

Research Article

The Effect of Human Resource Capacity, Procurement of Goods And Services and Supervision on the Implementation of the Village Budget in Banda Aceh City, Indonesia

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Received: 04.03.2020

Accepted: 15.04.2020

Published: 19.04.2020

Journal homepage:<https://easpublisher.com/easmb>**Quick Response Code**

Abstract: The Directorate General of Fiscal Balance of the Ministry of Finance of the Republic of Indonesia said that there were approximately Rp. 160 billion in the distribution of the first phase of the 2017 fiscal year which was not absorbed from a total of Rp. 36 Trillion or around 60% of the total village budget funds sourced from the State Budget. The results of the evaluation of village fund disbursement by the Ministry of Finance conveyed that the late distribution of village funds from the RKUN to RKUD beyond semester 1 (one) had narrowed the time of absorption / use / implementation of the budget by the village government. The Desa (village) government in Banda Aceh has a record of the delay in the distribution of village funds and the Gompong Fund Allocation from the Regional General Cash Account (RKUD) to the Cash Desa Account (RKD / RKG) from 2015 to 2017 as reported by a number of print media and electronic. In the Guidelines for Guidance and Village Financial Management Consultation issued by the Financial and Development Supervisory Board of the Republic of Indonesia in 2015, it was stated that the human resources factor was one of the important factors in managing village finance, especially in terms of implementing the village budget. According to Minister of Home Affairs Regulation No. 113 of 2014, Village Financial Management is the whole of activities covering planning, implementation, administration, reporting and accountability of village finance. Budget absorption / realization is the result of budget execution. A number of studies on the absorption of village budgets found that several other variables also influenced the absorption of village budgets such as the procurement of goods and services and supervision. Absorption of the desa budget is measured through the suitability of the process of implementing the village budget with the applicable regulations. The study was conducted in 40 (Forty) Desa in Banda Aceh City with a total of 278 respondents who were Government Apparatus in each Village. Data was obtained from questionnaires distributed to the Village Head / Geuchik, Village Secretary, Village Treasurer, Head of Affairs (Kaur) and Members of the Tuha Peut / Desa Consultative Body. The data is then analyzed by multiple linear regression. The test results show that there is a positive relationship between human resource capacity, procurement of goods and services and supervision of budget absorption. The ability of these three variables in increasing budget absorption / realization is quite high, this is evidenced by the adjusted R² value of 0.569.

Keywords: Absorption of Village Budgets, Capacity of Human Resources, Procurement of Goods and Services, and Supervision.

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INTRODUCTION

Budget absorption is a tool to measure budget performance that assesses conformity / correlation and consistency between planning and implementation (Regulation of the Minister of Finance Number 249 of 2011). The higher the realization of the budget shows that the higher the performance or the lower the realization of the budget shows the lower the performance (Rahmah *et al.*, 2017: 218).

Determination and Ratification of Law No. 6 of 2014 concerning Villages on 15 January 2014 resulted in the commencement of a new round of national policy directions that put the village as the

spearhead of development and improvement of community welfare (Ministry of Finance of the Republic of Indonesia, 2017). UU no. 6 of 2014 concerning Villages can be seen as the main element of the efforts being made by the Indonesian government in expanding decentralization to the smallest element of government. This effort is a form of sustainability of the decentralization process that began more than fifteen years ago (Antlöv *et al.*, 2016). The village government in Indonesia is now positioned as the smallest part of the government which is a legal community unit with the authority to regulate and administer Government Affairs, the interests of the local community based on community initiatives, origin rights, and / or traditional

rights recognized and respected within their territorial boundaries within the framework of the system of government of the Unitary State of the Republic of Indonesia (Law No. 23 of 2014).

To fund the expenditure of programs and activities, every year the village government (executive) together with the Village Consultative Body (Legislative) prepares, agrees and establishes Village Regulations on the Village Revenue and Expenditure Budget (APB Desa) (Permendagri 113 of 2014). The APB Desa consists of several sources of income and the largest is the Village Fund. The Village Fund is a transfer from the central government (APBN) to village governments whose numbers continue to increase every year.

