MIKAILALSYS
Journal of Multidisciplinary Sciences

e-ISSN : 2987-2286
p-ISSN : 2987-3924

Index: Harvard, Boston, Sydney, Copernicus, Sinta 4, Scilit, Semantic, Google, etc

https://doi.org/10.58578/mikailalsys.v4i3.11636

Analysis of the Implementation of Good Governance in Village Fund Management (Case Study of Niur Permai Village, Sugie Besar District, Karimun Regency)

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Article Info:

Submitted:	Revised:	Accepted:	Published:
Jun 21, 2026	Jul 19, 2026	Jul 31, 2026	Aug 5, 2026

Abstract

Good governance emphasizes transparency, accountability, participation, responsiveness, and effectiveness in public administration to promote responsible governance, improve public service delivery, and advance community welfare. This study examines the implementation of good governance principles in Village Fund management in Niur Permai Village, Sugie Besar District, Karimun Regency. A qualitative descriptive approach was employed, with data collected through observation, interviews, and documentation. Data were analyzed using the Miles, Huberman, and Saldana model, comprising data condensation, data display, and conclusion drawing and verification. The findings indicate that good governance principles have been implemented relatively well in Village Fund management. Transparency is demonstrated through the dissemination of information concerning Village Fund administration, while accountability is reflected in financial reporting and responsibility mechanisms that comply with applicable provisions. Community participation occurs primarily through village deliberation forums that facilitate the expression of public aspirations. The village government has also demonstrated responsiveness by addressing community needs and following up on public input, although this aspect requires further improvement. Moreover, the effective allocation of Village Funds has supported development and community empowerment programs in accordance with established targets. Nevertheless, implementation remains constrained by the limited capacity of village officials, dynamic regulatory changes, and adjustments to budget priorities. The study concludes that strengthening the capacity of village officials, expanding meaningful community participation, and optimizing good governance practices are essential to achieving more transparent, accountable, participatory, responsive, and effective Village Fund management. These findings provide practical implications for improving village-level financial governance and strengthening the quality of local public administration.

Keywords: Accountability; Good Governance; Participation; Transparency; Village Fund Management

INTRODUCTION

Good governance has become one of the dominant paradigms in contemporary public administration, emphasizing accountable, transparent, effective, and participatory governance to improve public service delivery and institutional performance (Sedarmayanti, 2003). Rather than being merely a normative concept, good governance represents an operational framework that guides public institutions in managing resources, formulating policies, and delivering services in a manner that prioritizes public interests. The increasing complexity of governmental responsibilities has shifted public administration from a traditional bureaucratic model toward a governance-oriented approach that promotes collaboration, accountability, and citizen engagement (Karso, 2022).

In Indonesia, the implementation of good governance has gained greater significance following the bureaucratic reform agenda initiated to establish a professional, transparent, and corruption-free public administration (Suriadi, 2025). This reform is not limited to central government institutions but also extends to regional and village governments, which function as the closest administrative units to local communities. Consequently, village governments are expected to improve governance quality by ensuring that public resources are managed responsibly while public services are delivered efficiently and equitably.

The enactment of Law Number 6 of 2014 concerning Villages marked a fundamental transformation in Indonesia's decentralization policy by granting broader authority to village governments to regulate and administer their own governmental affairs according to local characteristics and development priorities (Rauf & Maulidiah, 2015). This policy redefined villages from passive recipients of development programs into autonomous actors capable of designing and implementing development strategies based on local needs and resources. Consequently, village governments now possess greater responsibility for planning development programs, managing public finances, and ensuring accountability to the communities they serve.

One of the most significant policy instruments supporting village autonomy is the Village Fund Program, which has been implemented since 2015 as part of the Indonesian government's commitment to accelerating rural development and reducing regional disparities (Mustanir et al., 2019). The Village Fund is financed through the State Budget and distributed to villages via district governments to support village administration, infrastructure development, community empowerment, and social development. Beyond providing financial assistance, the policy seeks to strengthen local self-governance by enabling villages to determine their own development priorities while enhancing community welfare through locally driven initiatives.

The substantial amount of financial resources allocated to villages reflects the central government's confidence in village administrations as managers of public funds (Regulation of the Minister of Finance Number 222/PMK.07/2020). However, greater fiscal authority inevitably increases the demand for sound financial governance. Village governments are therefore expected not only to comply with administrative regulations but also to ensure that public resources are utilized transparently, efficiently, and accountably to maximize social benefits. Consequently, the success of Village Fund management should be evaluated not merely by budget absorption rates but by its contribution to sustainable rural development and improved public welfare.

