

# **THE MANAGEMENT OF VILLAGE FINANCES IN PERSPECTIVE OF MAQASHID SYARIAH**

## **Case Study at Pongkok Village, Polanharjo Subdistrict, Klaten District**

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### **Abstract**

The development of a village is certainly carried out by various aspects of the field. This is of course supported through regulations concerning village autonomy and village fund assistance. In addition, regional development in Islam should be able to present Maqashid Syariah. so that, this indicator is very important for research. This research discusses village financial management based on of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018. Meanwhile, *Maqashid Syariah* is based on the theory put forward by Syathibi. The results of this study certainly can be used as a reference for other villages so that village financial management is in line with development in Islam.

Keyword: The Management of Village Finances, *Maqashid Syariah*.

### **INTRODUCTION**

The government has a key role to building the region. The development was carried out from various fields so that the government provided special autonomy for regions and villages. Villages autonomy has been approved to Law no. 6 the Year 2014 on the Village, namely providing opportunities for rural communities to become more independent and prosperous.

The central government through the Ministry of Finance also implements budgeting, allocation and distribution of funds to regions and villages. In accordance with Regulation of Minister of Finance of the Republic of Indonesia Number 50 / PMK 07/2017, fund transfers to villages are allocated in the Government Budget Revenue and Expenditure intended to finance government administration and village infrastructure project. The existence of village autonomy regulations with fund transfers is an opportunity to develop more independent and prosperous villages through development and community empowerment.

In fact, the Director General of Financial Balance of the Ministry of Finance, Boediarso Teguh Widodo said, nationally the number of underdeveloped villages reaches 60% of the total village, even though the transfer of village funds every year increases ([www.nasional.kontan.co.id](http://www.nasional.kontan.co.id), 2017). As well as, village financial management still has errors when planning phase, implementation, administration, reporting, and comparison so that the reason why the village fund can't have a significant impact on village development (Mondele, et al, 2007). According to Ramadhan (2014) when analyzing the

financial planning of Bangsri Village on perspective of Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 37 the Year 2007 concluded that there are difference at the Draft of Village Expenditure Budget between Village Medium-Term Development Plans. In addition, the document format used is not in accordance with The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 37 the Year 2007. Often the stages of planning, implementation, administration, reporting, and accountability are not in accordance with reality. In fact, the achievement of village development must create a good village financial management system starting from making and designing the stages of good and correct village financial management.

The implementation of good government in Islam should be able to present maqashid sharia in managing village finances. Maqashid Sharia is an embodiment of benefit to avoid all kinds of damage (Mutakin, 2017). The application of maqashid sharia in real life is to create the benefit or goodness of beings on earth. Indicators of the benefit of the people at the level of *dharuriyat* are divided into five, namely: Maintaining religion (*Hijẓh Al-Din*), Keeping the soul (*Hijẓh An-Nafs*), Keeping the mind (*Hijẓh Al-Aql*), Keeping offspring (*Hijẓh Al-Nasl*), Maintaining treasure (*Hijẓh Al-Maal*) (Al-Syatibi, 1997: 324). This Maqashid Sharia is intended so that villages can improve the implementation of good governance.

One of the villages that succeeded in increasing the implementation of public accountability also succeeded in creating an independent and prosperous village, namely Ponggok Village, Polanharjo Subdistrict, Klaten District, Central Java. Ponggok village was once a poor village and has now turned into one of the most developed and successful villages. This success is inseparable from the role of the village government in reviewing the governance strategy of Ponggok Village in financial management by utilizing the potential of natural resources.

The success of financial management by utilizing the potential of natural resources into Ponggok Village won an award as the best national tourism village in 2017 in the category of community empowerment from the Ministry of Village, Development of Disadvantaged Areas, and Transmigration. Community creativity is supported by village officials to manage their natural resources in the form of water tourism so as to attract local and foreign tourists. It is very interesting to check whether the financial management of Ponggok Village has been able to present maqashid sharia to the surrounding community.

## **RESEARCH METHODS**

### **Types of Research**

This study uses qualitative research by analyzing descriptive data that will be written in the form of a written report.

### **Research Methods and Approaches**

The research method used in this study is a case study with an explorative approach.

### **Data Type**

### a. Primary Data

Primary data in this study were obtained from the subject of research and documents (Middle Village Development Plan, Village Government Activity Plan, Village Budget Income and Expenditure, as well as other financial reports and village monographs related to this research).

### b. Secondary Data

Secondary data of this study were obtained from library studies that supported the research, including: documents from the Ministry of Home Affairs, mass media (news, journals, and internet), and books related to this research.

