

# **ANALYSIS OF BUDGET ABSORPTION AND FINDINGS OF THE INSPECTORATE BEFORE AND AFTER THE APPLICATION OF SISKEUDES IN DOMPU DISTRICT, WESTNUSA TENGGARA PROVINCE, INDONESIA**

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## **Abstract**

*The purpose of this study was to find out how the differences in budget absorption and findings of the Inspectorate before and after the application of Siskeudes application. The population in the study was the Village Government in Dompus District which was conducted by purposive sampling and obtained a sample of 66 Village Governments. The type of data used is quantitative data from secondary data sources in the form of Budget Realization Report (LRA) and Investigation Report from Inspectorate (LHP). The analytical tool used is the Paired Sample T-test for normal distributed data and the Wilcoxon Signed Rank Test for abnormal distribution data. The results showed that (1) there was no significant difference, but the absorption of the budget after the application of the Siskeudes application in 2016 was better than the implementation of the 2015 Siskeudes application; and (2) there are differences in Inspectorate findings before and after the application of Siskeudes application, namely the number of findings of the Inspectorate after the application of the 2016 Siskeudes application is greater when*

*compared to the number of findings before the application of the 2015 Siskeudes application. The study suggested; First, planning must contain programs that are needed by the community so that they are easy to implement, more involving community participation and based on the results of the calculation of the needs of the previous period so that the programs made will be absorbed by the larger budget. Secondly, Human Resource (HR) must be addressed so that they are ready to face changes, the consistency of placement of trained and reliable human resources is required to operate the Siskeudes application so that dependence on Village Facilitators can be reduced. Third, for the village government to be able to minimize the number of findings each period.*

*Keywords: SISKEUDES Application, Budget Absorption, Inspectorate Findings, Indonesia*

## **INTRODUCTION**

Village funds in the APBN continue to increase and until the 2017 fiscal year the allocation of village funds has been set by the government amounting to 60 trillion rupiah for 74 thousand more villages spread across Indonesia, or around 700 million to 1.4 billion rupiah per village. The amount of village funds has increased 3-fold from the 2015 budget year of 20.7 trillion rupiahs and has increased by 28% from village funds in 2016 amounting to 46.96 trillion rupiah ([www.bapenas.go.id](http://www.bapenas.go.id)). This policy has consequences for its management, namely the demand for transparency, accountability, and participation, both in terms of finance, performance, and compliance with laws and regulations.

One step in escorting accountability for village financial management, the government made changes related to the management of the village budget from manual to electronic systems as one form of innovation in managing village finance in an accurate, timely, transparent and accountable manner. The Minister of Home Affairs and Head of the Financial and Development Supervisory Agency (BPKP) as stakeholders of policy makers, made an MOU with Number 900/671/SJ and Number MOU-16/x/D4/015 on Improving Village Financial Management. The purpose and objective of this cooperation is one form of utilization of information technology systems to encourage the realization of good village financial management and clean village governance (good village governance). To realize this goal, BPKP has developed a village financial and accounting management information system through the application of village financial management in the form of the Village Financial Management System Application (SISKEUDES).

According to Rozai and Subagio (2015) the performance of the budget implementation performance or the achievement of financial performance illustrates the size of the allocation and absorption of the budget used to achieve performance targets. One indicator of the success of budget implementation performance is seen from the achievement of budget absorption, consistency between planning and implementation, achievement of output, efficiency, and achievement of results (PMK No. 249 of 2011 Article 4 and Article 5). The indicators for assessing financial accountability and village performance used in this study are based on the Menpan Regulation and Bureaucracy Reformation No. 53 of 2014 concerning Technical Guidelines for Performance Agreements, Performance Reporting and Review Procedures for Government Agency Performance Reports are: 1) budget absorption and 2) findings of the Inspectorate.

Nationally, the budget absorption of village funds is still considered slow, ie there are around 160 billion rupiah in the first stage of distribution of village funds in 2017 that are not absorbed. At the provincial level, out of 995 villages, the number of villages reporting the first phase of DD use in 2017 reached 89% or there are still 109 villages that have not yet submitted accountability reports on village fund use (Antaranews, 2017).

