

The Role of the Inspectorate in Supervising Village Fund Management in Lebak Regency

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Abstract

This study aims to analyze the role of the Inspectorate in overseeing the management of Village Funds in Lebak Regency, specifically in Baros Village, Warunggunung District, and to identify supporting and inhibiting factors in the implementation of such oversight. The method used is qualitative research with a descriptive approach. Data sources consist of primary data obtained through observation and interviews with the Lebak Regency Inspectorate, the Baros Village Head, village officials, and other relevant parties, and secondary data obtained through documentation and literature review. The data analysis technique uses an interactive model that includes data collection, data reduction, data presentation, and drawing conclusions. The results indicate that the Lebak Regency Inspectorate has carried out its role in overseeing the management of Village Funds through audits, evaluations, coaching, and mentoring to village governments. However, the implementation of oversight has not been fully optimized due to several obstacles, such as the limited number of auditors compared to the number of supervised objects, supervision that is still focused on administrative aspects, and the low capacity and understanding of village officials in the management and accountability of Village Funds. Supporting factors for the implementation of supervision include clear regulations, local government support, and adequate inter-agency coordination. In conclusion, the Inspectorate's role in overseeing Village Fund management in Lebak Regency has been effective. However, human resource capacity building, strengthening of the supervisory system, and ongoing development are needed to ensure transparent, accountable, and effective Village Fund management.

Keywords: Role of the Inspectorate, Supervision, Village Funds, Village Financial Management, Lebak Regency.

Introduction

Sustainable national development is one of the Indonesian government's priorities in realizing equitable social welfare, both in urban and rural areas (Salahudin, 2022). This effort is realized through strengthening the position of villages as development subjects through the issuance of Law of the Republic of Indonesia Number 3 of 2024 concerning the Second Amendment to Law Number 6 of 2014 concerning Villages (Halimah & Kurniati, 2025). This regulation aims to protect and empower villages to become strong, advanced, independent, and democratic, thus creating a solid foundation for governance and development towards a just, prosperous, and prosperous society (Fajri, 2023).

Villages have the authority to organize government, implement development, foster community development, empower community, and manage village finances (Endah, 2018). To support the implementation of this authority, the government provides guaranteed funding through various revenue sources, one of which is the Village Fund, sourced from the State Budget (APBN). Village Funds are distributed through the district/city Regional Revenue and Expenditure Budget (APBD) and are used to finance village governance, development implementation, community development, and community empowerment (Abidin, 2015). The Village Fund is expected to accelerate village development, improve the quality of public services, reduce poverty, and enhance the welfare of village communities (Hardiana, 2023).

Village Fund management must be carried out transparently, accountably, and participatory, as well as in an orderly and disciplined budget. This aligns with Government Regulation Number 12 of 2019 concerning Regional Financial Management, which emphasizes that financial management encompasses all activities, from planning, implementation, administration, reporting, and accountability (Ilmiah et al., 2020). Furthermore, Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management stipulates that village financial management supervision is carried out by the regent/mayor in coordination with the Internal Government Supervisory Apparatus (APIP) at the district/city level (Sutisna & Widyawati, 2022).

Within the regional government oversight system, the Inspectorate plays a strategic role as the APIP, tasked with overseeing regional government administration, including the management of Village Funds (Gazali, 2024). Based on Minister of Home Affairs Regulation Number 47 of 2011, the Inspectorate is responsible for preventing irregularities through audits, supervision, guidance, and oversight of government program implementation. Therefore, the Inspectorate serves as a crucial instrument in realizing transparent, accountable, and effective village governance (Kurniasih et al., 2020).

However, studies on Village Fund management have focused more on the effectiveness of budget use, infrastructure development, and community empowerment, while the Inspectorate's oversight aspect has received relatively little attention (Andini et al., 2025). Yet, oversight is a crucial element in ensuring that Village Fund management complies with regulations and minimizes the potential for irregularities. This situation indicates a research gap that requires further investigation, particularly regarding the Inspectorate's role in ensuring accountability and transparency in Village Fund management (Lakoro et al., 2023).

