



Analysis of the effectiveness and efficiency of village fund management in Padaloang Village, Dua Pitue Sub-District, Sidenreng Rappang Regency

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ABSTRACT

Background: This study aims to identify and analyze the level of effectiveness and efficiency of village funds from 2020 to 2022 in Padaloang Village, Dua Pitue Sub-District, Sidenreng Rappang Regency. **Methods:** The research method used is qualitative with a narrative approach. The data sources used are secondary data, which were analyzed using the effectiveness and efficiency ratios, and primary data in the form of interview results, which were analyzed using effectiveness and efficiency measurements. **Findings:** The study results show that the analysis of the effectiveness of village fund management in Padaloang Village from 2020 to 2022 indicates stable development. Each year, the average village fund management level reaches 96%. **Conclusion:** This indicates that the financial management of Padaloang Village is considered effective, with the calculation results exceeding 90% and the interview results also aligning with the effectiveness measurements used. **Novelty/Originality of this article:** The efficiency analysis shows that the management of village funds in Padaloang Village experienced a decline during the 2020–2022 period. The average efficiency level of Padaloang Village's financial management during this period was 97,80%, indicating less efficiency because the value is less than 100%, but the interview results show alignment with the efficiency measurements used. These results indicate that the village government still uses its budget less efficiently but effectively. This shows that the objectives can be achieved but with relatively high resources.

KEYWORDS: effectiveness; efficiency; village funds.

1. Introduction

Currently, the Indonesian government, through Nawacita, is committed to advancing Indonesia in various aspects to create prosperity for its people. Nawacita consists of nine development priorities for the next five years. It is expected that Indonesia will transform into a nation that is economically self-sufficient, culturally responsible, and authoritative in governance thanks to Nawacita. The Nawacita priorities include (1) defence and security, (2) strengthening diversity, (3) national character education, (4) public welfare, (5) national economic self-reliance, (6) infrastructure and industrial advancement, (7) regional development, (8) advancement of democracy, and (9) law enforcement. Nawacita is significant because it provides a foundation for sustainable decision-making.

One of the goals of Nawacita is to advance Indonesia from the periphery by developing villages and regions within the unity of the state. This objective has led to the formulation of several regulations to support its realization, including Government Regulation Number 6 of 2014 concerning villages. This regulation explains that a village, which can be

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customary, a traditional village, or referred to by other terms, is called a village. A village is an entity with legal territorial boundaries that manages and regulates administrative affairs and public interests based on community initiatives, inherent rights, and or customary rights recognized and respected within the governance system of the Unitary State of the Republic of Indonesia (Government Regulation Number 6 of 2014). Administratively, villages are located within the territory of a regency/city.

To support the execution of the responsibilities and functions of villages in governing and developing all their sectors according to their authority, Law Number 6 of 2014 mandates the government to allocate village funds. These funds are allocated annually in the state budget and distributed to each village as one of their revenue sources. This policy aims to consolidate and optimize all existing budget allocation schemes from the government to the villages. Villages are given sufficient authority and resources to manage local potentials to improve the welfare and economy of their communities (Nasfi et al., 2023).

Village funds are used to finance community empowerment and development, primarily implemented through self-management using local resources or raw materials and by striving to absorb more labour from the village community (Regulation of the Minister of Finance/*Peraturan Menteri Keuangan* (PMK) No. 247 article 25). The financial management of village funds must be well-managed so that the objectives expected by the central government can be achieved. In managing finances, it is not only necessary to rely on competent human resources, but also to be supported by adequate finances, continuous communication, and a commitment to performing duties and responsibilities well (Listari et al., 2022).

The disbursement of village funds is carried out progressively with the requirement that the first phase of disbursement, amounting to 60%, begins from March to July, while the second phase, amounting to 40%, is in August. The disbursement from the Regional Public Treasury/*Rekening Kas Umum Daerah* (RKUD) to the village public treasury/*Rekening Kas Desa* (RKD) is conducted within a maximum of seven working days after the village funds are received in the RKUD. Government Regulation Number 22 of 2015 Article 29 explains that the distribution of village funds is based on the number of villages, with allocation to each village considering the level of poverty, population, area, and geographical conditions. Therefore, the budget received by village governments varies.