The greater the budget for the village government will certainly have an impact on the increased risk of management (BPKP, 2015). Various related issues, with the management of village funds began to be exposed in the media. starting from the low absorption of the budget and fraud which ended in corruption. The Directorate General of Fiscal Balance of the Ministry of Finance of the Republic of Indonesia said that there were approximately IDR 160 billion in the distribution of the first phase of the 2017 fiscal year not absorbed from a total of IDR 36 Trillion or around 60% of the total village budget funds sourced from the APBN. Finance stated that the delay in channeling village funds from the RKUN to the RKUD beyond semester 1 (one) had narrowed the time of absorption / use of the budget by the village government.

Based on reports from several local online media such as ANTARACEH, MODUSACEH.CO and Serambinews.com, the village government in the Banda Aceh City area has not managed desa (village) spending in an orderly and budgetary manner. Delay in completing the accountability report for the use of the Desa Income and Expenditure Budget (APB Desa) and the establishment of the Desa Qanun (Regulations) about the APB Desa being a classic condition that has occurred since 2015.

There are several factors that influence the absorption of the budget. The results of Malahayati (2015), Zarinah (2015) and Purba (2017) explain that the capacity of human resources has a positive and significant effect on budget absorption in contrast to Priatno's (2013) study which concluded that human resource factors have no significant effect on absorption the KPK budget (2015) states that there are several problems that occur due to the weak competency of the desa apparatus including the preparation of village accountability reports.

Another factor that also affects the absorption of the budget is the procurement of goods and services. Anfujanti (2016) in his qualitative research concluded

that several problems in the process of procurement of goods and services caused a low absorption of the budget. The same thing was conveyed by Widianingrum *et al.*, (2017) which explains that the procurement of goods services is one of the factors that determine the absorption of the budget.

Supervision of the performance of village financial management was carried out by the District Government and the Village Consultative Body (Law No.6 of 2014). Mondale *et al.*, (2017) explained that the supervision of all parties, be it the government, the community and law enforcers had a role in detecting opportunities for problems in the implementation of the budget in the village. Therefore, guidance and supervision needed to be carried out intensively. The same thing was conveyed by Munti and Fahlevi (2017) who stated that the quality of supervision of the Desa Consultative Body had a positive influence on the performance of village financial management in Gandapura District in Bireuen District.

LITERATURE REVIEW

The Relationship between Human Resources and Absorption of Village Budgets

Resource capacity is one indicator to assess the ability of local governments to manage their finances (Harahap and Abdullah, 2016). Thoha (2001) argues that humans are the main actors in each organization. To achieve its objectives, an organization must be able to have and maintain reliable and developing human resources. Halim and Kasufi (2012) explain that competencies and Commitments of Human Sector Human Resources (HR) management determine the achievement of goals and objectives for the use of organizational budgets realized through the implementation of programs and activities so that the capacity of HR carrying out them is a factor that causes the high absorption of the budget. A similar thing was also conveyed by the BPKP (2015) which explained that the limitations both in terms of quantity and quality of human resources / village apparatuses were one of the factors that became a national obstacle in village financial management.

For villages / villages, the intended human resources are village heads and all village desa consisting of village secretaries, heads of affairs, section heads and Ulee Jurong (Banda Aceh Regulations No. 36 of 2016). In the regulation of village financial management, the Keuchik plays a role as the holder of the power of the village financial manager while the village secretary and section head / head of affairs are the auxiliary elements of the village head as the village financial coordinator (PTPKG) coordinator and Technical Officer (Banda Aceh Regulations Number 4 of 2016). The village treasurer and the Head of Financial Affairs are responsible for consolidating the accountability report and the

realization of the activities of each PTPKG into the APB Village accountability report.

