
Implementation of Bumdes Financial Report Preparation in Accordance with Minister of Village Regulation No. 136 of 2022

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Abstract

This study is a compilation of how the preparation of financial statements is carried out in the Village-Owned Enterprises (Bumdes) in adherence to the Village Minister Regulation No. 136 of 2022. Both, quantitative and qualitative research which consist of interviews and documentary analysis, were carried out to ascertain the degree of compliance, difficulty and impact of the regulations in the regulatory implementation. The research reveals that most of the Bumdes' compliance is what has to be dealt with by the fact of limited resources and the Bumdes regulatory issues. Besides, the introduction of financial reporting brings about other advantages like transparency, accountability, and development opportunities for Bumdes. The study gives the guidance for the intensive training to be given and the collaboration of all the parties which would lead to the successful implementation of the project. In general, this study provides a review of the role of support from all parties in the sustainability of Bumdes and Bumdes efforts in the process to realize a developed and successful village.

Keywords: Village-Owned Enterprises, Bumdes, financial report preparation, compliance, challenges, transparency, accountability, rural development

INTRODUCTION

Well-structured and well-planned financing and financial management are the key elements in villages which play a very important role in enhancing the living (Dethier & Effenberger, 2011). Village-owned enterprises (Bumdes) are the most important channel of raising local resources and the key tool of sustainable village growth. (Kristiyanti et al., 2024) The preparation of accurate and reliable financial statements, in this context, is very important for transparency and accountability of Bumdes' financial management. The Indonesian government has established rules that must be followed during the preparation of Bumdes' financial statements that are in accordance with current accounting standards. The rule that revives this goal is Village Minister Regulation No. 136 of 2022. According to (Desa et al., n.d.). the legal basis for the preparation and presentation of Bumdes' financial statements has been ratified. Village Minister Regulation Number 136 of 2022 is indeed a big step towards better financial reporting of Bumdes.

The Bumdes financial report presentation within the form of the Ministry of Village Regulation No. This is the one of the areas that will be carried out. The 136 of 2022 is a must for the prevention of the corruption, the transparency and the appropriate control of the village funds (Susilowati et al., 2020) The effectiveness of village funds management can be shown by stressing the importance of good village governance and the internal control model. Thus, it demonstrates the need of the formulation of the strong financial reporting systems and

procedures in the Bumdes to avoid mismanagement and increase the transparency. Moreover, (Sari, 2022) The article refers to the principle of transparency in BUMDes governance, which consists of the accountability, the participation and the open system. The transparency of the financial reporting is the main factor for creating the trust between the stakeholders and it is also the way for the correct use of the village's funds. The rules of Bumdes to the governance principles will be the financial reporting of them, and also they will be able to manage the funds responsibly.

More over, the study will also cover the meaning of the role of e- government in the village fund allocation management. The electronic government systems can make the financial reporting processes more efficient, the transparency can be improved and the accountability in the allocation of funds can be enhanced. The coming of technology-based solutions can cause the preparation of the financial reports, which are related to the regulatory requirements, and therefore, will make the financial management of Bumdes strong. (Susanti et al., 2021).

Even though the regulations are there, the performance of Bumdes financial report preparation is still hampered by the many problems that need to be solved. Some Bumdes may face the problem of not being able to grasp the provisions of the Law of Village Regulations No. 136 of 2022 (Priyambodo et al., 2023). Hence, more work is required to make the enforcement of this regulation in the village level effective. The main players in the Bumdes financial report preparation process are the local governments, the financial institutions, and the local community, which all play a significant part in the success of the Bumdes financial report preparation. (Hellevik et al., 2023). The unity among the different parties can help to understand the significance of the high-quality financial reporting that can serve the welfare of the rural communities.

Besides, it is essential to know the impact of Bumdes financial report preparation implementation on the overall village development. Precise financial reports can boost public and investors' confidence in Bumdes as professional and credible business corporations. (Winarti et al., 2023). This can be the basis for the financial and technical support for Bumdes development which may, in turn, be turned into the opportunity of securing more resources for its development. Besides, it is also crucial to assess the success of the implementation, in order to detect the areas that need to be improved in the future. Assessment may comprise of the intelligence of financial report, the Bumdes and the other government regulations as well as the effect of financial reports on village development. (Taufik et al., 2022).

To sum up, this article is dedicated to the fact that the process of the financial report preparation in Bumdes in accordance with the Regulation of the Village Minister No. 136 of 2022. By means of a detailed study, the text will also assess the consequences of this type of implementation on the welfare of rural communities and will give suggestions for the improvement of the implementation effectiveness in the future.

RESEARCH METHODS

This research is a qualitative one that studies the way of preparing BumDes financial report following the Minister of Village Regulation No. 136 of 2022. This is the kind of research that is suitable for this study as it enables a detailed examination of the experiences, views and problems of the stakeholders involved in the implementation process (Damschroder et al., 2009).

The data collection will be primarily done through the semi-structured interviews conducted with the key stakeholders, which include Bumdes people, local government officials, financial institutions and community members. Through the use of semi-structured interviews, one can get room for flexibility in asking for in-depth information on the issues that are related to the preparation of the Bumdes financial report and its implementation, at the same time, making sure that the topics that are related to the preparation of the Bumdes financial report and its implementation are covered (Basil & Ndijuye, 2019). In addition to the interviews, the documentary analysis will be carried out to get to the documents that are necessary for example the financial reports, regulatory documents and the implementation guidelines. This will thus create more data that together will create the spectrograph of the insights that were obtained from the interviews (Traynor et al., 2019).