Currently, the main problem faced by the village government is the distribution of village funds which has not been as effective as expected, due to guidelines that are relatively difficult to implement at the regional level. There is a desire to channel village funds directly to the village level without being held up at the district level. However, in implementing programs using village funds, the village government faces several problems that hinder or reduce the effectiveness of the use of these funds. First, problems related to human resources at the village level, especially in terms of administration. Village financial management, including village funds, involves several stages from planning to accountability, which requires the village government to handle complex administration. Second, unexpected factors such as weather conditions can affect the implementation of these programs.

In addition, there are several other challenges that need to be considered. Third, the lack of support from the village community is an obstacle to program implementation. Fourth, sometimes there are obstacles in the disbursement of village funds when the flow of funds from higher-level institutions is delayed, which causes delays in the utilization and achievement of the targets that have been set. Fifth, the lack of government involvement in the management of village funds is also an issue that needs to be addressed. The complexity of these problems requires a comprehensive and integrated approach to improving the effectiveness of village fund management. Efforts are needed to increase the capacity of village officials, simplify administrative procedures, strengthen coordination between levels of government, and increase community participation in planning and monitoring the use of village funds. In addition, a better monitoring and evaluation system is also needed

to ensure that village funds are used effectively and on target, so that they can provide optimal benefits for the development and welfare of village communities.

Other research by Khadlirin et al. (2021) found that the average efficiency level of village fund management in Tegalarun Village, Mranggen Sub-District, Demak Regency, was 95,57%, categorized as efficient, and the average effectiveness level was 95,60%, classified as effective. Another study by Listari et al. (2022) concluded that the financial performance of the Karangdagang Village government was good in managing the allocation of village funds. This is evident from the results of the effectiveness ratio calculation, categorized as effective, with a percentage of 100%. In contrast, the efficiency ratio was categorized as less efficient, with an average percentage of 95.83%.

From previous research, various results have been found regarding the management of village funds in terms of effectiveness and efficiency. Based on this description, the author aims to analyze the management of village fund budgets in terms of effectiveness and efficiency, with the research objective being Padaloang Village, Dua Pitue Sub-District, Sidrap Regency, over three years (2020—2022). Thus, the author concludes with the research title "Analysis of the effectiveness and efficiency of village fund management in Padaloang Village, Dua Pitue Sub-District, Sidenreng Rappang Regency."

1.1 Principles of village financial management

Effective governance of government administration in a country is an unavoidable necessity. With the enactment of Law Number 6 of 2014 concerning Villages, it is crucial to pay serious attention, considering that previously, village governance was regulated by Law Number 32 of 2004 concerning Regional Government. The separate regulation for villages in the law demonstrates the government's political commitment to enhancing the role of villages as the basis for development. This aligns with the law's objectives, which aim to protect and empower villages to become resilient, democratic, and independent entities, thus forming a solid foundation for governance, development, and community life towards creating a just, prosperous, and prosperous society.

The management of village funds is conducted based on the implementation of good administration. According to the Minister of Home Affairs Regulation Number 113 of 2014, village finances are managed based on the principles of transparency, accountability, and participation. They are carried out correctly and following the budget. First, transparency is the principle of openness where the village government must provide honest and open information to the community regarding the management of village funds. Second, accountability is the obligation to be responsible to the community regarding planning, preparation, and implementation, which must be disclosed as a form of accountability for the duties entrusted by the community (Sukmawati & Nurfitriani, 2019). Third, participation is the principle, and in every activity carried out by the village government, the residents of the village have the right to participate and be involved in these activities.