This happened also in Dompu Regency, based on the evaluation of the realization of village fund absorption in Dompu Regency until December 22, 2017, from the ceiling of village funds originating from the APBN amounting to Rp.61,166,021,000, - and only Rp.32,348,771,181, - or new realized 52.89%. In addition, there are still many things that need attention in terms of financial management. Based on BPK-RI LHP No. 22.C/LHP-LKPD/XIX.MTR/05/2017 May 30, 2017 against the Dompu District Financial Statements (LKPD) of TA2016 has received WTP opinions since 2014 until 2017 but has not been balanced with village financial management accountable. The Village Government in Dompu District is considered to have not managed village finances in an orderly manner so that the BPK gave several recommendations, including supervising and controlling village financial management that had been inputted into Siskeudes, forming a village fund evaluation and monitoring team and inputting and evaluating tax payments.

Compared to other District/City Governments in NTB Province, entering 2015-2016, Dompu Regency, there are at least 8 (eight) villages that are suspected of having problems due to unhealthy use of the budget. Likewise from the public complaints report and the audit results presented in the LHP Dompu District Inspectorate, various types of findings were found and the number of findings indicated the loss of regions/countries. The fact that occurs in the field is that there is still a lack of accountability and transparency in village finance felt by the community.

So that this research was conducted on village financial governance through the application of Siskeudes application to support good village governance as a goal. As contained in the policy of Law No.6 of 2014 concerning Villages and Permendagri No.113 of 2014 concerning Village Financial Management, with indicators of the success of village budget management reflected in increased budget absorption and reduced misuse of power/authority which resulted in losses to the state/region.

Based on the background described above, the formulation of the problem can be stated as follows: 1) What is the difference in budget absorption before and after the application of the Siskeudes application in Dompu Regency?; 2). What is the difference between the findings of the Inspectorate before and after the application of the Siskeudes application in Dompu District?.The purpose to be achieved in this study is to find out how the difference in budget absorption and findings of the Inspectorate before and after the application of Siskeudes in Dompu Regency.

The benefit of the expected research is that this research can be a reference for village financial managers and related parties or institutions on village financial management in village governments in Dompu District, and an overview of village financial management practices that have been running so far; and can help evaluate the success of the achievement of budget implementation performance and compliance with regulations and regulations before and after the use of the Siskeudes application.

## **LITERATURE REVIEW**

### **Previous Research**

Based on previous studies that are used as references and references in this study, research on the factors that cause less optimal budget absorption and use of Siskeudes applications in village financial management can be concluded that the factors of quality and competent human resources are the most influential factors. Given the quality of human resources in the village is very minimal competence, on the other hand the Village Government must be prepared to manage their finances systematically. This is evidenced by the results of research conducted by Ardhi (2016), Mulyaningsih (2017), Haidin (2017), Sapti, et al., Sulina (2017) and Juwaini (2018) in supporting this research.

Increased village funding budget along with the increase in findings; village budget kleptokrasi; deviations, regulatory and institutional weaknesses, governance, supervision and human resources can be proven through a number of 4 studies and studies conducted by Satrijaya (2017/2018); and Harinurhady (2017) with the results of his research that the Human Resource factor is the main obstacle to the findings that are not and or have not been followed

up. Comparative research on application implementation was carried out by Kuncoro (2013) which shows the percentage of budget absorption after the use of better SiPP applications before the use of the SiPP application; and Rosalinda's (2017) research shows that there are significant differences, namely the percentage of budget absorption before the application of e-Mpa is greater than after the use of e-Mpa application, the percentage of budget absorption is smaller.

## **Research Theory**

This research is based on the first, Stewardship theory in this case the management of village funds by the village government (agent), they are responsible to the village community (principal) as the trustee in carrying out the tasks of development and the government in the village has the same goal, namely quality, fast and accurate through empowering the use of information systems through the Siskeudes application and effective internal and external supervision. Second, Locke's Goal Setting theory in Kusuma (2013), that goal setting affects the accuracy of the budget, namely the absorption of the budget optimally and proportionally according to the rules and objectives to be achieved in order to accelerate the development process and spur the level of economic growth, especially in the village.