The capacity and capacity of the Keuchik and the village desa as the manager of village finance will affect the absorption of the desa budget or in this case the realization of desa expenditure. How well the competence and capacity of each village apparatus resource in carrying out its functions will support the acceleration of budget absorption. The same thing was conveyed by Purba (2017) who found that the quality of human resources, planning and implementation of the budget towards budget absorption had a significant effect on budget absorption. Widianingrum *et al.*, (2017) found that there are 6 (six) factors that influence budget absorption, one of which is human resources, a similar thing was also conveyed by Anfunjanti (2016) who explained that the low absorption of budget for the third quarter of 2015 in Tuban was due to human resource competency. Furthermore, the results of research conducted by Mutmainna and Iqbal (2017) show that the competence of human resources has a significant influence on budget absorption. Sudasri (2016) also found the same conclusion that the competence of human resources has a significant effect on budget absorption.

The Relationship between Procurement of Goods and Services and Absorption of Village Budget

The acceleration of budget absorption can be done through the procurement of government goods and services. The Secretary of the Directorate General of Treasury of the Ministry of Finance explained that the procurement of goods and services is closely related to the realization of the budget (<http://www.djpbk.kemenkeu.go.id>). Procurement of goods and services is the largest expenditure component of the central and regional governments. In the village budget structure, the largest expenditure realization is still utilized for the procurement of goods and services through both self-management and provider mechanisms.

As an inseparable part of village financial management, procurement of village goods and services is carried out for a period of 1 (one) fiscal year with the principle of efficient, effective, transparent, community empowerment, mutual cooperation and accountability (Ministry of Coordinator of Republic of Indonesia Human and Cultural Development, 2016). There are 3 (three) elements involved in the process of procurement of village goods and services, namely the Village Head as the main person in charge of the village development program and the Holder of Village Financial Management Power, Village Financial Management Technical Officer (PTPKG) and Implementing Team for Goods and Services Procurement Activities Village (TPKG). TPKG can arrange procurement planning for village goods and services if the Village Regulation / Qanun concerning APBDesa has been established.

TPKG is obliged to report progress / progress of work periodically (weekly) (Perwal No. 18 Year 2015) and make accountability to the Village Head as the Holder of the Village Financial Management Authority. The report on the progress of work and the accountability of the activities carried out by TPKG is a reference / basis for the Keuchik for the financial process carried out by the Village Financial Management Technical Officer (PTPKG) (Ministry of Coordinating for Human Development and Culture of Republic of Indonesia, 2016).

Determination of APB Village that is timely accompanied by the implementation of duties and functions of 3 (three) parties involved in the procurement process synergistically and effectively will facilitate the process of procurement of goods and services. with the targets set in the Village Budget. PTPKG will accelerate the completion of the accountability report on the use of the Village Budget so that it is delivered to the Regional Head in this case the designated SKPD will be on time. Submission of the accountability report on the use of the APB Village and the establishment of the APBDesa in a timely manner will facilitate the process of channeling the main revenue sources of the desa for the next period.

The research conducted by Widianingrum *et al.*, (2017) found that there are 6 (six) factors that influence budget absorption, one of which is the process of procurement of goods and services. Anfunjanti (2016) also found the same thing, namely the issue of the procurement of goods and services became one of the factors that led to the realization of the absorption of the budget in Tuban Regency in the third quarter of 2015 was low. The results of hypothesis testing conducted by Rerung, Karamoy and Pontoh (2017) show that the variable implementation of the procurement of goods and services through e-procurement has a positive and significant effect on the absorption of the capital expenditure budget.

The Relationship of Supervision of Absorption of Village Budgets

Supervision is the process of establishing measures of performance and taking actions that can support the achievement of expected results in accordance with predetermined performance (Schermerhorn, 2002: 12) whereas according to Stoner *et al.*, (2005: 114) supervision is a process to ensure that all activities carried out in accordance with what has been planned. supervision is part of the management function, where each management organization both private and public has an entity that carries out the supervisory function to maintain the balance of organizational governance.

The Ministry of Finance of the Republic of Indonesia through its official website <https://www.kemenkeu.go.id> explains the importance of

the function and role of supervision carried out by the competent agencies in accelerating the process of absorption of the budget. The Minister of Finance of the Republic of Indonesia on 23/03/2016 said that BPKP as the government's internal supervision lead sector coordinated all APIPs to review the absorption of budgets, procurement of goods / services, and distribution and use of village funds in 2016.