1.2 Village funds

Village funds are allocated to villages from the *Anggaran Pendapatan Dan Belanja Negara* (state budget [APBN]) through the *Anggaran Pendapatan Dan Belanja Daerah* (regional budget [APBD]) of regencies/cities. These funds are intended to support various governmental activities, development projects, social welfare, and community empowerment at the village level. According to Government Regulation Number 60 of 2014, Government Regulation Number 22 of 2015, and Government Regulation Number 8 of 2016 regarding village funds sourced from the state budget, village funds are calculated based on the number of villages and allocated fairly based on basic allocation and formula allocation.

Basic allocation ensures that each village receives at least 90% of the allocated village funds, determined by dividing the total village fund budget by the total number of villages nationwide. Formula allocation considers factors such as population size, poverty rate, village area size, and geographical difficulty in each regency/city. Direktorat Jenderal

Perimbangan Keuangan (Directorate General of Fiscal Balance (2019) states that the allocation under the formula, which constitutes 10% of the village fund budget, is calculated with the following weights: (1) 25% based on population size; (2) 35% based on poverty rate; (3) 10% based on village area size, and (4) 30% based on geographical difficulty.

1.3 Principles of village fund utilization

According to the Directorate General of Fiscal Balance (2019), the principles of village fund utilization are as follows. First, justice means prioritizing the rights and obligations of all village residents without discrimination. Second, priority Needs means prioritizing urgent and important village interests directly related to most of the village population. Third, focusing means prioritizing village fund allocation to 3 to 5 activities that align with national, provincial, regency/city, and village needs and priorities without evenly distributing village funds. Fourth, village authority means prioritizing original rights and local village-scale authority. Fifth, participatory means prioritizing community ideas and innovations. Sixth, internal management and village asset-oriented mean prioritizing independent implementation using village natural resources, emphasizing the contributions of village residents' labour, ideas, skills, and local wisdom. Seventh, self-reliance means prioritizing the use of village funds by utilizing local resources to finance development projects managed by and for the village community, ensuring the sustainable flow of village funds within the village and or at the regency/city level. Eighth, village typology means considering factors such as unique geographic, social, anthropological, economic, and ecological conditions and characteristics of the village, as well as changes or advancements occurring in the village.

1.4 Effective

In general, "effective" refers to something that succeeds or achieves its goals well. According to a popular scientific dictionary, effectiveness is defined as the ability to use something correctly. Effectiveness indicates the level of achievement of results; in other words, the effectiveness of village fund utilization is the attainment of targets set for the use of village funds as stipulated. According to Permendagri Number 13 of 2006 article 4 paragraph 4, effective means achieving program results with established targets by comparing outputs with outcomes.

Effectiveness is defined as the achievement of goals, according to Handyaningrat and Rizal, as cited by Eva (2019). These objectives are effective if they are achieved as planned beforehand. At the operational level, effectiveness is realized when activity mechanisms successfully achieve or significantly contribute to achieving final goals. Effectiveness focuses on outcomes without overly focusing on inputs (Mardiasmo, 2018).

The effectiveness of village fund management serves as a measurement tool to determine the level of achievement of local government results in managing village funds according to planning, implementation, and supervision (Nurmalasari & Supriyadi, 2020). In the same dimension, Sejathi (2011) states that effectiveness is appropriateness, utility, and supporting goals. An organization is considered highly effective when free from various characteristics of ineffectiveness (Zainuddin, 2017). Therefore, effectiveness can be defined as an assessment focused on the success achieved.

1.5 Efficiency

The Indonesian public sector is expected to be more effective, efficient, and accountable in implementing regional autonomy. Under autonomy, regions are required to seek alternative funding sources for development without reducing expectations for assistance and support from the central government, while utilizing public funds according to the needs and aspirations of the community. Efficiency is the ability to accomplish tasks accurately, measured by comparing outputs and inputs (Kusrawan, 2021). If an entity can

achieve maximum productivity and performance results compared to inputs of labour, materials, money, machinery, and time used, the entity is efficient. Conversely, if an entity maximizes output using the least amount of resources, it is also efficient.