Considering one of the objectives of village fund management through the application of Siskeudes application to facilitate the process of preparing financial statements carried out automatically by the system. Third, Regulatory theory argues that needed rules or provisions in accounting; that non-compliance with applicable regulations and regulations can result in state losses, potential state losses, lack of revenues, administrative irregularities, irregularities, inefficiencies and ineffectiveness (BPK, 2017).

## **Village Financial Management**

### ***Village Financial Management System***

The system can be interpreted as a unit formed from several elements (elements). Whereas what is meant by village financial management is the overall activities which include planning, budgeting, administration, reporting, accountability and supervision of village finances. As for the explanation: 1) Village Financial Planning and Budgeting which is poured into the Village Revenue and Expenditure Budget (APB Desa) consists of village income, village expenditure, and village financing; 2) Implementation of Village Finance is a series of activities related to spending money and activities in the field; 3) Village Finance Administration is a recording activity specifically carried out by the Village Treasurer in the form of systematic and chronological receipt and expenditure of financial transactions that occur; 4) Reporting and

Accountability of Village Finance; as confirmed in the principle of village financial management can be accounted for from various aspects; legal, administrative and moral.

The form of responsibility for village financial management is in the form of Realization of Village Budget Implementation Reports for each semester and an Accountability Report Realization of the APBDesa implementation at the end of each fiscal year delivered to the Regent/Mayor through the Sub-District Head.

### ***Application of the Village Financial Governance System (Siskeudes)***

#### *Definition of Application*

The application comes from the application word which means application, application, usage. In terms of the application is a ready-made program or software that is engineered/designed to carry out a function for other users or applications and can be used by the intended target (Ghozali Imam, 2002: 12).

#### *Understanding Siskeudes*

Application-based village financial management system which is further called "SISKEUDES". This application system aims to improve the capacity of the Village Government in the management and accountability of village finance. Siskeudes is a series of the Village Financial System, which includes: planning/budgeting, implementation/administration, reporting/accountability and supervision/evaluation/control. An application such as Siskeudes certainly has advantages and disadvantages. The advantages are (1) accommodating all regulations regarding village finance issued by the Ministry of Home Affairs, Ministry of Foreign Affairs PDTT and Ministry of Finance; (2) has been designed teringerasi from planning, budgeting, administration, to reporting and accountability; (3) user friendly assuming Financial Management Human Resource capacity is limited; (4). desktop application that allows the mechanism of transferring data offline; (5) already has an internal control system that is inherent both in the planning, budgeting and administration stages and is very effective because there is enough data entry on budget and financial transactions, so that budget documents, administration and reports can be produced quickly.

Besides these advantages, there are weaknesses which are located in the competency of the Village Staff Human Resource as users of this application, because of the background of different abilities so that it is still difficult to run.

For villages that implement the Siskeudes application, accountability for village financial management will also increase. In principle, the accountability mechanism is a method to deter abuse of authority and corrupt behavior and it is clear to whom to convey responsibility. The

assessment of financial accountability and performance in the Village Government in this study is using indicators 1) budget absorption; 2) findings of the Inspectorate.

### **Conceptual framework**

The conceptual framework in this study is intended as a concept to explain, reveal and show comparisons about how the budget absorption and findings of the Inspectorate differ as variables, namely in the period before (2015) and after (2016) the application of Siskeudes application.

### **Development of Hypotheses**

#### **a. Absorption budget**

Budget absorption can be defined as the ability of the expenditure unit (work unit) of the government to utilize a predetermined budget to achieve timely planned output (Ministry of Finance Planning and Economic Development Uganda, 2011).

According to Mardiasmo (2009) that the budget absorbed and used to finance programs for the community is a form of achievement of good performance. The indicator is that with the support of the Siskeudes application that uses electronic data processing technology, a fast and integrated reporting process takes place and facilitates the process of monitoring the implementation of the budget so that it helps the village government to improve the realization of budget execution and better than the previous period.