The village government is an entity / public organization that has its own management in managing the budget sourced from the transfer of funds from the central government and regional governments. Increased budget allocation managed from year to year raises an increased risk of misappropriation of village expenditure (BPKP, 2015). Law Number 6 of 2014 clearly mandates the function of overseeing village financial management including the district / city government and Village Consultative Body. District / city governments have more complex supervision, especially in terms of overseeing the implementation of village financial management while the Village Consultative Body (BPG) has a supervisory function on the performance of the Keuchik and its equipment.

Based on research conducted by Munti and Fahlevi (2017) the conclusion was that the quality of BPD supervision had a positive influence on the

performance of village financial management. The same thing was conveyed by Mondale *et al.*, (2017) which the results of identification indicate that financial management in Blang Kolak I Village, there are three factors constraints and problems that occur in financial management, namely competence (quality of human resources), community participation and supervision. Meanwhile in financial management in Blang Kolak II Village, competency (quality of human resources), community participation and supervision are the supporting factors for success in good and correct village financial management.

The research conducted by Sembiring (2017) shows that planning, administration, APIP and regulation have a significant effect on the late absorption of the budget simultaneously. Partially planning, administration and regulation have a significant effect on the delay in absorption of the budget while APIP has no effect.

Based on the description of the framework, it can be presented a research framework scheme that is used to facilitate the way of thinking on the issues discussed. The conceptual framework of this research is illustrated in the following model:

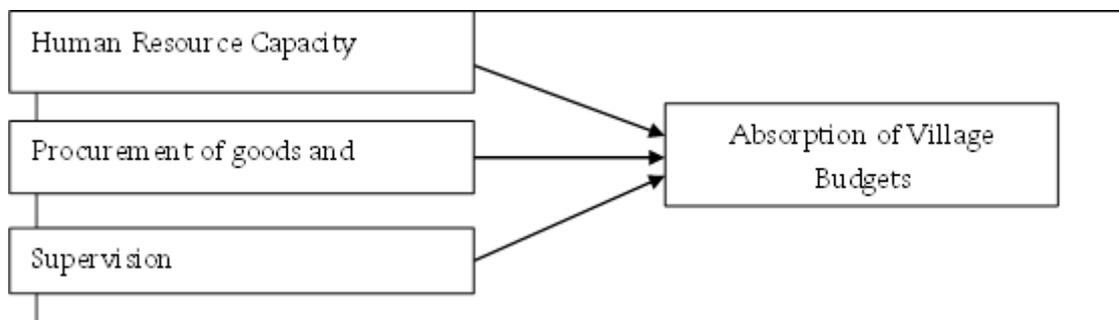


Figure 1. Research Framework

Based On The Framework, The Hypothesis Can Be Formulated As Follows:

- H1:** Capacity of human resources, procurement of goods and services and joint supervision affect the absorption of village budgets in Banda Aceh City.
- H2:** The capacity of human resources partially influences the absorption of village budgets in Banda Aceh City.
- H3:** Procurement of goods and services has a partial effect on the absorption of village budgets in Banda Aceh City.
- H4:** Supervision partially influences the absorption of village budgets in Banda Aceh City.

RESEARCH METHOD

Population, Samples and Respondents

The population in this study were all village apparatus in the Banda Aceh City Region. The city of Banda Aceh has 91 villages (BPS, 2017). The population in this study amounted to 910 people spread across 91 villages. This study uses random sampling by using a portion of the population as a sample. Slovin formula is used to determine the sample. Based on the formula, a sample proportion of 278 was produced. 278 The sample will be distributed to 40 villages in the Banda Aceh City Area so that each of the seven respondents is the Village Head / Keuchik, Village Secretary, Village Treasurer, 3 (three) Head of Affairs (Kaur) and 1 (one) Member of Tuha Peut / Bamus Desa.