Despite considerable financial support, Village Fund management continues to face various governance challenges that hinder the achievement of policy objectives (Eo Kutu Goo & Mario Sanda, 2022). Numerous studies have identified weaknesses in financial accountability, transparency, administrative capacity, and institutional oversight, all of which affect the quality of village financial management. These governance deficiencies may reduce development effectiveness, weaken public trust in local government, and increase the risk of financial irregularities. Therefore, strengthening governance mechanisms has become an essential requirement for ensuring that public resources genuinely benefit rural communities.

Another important challenge concerns the administrative and managerial capacity of village officials in managing increasingly complex financial responsibilities (Malusa et al., 2026). Frequent regulatory changes require village governments to continuously adapt administrative procedures, budgeting mechanisms, and financial reporting systems. However, limited technical competencies among village officials often create difficulties in implementing updated regulations, preparing development plans, and producing accountable financial reports. Such limitations may delay budget implementation and reduce the effectiveness of development programs financed through Village Funds.

Community participation also constitutes a crucial element of good governance in village financial management (Lisdayanti & Soleha, 2025). Active involvement of citizens throughout planning, implementation, monitoring, and evaluation processes strengthens democratic governance while improving the transparency of public expenditure. Participatory governance enables communities to express development priorities, monitor policy implementation, and ensure that public programs correspond to local needs. Nevertheless, empirical evidence indicates that community participation in Village Fund oversight remains relatively limited in many villages, reducing opportunities for effective social accountability.

Accountability represents another indispensable pillar of good governance because every stage of public financial management must be publicly justified both administratively and substantively (Rosidah et al., 2023). Accountability extends beyond the preparation of financial reports, it also requires village governments to provide accessible information regarding policy implementation, development outcomes, and budget utilization. A higher level of accountability contributes to greater institutional credibility and reinforces public confidence in local governance.

Transparency complements accountability by ensuring that citizens have adequate access to information concerning the planning, implementation, and utilization of Village Funds (Karatuan et al., 2026). Open access to financial information enables communities to evaluate government performance while reducing information asymmetry between public officials and citizens. Consequently, transparency functions not only as an instrument of information disclosure but also as a mechanism for strengthening public trust and enhancing democratic governance at the village level.

Furthermore, effective Village Fund management should not be assessed solely by the successful realization of planned expenditures but also by the extent to which development programs generate tangible benefits for rural communities. Public expenditure is considered effective when it addresses community priorities, improves public services, and contributes to sustainable socioeconomic development. Therefore, effectiveness reflects the government's ability to translate financial resources into meaningful development outcomes rather than simply achieving administrative compliance.

The implementation of good governance also requires an effective internal control system capable of preventing financial irregularities while ensuring compliance with applicable regulations (Mahsun et al., 2020). Internal control mechanisms support transparent financial management by monitoring budget execution, evaluating program implementation, and identifying potential governance risks. Strong internal supervision ultimately enhances organizational integrity and strengthens public accountability in village financial administration.

These conditions indicate that the effectiveness of Village Fund management is determined not only by the amount of financial resources allocated to villages but also by the quality of governance practices adopted by village governments. Consequently, examining the implementation of transparency, accountability, participation, responsiveness, and effectiveness within Village Fund management is essential for understanding the extent to which good governance principles have been institutionalized in village administration and for identifying governance challenges requiring further improvement.

Although the regulatory framework governing Village Fund management has become increasingly comprehensive, its implementation at the village level continues to encounter a range of administrative and institutional challenges that hinder the realization of good governance. Village financial management is expected not only to comply with statutory administrative procedures but also to consistently embody the principles of transparency, accountability, participation, responsiveness, and effectiveness throughout every stage of financial management (Regulation of the Minister of Home Affairs Number 113 of 2014). Consequently, the success of Village Fund management should not be evaluated solely based on budget absorption but also on the quality of governance that ensures public resources are utilized effectively to improve community welfare.

Evidence from various regions in Indonesia indicates that Village Fund management remains constrained by structural and managerial issues. One of the major challenges is the frequent revision of regulations governing village finance, requiring village governments to continuously adjust planning procedures, budgeting mechanisms, financial administration, and reporting systems (Abidin, 2015). Such regulatory dynamics place considerable pressure on village administrations, particularly those with limited institutional capacity. As a result, the quality of financial governance varies substantially among villages, affecting the effectiveness of development implementation.

These challenges are further exacerbated by weaknesses in internal control systems that reduce the effectiveness of financial supervision and increase the potential for administrative errors and financial irregularities (Berg et al., 2024). Internal control serves not only as a mechanism to ensure compliance with legal provisions but also as an essential instrument for promoting organizational accountability and safeguarding public resources. Therefore, strengthening internal governance mechanisms constitutes a fundamental prerequisite for improving the quality of Village Fund management.

Beyond institutional capacity, the effectiveness of village governance is closely associated with the relationship between village governments and local communities. Good governance requires governments to establish transparent communication by providing accessible information regarding planning, implementation, and accountability for Village Fund utilization (Susanti, 2024). Public access to such information enables citizens to monitor government performance while enhancing institutional legitimacy and public trust. Accordingly, transparency functions as both a democratic value and a practical governance instrument that facilitates community oversight.