According to domestic regulation Number 13 of 2006 Article 4 Paragraph 5, Efficiency is achieving the highest output with specific inputs or using the lowest inputs to particular outputs. According to Widodo in Trianto (2016), the ratio that compares input and output to assess the efficiency of implementing an activity is known as the efficiency of local budget management. The ratio of actual regional spending to total regional income will be discussed. Meanwhile, Mahmudi's opinion in Soo (2018) states that comparing actual expenditures to total expenditures is used to evaluate efficiency levels.

3. Methods

This study analyses the effectiveness and efficiency of the management of Padaloang Village funds in Dua Pitue District, Sidenreng Rappang Regency. The research was conducted over two months, with the first month dedicated to data collection and the second month to data processing and thesis guidance. The research was centered at the Padaloang Village Office. The research method employed was qualitative with a narrative approach, where the researcher served as the primary instrument. The study emphasizes a deep understanding of village fund financial management, particularly the village head's experience in this context.

The research design involved observation, interviews, and document analysis as primary techniques. Data collected were analyzed using a scientific approach aligned with the selected methodology, following principles outlined by Sugiyono (2017). Financial performance measurement of village funds was conducted using financial ratios, which were then analyzed using a narrative approach to understand their effectiveness and efficiency.

Effectiveness in this study refers to achieving expenditure targets, while efficiency is measured by comparing actual expenditures to generated income. This approach was supported by operational variable concepts that connect theory with empirical observations, as proposed by Riduwan (2018). The concepts of effectiveness and efficiency were analyzed, considering factors such as skills, motivation, organizational structure, and community support, which were consistent with theories developed by Zainuddin (2017) and Santoso (2011).

This study uses quantitative data sourced from Padaloang village fund financial reports for 2020, 2021, and 2022, as well as oral data documented in the form of words or sentences. Data sources are divided into two categories: primary and secondary. Primary data is obtained directly from the source through interviews with related parties at the Padaloang Village Office. Meanwhile, secondary data consists of pre-existing data, such as village profiles and financial reports. Data collection methods involve direct observation at the research location, in-depth interviews with the Village Head, Village Secretary, and Village Treasurer, as well as documentation of financial reports and related activities. This approach allows researchers to obtain a comprehensive and in-depth picture of village fund management in Padaloang Village.

The data analysis technique used in this study includes several important stages. First, data reduction is carried out to eliminate information that is not relevant to the focus of the study. Furthermore, data interpretation is carried out to understand the context and meaning of the data that has been collected. The data is then presented in narrative form that facilitates an in-depth understanding of village fund financial management. The initial conclusions drawn are temporary and may be adjusted as additional evidence is obtained during the research process. This approach ensures that the findings produced are reliable in answering the formulated research questions. By using this systematic and comprehensive analysis method, the study aims to provide an accurate and in-depth picture

of the effectiveness of village fund management in Padaloang Village, as well as identifying factors that influence success or challenges in its implementation.

4. Results and Discussion

3.1 Village fund effectiveness ratio analysis

Based on data from the Padaloang Village Office, the village fund received by Padaloang Village has demonstrated consistent annual changes from 2020 to 2022. This trend is illustrated in Tables 1 and 2. The details presented in these tables highlight the variations in funding over the specified years.

Table 1. Village fund budget in Paladang Village for 2020—2022

Year	Village fund budget	Village fund realization	Budget growth
2020	IDR 821,385,000	IDR 821,385,000	-
2021	IDR 870,302,000	IDR 870,302,000	IDR 48,917,000
2022	IDR 778,163,000	IDR 778,163,000	IDR 92,139,000

Table 1 shows that the village fund received by Padaloang Village has consistently changed each year from 2020 to 2022. In 2020, the amount of village funds received was IDR 821,385,000. In 2021, the village fund increased from the previous year to IDR 870,302,000. However, in 2022, there was a decrease from the last year to IDR 778,163,000. The village fund receives changes due to variations in the total population, poverty rate, area size, and geographical difficulty index, which are weighted differently each year, resulting in varying amounts of village fund received annually. Determining and calculating the Village Fund for Padaloang Village in 2020—2021 were based on equitable distribution based on its population, poverty rate, area size, and geographical difficulty index.

