

Financial Performance Analysis Village Fund Management Based On Effectiveness Ratio And Growth Ratio In Negeri Hitu Lama Central Maluku Regency

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Article Info	ABSTRACT
<p>Keywords: Financial Performance, Effectiveness Ratio, Growth Ratio, ADD</p>	<p>Good village financial management will affect the progress of a village. Village financial management not only requires reliable human resources but must also be supported by adequate finances. Village financial management has a very large influence on the fate of a village because whether it is able to develop or not depends on how its finances are managed. Good village financial management will also show good village government performance. This study aims to determine how good the financial performance of village fund allocation management is based on the effectiveness ratio and growth ratio in Negeri Hitu Lama, Central Maluku Regency. The type of research used in this study is quantitative descriptive. The data processed is the financial report of village fund allocation in the village revenue and expenditure budget from 2019 to 2023. The data collection technique used is the document technique and literature study. The data analysis technique used in this study is quantitative descriptive with the formula: effectiveness ratio and growth ratio. The results are that on average, the management of village fund allocation is quite effective, although the ratio of income and expenditure is still relatively low.</p>

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INTRODUCTION

Village financial management has a very large influence on the fate of a village because it is able to develop or not, depending on how its finances are managed. Good village financial management will show good village government performance. However, in various cases, public distrust of existing financial performance often arises. Where the large amount of the budget is inversely proportional to the amount of the budget that is realized. The large amount of village fund allocation budget given to the village creates issues among the village community. This is based on public distrust of the current financial performance. Until now, this nation has not been free from the grip of corruption. With the fact that many corruption cases are no longer secret. This issue continues to spread so that village officials have to face the green table and prison for misusing their village funds.

Fraud in village finances can occur at any time and without regard to the source of funds. If it is related to the misuse of village fund allocations, then the act can be categorized as corruption. The village government must be able to utilize its allocated funds to provide a

real impact on the village community. Understanding the management of village fund allocations is an important and fundamental aspect that must be possessed by the village head and village officials. The basic principles of managing village fund allocations start from the planning stage to reporting and accountability of village finances as well as the duties and responsibilities of managers. To find out how good and large a village fund allocation is, a financial performance analysis needs to be carried out.

This financial performance analysis is very important because it can be used as a guideline for improving financial performance in the future, showing the achievement of predetermined financial performance targets, evaluating financial performance, and helping to reveal and solve existing problems. Financial performance analysis is carried out by comparing the results achieved from one period to another. In this case, the ratios used are the effectiveness ratio and the growth ratio. This ratio is used to provide an overview of information regarding financial performance over the past 4 years (2019-2023). Based on the description above, the author is interested in conducting research entitled "Financial Performance of Village Fund Management based on the Effectiveness Ratio and Growth Ratio in Negeri Hitu Lama, Central Maluku Regency."

METHODS

Type of ResearchThe type of research used is quantitative research because the data collected is in the form of numbers from the Village Fund Allocation (ADD) financial report in the Village Revenue and Expenditure Budget (APBDesa). According to Sugiyono (2017:8), quantitative research is a research method based on the philosophy of positivism, used to research a specific population or sample; data collection using research instruments; data analysis is quantitative or statistical, with the aim of testing the established hypothesis.

Location and Time of ResearchThe location of this research is in Negeri Hitu Lama, Central Maluku Regency. With a research time of 3 months.

Data SourcesThe data sources in this study consist of primary data and secondary data. The primary data obtained is in the form of direct data from the company in the form of observations and direct interviews with the community and the Government of Negeri Hitu Lama. This is done, among other things, to find out the utilization and allocation of village funds. Secondary data is obtained by studying similar research literature and taking the necessary information from scientific books, previous research, and other sources related to the problem to be discussed.

Data Collection MethodData collection techniques are a strategic step in research; this is because the main purpose of the research is to obtain data (Sugiyono, 2017). According to Sugiyono (2017), data collection techniques can be carried out in several ways, which are also carried out in this study, including: 1. Interviews and FGDs with the Community and Local Government 2. Literature Study 3. Document Technique.

