Preface

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PREFACE

We are pleased that the 3rd International Conference on Global Issue for Infrastructure, Environment, and Socio-Economic Development (GIESED 2020) have been done. The conference is an annual international conference held by the Graduate School of Hasanuddin University. The international conference of GIESED was held on November 24, 2020 at Hasanuddin University, Tamalanrea Campus, Makassar City, South Sulawesi Province, Indonesia.

The theme of this International Conference was "Enhancement of science and technology application to support the implementation of SDGs". The main topics on the 3rd IC GIESED 2020 are:

a) Renewable Energy Technology
b) Landfill and Earth Science
c) Integration of energy and energy networks
d) Infrastructure and Environmental Science.
e) Gender and Development
f) Environmental Socio-Economic and Policy Aspects
g) Climate change
h) Implementing sustainable development with the SDGs concept.

This time in the conference, we were very happy to have the honourable Dr. Ir. H. Suharso Monoarfa (Minister of National Development Planning of the Republic of Indonesia) as a keynote speaker; Dr. Peter Davey (Director Bachelor of Environment Management School of Environment and Science, Griffith University, Australia); Prof. Hideaki Yasuhara, (Ehime University, Japan), Dr. Zul Fahmi bin Mohamed Jaafar, (Lecturer of Highway and Transportation Engineering, School of Civil Engineering, USM Engineering Campus, Malaysia); Prof. Ir. Sumbangan Baja, M. Phil, PhD., (Hasanuddin University, Indonesia); Dr. rer. nat. Arifuddin Idrus, ST. MT., (Geological Engineering Department, Gajah Mada University, Indonesia); and Prof. Dr. Eng. Adi Maulana, ST. M. Phil, (Head of Center for Disaster Studies of Hasanuddin University, Indonesia), as invited speakers. Therefore the committee would like to thanks for all speakers and also 200 participants and 110 presenters who have joining in our 3rd Giesed 2020 conference. Finally, we would like to express our special gratitude to editors and reviewers who have reviewed 110 paper manuscript during the time from November 2020 to September 2021.

We also highly appreciate to Mrs. Anete Ashton (Senior Publisher Conferences Series), Mrs. Kayleigh Parsons (Conference Coordinator IOP Conference Series: Earth and Environmental Science), and Mrs. Priyashree Srikanth (Project Manager MPS Limited) for the guidance and helping for prepare and submitting our articles manuscript. As a closing remarks, on behalf of the committee for the 3rd International Conference of GIESED, I hope of all our articles will be published in IOP Conference Series “Earth and Environmental Science”. Wishing all of you always health and thank you for your participation.

Chairperson of IC-GIESED 2020

Dr. phil. nat. Sri Widodo, ST. MT.
List of committees

The organizing committee plays an important role in organizing the preparation and running of the international conference. The 3rd GIESED 2020 Committee which has been formed consists of the chairman of the committee, vice chairman of the committee, secretary, treasurer, members (having their respective duties and responsibilities that have been determined at the initial meeting of the GIESED committee) and supported by a supporting team who are administrative staff of the Graduate School of Hasanuddin University. The committee is part of the Academic Community of Graduate School Hasanuddin University and several lecturers from the Faculty of Engineering, the Faculty of Agriculture, the Faculty of Mathematics and Natural Sciences, and other faculties related to theme of the 3rd GIESED 2020. The committee decree is set by the rector, and proposed by the Dean of the Graduate School of Hasanuddin University. The composition of the organizing committee is as follows:

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Disclosing The Village-Owned Enterprises (BUMDes) Financial Management Accountability

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Abstract. Accountability are characteristics of Good Governance. Accountability are very important in managing an entity, especially for entities that carry out the mandate of the people and manage public funds such as BUMDes. BUMDes that have the mandate of capital, have large roles and duties, BUMDes must be able to account for and report the results of their financial management as a form of accountability to the government and society. This study aims to determine how the financial management of BUMDes To analyze the level of accountability of BUMDes Mekar Lestari's financial management in 2019. This type of research is a qualitative research using descriptive analysis. The data collection methods used were interview and documentation techniques. The results showed that: The financial management of BUMDes Mekar Lestari consists of planning, implementation, administration, reporting and accountability and supervision stages. Some indicators for the financial management accountability of BUMDes Mekar Lestari in 2019 have also not been fulfilled as regulated in the Banyuwangi Regency Regional Regulation No. 13 of 2015 and Banyuwangi Governor Regulation No. 17 of 2019

