

Analysis of Village Budgeting from the Perspective of Regulations and Village Financial Governance: A Study of Ambarketawang Village, Gamping, Sleman, Fiscal Year 2025

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ABSTRAK

Village budgeting plays a strategic role in ensuring effective, transparent, and accountable financial management at the local government level. This study aims to analyze village budgeting from the perspective of regulations and financial governance, focusing on Kalurahan Ambarketawang, Gamping, Sleman in the 2025 fiscal year. The research employs a descriptive qualitative approach using primary data from interviews with village officials and secondary data from official documents such as APBKal, RPJMKal, and related regulations. The findings indicate that the budgeting process in Kalurahan Ambarketawang generally complies with prevailing regulations and reflects good governance principles, including transparency, accountability, and community participation. This is evidenced by the high realization rate of budget absorption, which reached more than 90%, and the successful implementation of best practices such as participatory planning through community forums, the use of digital financial systems, and multi-channel transparency mechanisms. However, several challenges remain, particularly related to coordination, certainty of budget information, and human resource capacity. The study implies that strengthening institutional coordination, improving information systems, and enhancing the competence of village apparatus are essential to optimize village financial governance and ensure sustainable development outcomes.

Key Words: Accountability; Budgeting; Governance; Regulation; Village Finance

INTRODUCTION

As the lowest level of government in Indonesia, villages are at the forefront of direct interaction with the community. Therefore, villages play a strategic role in regional development while also serving as a tangible representation of regional autonomy (Asbanu et al., 2025). With the implementation of decentralization and regional autonomy, villages now play an increasingly significant role in managing their own governance and finances (Reihan et al., 2024). This aligns with the mandate of Undang-undang NO. 6 Tahun 2014, which states that villages are granted the authority to regulate their governance and manage village finances independently to enhance the well-being of the village community.

Village finances encompass all the rights and obligations of a village that can be valued in monetary terms, including all forms of assets related to village operations (UU No. 6 Tahun 2014). Based on this definition, village revenue derives from various sources, including village-generated revenue, transfers from the government, and other lawful sources in accordance with applicable laws and regulations. The diversity of village revenue sources highlights the complexity of village financial management, necessitating thorough planning and budgeting. Among these sources, village funds constitute a key component with a significant allocation through State Revenue and Expenditure Budget (APBN), amounting to Rp 71 trillion for the 2025 fiscal year (Kementerian Keuangan Republik Indonesia, 2024).

Although these allocations are distributed to all villages in Indonesia, this substantial amount not only reflects the importance of villages in development but also poses potential risks in their management if not supported by a sound budgeting system. Therefore, village budgeting is a crucial step in ensuring that resource allocation is carried out effectively, transparently, and accountably. This situation indicates that budgeting is not merely an administrative matter but plays a vital role in supporting the effectiveness of village financial management (Sigalingging et al., 2025). Furthermore, village planning and budgeting are key stages in determining the direction of development and the allocation of village resources (Tyas et al., 2025).

Normatively, village financial management including planning and budgeting processes, is governed by several by various laws and regulations, including Undang-Undang No. 6 Tahun 2014 tentang Desa, Peraturan Pemerintah No. 43 Tahun 2014 and Peraturan Menteri Dalam Negeri No. 20 Tahun 2018. These regulations emphasize that village financial management must be conducted transparently, accountably, and participatively, as well as in an orderly and disciplined manner regarding the budget. This is also in line with the perspective of good governance, which emphasizes the principles of participation, legal certainty, transparency, accountability, responsiveness, and a focus on justice, effectiveness, and efficiency (Oba et al., 2025).

However, in practice, village management and budgeting still face various challenges at the implementation level. Research indicates that the management of village funds has not been optimal, as evidenced by weak oversight by various parties, low community participation, and limited human resource capacity among village officials in managing finances (Wibisono, 2017). Furthermore, in some cases, irregularities in the management of village funds have been identified, such as the use of funds for personal gain and fictitious projects, which indicate a lack of accountability and transparency in village budget management (Gustiansyah, 2023).