This research is based on research conducted by Kuncoro (2013), the results of the study concluded that budget absorption after the application of SiPP applications was better with a higher percentage of absorption than before the application of SiPP applications.

Based on theory and previous research, the hypothesis can be formulated as follows:

**Hypothesis 1: Budget absorption after the application of Siskeudes application is greater than before the application of Siskeudes application.**

#### **b. Inspectorate Findings**

Audit findings are test results and detection results of material misstatements caused by internal control weaknesses and non-compliance with statutory provisions that directly and materially affect the information in the financial statements (BPKP). The national dynamics of village financial management shows similar phenomena with various problems.

Siskeudes application that is run well as an internal control (built control) with indicators namely reduced abuse of power/authority can be achieved better village government



governance (good village governance) and compliance with regulations, where Siskeudes application is operated automatically and systematically and has standardized according to regulations so that internal controls are maintained. Therefore, controlling the size of the village budget and authority is absolutely necessary so that public funds are appropriate and good in their management because they are a discourse of costs (Mardiasmo, 2009).

This research is based on 4 researches and studies conducted by Satriaajaya (2017/2018) that the implementation of the Village Law has implications for increasing the amount of the budget but in its management there have been various irregularities and regulatory non-compliance which are increasing; and government policies have not been able to minimize the occurrence of dysfunctional behavior and village management leading to fraud.

Based on the theory and several previous studies related, the hypothesis can be formulated as follows:

**Hypothesis 2: The findings of the Inspectorate after implementing the Siskeudes application are fewer than before the application of the Siskeudes application.**

## RESEARCH METHOD

### The Study and Research Data Sources

The study was carried out on the Village Government in Dompu District with a period of observation in 2015 (before Siskeudes); and 2016 (after Siskeudes). In this case, 2016 is a Cut-Off, namely the initial period for implementing the Siskeudes village financial management application in Dompu District. This Cut-Off serves as a barrier to distinguish the level of budget absorption and Inspectorate findings that can be achieved by applying Siskeudes application. The research data uses secondary data in the form of Budget Realization Report (LRA) and Investigation Report from Inspectorate (LHP), in addition through interviews and discussions with related parties. The sample collection technique uses purposive sampling, with the criteria that LHP and LRA are equally available in a village government. Of the 72 village governments, 6 village governments were found that were incomplete with LHP, so that 66 village governments were sampled.

### Operational Definition of Variables

The operational variable definition is an aspect of research that provides information on how to measure variables operationally, practically and realistically within the scope of the research



object/ object under study. The variables used in this study are budget absorption variables and Inspectorate findings, with a description of the explanation as follows:

### ***Budget Absorption Variable***

The definition of budget absorption is the result of a comparison between the number of budgets and the amount of realization expressed in percentages. The method of measurement is by looking at the data and checking the results or notes or financial report documents that have been made/ reported by the village government either manually in 2015 (before Siskeudes) or through the Siskeudes application in 2016 (after Siskeudes). Measurement indicators used based on Minister of Finance Regulation R.I. 249/PMK.02/2011 December 28, 2011 concerning Measurement and Performance Evaluation of the Implementation of RKAK/L in articles 11 through article 14, where the measurement of budget absorption (P), to assess how much the budget has been used to finance activities is formulated as follows :

$$P = \frac{RA}{PA} \times 100\%$$

Where,

P: Budget Absorption

RA: Accumulated budget realization of all work units

PA: Accumulated budget ceiling for all work units

### ***Variable Findings of the Inspectorate***

The definition of audit findings is a deviation, violation or irregularity found based on the results of the examination and testing conducted by the auditor. The method of measurement is by looking at the data and checking the results or notes or Investigation Report from Inspectorate (LHP) documents both regularly and on public complaints, the period 2015 (before Siskeudes) and 2016 (after Siskeudes) or through interviews and discussions with relevant parties.

The measurement indicator is based on UU No. 15 of 2004 concerning Examination and Accountability of State Finance, which states that the fairness of financial statements presented in financial statements is based on criteria for compliance with laws and regulations. The audit findings on the level of non-compliance with laws and regulations are measured based on the total number of non-compliance with laws and regulations that have been presented in the LHP, formulated as follows:

Non-compliance = Total Number of Findings related to Non-compliance with Legislation.