1. Introduction
The government issued Law Number 6 of 2014 concerning Villages as a legal umbrella for the expansion of decentralization for the purpose of national development to the level of the smallest elements of government, namely the village. The village according to Law No.6 of 2014 Article 1 Paragraph (1) is a community unit that has territorial boundaries and is authorized to regulate and manage government affairs, the interests of the local community based on the initiatives and customs of the village community. As an effort for the village to exercise its authority and it is hoped that it can independently organize and develop its village and empower village communities, the village can take strategic steps, namely forming, managing and developing BUMDes.
BUMDes, are business entities whose entire or most of the capital is owned by the Village through direct participation originating from separated Village assets in order to manage assets, services, and other businesses for the maximum welfare of the community. Village (Law No. 6 of 2014 Article 1 Paragraph 6). The Village Government can utilize all the potential in the village both economic potential, economic institutions, natural resources and human resources to form BUMDes as an effort to improve the economy of the village community. BUMDes receives capital participation from the village through the Village APB mechanism, even though BUMDes financial management is separate from village financial management, but BUMDes financial management cannot be separated from village financial management because it is included in the village reporting section for the capital participation provided.

Accountability is a characteristic of Good Governance or good governance. Mardiasmo explains accountability, namely accountability to the public for every activity and financial management carried out, in the context of BUMDes it is manifested in the form of accountability in the form of periodic financial reports[1].

There are several cases related to the management of BUMDes in Indonesia, including based on the Summary of Audit Results (IHSP) Semester II of 2018 by BPK RI, BPK reported the use of village funds, especially for Village-Owned Enterprises (BUMDes) in Indonesia not entirely contribute to the improvement of the village economy. This is illustrated by: a) A number of 547 BUMDes that were established did not pay attention to the economic potential of the Village; b) A total of 1,462 BUMDes whose establishment was not supported by a business feasibility analysis; c) A total of 863 BUMDes have not been orderly in the administration and financial reporting of BUMDes; d) A total of 1,033 BUMDes did not submit reports, e) 585 BUMDes had not yet competed operational management, f) A total of 2,188 BUMDes were not yet fully operational, and 1,670 BUMDes were already operating but had not yet provided profit / income contribution to the village [2]

According to Mahmudah, with the title "Accountability of Village-Owned Enterprise Financial Statements (BUMDes) Case Study at BUMDes, Sungon Legowo Village, Bungah, Gresik," which explains that the results of his research found that the financial reports presented by BUMDes are still very simple and BUMDes do not have time to learn to prepare financial reports according to standards[3]. Another study entitled "Accountability and Transparency of Village-Owned Enterprises (BUMDes) Financial Statements with a case study in Desa Ngroto, Kec. Pujon, Kab. Malang "conducted by Waras explained that the results of the study were that there were constraints in human resources that were lacking which caused the development of the BUMDes business unit to decline and stagnate [4].

Banyuwangi Regency is one of the districts in East Java which has the status of an autonomous region. Banyuwangi Regency has continued to carry out its transformation until the last few years into the spotlight for its independence and very rapid development. BUMDes has successfully empowered itself by managing a number of business units ranging from establishing culinary centers to managing tourism. As well as another award, namely the 2019 Inflation Control Innovation which was carried out by developing the rural economy through the synergy of BUMDes and Perum Bulog [5].

Based on data from the Banyuwangi Community and Village Empowerment Service (DPMD), the existence of Banyuwangi Regency Regional Regulation Number 13 of 2015 concerning Guidelines for the Formation and Management of Village-Owned Enterprises requires that every village in Banyuwangi has a BUMDes. In 2019 it was recorded that from 189 villages in Banyuwangi Regency, 185 villages had BUMDes with varying amounts of capital participation. All BUMDes in Banyuwangi Regency have the obligation to report the BUMDes annual progress report for supervision by DPMD. However, it was found that in 2019 many BUMDes had not fulfilled the obligation to report their BUMDes developments to DPMD. The purpose of this study was to analyze the financial management accountability of BUMDes Mekar Lestari in 2019.
2. Theoretical Review

2.1 Good Governance (GG)

Mardiasmo explains several definitions of good governance according to the World Bank and UNDP. The World Bank emphasizes that governance is the way the government manages social and economic resources for community development. Meanwhile, UNDP defines governance as state management that focuses on broader dimensions, namely politics, economy and administration [1].