These conditions indicate that the implementation of village budgeting on the ground is not yet fully aligned with the principles of good governance.

The discrepancy between normative provisions and implementation realities highlights a gap in village management and budgeting. Ideally, village budgeting should be carried out based on the principles of transparency, accountability, and participation. However, in practice, various obstacles are still encountered, so that village budgeting has not yet been fully optimized to support the effectiveness of village financial management. Therefore, a more in-depth analysis is needed to assess the alignment of the village budgeting process with regulations and the principles of good village financial governance, particularly at the village government level.

In this context, Ambarketawang Village, Gamping Subdistrict, Sleman Regency was selected as the research site because it possesses characteristics relevant to issues of village financial management and budgeting. Statistical data indicates that Ambarketawang Village has the highest population percentage in the entire Gamping Subdistrict at 23.42% for the year 2024 (Badan Pusat Statistik Kabupaten Sleman, 2025), making the need for public services and village development increasingly complex. This situation makes village budgeting play a strategic role in determining development priorities. Additionally, the selection of the 2025 Fiscal Year was based on the consideration that this year reflects current conditions, ensuring that the analysis provides an up-to-date and relevant picture.

Given these conditions, a more in-depth analysis is needed to assess village budgeting and its alignment with applicable regulations and governance principles. Furthermore, it is important to identify best practices in village budgeting that can serve as a reference for improving the quality of village financial management. Therefore, this study aims to address questions regarding the summary of the Village Revenue and Expenditure Budget (APBKal), the compliance of regulations in the implementation of village budgeting, as well as best practices that can be applied to improve the quality of village financial management and best practices to enhance the effectiveness, transparency, and accountability of village financial management.

Research Problem

1. How does the budgeting process for Ambarketawang Village for Fiscal Year 2025 align with regulations and village financial management principles?
2. Has the implementation of the 2025 budget for Ambarketawang Village complied with applicable village financial management regulations?
3. What are the best practices applied in village financial management and budgeting in Ambarketawang Village?

Research Objectives

1. To analyze the budgeting process of Ambarketawang Village for Fiscal Year 2025 from the perspective of regulations and village financial management.
2. To analyze the compliance of Ambarketawang Village's budgeting implementation for Fiscal Year 2025 with applicable village financial management regulations.
3. To identify best practices in village financial management and budgeting in Ambarketawang Village to support the effectiveness, transparency, and accountability of village financial management.

METHODOLOGY

Research Design

This study employs a qualitative approach with a descriptive research design. This approach aims to explain phenomena systematically and factually in order to gain an in-depth understanding of the village budgeting process from the perspective of regulations and village financial management in Ambarketawang Village for the 2025 Fiscal Year. The descriptive approach was chosen because it allows for a comprehensive exploration of information regarding the stages of drafting the Village Revenue and Expenditure Budget (APBKal), as well as identifying the extent to which it aligns with applicable regulatory provisions.

Research Subjects/Objects

The research was conducted in Ambarketawang Village, Gamping Subdistrict, Sleman Regency, Special Region of Yogyakarta. The subject of this study is the informant directly involved in village financial management, namely the Kaur Danarta (Head of Financial Affairs) of Ambarketawang Village. The object of this study is the village budgeting process, specifically the preparation of the 2025 APBKal and its compliance with applicable regulations. The selection of the research location was based on the consideration that Ambarketawang Village has active financial management characteristics and dynamics in the budget preparation process that are relevant for study, as well as ease of access to data.

Data Collection Techniques

The data used in this study consist of primary and secondary data. Primary data were obtained through face-to-face interviews with key informants who were selected through purposive sampling based on their involvement in village financial management. The interviews were conducted on April 1, 2026, at the Ambarketawang Village Office. Meanwhile, secondary data was obtained through a documentary study of official documents related to village budgeting and financial management, such as the RPJMKal (Village Medium-Term Development Plan), RKPKal (Village Government Work Plan), the Village Budget (APBKal) for Fiscal Year 2025, the Budget Implementation Report (LRA) for Fiscal Year 2025, as well as relevant regulations such as Peraturan Kepala Desa Ambarketawang Nomor 5 Tahun 2024.