Operational Definition of Variables

The Operational Definitions Of Each Variable Are As Follows:

1. Human Resource Capacity. This variable is an independent variable. The human resource capacity intended in this study is the ability of both individuals, organizations / institutions, and systems to carry out their functions or authorities in order to achieve their objectives effectively and efficiently.
2. The procurement of goods and services. This variable is an independent variable. The procurement of goods and services intended in this study is the procurement of goods and services whose sources of funding are from village income and expenditure budgets in the form of activities to obtain goods / services by the village government, either through self-management or through goods / services providers.
3. This variable is an independent variable. Supervision intended in this research is a process in which management wants to obtain information about what subordinates are doing and their compliance with agreed orders, plans, orders, objectives, policies.

Data Collection Technique

This study uses a questionnaire compiled based on Law No. 6 of 2014 concerning Villages, Republic of Indonesia Minister of Internal Affairs Regulation 113 of 2014 concerning Village Financial Management, Mayor of Banda Aceh Regulation Number 18 of 2015 concerning Guidelines and Procedures for Procurement of Goods / Services in Village, Banda Aceh Mayor Regulation Number 1 of 2016 concerning Procedures for Allocating Details of Village Fund Allocation for Each Village (Village Fund Allocation), Banda Aceh Mayor Regulation Number 2 of 2016 concerning Procedures for Allocating Details of Village Fund Allocation for Each Village, Banda Mayor Regulation Aceh Number 3 of 2016 concerning Procedures for Allocating and Determining Fund Details Part of Results of Taxes and Regional Retribution for Villages, Banda Aceh Mayor Regulation Number 4 of 2016 concerning Village Financial Management and Mayor Regulation of Banda Aceh Number 36 of 2016 concerning Organizational Structure and Work Procedure Village government.

Questionnaires for HR Capacity variables consisted of 4 (four) item statements, Procurement of Goods and Services variables consisting of 6 (six) statements, supervision variables consisted of 3 (three) statement items and 7 (seven) statement items for absorption of village budgets. This research questionnaire uses a Likert scale on a scale of 1 to 5. The scale describes the variable capacity of HR, procurement of goods and services, supervision and absorption of village budgets as: Strongly agree (SS),

Agree (S), Disagree (KS), Disagree (TS) and Strongly Disagree (STS).

Validity Test Results show that all statements have a correlation value above the critical value of 5% which is above 0.304 so that these statements have validity of internal consistency. This means that the statements measure the same aspects, so the data obtained is valid and can be used for research.

Reliability / Reliability Test is used to find out whether the data collection tool has shown the level of accuracy, accuracy or consistency of the tool in expressing certain symptoms from a group of individuals, even if done at different times. According to Malhotra (2005: 67), the acceptable coefficient is above 0.60. The results of the reliability testing found that alpha for each variable was obtained greater than 0.60, which means that all research variables are reliable or can be used in this study.

FINDINGS AND DISCUSSIONS

Descriptive Analysis

The capacity of human resources has a standard deviation value of 0.363, with a minimum value of 3.5 and a maximum value of 5, and an average value of 4.2680. That is, respondents gave answers agreeing that human resource capacity is an important element in the absorption of village budgets, because the average value approaches the highest scale (5) or strongly agrees.

The variables of procurement of goods and services have a standard deviation value of 0.364, with a minimum value of 3.83 and a maximum value of 5, and an average value of 4.3597. This means that the respondent gives an answer agreeing that the procurement of goods and services that are carried out properly and correctly and is guided by principles, ethics and procedures in accordance with the mandate of the provisions becomes an important element in the process of absorption of the village budget, which is proven by the average value close to the scale highest (5) or strongly agree.

The supervision variable obtained the standard deviation value of 0.423, with a minimum value of 3.67 and a maximum value of 5 and an average value of 4.3189. This means that respondents give answers agreeing that regular and effective supervision of the implementation of activities in the villages by Stake Holders becomes an important element in the absorption of the budget because the average value approaches the highest scale (5) or strongly agrees.

The variable absorption of the village budget obtained a standard deviation of 0.293, a minimum value of 3.43 and a maximum value of 4.71 and an average value of 4.0858. This means that the respondent gave an answer agreeing that the absorption of the

village budget had been done well by the village apparatus.