Responsiveness also represents a significant challenge in the implementation of Village Fund governance. Several studies indicate that village governments have not always been able to respond promptly and appropriately to community needs and aspirations, resulting in delayed implementation of development priorities and limited public satisfaction with local governance (Lisdayanti & Soleha, 2025). This condition suggests that good governance extends beyond administrative compliance by emphasizing the government's capacity to address public demands effectively and in a timely manner.

These governance challenges are also evident in Niur Permai Village, Sugie Besar District, Karimun Regency, which serves as the focus of this study. Preliminary observations revealed several constraints affecting Village Fund management, including the limited capacity of village officials to adapt to evolving regulations, delays in preparing the Village Revenue and Expenditure Budget (*APBDes*), and insufficient community participation in monitoring Village Fund implementation. These conditions indicate that the implementation of good governance principles has yet to reach an optimal level and therefore requires further empirical investigation.

The empirical context becomes even more significant when viewed alongside the fluctuation of Village Fund allocations received by Niur Permai Village between 2020 and 2025. Government records indicate that Village Fund allocations reached their highest level in 2021 before gradually declining over subsequent years. This changing fiscal environment requires village governments to improve budgeting efficiency, establish clearer development priorities, and maximize the effectiveness of increasingly limited financial resources. Consequently, governance quality becomes a decisive factor in maintaining development performance despite fiscal constraints.

A considerable number of previous studies have examined the implementation of good governance in Village Fund management from different perspectives. Wardani & Fauzi (2019) reported that transparency, accountability, and responsiveness had generally been implemented in Village Fund management in Sewurejo Village, although several governance aspects still required improvement. These findings suggest that while the principles of good governance have been formally adopted, their implementation remains uneven across villages.

Similarly, Megasyara & Imawan (2023) found that transparency, accountability, and community participation had been incorporated into Village Fund management, however, limited human resource capacity among village officials remained the primary obstacle to achieving effective governance. Their findings emphasize that governance quality depends not only on regulatory compliance but also on the competencies of local government personnel responsible for financial management.

Hastuty & Priono (2021) likewise concluded that the principles of good government governance had been implemented in Village Fund management, particularly regarding transparency, accountability, and public participation. Nevertheless, the study primarily described governance implementation without comprehensively examining the interaction among governance principles throughout the entire Village Fund management cycle.

Research conducted by Alfarizi & Rispawati (2022) demonstrated that financial transparency could be enhanced through multiple public information channels, including information boards, village websites, and other communication media. This finding reinforces the importance of information disclosure in strengthening public accountability and increasing citizens' trust in village administration.

Using a quantitative approach, Garung & Ga (2020) found that transparency and accountability significantly influenced the effectiveness of Village Fund Allocation management. Their study confirmed that stronger implementation of governance principles contributes positively to the quality of village financial management and organizational performance.

A broader national perspective was provided by Alvin (2025), who concluded that the implementation of good governance principles in Village Fund management throughout Indonesia remains constrained by limitations in administrative capacity, internal supervision, and community participation. Their findings indicate that governance challenges are not isolated phenomena but constitute broader structural issues affecting rural governance across different regions.

Likewise, Ambarriani (2020) reported that although Village Fund programs had formally incorporated transparency, accountability, participation, responsiveness, effectiveness, and legal compliance, significant structural weaknesses continued to limit policy implementation. This finding suggests that regulatory compliance alone does not necessarily guarantee effective governance practices at the local level.

Putri et al. (2026) demonstrated that transparency, accountability, public participation, and fairness significantly improve village government performance. Their findings reinforce the proposition that governance quality directly influences the effectiveness of local public administration and development outcomes.

Furthermore, Sari et al. (2024) found that while village financial management procedures had generally complied with existing regulations, government responsiveness toward community aspirations remained relatively weak. This finding highlights that governance quality should be evaluated not only through procedural compliance but also through the government's ability to respond effectively to public needs.

Overall, previous studies consistently demonstrate that good governance has become an essential framework for evaluating Village Fund management. Nevertheless, most existing studies focus on individual governance principles particularly transparency, accountability, or participation rather than examining transparency, accountability, participation, responsiveness, and effectiveness simultaneously within an integrated analytical framework. Moreover, empirical studies specifically investigating the implementation of these five governance principles in Village Fund management in Niur Permai Village, Sugie Besar District, Karimun Regency remain very limited. This limitation indicates the need for further empirical research capable of providing a more comprehensive understanding of good governance implementation in village financial management while considering the specific institutional and socio-administrative characteristics of the research location.