The problem lies in the limited capacity and understanding of village officials regarding Village Fund regulations, governance, and accountability. This situation has resulted in various administrative errors and has led to the Inspectorate carrying out more corrective functions than preventive and developmental ones (Prima, 2025). As a result, the monitoring process has not been running effectively and sustainably, and has the potential to create dependence of village officials on the Inspectorate without being accompanied by increased independence in managing village finances that are accountable and transparent (Rahmawati & Wulandari, 2025).

Based on these issues, research on the Inspectorate's role in overseeing Village Fund management is crucial. This study aims to analyze how the Lebak Regency Inspectorate carries out its supervisory function, identify the obstacles encountered, and examine efforts made to improve the effectiveness of Village Fund management

oversight. Therefore, this research is expected to contribute to strengthening transparent, accountable village governance that is oriented toward improving community welfare. This study is entitled "The Role of the Inspectorate in Overseeing Village Fund Management in Lebak Regency (Case Study of Baros Village, Warunggunung District).

Method

This research method uses a descriptive qualitative approach to analyze the role of the Inspectorate in supervising the management of Village Funds in Baros Village, Warunggunung District, Lebak Regency. This approach was chosen so that researchers could gain a deep understanding of the implementation of supervision, as well as map various supporting and inhibiting factors in the field (Muhadjir, 1996). Research data were collected directly through observation techniques, in-depth interviews, and documentation. To ensure data quality, the validity of the findings was tested using data triangulation and member checking techniques before final conclusions were drawn. In determining information sources, this study used a purposive sampling technique to select informants who were deemed to have the best understanding of the object of the problem. These informants consisted of internal supervisors, namely the Inspector's Secretary and Junior Auditor, as well as the supervised village government, including the Baros Village Secretary, the Baros Village Finance Officer, and the Chairperson of the Baros Village Consultative Body (BPD). All data collected from the informants was then analyzed systematically. The analysis process was carried out through four main stages, starting from data collection, data reduction, data presentation, and drawing conclusions.

Result and Discussion

The Inspectorate's Role in Oversight of Village Fund Management in Lebak Regency (Case Study of Sukaraja Village, Warunggunung District)

1. The Government's Role as Regulator

The government's role as regulator is to provide direction and balance government administration through the establishment of regulations and policies that serve as guidelines for village fund management. The government, as regulator, functions as a policymaker, supervisor, and balancer of interests in village governance to ensure that village fund management is orderly, transparent, accountable, effective, and in accordance with applicable laws and regulations.

Based on the previously presented research findings, it can be analyzed that the Lebak Regency Inspectorate, in developing and implementing regulations related to the oversight of village fund management, plays a supporting role in the development of regulations by the Lebak Regency Community and Village Empowerment Service (DPMD), the technical agency. This mentoring role is carried out by providing input on aspects of accountability, integrity, and the appropriateness of regulatory content to ensure alignment with the Lebak Regency Medium-Term Regional Development Plan (RPJMD) and the vision and mission of the Regent and Deputy Regent of Lebak Regency for each term of office.

Furthermore, the Inspectorate also carries out an oversight function regarding the implementation of regulations established by relevant technical agencies. The regulations that serve as guidelines for overseeing village fund management include Lebak Regent Regulation Number 38 of 2019 concerning Village Financial

Management, Lebak Regent Regulation Number 72 of 2024 concerning the 2025 Village Budget Preparation Document, Lebak Regent Regulation Number 10 of 2024 concerning Standard Unit Prices, Lebak Regent Regulation Number 63 of 2021 concerning Village Asset Management, Lebak Regent Regulation Number 21 of 2022 and Lebak Regent Regulation Number 8 of 2022 concerning village goods and services procurement, Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 3 of 2025 concerning Food Security, and Minister of Home Affairs Regulation Number 20 of 2018 concerning Village Financial Management. These regulations serve as the basis for the Inspectorate's oversight of all stages of village fund management in Lebak Regency.