This community service project concentrates on carrying out Minister of Village Regulation No. Out of the 136 stories of the Village-Owned Enterprises (Bumdes) in the Tayan District of Sanggau Regency in the year 2022. The Bumdes that are in the training program are a good example of purposive samples because they can choose the cases that are closely related to the research objectives and can give a reliable insight into the phenomenon that is being researched. (Adusei, 2021).

Data analysis will involve thematic analysis, whereby interview transcripts and documentary data will be systematically coded and categorized to identify recurring themes and patterns related to the implementation of Bumdes financial report preparation (Pugmire et al., 2022). The analysis will be line by line, where the newly emerged themes will be the main topics for the further data collection and interpretation. The study, through this exhaustive research methodology, is going to obtain a clear picture of the opportunities, challenges, and implications associated with the Bumdes financial report preparation that is in accordance with the Minister of Village Regulation No. 136 of 2022.

RESULTS AND DISCUSSION

The findings of the investigation showed different degrees of the compliance from Bumdes in carrying out the rules set in Village Minister Regulation Number 136 of 2022. Even though most Bumdes have embraced the needed practices, there are still some who are having a hard time in the actual implementation of the guidelines. This means that a more comprehensive approach and stronger support are required to make sure that the Bumdes are always in line and actively complying.

Yet, the process of making the Bumdes' financial statements in compliance with Village Minister Regulation Number 136 of 2022 has been a positive factor in the improvement of the transparency and the accountability in the Bumdes' financial management. The provision of a more systematic and in-depth financial report, the stakeholders get the right information to make the better decisions.

Nevertheless, there is a general consensus that the way of doing Bumdes' financial statements in the way of the regulations is the way of developing Bumdes' potential. Through the provision of more trustworthy and quantifiable capital data, Bumdes can attract investors and prospective partners, as well as have more access to the outside resources and help. Having considered these points, a large number of recommendations can be given to make the implementation of regulations better. This entails offering more rigorous training and mentoring for the Bumdes, simplification of the administrative procedures, and more cooperation between the Bumdes, local governments, and financial institutions.

On October 12, 2023, in Tayan District, Sanggau Regency, a training on making financial statements for Village-Owned Enterprises (Bumdes) was done as per the Demands of the Minister of Village Development of Disadvantaged Regions and Transmigration (Permendes PDTT) Number 136 of 2022. This activity was attended by over 30 people, including Bumdes managers, village government representatives, and other significant people. The training targets to give a detailed explanation of the methods for the preparation of financial statements in line with the newest regulations issued by the Ministry of Villages. Training materials are on the whole, both theoretical and practical, with the main part being the recording of financial transactions, asset management, preparing of balance sheets and income statements. The participants were also given the guidance on how to use the accounting application that would help them in the process of the reporting.



Figure1. Pelatihan Pembuatan Laporan Keuangan BUMDes
Source: Author (2023)

The participants were involved in the discussions and simulations of the actual cases in the training thus the understanding of the basic accounting concepts and their application in Bumdes was deepened. Besides, they were able to exchange their experiences and the challenges they faced in the Bumiputeras while managing the finances of their areas. This training is a platform for the creation of networks and the development of cooperation between the Bumdes, the village governments, the financial institutions, and other stakeholders in the promotion of the transparent and accountable financial management. It is anticipated that the

participants will take the knowledge and skills they acquired back home and use them to enhance the financial performance of Bumdes in their villages, as well as to aid in the sustainable local economic development of these villages.



Figure2. Pelatihan Pembuatan Laporan Keuangan BUMDes Source: Author (2023)

In a nutshell, this course is a key phase in the process of realizing PDTT Amendment Number 136 of 2022 and strengthening the role of Bumdes as a locomotive of development at the village level. With a better grasp of good financial governance, it is hoped that Bumdes can be more efficient, transparent and thereby, capable of providing more benefits to the rural communities. Thus, the benefits of welfare and development of the local communities will be improved.

CONCLUSION

In conclusion, this study has enabled us to gain some significant insights into the process of converting the financial statements of the village government in accordance with the Village Minister Regulation Number 136 of 2022. However, the difficulties that are still to be solved have been proven by the results that the activities have increased the visibility, accountability, and the development potential of Bumdes.

The fervor of the participants in this Bumdes training was very high, since they actively took part in this training which was attended by 30 people. Besides, they participated actively in the training sessions and also brought into the discussion their own stories and experiences. The participants have a great interest to get to know and apply the new changes in the Bumdes' financial management. Their participation in asking questions and giving feedback shows how this issue was important to them and showed their hopes in the development of their villages through the application of this regulation.

The training participants also proactively looked for the solutions to the challenges that Bumdes faced, thus they proved themselves to be initiated and ready to learn much more. They were hoping to gain new, more efficient, and effective methods of managing finances, which will make Bumdes stronger and improve the general welfare of their villages. This enthusiasm was shown in the regular attendance and contribution of the trainees during the training, thus, the sign that they are ready to do something good for their communities.

Based on the findings and the advice given in this study, added up to the fact that 30 people participated in the research and concluded results, it is anticipated that the process of Bumdes' financial statements according to Villagemeinrship No. 136 of 2022 could be further strengthened and improved. Thus, this will further promotes the development of villages and the economic empowerment of local people in Indonesia.

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