Despite the growing body of literature on Village Fund governance, several important research gaps remain unresolved. First, previous studies have predominantly emphasized only selected dimensions of good governance, particularly transparency, accountability, and community participation, while relatively little attention has been devoted to responsiveness and effectiveness as equally important governance principles. As a result, existing evidence has not yet provided a comprehensive understanding of how all governance principles interact throughout the entire Village Fund management process.

Second, many earlier studies have concentrated on evaluating compliance with financial management regulations or measuring the influence of governance variables on financial performance using quantitative approaches. Although these studies have produced valuable empirical findings, they often provide limited explanations regarding the governance processes underlying Village Fund management, including how village officials interpret governance principles, how communities participate in decision-making, and how institutional conditions shape policy implementation in everyday administrative practices. Consequently, the organizational dynamics influencing governance quality remain insufficiently explored.

Third, most previous investigations have been conducted in villages located in Java or other regions with relatively stronger administrative capacity and institutional support. Consequently, empirical evidence from outer-island regions, particularly villages in Karimun Regency, Riau Islands Province, remains very limited. Considering that each village possesses unique demographic characteristics, socio-cultural conditions, institutional capacities, and fiscal environments, findings from one locality cannot automatically be generalized to another. Therefore, location-specific studies remain necessary to enrich empirical understanding of Village Fund governance within diverse administrative contexts.

Another limitation concerns the theoretical perspective adopted by previous studies. Numerous investigations employ the Good Governance framework developed by the United Nations Development Programme (UNDP) or the World Bank, both of which emphasize macro-level governance principles intended for evaluating public administration at national or regional levels (Suhardiman et al., 2023). Although these frameworks provide comprehensive conceptual foundations, several indicators such as strategic vision, rule of law, equity, and consensus orientation are relatively broad and less operational for assessing governance practices at the village level.

In contrast, this study adopts the Good Governance framework proposed by Sedarmayanti (2003), which emphasizes five operational principles: transparency, accountability, participation, responsiveness, and effectiveness. These five principles are considered more appropriate for evaluating Village Fund management because they directly correspond to every stage of village financial management, including planning, implementation, administration, reporting, accountability, and public supervision. Consequently, this theoretical framework offers clearer analytical indicators for examining governance practices within village administration.

Based on these considerations, the research gap addressed by this study can be explicitly identified as the limited availability of comprehensive qualitative analyses that simultaneously examine the implementation of transparency, accountability, participation, responsiveness, and effectiveness in Village Fund management, particularly within villages experiencing institutional constraints, regulatory changes, fluctuating fiscal allocations, and limited administrative capacity. Existing studies generally discuss these governance principles separately or focus only on selected aspects, thereby providing an incomplete understanding of governance implementation as an integrated system.

Accordingly, the novelty of this research lies in several important aspects. First, this study comprehensively analyzes the implementation of the five core principles of Good Governance proposed by Sedarmayanti (2003) within every stage of Village Fund management rather than examining governance indicators independently. This integrated approach enables a more holistic assessment of governance quality throughout the financial management cycle.

Second, this research provides empirical evidence from Niur Permai Village, Sugie Besar District, Karimun Regency, an area that has received limited scholarly attention despite facing significant governance challenges associated with fluctuating Village Fund allocations, changing national regulations, limited human resource capacity, delayed budgeting processes, and relatively weak community participation. These contextual characteristics distinguish the present study from previous research conducted in other regions with different institutional conditions.

Third, rather than merely identifying governance weaknesses, this study seeks to formulate strategic recommendations for improving Village Fund governance based on empirical findings derived from field observations and stakeholder perspectives. Consequently, the research contributes not only to theoretical discussions regarding Good Governance implementation but also to practical efforts aimed at strengthening village financial management.

From a theoretical perspective, this study is grounded primarily in the Good Governance framework developed by Sedarmayanti (2003), while concepts proposed by the World Bank and the United Nations Development Programme (UNDP) are employed as supporting theoretical references. This combination allows the study to maintain analytical specificity while simultaneously situating its findings within broader governance discourse. Through this theoretical integration, governance implementation can be examined both from operational and conceptual perspectives.

The present study therefore positions Good Governance not merely as a normative concept but as an analytical framework for evaluating the quality of Village Fund management. Transparency is examined through government openness in disseminating financial information, accountability is assessed through reporting and responsibility mechanisms, participation is evaluated through community involvement in planning and monitoring processes, responsiveness is analyzed based on the government's ability to address public needs, and effectiveness is measured through the achievement of development objectives and the benefits generated for local communities.

Based on the identified research gaps and theoretical considerations, this study aims to analyze the implementation of Good Governance in Village Fund management in Niur

Permai Village, Sugie Besar District, Karimun Regency. Specifically, the research seeks to examine how transparency, accountability, participation, responsiveness, and effectiveness are implemented throughout Village Fund management and to formulate strategic recommendations for improving governance quality. By providing empirical evidence from an underexplored research setting and employing an integrated governance framework, this study is expected to contribute to the advancement of public administration scholarship while offering practical insights for strengthening village financial governance in Indonesia.