Data Analysis Techniques

Data analysis in this study was conducted qualitatively through several stages, namely data reduction, data presentation, and drawing conclusions. Data reduction was performed by sorting and simplifying the data obtained from interviews and documentation. Subsequently, the data was presented in a systematic narrative format to ensure ease of understanding. Conclusions were drawn by interpreting the analyzed data and comparing it with applicable regulations, specifically Peraturan Menteri Dalam Negeri Nomor 20 Tahun 2018 and the relevant Sleman Regent Regulation. Data validity is ensured through source triangulation, which involves comparing information obtained from interviews with data from official documents, ensuring the resulting data possesses a level of validity that can be accounted for.

RESULTS AND DISCUSSION

Ambarketawang Village is one of the villages in Gamping Subdistrict, Sleman Regency, with a total area of approximately 6.3 km² and divided into 13 hamlets, 38 neighborhood units (RW), and 122 neighborhood groups (RT); it is classified as a developed

village. Geographically, the area consists of lowlands in the north used for agriculture and limestone hills in the south with potential for nature-based and educational tourism, supported by a tropical climate conducive to economic and agricultural activities.

Demographically, the population stands at 22,814 people with a diverse employment structure, including private-sector employees, students, laborers, and those in the informal sector. This situation reflects a growing economy and necessitates village budgeting focused on job creation and community empowerment.

As a peri-urban area surrounding the city of Yogyakarta, the economic structure of Ambarketawang's community is quite diverse and no longer relies solely on the agricultural sector but also on trade, services, small-scale industry, and microenterprises. Additionally, the community retains strong social capital in the form of solidarity, mutual aid, and participation in community activities that support the success of village development.

The village administration is led by a village head assisted by village officials with a clear organizational structure, and it holds a vision to realize a prosperous, self-reliant, culturally rich, and environmentally conscious community. This vision is articulated through a mission focused on improving governance, community empowerment, cultural preservation, and enhancing resilience to disasters and environmental health.

The village of Ambarketawang possesses significant economic potential due to its strategic location and cultural richness, such as the Saparan Bekakak tradition, which holds potential for development as a tourist attraction. However, the village also faces several challenges, such as land-use conversion resulting from urbanization and social dynamics within the community that can influence governance processes and decision-making at the village level.

Summary of the Village Revenue and Expenditure Budget (APBKal) for 2025 Financial Year

Based on the Village Budget Implementation Report (LRA) of the Ambarketawang Village Government for the period ending December 2025, the APBKal for the 2025 Financial Year was established through Peraturan Kepala Desa Ambarketawang Nomor 5 Tahun 2024, with total budgeted revenue of Rp7.44 billion and total expenditure of Rp7.76 billion.

In terms of revenue, the total realisation reached Rp8.17 billion, or 109.86 per cent of the target of Rp7.44 billion, indicating that revenue exceeded the set target. This performance was primarily driven by Pendapatan Asli Desa (PADesa), which reached Rp1.24 billion, or 200.20 per cent of the target of Rp620 million. This achievement stemmed primarily from the management of Transfer ke Daerah (TKD), the realisation of which exceeded 230 per cent of the target, as well as meeting hall rentals, which exceeded 120 per cent. Meanwhile, transfer revenue from the central and regional governments was generally realised in line with the target, totalling Rp6.87 billion or 101.45 per cent of the budget.

In terms of expenditure, budget absorption reached Rp7.23 billion, or 93.18 per cent of the total budget of Rp7.76 billion, which is classified as highly effective as it exceeds the 90 per cent threshold. The Village Development Implementation Division recorded the highest absorption rate at 98.80 per cent, followed by the Community Empowerment Division at 99.41 per cent. As for the Disaster, Emergency and Urgent Response Division, only 28.24 per cent was realised; however, this does not reflect ineffective management, but rather because the

allocation was specifically intended for unforeseen circumstances and no large-scale disasters occurred throughout 2025.