2. Government's Role as a Dynamic Facilitator

The government's role as a dynamic facilitator is to mobilize, foster, and encourage village governments to manage village funds effectively, transparently, and accountably. The government, as a dynamic facilitator, functions to provide direction, guidance, and improve the capabilities of village officials so they can carry out their duties and responsibilities in accordance with applicable regulations.

Based on the previously presented research findings, it can be analyzed that the Lebak Regency Inspectorate implements various programs to improve the quality of village fund management, such as the Konsalting program, Mobile Village Consultation (Kadeling), village consultations, technical guidance, monitoring and evaluation, and reviews of village financial management. These programs aim to improve the competence of village officials and the Village Consultative Body (BPD) in carrying out their duties and functions.

3. The Government's Role as a Facilitator

The government's role as a facilitator is to create conditions conducive to village governance, supporting transparent, accountable, and statutory village fund management. As a facilitator, the Lebak Regency Inspectorate provides guidance, mentoring, consultation, monitoring, and evaluation to help village governments improve their capacity in managing village funds.

Based on the previously presented research findings, it can be analyzed that the Lebak Regency Inspectorate provides various facilities and support to village governments in managing village funds. These facilities include 24-hour consultation services, available by telephone, in-person visits to the village, or by visiting the Inspectorate office. These services are intended to help village governments understand the various provisions related to village governance and fund management.

The facilities provided to village governments are more non-material in nature, including guidance, coaching, mentoring, and coordination related to administration, reporting, and the implementation of activities utilizing village funds. Through these facilities, village officials gain an understanding of proper village financial management procedures, thereby minimizing errors in their implementation.

4. Integration

Integration relates to the Lebak Regency Inspectorate's ability to coordinate and collaborate with various parties involved in village fund management. Integration is necessary to ensure the supervision process runs systematically and cohesively, from the planning and implementation stages to village financial reporting.

Based on the results of interviews with informants described previously, it can be analyzed that the Lebak Regency Inspectorate has integrated the village fund

management supervision process through planning document reviews, compliance audits, and the implementation of Standard Operating Procedures (SOPs). This supervision is carried out to ensure that all stages of village fund management comply with applicable regulations and are carried out in an orderly manner.

5. Objective

Objectiveness relates to the Lebak Regency Inspectorate's ability to carry out neutral oversight of village fund management, based on facts, data, and applicable regulations. Objectivity is necessary to ensure that the monitoring results produce fair, accurate, and accountable assessments.

Based on the interviews presented previously, it can be analyzed that the Lebak Regency Inspectorate has implemented the principle of objectivity in all its monitoring activities. This is evident in the implementation of monitoring, which adheres to supervisory standards, codes of ethics, and applicable regulations, ensuring that auditors maintain integrity, honesty, and independence in carrying out their duties.

Based on the research findings, each audit process is conducted based on data, documents, and conditions found in the field. Auditors are not permitted to be influenced by any party, ensuring that the audit results are accountable and in accordance with the facts.

Interview results also indicated that the Baros Village government and the Village Consultative Body (BPD) assessed the auditors as working professionally and not showing any bias. The supervision was carried out in accordance with the Inspectorate's authority, so the results were well received by the village government.

6. Accurate

Interviews with informants revealed that the Lebak Regency Inspectorate has a clear mechanism in place to ensure data accuracy in village fund audits. Each audit team has its own duties and responsibilities, ensuring the audit process runs smoothly.

Interviews also revealed that auditors not only review administrative documents but also conduct on-site inspections. This is done to ensure that the data obtained reflects the actual situation. According to information provided by the village government, the Inspectorate is quite thorough in its audits. If any data is found to be inconsistent, the auditor will request explanations and supporting documents to prevent errors in the audit process.

7. Timely

Preparing the Annual Supervisory Work Program (PKPT) is a step taken by the Inspectorate to ensure that village fund monitoring activities are carried out on time. Through the PKPT, the audit schedule, team requirements, and report preparation time are planned before the monitoring activities are carried out.