Table 2. Financial reports of the village fund at the office of Padaloang Village

Year	Expenditure realization	Revenue realization	Expenditure target
2020	IDR 779,592,600	IDR 821,385,000	IDR 811,305,900
2021	IDR 854,758,650	IDR 870,302,000	IDR 902,015,300
2022	IDR 781,404,740	IDR 778,163,000	IDR 803,419,650

In evaluating the performance of an organization through the financial reports provided, you can use the effectiveness formula contained in Equation 1. Overall, the effectiveness ratio of village fund financial management in Padaloang Village from 2020 to 2022 showed very encouraging results. This reflects the success in managing village funds during that period.

$$\begin{aligned} \text{Effectiveness} &= \frac{\text{Expenditure realization}}{\text{Expenditure target}} \times 100\% && \text{(Eq. 1)} \\ \text{Year 2020} &= \frac{\text{IDR } 779,592,600}{\text{IDR } 811,305,900} \times 100\% = 96\% \\ \text{Year 2021} &= \frac{\text{IDR } 854,758,650}{\text{IDR } 902,015,300} \times 100\% = 95\% \\ \text{Year 2022} &= \frac{\text{IDR } 781,404,740}{\text{IDR } 803,419,650} \times 100\% = 97\% \end{aligned}$$

Based on the data presented in Table 3, it can be seen that the level of effectiveness of village fund management in Padaloang Village has consistently been in the effective criteria for three consecutive years. In 2020, this village managed to achieve an effectiveness ratio of 96%, which shows a good ability to manage village funds according to the plans and

targets that have been set. Then in 2021, despite experiencing a slight decline, Padaloang Village was still able to maintain effective village fund management performance with a ratio of 95%. This achievement deserves appreciation, considering the challenges that may be faced during the COVID-19 pandemic. Furthermore, in 2022, there was a significant increase with an effectiveness ratio reaching 97%, which shows improvements and optimization in the village fund management process.

Table 3. Level of effectiveness of financial management

Year	Expenditure target	Expenditure realization	Percentage	Category
2020	IDR 811,305,900	IDR 779,592,600	96%	Effective
2021	IDR 902,015,300	IDR 854,758,650	95%	Effective
2022	IDR 803,419,650	IDR 781,404,740	97%	Effective
Average	IDR 838,913,617	IDR 805,251,997	96%	Effective

When viewed on average over the three-year period, the effectiveness ratio of village fund management in Padaloang Village reached 96%, which is still included in the effective criteria. This achievement indicates that the Padaloang Village Government has good capacity in planning, implementing, and evaluating the use of village funds. This consistency of effectiveness also shows the existence of a good financial management system, transparency in the use of funds, and high accountability from village officials to the community. This success is certainly inseparable from the active role of all components of the village community, starting from village officials, community leaders, to the village community in general. However, it is important for the Padaloang Village Government to continue to improve its performance and strive to achieve a higher level of effectiveness in the future, as well as maintain this consistency in order to provide optimal benefits for the development and welfare of the village community.

Consistency of effectiveness reflects the alignment between the planned goals and targets with the results achieved in the management of village funds in Padaloang Village, where each year it consistently achieves its targets. According to the theory put forward by Zainuddin (2017), an organization is considered very effective when it is free from various characteristics of ineffectiveness. This is in line with the findings in this study, where the average ratio of effectiveness in village fund management is consistently in the effective category. This achievement indicates that the Padaloang Village government has a good management system, mature planning capabilities, and effective program implementation capacity. However, it is important for the village government to continue to conduct continuous evaluation and improvement in order to maintain or even increase this level of effectiveness in the future, and to ensure that the benefits of village fund management can be felt in real terms by all levels of village society.