## ANALYSIS AND RESULTS

### Absorption Budget

#### *Descriptive statistics*

Table 1. Descriptive Statistics of Absorption Budget

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Before_2015	66	96,82	100,00	99,7659	,69082
After_2016	66	98,72	100,00	99,9355	,26874
Valid N (listwise)	66				

Based on the results of descriptive statistics, it can be seen that the minimum percentage of budget absorption before the application of Siskeudes application is smaller than the minimum value of budget absorption after the application of Siskeudes application. So that the average value of variable budget absorption is greater after Siskeudes.

#### *Hypothesis testing*

After obtaining the results of the Normality Test not having a normal distribution on the budget absorption variable, the next step is to test the Hypothesis by using the Wilcoxon Signed Rank Test, because the existing data is not normally distributed. The following results of the analysis are presented in the following table:

Table 2. Absorption Budget Variables

Test Statistics <sup>b</sup>	
	After_2016 - Before_2015
Z	-1,655 <sup>a</sup>
Asymp. Sig. (2-tailed)	,098
a. Based on negative ranks.	
b. Wilcoxon Signed Ranks Test	

Based on the output of the "statistical test" the significance (Asymp. Sig.) is known to be 0.098. Because the significance is  $\geq 0.05$ , which is  $0.098 \geq 0.05$ , then  $H_0$  is accepted. So that it can also be said that there is no difference in budget absorption before and after the application of Siskeudes application, but the percentage is better than before the application of Siskeudes application.

## Inspectorate Findings

### *Descriptive statistics*

Table 3. Statistics Description of Inspectorate Findings

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Before_2015	66	1	14	6,98	3,502
After_2016	66	1	23	8,73	5,691
Valid N (listwise)	66				

Based on the results of descriptive statistics, it can be seen that the minimum number of findings before Siskeudes is equal to the minimum value of findings after Siskeudes, only the number of villages that distinguishes is happened in 2 Villages in 2015 and 4 Villages in 2016. The average variable values are found bigger after the application of Siskeudes application.

### *Hypothesis Testing*

After obtaining the normal distribution test results Normality can be done using Paired Sample T-test. Efforts to find out the impact and differences of the findings of the Inspectorate before Siskeudes and after Siskeudes, then we see the results of the Paired Sample T-test seen in the following table.

Table 4. Table of Testing Paired Sample T-test

	Paired Differences					T	Df	Sig. (2-tailed)
	Mean	Std Deviation	Std Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Before Siskeudes - After Siskeudes	-1,74242	6,85074	,84327	-3,42655	-,05830	-2,066	65	,043

From Table 4, the significance of 0.043 at the 95% confidence level ( $\alpha = 0.05$ ) indicates that there are differences in the findings of the Inspectorate, namely the number of more findings after the application of Siskeudes application compared to before the application of Siskeudes application. The results of statistical calculations using the Paired Sample T-test show a significance of  $\leq 0.05$ , namely  $0.043 \leq 0.05$ , which means that  $H_a$  is rejected which states that the findings of the Inspectorate are fewer after the application of Siskeudes application. So the

conclusion is the findings of the Inspectorate after implementing the Siskeudes application more than before the application of Siskeudes application.

## DISCUSSION

### Absorption Budget

From the results of the study using Wilcoxon signed rank test data analysis, that the budget absorption after the application of the Siskeudes application showed no significant differences from before the application of the Siskeudes application. This can be seen from Asymp. Sig. (2-tailed) from a significant  $0.098 > 0.05$ . Although there is no significant difference, budget absorption after the application of the Siskeudes application in 2016 is better than the application of Siskeudes in 2015. It can be seen in descriptive statistics where the average percentage of budget absorption after the Siskeudes application is 99.93% when compared the average percentage of budget absorption before the Siskeudes application is worth 99.76%. This research is in line with the research conducted by Kuncoro (2013) which resulted in a study that the average budget absorption after the use of SiPP applications was better than before the use of the SiPP application.