METHODS

This study employed a qualitative approach with a descriptive phenomenological design to examine the implementation of Good Governance principles in Village Fund management in Niur Permai Village, Sugie Besar District, Karimun Regency, Riau Islands Province. A qualitative approach was selected because it enables an in-depth exploration of the experiences, perceptions, and practices of stakeholders involved in village governance. Qualitative research seeks to understand the meanings individuals or groups assign to social phenomena through the exploration of their experiences. Furthermore, qualitative research is appropriate for describing social interactions and governance practices without relying on statistical procedures.

The research was conducted in Niur Permai Village, which was selected based on preliminary observations indicating challenges related to Village Fund governance, including regulatory changes affecting the preparation of the Village Revenue and Expenditure Budget (APBDes), limited institutional capacity, fluctuations in Village Fund allocations, and suboptimal community participation. As an active recipient of Village Fund-supported development programs, the village provides an appropriate setting for examining the implementation of Good Governance principles.

The study adopted a descriptive research design based on the Good Governance framework proposed by Sedarmayanti (2003). The analytical framework consisted of five indicators: transparency, accountability, participation, responsiveness, and effectiveness. These indicators guided the development of interview questions, observation protocols, data coding, and interpretation. Transparency refers to the openness of village authorities in providing information on Village Fund management, accountability concerns financial and administrative responsibility, participation reflects community involvement in planning and oversight, responsiveness describes the government's ability to address community needs, and effectiveness measures the achievement of development objectives.

Participants were selected using purposive sampling, which is commonly applied in qualitative research to identify individuals with relevant knowledge and experience (Sugiyono, 2019). The study involved nine participants, consisting of the Village Head, Village Treasurer, Head of Planning Affairs, Chairperson of the Village Consultative Body (BPD), Sub-district Secretary, Village Activity Implementation Team (TPK), Village Facilitator, community leaders, and Village Fund beneficiaries. The diversity of participants enabled the researcher to obtain comprehensive perspectives from government officials, supervisory institutions, facilitators, and local communities.

Data were collected through semi-structured interviews, direct observation, and document analysis. Interview guidelines were developed according to the five Good Governance indicators to ensure consistency throughout the data collection process. Observations were conducted to examine governance practices and development activities in their natural setting. Documentary evidence, including APBDes documents, accountability reports, development planning documents, local regulations, and administrative records, was analyzed to complement the interview and observation findings (Arikunto, 2019).

The researcher served as the primary research instrument, supported by interview guides, observation sheets, and documentation checklists. Rather than applying statistical validity and reliability tests, this study ensured data trustworthiness through source triangulation and methodological triangulation. Information obtained from different participants was compared with observational findings and documentary evidence to improve the credibility and consistency of the results (Sugiyono, 2020).

Data analysis followed the interactive model of Miles and Huberman, consisting of data reduction, data display, and conclusion drawing. Interview recordings were transcribed verbatim before being organized according to the research indicators. Relevant information was coded, categorized, and interpreted to identify patterns related to the implementation of Good Governance. Data analysis was conducted iteratively throughout the research process to ensure consistency between empirical findings and the research objectives.

To facilitate qualitative data analysis, this study employed NVivo 12 Pro as a computer-assisted qualitative data analysis software. Interview transcripts were imported into

NVivo and coded according to the five Good Governance indicators. The software was further used to generate thematic nodes, visualize relationships through the Project Map feature, and identify dominant concepts using Word Frequency and Word Cloud analyses. These features supported systematic data organization and strengthened the transparency of the analytical process.

The research was conducted over approximately nine months, from November 2025 to July 2026, covering literature review, preliminary observation, proposal preparation, field data collection, qualitative data analysis, thesis writing, revision, and final examination. This timeframe provided sufficient opportunity to collect comprehensive data, verify findings through triangulation, and produce a rigorous analysis of the implementation of Good Governance in Village Fund management.

RESULTS

Based on in-depth interviews, observations, documentation, and analysis using NVivo 12 Pro, the implementation of good governance principles in Village Fund management in Niur Permai Village indicates that the village government has implemented five key principles: transparency, accountability, community participation, responsiveness, and effectiveness. Although these principles have generally been applied in village governance, several challenges remain that hinder their optimal implementation.

Regarding transparency, the village government has provided various channels for disseminating information to the public, including Village Budget (APBDes) information boards, lists of Village Fund Cash Transfer (BLT) beneficiaries, development project banners, and information delivered through Village Deliberation Meetings and Village Development Planning Meetings. The information published includes budget plans, program implementation, and village development priorities, enabling community members to access information concerning the utilization of Village Funds. However, information dissemination still relies predominantly on conventional media, while the use of digital platforms remains limited.