Supervision is also carried out according to a predetermined schedule. Interviews indicate that each audit team works based on a predetermined timeframe, which is continuously monitored by the team leader and technical controller. This ensures that the audit, evaluation, and report preparation processes are completed on time.

Submitting the audit schedule to the village government facilitates the smooth running of the supervision process. The village government can prepare the necessary documents before the audit is conducted. The Inspectorate's punctuality facilitates village government follow-up on the audit findings. This allows village fund management to proceed more orderly and in accordance with applicable regulations.

8. Flexible

The Inspectorate adjusts its supervision methods to keep abreast of changes in applicable regulations. Information regarding the latest regulations is then communicated to the auditors and the PPUPD to ensure that supervision continues to be carried out according to regulations.

The study shows that the Inspectorate adapts its supervision focus to emerging issues in the field. Auditors first study policy changes, then conduct internal coordination and discussions to achieve a common understanding before conducting the audit. This ensures that oversight remains relevant and effective.

Interviews with the Baros Village government also revealed that the Inspectorate provides guidance when changes occur to village fund management regulations. This explanation helps the village government understand the new provisions and adapt them to the implementation of activities and the management of village funds.

9. Supporting Factors in Supervising Village Fund Management in Lebak Regency

Several factors contribute to the smooth implementation of village fund management in Lebak Regency. Research shows that the existence of clear regulations serves as a guide for the Inspectorate and village governments in carrying out their duties and responsibilities in accordance with applicable provisions.

Good cooperation and coordination between the Inspectorate, village governments, the Village Consultative Body (BPD), sub-districts, and related agencies are also important supporting factors. Effective communication facilitates the exchange of information and helps resolve various issues that arise during the village fund management process, thus ensuring more effective supervision.

The use of information technology, the availability of documents, and coaching and mentoring activities also support the implementation of supervision. These conditions assist village governments in preparing administrative and financial reporting, while facilitating the Inspectorate's audits.

Transparency and participation of village officials also contribute to the success of village fund supervision. Support from all parties allows village fund management to proceed more orderly, transparently, and in accordance with applicable regulations.

10. Inhibiting Factors in Oversight of Fund Management in Lebak Regency

Several factors remain impeding the implementation of village fund management in Lebak Regency. Based on interviews, the most frequently encountered obstacle is the limited number of auditors, which is not commensurate with the number of villages to be supervised. This situation prevents optimal and comprehensive supervision.

The research also shows that the geographical conditions of Lebak Regency are a barrier to supervision. Some villages are quite remote and difficult to reach, requiring more time for direct field inspections. This impacts the effectiveness of supervision.

From the village government's perspective, obstacles identified relate to limited time in preparing administrative documents and financial reports. The large number of service tasks that must be completed requires village officials to spend additional time completing the data required for audits. Furthermore, internal coordination at the village level and discussion of audit results have not been optimal. This situation

has resulted in the audit process being less than fully effective, necessitating improvements in coordination, document readiness, and time management to ensure better monitoring of village fund management.

Conclusion

Based on the research results, it can be concluded that the Lebak Regency Inspectorate plays a crucial role in overseeing the management of Village Funds to ensure transparent, accountable, and compliant governance. Based on Ryaas Rasyid's role theory (in Warueu 2023:11), the Inspectorate has fulfilled its role as a regulator, dynamic, and facilitator through coaching, mentoring, consultation, and coordination with village governments and relevant agencies. Meanwhile, based on Handoko's theory of supervision (in Anggraeni et al., 2023), the implementation of supervision has met the aspects of integration, objectivity, accuracy, timeliness, and flexibility through document inspections, data verification, field visits, and adjustments to supervisory methods to suit village conditions. However, the implementation of supervision still faces several obstacles, such as a limited number of auditors, low capacity of village officials in understanding Village Fund management regulations, and supervision that is still focused on administrative aspects. Therefore, it is necessary to increase human resource capacity, strengthen coordination, and optimize the development function so that supervision of Village Fund management in Lebak Regency can run more effectively, transparently, and accountably.

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