Analysis TechniqueData analysis techniques in quantitative research use descriptive statistics, namely statistics used to analyze data by describing or depicting the data that has been collected as it is without intending to make conclusions that apply to the public or generalizations (Sugiyono, 2017:147). The stages carried out in analyzing this data are as

follows: a. Calculating the effectiveness ratio and growth ratio from the Village Fund Allocation (ADD) financial report in the Village Revenue and Expenditure Budget (APBDesa) by creating a table, b. Creating a graph from the results of calculating the effectiveness ratio and growth ratio, and c. Describing the data from the results of calculating the effectiveness ratio and growth ratio or by looking at the graph.

Literature Study. Financial Report Analysis, According to Kasmir (2011: 66-72) in his book entitled Financial Report Analysis, it is said that in order for financial reports to be more meaningful so that they can be understood and comprehended by various parties, financial report analysis needs to be carried out. For owners and management, the main purpose of financial report analysis is to be able to find out the company's current financial position. Knowing the financial position, after conducting an in-depth financial report analysis, it will be seen whether the company can achieve the previously planned targets or not. Financial performance measurement can be done by using financial reports as a basis for measuring performance. The measurement can use a relevant rating system. The rating must be easy to use according to what will be measured and reflect things that determine performance. Measuring financial performance also means comparing the standards that have been set (for example, based on the regulations of the Minister of Finance) with the financial performance that exists in the company. Financial performance measurement is quantitative and based on financial reports. Effectiveness Ratio, The effectiveness ratio describes the ability of the regional government to realize the planned regional original income compared to the target set based on the real potential of the region.

Growth ratio, According to Kasmir (2013:116) in his book entitled Introduction to Financial Management, the growth ratio is a ratio that describes the company's ability to maintain its economic position amidst economic growth and its business sector. The growth ratio is useful for knowing whether the village government, in the relevant budget year or during several budget periods, has experienced positive or negative growth in revenue or expenditure.

RESULTS AND DISCUSSION

The analysis of the financial performance of Negeri Hitu Lama in this study is a process of assessing the level of progress in achieving the implementation of work or activities in the financial sector. The ratios used by the author in analyzing the financial performance of the Negeri Hitu Lama office are the effectiveness ratio and the growth ratio. The data used in conducting this study is the Village Fund Allocation (ADD) financial report. From this data, it can later provide an overview of information regarding the financial performance of the Negeri Hitu Lama Village office over the past 5 years (2019-2023). The results of the ratio analysis are as follows:

Effectiveness ratio.

The performance of the Negeri Hitu Lama government is said to be effective if the ratio produced or achieved is 90-100%. If the budget provided is almost the same as that realized, it can prove that the financial performance of a village is running well. The higher the

effectiveness ratio, the better the performance of the village government. The APBNeg financial report in Negeri Hitu Lama is as follows: The effectiveness ratio of local revenue is calculated by comparing the realization of local revenue receipts with the target of local revenue receipts or previously budgeted. The effectiveness ratio is the level of achievement of results of an activity adjusted to the specified target.

Table 1. Effectiveness Ratio

Year	ADD Revenue (Rp)	ADD Realization (Rp)	Effectiveness Ratio (%)	Criteria
2019	1.545.186.000	1.499.726.000	97,06	Effective
2020	1.661.126.900	1.557.461.080	93,76	Effective
2021	1.706.156.590	1.576.406.964	92,40	Effective
2022	1.565.445.000	1.250.968.644	79,91	Less effective
2023	2.422.150.215	1.633.273.287	67,43	Less effective

Source: APBNeg, Hitu Duration (Data processed, 2024)

Based on the Village Fund Allocation Report of the Hitu Lama Village Office, Central Maluku Regency, it shows that the Village Fund Allocation budget fluctuates from 2019-2023. In 2019, it was IDR 1.545.846.000 to IDR 2.422.150.215 in 2023. Based on the calculation of the effectiveness ratio, it can be seen that the effectiveness ratio based on the Hitu Lama Village Fund Allocation in 2019 was 97.06%, in 2020 it was 93.76%, in 2021 it was 92.40%, in 2022 it was 79.91, and in 2023 it was 67.43%. The effectiveness of the financial performance of the Village Fund Allocation for 2019 to 202021 is categorized as effective. For 2022, it is running ineffective because the value obtained is 79.91%. Then in 2023 it was less effective because the value obtained was 67.43%.