In terms of accountability, the findings reveal that the Niur Permai Village Government has established financial accountability mechanisms through the use of the Village Financial System, the preparation of accountability reports (*SPJ*), and periodic financial reporting to the local government. Oversight is conducted through a multi-layered supervision system involving the Village Consultative Body (BPD), the sub-district government, the Community and Village Empowerment Office (PMD), and village facilitators. Nevertheless, delays in administrative reporting continue to occur due to limited human resource capacity and the increasing administrative workload of village officials.

The principle of community participation is reflected in residents' involvement in preparing the Village Medium-Term Development Plan (RPJMDes), Village Government Work Plan (RKPDes), Village Budget (APBDes), Village Development Planning Meetings (Musrenbangdes), and participation in the Village Activity Implementation Team (TPK).

Figure 1. Village Development Planning Meeting (Musrenbangdes)

Figure 1. Village Development Planning Meeting (Musrenbangdes) shows that the Village Development Planning Meeting (Musrenbangdes) serves as a participatory forum where representatives of the village government, the Village Consultative Body (BPD), community leaders, neighborhood associations (RT/RW), and other stakeholders discuss and determine village development priorities. The meeting provides an opportunity for community representatives to express their aspirations, contribute to decision-making, and participate in the formulation of village development programs financed through the Village Fund. This finding demonstrates the implementation of the community participation principle in Village Fund governance, although participation remains dominated by organized community representatives rather than involving all members of the village community equally.

These deliberative forums provide opportunities for community members to express their aspirations and determine village development priorities. However, community participation has not yet been evenly distributed, as active involvement is still dominated by representatives of village institutions, community leaders, neighborhood associations (RT/RW), and other organized groups. Consequently, broader public participation remains relatively passive and has not fully represented all segments of the community.

Regarding responsiveness, the village government has demonstrated its ability to respond to public aspirations and emerging issues through internal coordination, deliberation forums, and direct communication with residents. Government responsiveness was evident when adjustments were made to the Budget Plan (RAB) following increases in construction material prices and when concerns regarding the distribution of social assistance were addressed. Despite these efforts, public complaint mechanisms remain largely informal, and an integrated, accessible, and structured grievance management system has not yet been established.

With respect to effectiveness, Village Funds have been utilized to support infrastructure development, healthcare services, stunting prevention programs, Village Fund Cash Transfers (BLT), and various community empowerment initiatives. Most informants acknowledged that these programs have generated tangible benefits, particularly in improving public facilities and social services. Nevertheless, program effectiveness continues to be influenced by delayed Village Fund disbursement, changes in central government regulations, and budget limitations that require several planned activities to be adjusted according to the village's financial capacity.

Overall, the findings demonstrate that the principles of transparency, accountability, participation, responsiveness, and effectiveness are closely interconnected in supporting Village Fund governance in Niur Permai Village. NVivo analysis identified village, community, activities, reports, budget, supervision, and development as the most frequently occurring terms in the interview data. The prominence of these terms indicates that Village Fund management primarily emphasizes accountable development implementation, active community involvement, and multi-level supervision. These findings suggest that the implementation of good governance has generally been successful; however, further improvements are needed in strengthening administrative capacity, enhancing inclusive community participation, and expanding digital public information systems.

Table 1. Summary of Research Findings

Good Governance Principle	Key Findings
Transparency	Information is disseminated through public information boards, Village Deliberation Meetings (Musdes), and Village Development Planning Meetings (Musrenbangdes).
Accountability	Financial management is implemented through the Village Financial System (Siskeudes), accountability reports (SPJ), and a multi-layered supervision mechanism.
Community Participation	Community members are involved in village planning and monitoring processes; however, participation has not yet been evenly distributed across all community groups.
Responsiveness	The village government responds to community aspirations and field-related challenges through coordination and deliberative meetings.
Effectiveness	Development and social programs have generated tangible benefits for the community, although their implementation remains constrained by budget limitations and regulatory changes.

Source: Compiled by the researcher (2026)

Table 1. Summary of Research Findings shows that the implementation of the five good governance principles in Village Fund management has generally been achieved in Niur Permai Village. Transparency is reflected through the provision of public information, while accountability is supported by financial reporting systems and multi-level supervision. Community participation has been incorporated into village planning and monitoring processes, although its inclusiveness remains limited. Responsiveness is demonstrated through the village government's efforts to address public concerns and implementation challenges, whereas effectiveness is evident from the positive outcomes of development and social programs despite the constraints posed by budget limitations and changes in government regulations. Collectively, these findings indicate that the principles of good governance have been implemented in an integrated manner, while also highlighting areas that require further improvement to optimize Village Fund governance.