## Data Collection Technique

In this study uses several data collection techniques as follows: In-depth interviews, using interviews by asking questions about village financial management to informants. Observation, using observations involves how researchers go directly to Ponggok Village to collect data. Documents, use written documents needed on data types.

## Data Analysis and Interpretation Techniques

In this study data analysis uses several techniques, namely: data reduction, data display, and conclusion / verification. Meanwhile, data interpretation techniques use confrontation analysis.

## RESULTS AND DISCUSSION

Management of village finance based on Article 29 of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 consists of: planning, implementation, administration, reporting, and accountability report.

### Village Financial Management Planning

Planning based on Article 31 of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 is the approval of village government revenue and expenditure in the year budgeted on APBDES. Planning of Ponggok Village Financial is in accordance with Maqashid Syariah about the importance of a government with integrity. This is in accordance with Hadith Number 674 in the Book of Riyadusholihin (1415 H: 316):

وعنه قال : قلت : يا رسول الله ألا تستعملني ؟ فضرب يديه على منكبي ثم قال : " يا أبا ذر إنك ضعيف ، وإنها أمانة ، وإنها يوم القيامة خزي وندامة ، إلا من أخذها بحقها ، وأدى الذي عليه فيها " رواه مسلم

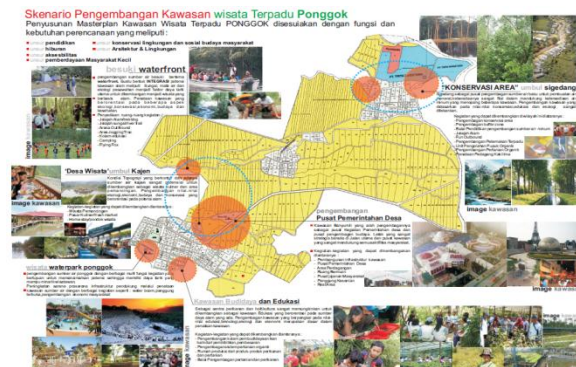
*From Abu Zar R.A, he said: "I said:" O Rasulallah, do you not like to use me - that is to appoint me as an official of the state. "He then patted my shoulder with his hand, then said:" O Abu Zar, verily on the Day of Judgment you are a weak person and in fact the government position is as a mandate and in fact such a position is a lowliness and regret - on the Day of Judgment - for people who cannot fulfill their mandate, except someone who takes that mandate with rights as it should. "(HR Muslim)*

A government with integrity is certainly able to produce village financial planning that is able to produce maqashid sharia. The existence of a good village management plan is also able to present human benefit at the *Dharuriat* level. According to Djazuli (2003: 397) *Dharuriat* is also a need that must be met and if it is not fulfilled it will threaten the safety of humanity. Some things are done, namely:

## 1. Development Planning in the RPJM of Ponggok Village

### a. Spatial Approach (Regional Spatial Planning)

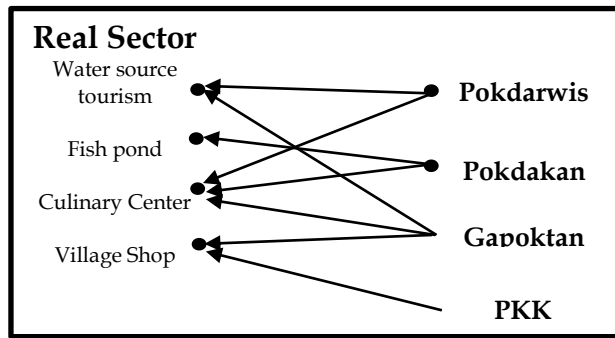
Development planning using spatial is used as a guide for rural development. This requires several spatial plans that reflect the entire development plan in a rural area that is expected to be able to answer and answer the development needed by the village government and the community in the future. In addition, human resource capacity is needed to manage natural resources so that they are able to be used to the maximum and still consider aspects of the environment and socio-economic sustainability of society. The following analyzes are suggested: Maps of village spatial plans, maps of agricultural land locations, maps of natural potential locations, maps of disaster-prone areas, and maps of slums. The results of the analysis are made into maps of village area development.