The results are consistent with research conducted by Hikmah (2023), indicating that the effectiveness ratio in Kaliboto Village from 2019 to 2021 falls within the effective criteria with a ratio of 100%, similar to another study by Dewi & Suci (2023) showing that the effectiveness ratio of village fund management in Tabileng Village meets the Effective criteria with a ratio of 100%. Based on the interview results, the Village Head conveyed as follows.

"Regarding achieving optimal results, the first thing we need to do is to learn—learn about rules, regulations, and the roles of each village government official, whether it's the village head, village staff, section heads, village secretary, Village Consultative Board (BPD), or village leaders—all working according to the existing rules to achieve maximum results. Secondly, we must have a work ethic, meaning all village government officials must synergize and work together, including among village officials, village leaders, the BPD, community leaders, and religious leaders, all needing to have a strong work ethic." - Village Head

Learning is crucial in achieving optimal results in the context of village governance, starting from understanding rules, regulations, and the roles of village government officials (Vel & Bedner, 2015; Antlöv et al., 2016; Utami et al., 2023). All components of village governance must adhere strictly to these rules (Badaruddin et al., 2020). Additionally, work ethic and synergy are equally crucial and must be possessed and practised by every component within and outside village governance, such as community leaders and religious leaders. Achieving maximum results in village governance requires a deep understanding of rules and roles, a high work ethic, and synergy among all village officials and community leaders. This aligns with the findings of Riky Laminda's research (2015), emphasizing the critical role of the village head in enhancing work motivation among village government officials by providing individual attention to each village official, assessing their capabilities, and identifying areas for improvement through guidance and direction to ensure optimal service delivery to the community.

3.2 Village fund efficiency ratio analysis

The efficiency level is measured by comparing the actual budget expenditure to the total budget expenditure. The formula is as follows in Equation 2. This comparison provides insight into how well the allocated funds are being used. A higher efficiency level indicates better budget management, while a lower level may highlight areas for improvement.

$$\begin{aligned} \text{Efficiency} &= \frac{\text{Expenditure realization}}{\text{Expenditure target}} \times 100\% && \text{(Eq. 2)} \\ \text{Year 2020} &= \frac{\text{IDR } 779,592,600}{\text{IDR } 821,385,900} \times 100\% = 94.90\% \\ \text{Year 2021} &= \frac{\text{IDR } 854,758,650}{\text{IDR } 870,302,000} \times 100\% = 98.21\% \\ \text{Year 2022} &= \frac{\text{IDR } 781,404,740}{\text{IDR } 781,404,740} \times 100\% = 100\% \end{aligned}$$

The level of efficiency of village fund management in Padaloang Village can be seen in Table 4. Based on these data, the level of efficiency of village fund management in 2020 was 94.90%, which is categorized as inefficient. In 2021, the efficiency ratio increased to 98.21%, but was still categorized as inefficient. Furthermore, in 2022, this ratio increased again compared to previous years and even exceeded 100%, which was also categorized as inefficient. Overall, the average level of efficiency of village fund management in Padaloang from 2020 to 2022 remained in the inefficient category. This pattern of efficiency development indicates significant challenges in village financial management, which require special attention from the village government and related stakeholders.

Table 4. Level of efficiency in the financial management

Year	Expenditure realization	Revenue realization	Percentage	Category
2020	IDR 779,592,600	IDR 821,385,000	94.90%	Less Efficient
2021	IDR 854,758,650	IDR 870,302,000	98.21%	Less Efficient
2022	IDR 781,404,740	IDR 781,404,740	100%	Inefficient
Average	IDR 805,251,997	IDR 823,283,333	97.80 %	Less Efficient

The pattern of efficiency development in Padaloang Village from 2020 to 2022 shows a downward trend with an average annual efficiency level of 97.80%, indicating inefficiency. These results are in line with the theory put forward by Sasriwanto (2021), which states that a lower efficiency ratio indicates better village government performance, while a higher ratio indicates poor performance. Thus, it can be concluded that the financial performance of village funds, when assessed based on the efficiency ratio, is still not optimal (inefficient).