DISCUSSION

The findings demonstrate that the implementation of good governance principles in Village Fund management in Niur Permai Village has generally been carried out effectively, although several institutional and administrative challenges remain. This study confirms that good governance is not merely reflected in regulatory compliance but also in the capacity of village institutions to translate governance principles into practical administrative and participatory mechanisms. By examining transparency, accountability, participation, responsiveness, and effectiveness simultaneously, the study provides a comprehensive understanding of how governance quality influences Village Fund management at the local level.

From the perspective of transparency, the findings indicate that the village government has implemented several mechanisms to ensure public access to information, including public information boards, village meetings, and social media platforms. These initiatives demonstrate the government's commitment to providing accessible information regarding planning, budgeting, and program implementation. Such findings are consistent with Sedarmayanti (2003), who argues that transparency constitutes one of the fundamental pillars of good governance by ensuring that governmental processes are open, understandable, and accessible to the public. Transparency not only facilitates public monitoring but also strengthens citizens' trust in government institutions.

Nevertheless, this research reveals that transparency remains predominantly conventional rather than digital. The absence of an official village website limits the accessibility and continuity of public information, particularly for younger generations and stakeholders who rely on digital platforms. Consequently, transparency should no longer be interpreted solely as information disclosure but also as the development of integrated digital governance systems that enable real-time access to financial reports, development progress, and administrative services. Therefore, the findings extend Sedarmayanti (2003) theoretical perspective by emphasizing the growing importance of digital transparency in contemporary village governance.

Regarding accountability, the study demonstrates that Village Fund management has been supported by structured financial administration through the implementation of the Village Financial System (Siskeudes), accountability reports (SPJ), and multi-level supervision involving the Village Consultative Body (BPD), village facilitators, sub-district authorities, and district government. These administrative arrangements indicate that accountability has become an institutionalized process rather than an individual responsibility. This finding supports the study of Megasyara & Imawan (2023), which suggests that good governance in Village Fund management is reflected in systematic planning, implementation, reporting, and supervision according to applicable regulations.

However, the findings also indicate that accountability is influenced not only by administrative procedures but also by the competence and discipline of village officials.

Delays in preparing financial reports illustrate that administrative capacity remains uneven among government personnel. Consequently, accountability should be viewed as an interaction between institutional systems and human resource capacity. Strengthening administrative skills, continuous technical assistance, and capacity-building programs are therefore essential to ensure sustainable financial accountability.

The study further reveals that community participation has been relatively active during village development planning through Musyawarah Desa. Community representatives have been involved in identifying development priorities and discussing budget allocations before Village Fund implementation. These findings support the participatory governance framework proposed by UNDP as cited in Rahayuningsih et al. (2024), which emphasizes equal opportunities for citizens to participate in public decision-making processes.

Despite these positive developments, participation remains concentrated during the planning phase and becomes substantially weaker during implementation monitoring and program evaluation. In practice, many community members still perceive participation as attendance in meetings rather than continuous involvement throughout the governance cycle. Consequently, participation in Niur Permai Village can be characterized as consultative rather than collaborative. This finding extends previous studies by demonstrating that increasing the quantity of participation does not necessarily improve its quality. More substantive participation requires continuous citizen engagement in monitoring, evaluating, and providing feedback regarding Village Fund utilization.

In terms of responsiveness, the village government has shown a relatively positive attitude toward receiving public aspirations and responding to community concerns. Informants generally acknowledged that village officials were willing to communicate openly and provide explanations regarding government programs. Such responsiveness reflects the government's commitment to maintaining constructive relationships with local communities.

Nevertheless, several issues, particularly regarding the determination of social assistance beneficiaries and inconsistencies between budget plans and field conditions, indicate that the existing response mechanisms have not fully addressed emerging governance challenges. According to the UNDP governance framework, responsiveness requires governments to react promptly, fairly, and appropriately to stakeholders' needs and complaints. Therefore, strengthening complaint management systems, expanding communication channels, and improving information dissemination are necessary to enhance responsive governance at the village level.

The principle of effectiveness is reflected in the successful implementation of infrastructure development, social assistance programs, and community empowerment initiatives financed through Village Funds. Most informants perceived that these programs generated tangible benefits for local communities and contributed positively to rural development. The extensive experience of village officials, many of whom have served for more than a decade, also constitutes an important institutional asset supporting effective governance implementation.

However, the research identifies several external constraints that reduce organizational effectiveness. Delays in Village Fund disbursement from higher levels of government and frequent adjustments in national policy priorities have disrupted planning schedules and delayed program implementation. These findings indicate that governance effectiveness depends not only on village administrative capacity but also on policy consistency and fiscal stability at higher governmental levels. Thus, effective governance should be understood as the interaction between internal organizational performance and external institutional environments.