Analysis of Multiple Linear Regression

The results of multiple linear regression analysis between Absorption of village budgets and HR capacity, procurement of goods and services and supervision are shown in the following equation:

$$Y = 1,244 + 0,358X_1 + 0,233X_2 + 0,529X_3.$$

- X₁ : Capacity of Human Resources (HR)
- X₂ : Procurement of goods and services
- X₃ : Supervision
- Y : Absorption of Village Budgets

This equation implies that Constant is 1.244, meaning that if the variable capacity of human resources, procurement of goods and services and supervision is considered constant, the absorption of village budgets in Banda Aceh is only 1.244 percent. If the human resource capacity variable changes by 1 percent, it will have an effect on the increasing absorption of village budgets in Banda Aceh City by 0.358 percent with the assumption that the variables of goods and services procurement and supervision are considered to be permanent. If the procurement variable of goods and services has increased by 1 percent, it has an effect on the increase in absorption of village budgets in Banda Aceh by 0.233 percent with the assumption that variable human resource capacity and supervision is considered constant. The village budget in Banda Aceh is 0.529 percent assuming variable human resource capacity and procurement of goods and services are considered permanent.

Simultaneous tests show the effect of independent variables together on the dependent variable. From the results of the study, the calculated F value is 123.128 with a significance value of 0.00 or below 0.05. That is, the capacity of human resources, procurement of goods and services and joint supervision affect the absorption of village budgets in Banda Aceh City with the magnitude of the influence of all independent variables is 56.9% (Coefficient of Adj R² is worth 0.569) the remaining 43.1 percent influenced by other variables outside of this research model. Test partially shows For the variable capacity of human resources obtained value of t count of 10,578 with a significant value of 0,00 below 0,005. That is, the variable capacity of human resources partially affects the absorption of village budgets in Banda Aceh City. For goods and services procurement variables obtained value of t count of 4.223 with a significant value of 0.00 below 0.005. That is, the procurement variables of goods and services partially influence the absorption of village budgets in Banda Aceh City. For the supervisory variables, the value of t count is 12.048 with a significant value of 0.00 below 0.005. That is, supervision variables partially influence the absorption of village budgets in Banda Aceh City.

The capacity of human resources, the procurement of goods and services and the absorption of budgets are recognized as being able to support an increase in village budget absorption in Banda Aceh City. High budget realization / absorption is inseparable from the capacity of skilled and competent human resources in carrying out and coordinating the implementation of activities in the village. Human resource capacity improvement through the selection of educated village officials through selection based on the educational background needed, skills improvement through the participation of village officials in training / technical training and the transfer of experience in each village meeting will bring positive changes in the realization of activities effectively, efficiently and on time.

Based on the answers to the questionnaire, most human resources are competent in realizing the village budget. The indicators used to measure the competence of human resources all have a positive influence. Existing indicators are knowledge, skills (skills), personal characteristics and training. Human resources in this case are Village Heads and Village Devices (including the Village Supervisory Agency) who are competent in realizing village budgets, training and technical assistance on village budget management from the Regional Government, routine assistance from village facilitators and apparatus placement in appropriate fields with knowledge that comes from education and experience.

Procurement of goods and services in the village government has been carried out according to procedures. Procurement of goods and services is the main element / element in realizing the budget. Procurement of goods and services is directly related to the implementation of the budget. Effectiveness of Procurement of goods and services will have an impact on the completion of work on time, this will have an impact on the absorption of the optimal budget.

Based on the answers to the questionnaire, most village governments in Banda Aceh have ratified their Revenue and Expenditure Budget in a timely manner in accordance with the prevailing regulations so that the process of procurement of goods and services can be started and the implementation of the activities has a high probability of not exceeding the year the budget. The implementation of procurement procedures and mechanisms has also been well implemented by most village governments in Banda Aceh both in terms of principles, ethics and selection of the procurement process. The selection of the process of procurement of goods and services is carried out through 2 (two) methods, namely through Providers and Self-Management. The answer to the questionnaire explained that most village governments carried out the

selection of the procurement process proportionally taking into account many aspects and factors.