In accordance with the Goal Setting Theory that the success of managing the budget is a form of responsibility of the village government (agent) to the community (principal) as mentioned in the Theory of Stewardship. In line with the aim of improving the welfare of rural communities through the activities of the Village Government as stakeholders who have an important role in the process of advancing a village, they must be able to manage the existing budget for the benefit of the community in their village.

The problem of the level of budget absorption can be reduced, if the Village Government can be consistent, namely the budget in accordance with the targets set for the realization of good cash management. The program must be made clear so that it can be implemented and contained in the plan according to the applicable provisions with a percentage of 70% for Village Development, Village Community Development and Village Community Empowerment; and 30% for Permanent Income and Benefits of Village Heads and Village Devices. If the absorption of the budget is not optimal, the RPJMDes need to be reviewed and adjusted to the different characteristics of each village. The preparation of the Regional Budget for village fund planning and ADD must be based on the RPJMDes and RKPDes, besides that it involves community participation in budget planning is absolutely necessary. So that the community knows the plans made through the Musrenbangdes together with elements of the Village Representative (BPD) that play a role according to functions, authority and duties as mandated in Article 55 of UU No. 6/2014 concerning Villages.

Darma (2014) stated that local governments must play a better role in increasing their budget absorption capacity by improving the quality of planning and human resource. Based on previous research and studies as well as the results of research revealed from the LHP Inspectorate which is used as a reference and reference in this study, research on the causes of suboptimal budget absorption can be concluded that quality and competent planning and Human Resource are the most influential factors. At the beginning of the application of the Siskeudes application in Dompu District, there was concern from various parties that the Village Government had not been able to carry out considering the quality of human resources in the village was very low in competence, on the other hand the Village Government had to be systematic in managing their finances. Since 2016, Dompu Regency has implemented the Siskeudes application in full, meaning that all Village Governments have implemented it, from the previous manual. In this case, 2016 is a cut-off, because 2016 is the beginning of the implementation of the application of Siskeudes in a structured manner.

Although there is no significant difference, but with better budget absorption compared to the previous period, village fund disbursement can be carried out faster than the previous period and can complete financial reports faster as the requirements for disbursing village funds for the following period. In addition, it becomes a reflection that the Village Government is quite good at managing its budget and its performance goals have been sufficient. The optimal absorption of village funds illustrates the planned programs, because without these funds it is possible that some of the programs will be late because the Village Government is late in setting the APBDes as a reference in implementing village funds.

### **Inspectorate Findings**

The results of the study using *Paired Sample t-Test* showed that there were differences in findings before and after the application of Siskeudes application, where there was an increase in the number of findings after the application of Siskeudes in 2016 compared to the application of Siskeudes in 2015.

From the results of the research revealed in the LHP Dompu District Inspectorate, that most of the findings occurred in income and expenditure accounts; and relating to the Respondent Letter which is not supported by sufficient evidence. While the causes of the findings were largely due to negligence of the Village Head and village officials as well as the result of not understanding/knowing the existing regulations. This was also proven through a number of 4 qualitative studies and a study conducted by Satrijaya (2017/2018) in supporting this research.

In accordance with Regulatory Theory which states that non-compliance with applicable regulations and regulations can result in state losses, potential state losses, lack of revenues, administrative irregularities, inefficiencies and inefficiencies (BPK, 2017). It can be seen from the descriptive statistics that in 2015 before the application of the Siskeudes application had an average number of findings of 7 findings and in 2016 after the implementation of Siskeudes had an average number of findings of 9 findings.

The Siskeudes application is applied to support good village governance through the use of technology in increasing transparency, control and accountability in the administration of village government in financial matters. From the audit results, the number of findings increased from the previous period, reflecting that the application of Siskeudes application had an impact on more transparency/openness in managing village finances; the amount of village funds that increases every year makes the tendency to make deviations and fraud even greater. Another reason is the negligence of the Village Apparatus and lack of understanding of regulations and often having difficulties due to changing and very diverse regulations.

The increasing number of village funds requires greater responsibility so that the implementation of village finance must be implemented in accordance with very diverse regulatory provisions in the form of Laws, Government Regulations, Permendagri, Permendes PDDT, Minister of Finance and other related regulations such as LKPP Head Regulation on Procurement Village Goods and Services or Tax Regulations.