Source: Government Archives of Ponggok Village

### b. Sectoral Approach

The sectoral approach in Ponggok Village further develops commodities and productive businesses by optimizing the role of BUMDes as a locomotive for village economic development. The emphasis on the sectoral approach lies in improving the results of existing community organizations, such as: Gapoktan (Combined Farmer Groups), Pokdarwis (Tourism Awareness Group), Pokdakan (Fish Cultivation Groups) and PKK (Family Welfare Development) Mother Groups. With the existence of Gapoktan, Pokdarwis, Pokdakan, and PKK, it is expected to improve the welfare of the people of Ponggok Village under the guidance of BUMDes. The following is a scheme of sectoral approach based on business development through the synergy between BUMDes and community business groups:



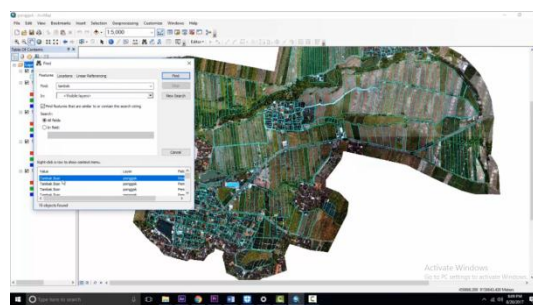
Source: Observation results

### c. Approach to the Development of Human Resources

The aim of this HR development approach is to strengthen the capacity of village governments and communities to manage village potential. In its implementation, concrete data and updates must be needed so that the steps that have been made are in accordance with the target. The data needed is population data, such as: graduates, age, employment, and income. The treatment given in the HR approach is very diverse, depending on where a village head wants to solve the problem, both through superior policies and programs.

### d. Information and Communication Technology Approach

The progress of information and communication technology has made the Ponggok village government carry out various innovations with the concept of e-governance as an effort to move public services to computer-based by utilizing the advancement of the internet. The existence of technology for village development that is increasingly modern will certainly present the level of Tahsiniyat. According to Al-Qardhawi (1999: 80) Tahsiniyat's needs are not fulfilled, compilation will not fulfill and cause difficulties. The purpose of Tahsiniyat's existence is to avoid things that are not pleasant to see so as to be able to present beauty that is in accordance with the norms and morals.



Source: Software of Ponggok E-Desa

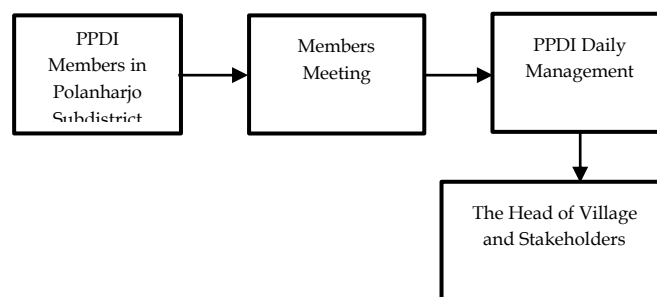
## 2. Submission of Aspirations from the village government

PPDI (Persatuan Perangkat Desa Indonesia) Polanharjo Subdistrict is a place that has been touched as a gathering of all village administrations as a form of

fighting for profession and employment in Polanharjo Subdistrict. Several new programs have been implemented by PPDI Polanharjo, namely:

- a. All village governments in Polanharjo District are obliged to follow the Employment BPJS whose contributions can be paid through the village income and expenditure budget, if the village is unable to pay the BPJS Employment, the individual village officials can pay for themselves through the salary they get. This aims to protect all village governments when carrying out their work which must always be ready in 24 hours serving the community.
- b. Mandatory contribution of Rp. 200,000.00 every year is paid by all members of PPDI Polanharjo Subdistrict to provide compensation to the village government that has been full-time but will not yet have an Employment BPJS. This is because the village government that has been full-time does not get a pension fund and only gets a land grant of a third of the land bent while still in office.

The following is a pattern of acceptance of the aspirations of PPDI members on Polanharjo Subdistrict:



Source: Observation Results

### c. Village Meeting to make RKPDES

RKPDES or Village Government Work Plans are the first step in determining the APBDes. The village head prepares the RKPDES by involving village communities. The establishment of the Ponggok Village RKP is usually carried out at the end of the year. Implemented with BPD and representatives from each RT located in Ponggok Village. Making Ponggok RKPDES, this type of activity is divided into 9 sectors, namely: religion, public infrastructure and facilities, integrated agriculture, environmental sustainability, health and sports, education and improvement of human resources, social culture, economy, and village government. The organization of the village meeting is certainly in accordance with the principle of transparency. This principle of transparency is able to make village government have a good governance system. This is in accordance with Surah Al-Baqarah verse 282:

*“O you who have believed, when you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice. Let no scribe refuse to write as Allah has taught him. So let him write and let the one who has the obligation dictate. And let him fear Allah, his Lord, and not leave anything out of it. But if*

*the one who has the obligation is of limited understanding or weak or unable to dictate himself, then let his guardian dictate in justice...”*

#### d. Making a Plan of Village Budget Revenue and Expenditure

APBDES is the initial guideline made by the village apparatus so that all and what is needed is properly and precisely allocated. Revenue Budget The Ponggok Village Toolkit has divided the village income into 3, namely: First, PAD (Village Original Income), which is income from efforts made by the local village government. Ponggok PAD comes from the benefits of the Tirta Mandiri BUMDes. Second, fund transfers, namely funds specifically transferred by the district, provincial and central governments. Third, other income, namely the source of income obtained from the grant also from third parties that have been carried out by the MoU, such as: PT. Tirta Investama which works with village government. Meanwhile, village groupings consist of several groups, namely: village government administrators, village administrators, community development, community empowerment, and unexpected fields.