Based on these definitions, good governance can be defined as good governance in the form of a system that manages and regulates all state affairs and manages state resources both from a social, economic, political and administrative perspective by creating policies, agreements or regulations for the benefit of the public involving government, private sector and society. Governance Such good governance must be supported by a commitment to implementing clean governance, in this case right on target and free of corruption by all members of the organizational unit / institution by referring to the principles of effectiveness, efficiency and economy to serve the public well.

2.2 Principles of Good Governance (GG)

In principle, good governance concerns the public interest, especially society. There are several principles that must be considered in implementing good governance in government administration as described by research [1] including:

- Participation. Community involvement in decision making, either directly or indirectly, through representative institutions that can channel their aspirations. Such participation is built on the basis of freedom of association and speech and constructive participation.
- Rule of Law. A fair legal framework and implemented indiscriminately.
- Transparency. Transparency is built on the basis of freedom of information. Information relating to the public interest can be obtained directly by those who need it.
- Responsiveness. Public institutions must be quick and responsive in serving stakeholders.
- Consensus orientation. Oriented to the interests of the wider community.
- Equity. Every society has the same opportunity to obtain prosperity and justice.
- Efficiency and Effectiveness. The management of public resources is carried out in an efficient and effective manner.
- Accountability. Accountability to the public for every activity carried out.
- Strategic Vision. Government administrators and society must have a far future vision.

2.3 Accountability

Accountability is a concept that can be interpreted as a form of accountability for all activities, activities and management carried out either by individuals or groups or organizations. Erlina et al. explains that accountability is a form of periodic accountability by reporting entities in managing and implementing policies related to the use of resources given to them in achieving predetermined goals [6].

Mardiasmo explains that accountability is an obligation to provide accountability by presenting, reporting and disclosing all activities and activities that are the responsibility of the trustee to the trustee as the party who has the right and authority to ask for this accountability. Thus, accountability can be interpreted as the obligation of a trustee who acts as a reporting entity both individuals, groups and organizations to provide accountability for all activities, activities, management and policies on the use of resources that have been submitted to them in a systematic and structured manner to the trustee who has rights and the authority to hold accountable and to see whether these resources have been used effectively, efficiently and economically. This obligation to be accountable is manifested in the form of financial reports which are presented periodically [1]
There are four dimensions of accountability according to Mardiasmo and it is derived into accountability indicators including[1]:

- **Accountability Honesty and Legal Accountability**
  Honesty accountability relates to accountability for the use of authority over a position, legal accountability is accountability for compliance with the use of public sources of funds based on applicable laws and regulations.

- **Process Accountability**
  Process accountability relates to accountability relating to compliance with procedures in administering responsive public services.

- **Program Accountability**
  Program accountability is related to accountability for the achievement of results and formulation of alternative programs with minimal costs that produce optimal results.

- **Policy Accountability**
  Policy accountability is the accountability related to policies

### 2.4 Accountability for BUMDes Financial Management

BUMDes accountability is a form of BUMDes accountability for its financial management. BUMDes as village-owned enterprises that receive capital participation from the village are required to implement the principle of accountability as a manifestation of good governance. Based on the Regulation of the Minister of Villages, Development of Underdeveloped Regions, and the Transmigration of the Republic of Indonesia Number 4 of 2015 concerning Establishment, Management and Management, and Dismissal of BUMDes Article 31 which is further explained in the Banyuwangi Regency Regional Regulation Number 13 of 2015 concerning Guidelines for the Formation and Management of Bodies Owned Business [7]

Village, that the operational implementer must periodically report the accountability of BUMDes performance in the form of an accountability report for the implementation of BUMDes to the Advisor who is ex-officio held by the Village Head and to the wider community through the Village Deliberative Council forum.

### 3. Research Methods

This research is a qualitative research using descriptive analysis. Researchers conduct research by understanding the phenomena that occur in the object of research and then describe and describe these phenomena in the form of written words. This descriptive qualitative approach is intended to understand financial management in BUMDes Mekar Lestari and then describe and describe how the financial management accountability of BUMDes Mekar Lestari is based on the parameters of the Banyuwangi Regency Regional Regulation Number 13 of 2015 concerning Guidelines for the Formation and Management of Village-Owned Enterprises and Regulations of the Banyuwangi Regent. Number 17 of 2019 concerning Guidelines for Village Financial Management.

The researcher determined the research location at the BUMDes Mekar Lestari office, Tembokrejo Village, Kec. Muncar, Kab. Banyuwangi. This BUMDes was chosen based on the consideration of the highest capital participation in Muncar District and in Banyuwangi Regency in 2019.