The 2025 APBKal recorded a surplus of Rp940.17 million, which, when combined with the previous year’s SiLPA of Rp695.8 million and reduced by capital contribution expenditure of Rp374 million, resulted in a current-year SiLPA of Rp1.26 billion. This SiLPA serves as a crucial fiscal buffer in the face of a drastic reduction in the Village Fund for 2026 from Rp1.8 billion to just Rp377 million. This situation aligns with the argument put forward by Rivan and Maksum (2019) that well-administered village financial management will yield a more flexible fiscal space when facing changes in transfer policies from the central government.

Analysis of Regulations and Their Implementation in Ambarketawang Village

Village financial management in Indonesia is regulated hierarchically through various laws and regulations, ranging from the national to the local level. According to Fitria and Wibisono (2020), regulations play a crucial role in all stages of the village financial management process to ensure it is implemented effectively. An analysis of the compliance of the implementation of the Ambarketawang Village budget for the 2025 financial year with applicable regulations is presented in Table 1 below.

Table 1. Analysis of Compliance with Budgeting Regulations in Ambarketawang Village for the 2025 Financial Year

No	Regulation	Regulated Aspect	Implementation Compliance
1.	UU No. 6 Tahun 2014 jo. UU No. 3 Tahun 2024 tentang Desa	Village autonomy and financial management principles (transparent, participatory, and budget-disciplined)	Fulfilled. The APBKal is prepared independently through Musdus, Muskal, and Musrenbangkal forums, reflecting the principles of participation and transparency.
2.	Permendagri No. 20 Tahun 2018 tentang Pengelolaan Keuangan Desa	Financial management cycle from planning to accountability; APBKal must be based on RKPKal	Fulfilled. The APBKal is prepared with reference to the RKPKal 2025 and stipulated under Village Head Regulation No. 5 of 2024. The management cycle is supported by the Siskeudes application.
3.	PP No. 60 Tahun 2014 tentang Dana Desa	Use of village funds must align with national priorities (Village SDGs)	Fulfilled. Village funds amounting to Rp1.84 billion were realized at 100% and allocated to infrastructure development and community empowerment
4.	Perbup Sleman No. 46.2 Tahun 2022 tentang Pedoman Penyusunan APBKal	Stages, structure, and mechanisms for the preparation and revision of APBKal	Fulfilled. The preparation and revision of the APBKal followed the prescribed stages, including evaluation by the Panewu no later than 20 working days.
5.	Perbup Sleman No. 58.2 Tahun 2021 tentang Pengelolaan Keuangan Kalurahan	Technical guidelines for financial management and the evaluation mechanism of the draft APBKal	Fulfilled. The draft APBKal was submitted to the Panewu within the stipulated deadline and received evaluation in accordance with the applicable mechanism.
6.	Pergub DIY No. 40 Tahun 2023 tentang Reformasi Birokrasi Kalurahan	Improvement of governance quality and transparency of public information	Partially Fulfilled Multi-channel transparency has been implemented (information boards, website, print media); however, systematic

capacity building of human resources remains necessary.

Source: Researchers' own data, 2026

Implementation of Best Practices in Village Financial Governance

Based on a review of various scientific journals and field findings in the village of Ambarketawang, a number of best practices in village budgeting can be identified that can serve as a reference for democratic, transparent, accountable, and sustainable village financial governance.

a. Application of the Centripetal Model with a Participatory Approach

Tyas et al. (2025) propose a centripetal governance model as an ideal approach to village fund planning and budgeting, a model that combines strong government authority with high levels of democratic inclusion. This model has been successfully implemented in Sumbermulyo Village, Bantul, where the village government does not dominate decision-making but instead involves various village stakeholders including BPD, LPMD, RT/RW, community leaders, and village facilitators in every deliberative forum. As a result, the village government is able to fulfill its supra-village mandates without sidelining community aspirations. Similar practices are found in Ambarketawang Village, where the Village Hamlet Deliberation Forum (Musyawarah Dusun) serves as the primary platform for gathering community aspirations in a tiered manner, from the RT/RW level up to the village level. Community participation is the driving force to accelerate the fulfillment of the principle of village government accountability.