### Implementation of Village Finance

Based on Article 43 of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 about the implementation of village financial management is village revenue and expenditure conducted through the village cash account at the bank selected by the Regent / Mayor.

#### 1. Making a Change APBDES

APBDES changes are the next step in carrying out village financial management activities. Usually changes are made in the middle of the year. APBDes Changes are also carried out and determined by the head and village government together with the BPD. This activity was created by the village government so that everything needed was properly allocated and on target. APBDES Changes in Ponggok are regulated in The Regulation of Ponggok Village no. 2 the Year 2018 about the Village Revenue and Expenditure Budget that has been determined on March 26, 2018 as follows:

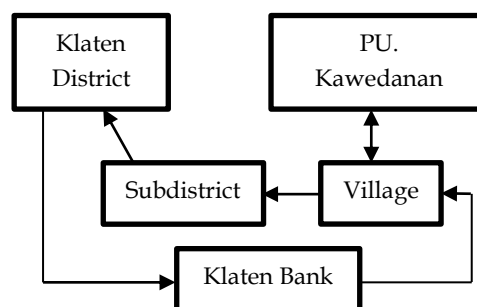
1	Village Income:	
	1). First	Rp. 3.731.851.638
	2). Surplus / Deficit	Rp. (74.864.974)
	Amount of village income after being changed	Rp. 3.656.986.664
2	Village Expenditure	
	1). First	Rp. 3.860.888.455
	Surplus / Deficit	Rp. (74.864.974)
	Amount of village expenditure after being changed	Rp. 3.786.023.481
a	Sector of Village Government Execution	
	1). First	Rp. 838.884.455
	2). Surplus / Deficit	Rp. (40.809.974)
	Amount of Sector of Villlage Government Execution after being changed	Rp. 798.074.481
b	Sector of Infrastructure	

	1). First	Rp. 2.156.679.000
	2). Surplus / Deficit	Rp. (40.809.974)
	Amount of sector of infrastructure after being changed	Rp. 2.330.449.000
c	Sector of Community Development	
	1). First	Rp. 674.600.000
	2). Surplus / Deficit	Rp. (133.650.000)
	Amount of sector of community development after being changed	Rp. 540.950.000
d	Sector of Community Empowerment	
	1). First	Rp. 175.725.000
	2). Surplus / Deficit	Rp. (59.175.000)
	Amount of Sector of Community Empowerment after being changed	Rp. 116.550.000
e	Sector of Unexpected	
	1). First	Rp. 15.000.000
	2). Surplus / Deficit	Rp. (15.000.000)
	Amount of Sector of Unexpected after being changed	Rp. 0
3	Surplus/Deficit	
	Amount of Deficit after being changed	Rp. 129.036.817

Source: The Regulation of Ponggok Village no. 2 the Year 2018

## 2. The process of providing Klaten Regency APBD Financial Assistance

The transfer of income in the village government financial account, consists of: village funds, tax and retribution revenue sharing, and financial assistance. The source of government financial assistance from Ponggok Village comes from the APBD of Klaten District and the APBD of Central Java Province. financial assistance distribution has the following steps:

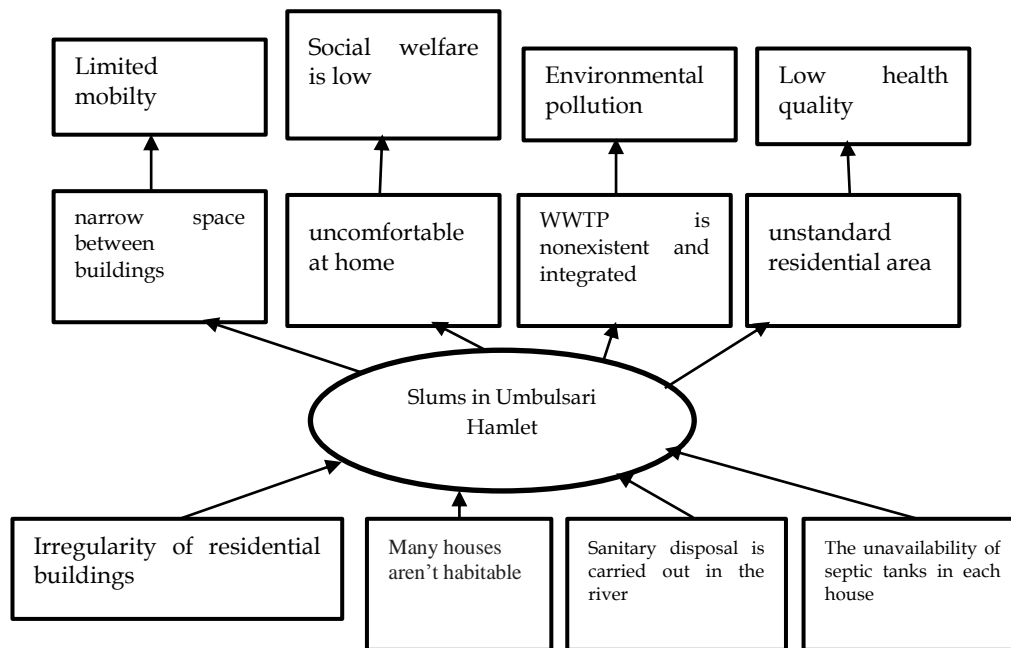


Source: Observation Results

## 3. Survey of Problems in Ponggok Village

Each village has its own problems. Some of the problems faced were very substantial so that they could threaten the sustainability of Ponggo Village. In addition, there are also many problems that threaten the sustainability of existing clean water and become the biggest source of village income. The village government has tried, both through budgeting for village expenditure income and directly going

to the community to provide education. The following are the problems found in Ponggok Village.



Source: Processed from the Ponggok Village Profile Book

Survey of village problems is very important because the Village Government is able to create village programs that can be felt by the community. Villagers who on average have farmers' jobs certainly live in poor lives. This is consistent with Hagen (1956: 4) who said:

*“Peasant agriculture is the basic occupation of all or almost all of the families. Methods of production are primitive and unchanging. Productivity is low. Since writing is little needed in village life, literacy is probably low.”*

### Village Finance Administration

Administration on Article 43 of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 is recording of all receipts and expenses in the general cash book which is closed at the end of each month.

### File of Accountability for Financial Assistance in Klaten District

The accountability report is an obligation made by the village government when it has received financial assistance and realization of development. Files that must be completed, consisting of: tax invoices, notes, photos of implementation and construction, attendance list of workers, list of worker payments, A2 or receipts, and an explanation of the realization. The following is a receipt or A2 made by the Ponggok Village device:



Source: Government Archives of Ponggok Village

## Village Financial Report

Reporting based on Article 43 of The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 is the submission of reports on the implementation of the Regional Budget and realization of activities carried out by the Village Head in the first semester to the Regent / Mayor through the Sub-District Head. That accountability under Article 70 of the Minister of Home Affairs Regulation No. 20 of 2018 is the submission of accountability reports about the realization of APB Desa and records of financial reports by the Village Head to the Regent / Mayor through Camta at the end of each fiscal year.

## Siskeudes (*Sistem Keuangan Desa*) or Village Financial System

The Village Financial System is an operating system used on Windows computers that aims to guard village finance. The software contains important reports and documents that must be filled in and uploaded by the village apparatus, starting from planning, budgeting, administration, and bookkeeping. This software was developed by the Financial and Development Supervisory Agency. This software development was first tested in one area in Masama Regency, which in terms of infrastructure was still inadequate. During the trial period it turned out to be quite successful as indicated by the presence of village officials who had mastered the software and were able to make budgeting, administration, accounting, and accountability documents. Siskeudes operations are easy because Siskeudes can run well on WindowsXP, Windows7, and Windows 8. In addition, the minimum hardware requirements are Intel Celeron 1.5Hz with 1Gb RAM memory and a minimum hard disk space of 10Gb. By using Siskeudes, of course it will elevate benefit in accountability. This is because all village finance can be accessed and audited by anyone. In accordance with Al-Qur'an Surah Ar-Ra'd Verse 26:

*“Allah extends provision for whom He wills and restricts (it). And they rejoice in the worldly life, while the worldly life is not, compared to the Hereafter, except (brief) enjoyment.”*

## CONCLUSION

Village Financial Management, consisting of: planning, implementation, administration, and accountability carried out by the Ponggok Village Government is in

accordance with The Regulation of Ministry of Internal Affairs of the Republic of Indonesia no. 20 the Year 2018 and *Maqashid Syariah*.

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