From this, on the one hand, the application of Siskeudes has an impact on more transparency and openness, but on the other hand, the implementation of Siskeudes by the Village Government as a built-in controller has not run well where indicators of reduced abuse of power/authority have not been achieved.

## **CONCLUSION**

Based on the results of analysis and discussion, conclusions are obtained as follows:

1. The results of the study show that there is no significant difference, but the absorption of the budget after the application of the Siskeudes 2016 application is better than the implementation of the 2015 Siskeudes application. This is because optimization and achievement of budget absorption according to the target of 100 percent is still constrained by planning which is not optimal with the implementation and quality of Village Apparatus Human Resource that has limited skills, experience, education that is not motivated by accounting/bookkeeping and various other factors so that the Siskeudes application that has been designed by friendly users is still somewhat complicated for some employees/village officials. Village companion is still high. The process of reporting the village financial responsibility until the percentage level of

optimal budget absorption is reached, returning to optimal planning with implementation and supported by the ability of the Village Apparatus (Human Resource competency) to carry out planned activities.

2. The results of the findings of the Inspectorate showed differences in Inspectorate findings before and after the application of Siskeudes application, namely the number of findings of the Inspectorate after the application of Siskeudes in 2016 was more than the number of findings before the application of the 2015 Siskeudes application based UU No.6/2014 concerning Villages and Permendagri No. 113 of 2014 concerning Village Financial Management, which emphasizes transparency, accountability and participation. There is an iceberg phenomenon, where what was not revealed before could arise after the demands of transparency over village financial management and pressure from the community. Besides that the variety of controls and supervision/supervision is more stringent and comprehensive over the application of Siskeudes applications starting from the control and escort/supervision of the Central Government level (Ministries/Institutions), Provincial Government, Regency/City Government and Village Government itself.

## RESEARCH LIMITATIONS

This study has various limitations:

1. Indicators of budget absorption used are based on absorption of the budget, not fully based on emphasis on efficiency and effectiveness.
2. The indicators of the findings of the Inspectorate used are based on indicators of the number of findings. Whereas there are several audit findings, among others; weaknesses in internal control, the level of non-compliance and the level of irregularities. The findings on the level of deviation are measured based on the comparison of total findings in rupiah or findings in nominal terms with the total rupiah examined.

## SUGGESTIONS

The suggestions that can be given based on the results of this study are:

1. In planning must contain the programs needed by the village community so that they can be easily implemented; more involving community participation and BPD in budget planning and planning is the result of calculating the needs of the previous period so that the programs made will be absorbed by a larger budget.
2. Changes/dynamics of regulations and laws and regulations can be dealt with by improving the quality and competence of Human Resource, especially those directly involved in village financial management. HR must be addressed so that it will be ready to face



change. This competency improvement can be implemented in a coordinated manner on one roof so that it is effective and efficient, this can be done through training, education and guidance for Human Resource. The village head and village officials owned will determine other factors such as improving administration, minimizing fraud, effectiveness and efficiency in absorbing budgetary rewards and punishments as well as the strong desire to manage well. The consistency of the placement of trained and reliable human resources is needed in a position as a financial manager so that dependence on Village Facilitators can be reduced and the goal of building and managing more independent villages can be achieved.

3. At present the Village Government tends to see the findings in terms of value (materiality) not from the amount. It is recommended for the Village Government to be able to minimize the number of findings in each period because the large number of findings even though most of them are administrative in nature can eventually lead to findings of nominal value (materiality).

## **FUTURE RESEARCH DIRECTIONS**

1. This research was conducted on the Village Government in Dompu District; further research can be carried out on the objects of the Village Government in the Province of NTB, so that a more generalized picture can be obtained. In addition, using more samples and longer periods.
2. This study is limited to comparative indicators of budget absorption and findings of the Inspectorate using secondary or quantitative data. In the future, research can be done with different methods/test equipment from this research, and research can be conducted using primary data or qualitatively by using perspectives from other external stakeholders.

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