b. Digital Technology Integration: Siskeudes and E-RAB

The use of the Siskeudes application has proven to be a best practice capable of improving the efficiency and accuracy of village financial management. Rivian and Maksun (2019) explain that Siskeudes can automatically generate various required reports, thereby making time and costs more efficient, reducing the risk of errors and fraud, and aiding the data aggregation process. The village of Ambarketawang itself has implemented Siskeudes, which has contributed to budget absorption rates exceeding 90%.

c. Multi-Channel Budget Transparency

Best practices in transparency are not sufficient through a single channel alone. The Ambarketawang Village Administration applies a comprehensive approach to transparency, namely through the installation of information boards at project sites, publication on the village's official website, and the submission of annual reports via the *Kedaulatan Rakyat* newspaper every April on an annual basis. This multi-channel approach ensures that all segments of the community, including those who are not digitally literate, can still access budget information.

d. Budget Alignment with Village SDGs

Based on Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Nomor 7 Tahun 2023, village fund priorities are directed toward accelerating the achievement of Village Sustainable Development Goals (SDGs), which encompass 18 goals across 8 village typologies. This principle is relevant for Ambarketawang Village. With increasingly limited village fund allocations, aligning the budget with Village SDG priorities is crucial to ensure every rupiah spent yields measurable impacts and aligns with

the sustainable development agenda. Identifying potential local revenue (PAD) from Village Communal Land (TKD), 14 Village-Owned Enterprises (BUMKAL), and asset rentals also needs to be optimized as a source of self-financing that reduces dependence on transfer funds.

e. **Strengthening Coordination and Ensuring Budget Information Clarity**

Communication among stakeholders is a key element in the success of village budgeting. Rivan and Maksun (2019) cite Asegid (2015), who states that ineffective financial information communication can lead stakeholders to overlook important information or fail to identify relationships between pieces of information, thereby potentially causing financial management failures. Conversely, effective communication makes the financial management process more efficient. Based on the expectations expressed by officials in the Ambarketawang village administration, the primary improvement needed is certainty regarding the amount of transfer funds from the central and regional governments by no later than August of each year, so that village planning can be formulated more accurately and does not require repeated revisions. Therefore, this enhanced inter-agency coordination represents a best practice that needs to be replicated more systematically in village financial management across Indonesia.

CONCLUSION

This study concludes that the budgeting process for the Ambarketawang Village for the 2025 Financial Year has been carried out effectively and is generally in line with applicable regulations, from the national to the local level. This is reflected in revenue realisation reaching 109.86 percent of the target, expenditure realisation of 93.18 percent which falls within the 'highly effective' category and the generation of a surplus of Rp1.26 billion, which serves as a crucial fiscal buffer in anticipation of a reduction in Village Funds in the following year. The APBKal drafting process has also followed the formal mechanisms established through participatory forums and supported by the implementation of the Siskeudes application and a multi-channel transparency system.

However, there are several aspects that still require improvement. Firstly, the uncertainty regarding the amount of transfer funds from the central and regional governments, which impacts the accuracy of budget planning. Secondly, the capacity of village administrative staff in financial management still needs to be strengthened on an ongoing basis. Thirdly, the optimisation of Village Owned Revenue sources can still be improved through more innovative asset management and the development of BUMKAL.

Based on these conclusions, this study offers several recommendations. For central and local governments, definitive information regarding the allocation of transfer funds to villages should be provided by August each year at the latest, so that village administrations can draw up more accurate plans and minimise the need for budget revisions. For the Ambarketawang Village government, there is a need to strengthen the capacity of administrative staff in a structured and sustainable manner through technology-based village financial management training, as well as to optimise the potential of Pendapatan Asli Desa (PADesa) through innovations in the management of Transfer ke Daerah (TKD), village-owned companies (BUMKAL), and other village assets to reduce dependence on increasingly limited transfer

funds. Furthermore, the alignment of the Village Budget (APBKal) with Village SDG targets needs to be strengthened so that every budget expenditure yields measurable and sustainable impacts. For future research, it is recommended to conduct a comparative study with other villages in Sleman Regency to obtain a more comprehensive picture of the variations in the quality of budgeting and village financial management at the regency level.

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