The results of the answers to the questionnaire explained that most of the villages in the city of Banda Aceh had established and functioned the Implementation Team for Village Goods and Services Procurement Activities (TPKG). The position of the TPKG as an assistant to the Keuchik in carrying out the process of procurement of goods and services responsible for carrying out activities / work is required to report the progress of the procurement of goods / services regularly every week to the Keuchik through the TPKG Coordinator (Village Secretary). TPKG is very influential in carrying out the work effectively and efficiently, with the delegation of part of the Keuchik's authority to the TPKG to alleviate the workload of the head of the village government and accelerate the monitoring of work completion processes so that reports on village budgets can be monitored regularly by the Keuchik and reported to the Consultative Body Village (BPG) as an evaluation material, especially in optimizing the realization / absorption of the budget.

Supervision is an important element in supporting the optimization of the realization of the village budget, supervision carried out by stakeholders will be input and recommendations for improvements for the village government in carrying out activities. Based on the answers to the questionnaire, most village governments in Banda Aceh have been monitored in stages both internally and externally by stakeholders. The City Government has supervised the implementation of the village budget through periodic inspections conducted by the Inspectorate of Banda Aceh City. BPG plays an active role from the planning process to the evaluation and monitoring stages of the performance of the village government in implementing the APBG. The implementation, the Police and the TNI jointly supervised the implementation of village activities funded with the APBG.

The answer to the questionnaire also explained that administrative and legal sanctions were properly implemented. The imposition of administrative sanctions in the form of terminating the distribution of funds for the next stage is given to the village government that has not submitted the accountability report for the use of the village budget while the criminal sanctions are given to village government officials who are legally proven to have committed fraud in implementing the village budget. The provision of sanctions warns the village government to be able to realize the implementation of activities in a timely manner (according to plan) and correct procedures so that the absorption of the village budget can be optimal and not legally problematic.

CONCLUSIONS

1. Capacity of Human Resources, Procurement of Goods and Services and Supervision jointly influence the absorption of Village budgets in Banda Aceh City.
2. The capacity of Human Resources partially influences the Absorption of Village Budgets
3. Procurement of Goods and Services has a partial effect on Absorption of Village Budgets
4. Financial supervision influences the Absorption of Village Budget

RECOMMENDATIONS

1. Capacity of Human Resources

- In the future, the apparatus in every village in the city of Banda Aceh will continue to pay attention to and increase the capacity of human resources, especially in the management of the village budget, because the results of the regression coefficient for variable human resource capacity have an influence on the absorption of village budgets in Banda Aceh .
- The Banda Aceh City Government in the future is expected to be able to consistently and periodically continue to conduct technical training / workshops / Socialization related to village budget management and the latest regulatory updates on village governance to Village Apparatus in the region.
- In terms of the selection / selection of village officials so that in the future, the Village Head / Keuchik is expected to prioritize candidates who have the appropriate educational background and are needed.
- Village Governments in the Banda Aceh City Area to always participate in sending competent village apparatuses at each bimtek / workshop / Socialization by the City Government.
- The Village Government in the Banda Aceh City Area must support the improvement of the quality and competence of the village apparatus through both formal and informal education.

2. Procurement of goods and services

- Carry out the process of procurement of goods and services in a timely manner based on principles, ethics and procurement procedures in accordance with applicable regulations.
- Village Activity Management Team (TPKG) to play an optimal role in the process of procurement of goods and services in the village.
- Determine the most effective procurement procedures taking into account the timeliness of completion of work in accordance with applicable regulations.

3. Supervision

- Give special attention in the form of funding support framework as well as improving the competence of adequate Human Resources to the

Banda Aceh City Inspectorate to be able to periodically and intensively supervise the implementation of activities in the Village by prioritizing coaching tasks accompanied by constructive recommendations.

- Consistent in enforcing the rules in the form of sanctions against mistakes in implementing the village budget.
 - Periodically provide technical guidance and outreach to members and leaders of the Village Consultative Body (BPG) especially in terms of updating regulations and policies relating to the implementation of village activities in order to optimize the functions of BPG as an internal supervisor.
4. Suggestions for further research so that other influential variables such as understanding of accounting, competence and others can be added, then using other econometric models such as path analysis models.

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