According to the description and calculation results of the effectiveness ratio, the average financial performance of the village fund allocation of Negeri Hitu Lama was quite effective, with an average effectiveness of 86.11%. The decrease in the effectiveness ratio from 2022 to 2023 occurred because the large amount of the budget was inversely proportional to the amount of the budget realized, and there were still many activities that had not been realized until the end of the budget year period from various activities in the fields of government administration, development implementation, community development, community empowerment, and emergency and urgent disaster management. The decrease in this ratio also shows that the village government of Negeri Hitu Lama, on average, has quite effective performance in managing the village fund allocation.

Growth ratio

The growth ratio is useful to know whether the village government in the budget year experiences positive or negative growth in revenue or expenditure. The performance of the Negeri Hitu Lama government is said to be good if every year the growth in revenue or expenditure generated is positive.

Tabel 2. Revenue Realization and Revenue Growth Ratio of Old Count

Year	Revenue Realization (Rp)	Revenue Growth Ratio (%)	Criteria
2019	1.545.186.000	0,00	-
2020	1.661.126.900	7,50	Low
2021	1.706.156.590	2,71	Low
2022	1.565.445.000	-8,25	Low
2023	2.422.150.215	54,73	High

Source: APBNeg, Old Count (Data processed, 2024)

Based on the Village Fund Allocation Report of the Hitu Lama District Office, Central Maluku Regency, it shows that the realization of Village Fund Allocation revenue from 2019-2023 tends to fluctuate. Based on the calculation of the growth ratio, it can be seen that the Village Fund Allocation Revenue Growth Ratio (ADD) in 2020 was 7.50%, decreased in 2021 to 2.71%, then decreased again in 2022, namely -8.25%, and then increased in 2023 to 54.73%, meaning it shows positive and negative growth, and the highest revenue growth is in 2023.

Tabel 2. Expenditure Realization and Old Time Expenditure Growth Ratio

Year	Expenditure Realization (Rp)	Expenditure Growth Ratio (%)	Criteria
2019	1.499.726.000	0,00	-
2020	1.557.461.080	3,85	Low
2021	1.576.406.964	1,22	Low
2022	1.250.968.644	-20,64	Low
2023	1.633.273.287	30,56	Medium

Source: APBNeg, Old Time (Data processed, 2024)

Based on the Village Fund Allocation Report of the Hitu Lama District Office, Central Maluku Regency, it shows that the realization of Village Fund Allocation spending from 2019-2023 tends to fluctuate. Based on the calculation of the growth ratio, it can be seen that the growth ratio of village fund allocation (ADD) spending in 2020 was 3.85%, decreased in 2021 to 1.22%, then decreased again in 2022, namely -20.64%, and then increased in 2023 to 30.56%, meaning that it shows positive and negative growth, and the highest income growth is in 2023 and falls into the low to moderate criteria. This is influenced by the failure of several activity programs to run according to the budget.

CONCLUSION

Based on the results of the research and discussion that have been described, it can be concluded that on average the financial performance of the management of the Village Fund Allocation of Negeri Hitu Lama, Central Maluku Regency, from 2019-2023. This can be seen from the results of the calculation of the effectiveness ratio and growth ratio as follows: The

financial performance of the village fund allocation of Negeri Hitu Lama, Central Maluku Regency, when viewed from the effectiveness ratio, is categorized as quite effective because the average effectiveness from 2019-2023 is 86.11%. The financial performance of the village fund allocation of Negeri Hitu Lama, Central Maluku Regency, when viewed from the growth ratio, grew positively. The average Growth Ratio of Village Fund Allocation Revenue from 2019-2023 of 11.34 is included in the low criteria so that in the future it is necessary to take into account the optimization of other sources of income, not only from village fund allocations. The growth ratio of village fund allocation expenditure in Negeri Hitu Lama Village, Central Maluku Regency, with an average of 3% is also an obstacle, so in the budget planning process, more proportional activities should be reviewed so that in the realization of spending, it can be absorbed and accounted for properly.

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