The focus in this research is financial management at BUMDes Mekar Lestari which will be identified then analyzed and described to obtain clarity whether financial management by BUMDes Mekar Lestari has applied the principle of accountability and is in accordance with applicable regulations.

The types of data used in this study are primary data and secondary data. The method of data validity in qualitative research is carried out in order to obtain valid and reliable data by ensuring the correctness of the data from the research results. The method used is triangulation. The data analysis method used in this research is to use the analysis model of Miles and Huberman, where the activities
in data analysis consist of data collection, data reduction, data presentation and analysis, as well as verification and conclusion..

4. Results and Discussion

Accountability is a form of periodic accountability by the reporting entity in managing and implementing policies related to the use of resources given to it in achieving predetermined goals [5]. Accountability is a concept that can be interpreted as a form of accountability for all activities, activities and management carried out either by individuals or groups or organizations. The form of BUMDes accountability is BUMDes accountability for its financial management. BUMDes as village-owned enterprises that receive capital participation from the village are required to implement the principle of accountability as a manifestation of good governance. The accountability of BUMDes management can be assessed based on the fulfillment of accountability indicators based on the Banyuwangi Regency Regional Regulation No.13 of 2015.

Accountability at the implementation stage of BUMDes Mekar Lestari financial management in its application is in accordance with Banyuwangi Regulation No. 17 of 2019 in which BUMDes receipts and expenditures through BUMDes accounts and all transactions are supported by proof of transaction in the form of receipts, purchase notes or proof of payment by affixing the BUMDes stamp as proof of valid transaction. The implementation phase of BUMDes Mekar Lestari has explained that there was an error in the decision to allocate all capital participation funds to the Waste Bank business unit due to delays in receiving capital participation funds. This error resulted in the incompatibility of the use of capital participation funds with the budget plan in the proposal. The impact resulting from this error continues up to the stages of management, reporting and accountability.

BUMDes Mekar Lestari records revenue and expenditure in a Daily Cash Book assisted by a Garbage Bank Auxiliary Book which is closed at the end of each month. However, the recording of transactions and bookkeeping at BUMDes Mekar Lestari is confusing so that there are difficulties in explaining the flow of the use of capital participation funds. Based on the records made by the Treasurer in the daily cash book and the Garbage Bank auxiliary book, it is written in general and makes it difficult for the reader to understand what kind of transaction is happening. In addition, transactions carried out by BUMDes Mekar also use bank accounts, but no Bank Assistance Book is used to write all transactions through the Mekar Lestari BUMDes cash account so that in the Mekar Lestari BUMDes administration stage there are indicators that are not in accordance with Banyuwangi Governor Regulation No. 17 of 2019 where the treasury function, in this case the treasurer, is required to make a General Cash Book supported by a General Cash Assistant Book to record expenses and receipts.

The reporting and accountability stages at BUMDes Mekar sustainably are also not in accordance with the Banyuwangi Regency Regional Regulation No. 13 of 2015. Reporting on the performance and accountability of the implementation of BUMDes by operational executors or the Chair to Advisors held by the Village Head and the Village Government must be accountable for their development activities to the BPD through the Village Deliberation forum, but in 2019 it was only carried out 1 (one) time reporting and accountability of BUMDes. This is not in accordance with the Banyuwangi Regency Regional Regulation No. 13 of 2015, which requires BUMDes to report periodically at least 2 (two) times in 1 (one) year in the form of semi-annual reports and annual reports. The accountability report that is reported is also only in the form of a monthly recap report for 6 months consisting of the amount of revenue, the amount of expenditure and the amount of profit earned during a certain period. There is no annual report and accountability report at the end of the period as stipulated in the Banyuwangi Regency Regulation No.13 of 2015 which should also consist of reports on the performance of the manager for one period, business performance related to the realization of business activities, development efforts, indicators of success, plans, unrealized business development.
Regarding the profit sharing pattern between BUMDes and the village government, it is in accordance with the percentage distribution in the village regulation as explained. The 2019 business results plan is a draft of business results obtained from business units other than the Waste Bank.

Based on the results of the analysis of the financial management accountability of BUMDes Mekar Lestari in 2019 with the Banyuwangi Regency Regional Regulation No. 13 of 2015 and the Governor of Banyuwangi No. 17 of 2019, the results show that in the financial management of BUMDes Mekar Lestari in 2019, there are several accountability indicators that have not been fulfilled, including that there is no Bank Assistant Book to support the General Cash Book. The accountability report carried out by BUMDes Mekar Lestari is also only done 1 (one) time and there is no annual report and period-end accountability report that is in accordance with the regulations.

References