Overall, this study demonstrates that the five principles of good governance are closely interconnected rather than operating independently. Transparency encourages accountability by making financial information publicly accessible. Accountability strengthens public trust and motivates greater community participation. Increased participation enhances governmental responsiveness because decision-makers receive broader public input. Improved responsiveness ultimately contributes to more effective implementation of Village Fund programs. This integrated relationship confirms that good governance should be understood as a holistic governance system instead of separate administrative principles.

The NVivo analysis further supports this interpretation by illustrating the relationships among governance indicators and identifying frequently occurring concepts during interviews. The visualization shows that transparency, accountability, participation, responsiveness, and effectiveness consistently appear together in discussions concerning Village Fund management. Similarly, the Word Cloud analysis identifies "community," "planning," "assistance," "coordination," and "application" as dominant terms, indicating that stakeholders perceive community involvement, administrative capacity, interinstitutional coordination, and technology utilization as key priorities for improving governance quality. Nevertheless, the NVivo outputs function primarily as analytical support, while the principal evidence remains derived from interviews, observations, and documentary analysis.

This study contributes theoretically by reinforcing the applicability of good governance principles within decentralized rural governance while demonstrating that governance quality depends not only on regulatory compliance but also on institutional adaptability, administrative competence, and stakeholder collaboration. Unlike previous studies that generally examine individual governance principles separately, this research analyzes the dynamic interaction among the five principles within a single governance framework, thereby providing a more comprehensive understanding of Village Fund management.

From a practical perspective, the findings provide several implications for village governments and policymakers. First, strengthening digital transparency through official village websites or integrated digital information systems would improve public access to governance information. Second, continuous training should be provided to village officials to enhance financial management competencies and reporting quality. Third, community participation should be expanded beyond planning meetings to include monitoring and evaluation processes. Finally, stronger coordination among village governments, district authorities, village facilitators, and oversight institutions is required to minimize administrative delays and improve policy implementation.

Despite these contributions, the study has several limitations. The research was conducted in only one village using a qualitative case study approach; therefore, the findings cannot be generalized statistically to all villages in Indonesia. In addition, the study relies primarily on interviews, observations, and documentation, making the findings dependent upon participants' perspectives and the researcher's interpretation. Furthermore, changes in Village Fund regulations during the research period may have influenced governance practices and administrative procedures. Future studies are therefore encouraged to adopt comparative multi-case designs, incorporate quantitative governance indicators, and investigate the long-term impact of digital governance innovations on Village Fund management across different regional contexts.

CONCLUSION

This study aimed to analyze the implementation of Good Governance principles in Village Fund management in Niur Permai Village, Sugie Besar District, Karimun Regency. The findings indicate that the implementation of Good Governance has generally been carried out effectively based on the five indicators adopted in this study: transparency, accountability, participation, responsiveness, and effectiveness. Transparency has been demonstrated through the dissemination of Village Fund information via public information boards and village deliberation forums, while accountability is reflected in financial management practices that comply with prevailing regulations and administrative procedures. The village government has also shown responsiveness by addressing community needs through various development and public service programs, and effectiveness is evident in the utilization of Village Funds to support infrastructure development, food security initiatives, stunting prevention programs, and Direct Cash Assistance (BLT). Nevertheless, community participation remains suboptimal, as public involvement in monitoring and evaluating Village Fund management is still limited. Furthermore, the implementation of Good Governance continues to face challenges related to the limited capacity of village officials to adapt to regulatory changes and the dynamic nature of government policies affecting Village Fund management.

The findings successfully address the research objective by demonstrating that the quality of Village Fund management depends not only on compliance with administrative procedures but also on the consistent implementation of Good Governance principles throughout the entire management cycle, including planning, implementation, administration, reporting, and accountability. The results reveal that the application of these five principles has contributed to improving village governance practices; however, greater efforts are still required to strengthen community participation and enhance the capacity of village officials to respond effectively to evolving regulatory frameworks.

This study contributes to the theoretical development of Good Governance by reaffirming its relevance as an analytical framework for evaluating Village Fund management at the village government level. In addition, the findings highlight that the successful implementation of Good Governance is influenced not only by the application of governance principles but also by the quality of human resources, institutional capacity, and regulatory support. From a practical perspective, the study provides valuable insights for village governments and other stakeholders to improve Village Fund governance by strengthening transparency, accountability, public participation, responsiveness to community needs, and the effectiveness of development programs.

The implications of this study emphasize the importance of enhancing the capacity of village officials through regular training on updated Village Fund regulations, strengthening the supervisory role of the Village Consultative Body (BPD), providing continuous technical assistance from village facilitators, and encouraging broader community participation not only in village deliberation meetings but also in monitoring and evaluating development programs. Future research is recommended to investigate the implementation of Good Governance in Village Fund management across villages with different characteristics in order to provide a broader understanding of governance practices and support the continuous improvement of village administration.

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