2019 regarding the Priority Use of Village Funds in 2021, and other regulations issued by the government as guidelines for the Covid-19 responsive village and cash-for-work programs using village funds. The allocation of village funds during the Covid-19 pandemic in Air Batu sub-district in 2021 was directed towards Direct Cash Assistance, Covid-19 handling, and other essential needs based on each village's requirements. The implementation of village fund utilization in Asahan Regency is clarified by the Regional Regulation, namely the Asahan Regency Regulation Number 10 of 2021 regarding the Technical Guidelines for Village Funds in the 2021 Budget Year. The supervision of village fund management during the Covid-19 pandemic in villages of Air Batu sub-district is carried out by the local government (Inspectorate), sub-district head (camat), Village Consultative Body (BPD), and the community (Minister of Home Affairs Regulation Number 73 of 2020 regarding the Supervision of State Financial Management). The supervision process is conducted effectively and efficiently through review, monitoring, evaluation, and examination. However, some obstacles are commonly encountered during supervision, such as the limited human resources, the large number of villages to be supervised, timeliness, and enthusiasm from the villages. The government's efforts to overcome these obstacles include providing guidance and assistance to every village in Asahan Regency. It is essential to revise the existing legal regulations regarding the prioritization of village fund utilization for the upcoming years, and the village governments should not only focus on economic recovery from the impact of Covid but also prioritize the development according to the community's needs. So far, the development projects in villages have been hindered as funds are redirected for

¹⁸ Article 7 number (1) Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management.

Covid handling and economic recovery. Supervision of village fund utilization should be optimized, conducted accountably, and involve cooperation between the local government (Inspectorate), sub-district head (camat), Village Consultative Body (BPD), and the community. In particular, the Inspectorate, as the supervisor in the local government, should guide and direct village heads and officials to ensure meticulous usage of the funds in compliance with applicable procedures and regulations. This is crucial to achieving targeted development and creating prosperity in the villages while preventing any misappropriation of village funds by village officials.

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