This finding underlines the importance of an in-depth evaluation of the village fund management process, identification of factors that cause inefficiency, and implementation of concrete improvement strategies. The Padaloang Village Government needs to focus efforts on increasing the efficiency of fund use, optimizing resource allocation, and strengthening the capacity of village officials in financial management to achieve a better level of efficiency in the future.

These findings align with research conducted by Dewi & Suci (2023), which similarly found suboptimal financial performance in Tabileng Village from 2019 to 2021 with an efficiency ratio of 99.67%. Likewise, Tinambunan's (2023) study in Sitio Tio Hilir, Tapanuli Tengah Regency, revealed inefficiency in financial management with an average efficiency ratio of 94.11%. Hikmah's (2023) research on Kaliboto Village also indicated less than optimal efficiency, with an average efficiency ratio of 95.71%. In an interview, the Village Secretary provided insights into the declining efficiency trend each year, stating:

"Management has been conducted well, but every year, there is an increase in expenditure in village governance, especially in village development due to rising prices of basic construction materials such as cement and sand, leading to higher expenditure. In 2021, expenditure increased due to numerous activities to address the COVID-19 situation at the time, and similarly in 2022, during the ongoing COVID-19 situation." - Village Secretary

The interview highlights that despite diligent management efforts, external factors such as inflation affecting construction materials and unforeseen emergencies have a negative impact on spending efficiency. As noted by Santoso (2011), spending tends to increase, often related to inflation adjustments, exchange rate fluctuations, and macroeconomic adjustments. Overall, despite diligent management efforts, factors such as inflation in construction material prices and emergency needs have led to increased costs, which have an impact on the efficiency of fund use in village governance. This situation shows the complexity of the challenges faced by village governments in managing village funds efficiently amid changing economic dynamics. This condition is not in line with the theory outlined in the Regulation of the Minister of Home Affairs (PERMENDAGRI) No. 13 of 2006, Article 4, paragraph 5, where efficiency aims to achieve maximum output with certain inputs or using minimal inputs. However, village governance continues to strive to maximize the use of village funds with optimal results, although efficiency evaluations remain suboptimal. This shows a gap between ideal regulations and the reality on the ground, where village governments must face various challenges in optimizing the use of village funds. Regarding human resources in village governance, the Village Head stated:

"As part of our leadership actions, we also assess the capabilities of each human resource annually by rotating their positions. This helps us determine the most suitable positions for each individual and ensures that everyone in village governance understands their role thoroughly to achieve maximum results. Regarding facilities, I believe our current setup is adequate; our office spaces have AC, WiFi, and other electronic tools essential for operational activities at the village office." - the Village Head

4. Conclusions

Based on the data analysis and discussions that have been conducted, several conclusions can be drawn. The analysis shows that the management of village funds in Padaloang Village from 2020 to 2022 shows stable development. Every year, the average level of village fund management reaches 96%. This shows that financial management in Padaloang Village is considered effective, with calculations exceeding 90%. In addition, based on interviews with the village head and village secretary, the management of village funds has been running effectively. These aspects include good planning, growth, stability, work ethic, motivation, leadership or cooperation, and flexibility.

Efficiency analysis shows that the management of village funds in Padaloang Village has decreased from 2020 to 2022. The average level of efficiency of financial management in Padaloang Village during this period was 97.80%, which indicates poor efficiency because the value is less than 100%. This indicates that the village government still needs to use its budget more efficiently. Influencing factors include aspects of technology, organizational structure, human and material resources, and existing support. This conclusion provides insight into the effectiveness and efficiency of village fund management in Padaloang Village, highlighting strengths as well as areas for improvement in financial governance.

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