

Research.

## Evaluating Regulatory Compliance in Village Budgeting: A Case Study of Village Budget Implementation

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**Abstract.** *This study investigates the extent to which financial governance and budgeting practices in Kalurahan Pleret, Bantul Regency, Special Region of Yogyakarta, comply with the principles stipulated in the Permendagri No. 20 of 2018, namely transparency, accountability, participation, as well as orderliness and budget discipline. The research aims to critically assess the formulation and implementation of the Village Budget (APBKal) within this regulatory framework to evaluate its effectiveness in promoting good governance at the village level. Utilizing a qualitative case study methodology, data were collected through semi-structured interviews, direct observations, and document analysis, and subsequently subjected to thematic analysis. Findings indicate that Kalurahan Pleret largely conforms to regulatory mandates, with transparent budgeting facilitated by the use of digital financial management systems (SISKEUDES), active community involvement, and adherence to budgetary discipline. Nonetheless, challenges persist regarding the depth of public engagement and the robustness of accountability mechanisms. The study concludes that while Kalurahan Pleret demonstrates commendable compliance with village financial governance principles, ongoing capacity development and strengthened oversight frameworks are essential to enhance sustainable, participatory, and accountable village administration. These findings contribute to the broader discourse on decentralization and local governance by illuminating the interplay between national regulations and local practices in Indonesia.*

**Keywords:** APBKal; regulatory analysis; budgeting; village governance; kalurahan

### INTRODUCTION

#### Background

Regional autonomy is a fundamental pillar of Indonesia's post-reform governance system, granting broad authority to local governments to manage public affairs according to local characteristics. In this context, villages are positioned as strategic agents of development with equal rights and authority to organize government and public services. Through Law No. 6 of 2014 on Villages, the Indonesian government formally legitimized the village as an autonomous entity capable of self-governance and community management. Article 1(1) of the Village Law states that a village is a legal community unit with territorial boundaries, authorized to regulate and manage government affairs and the interests of the local community, based on local customs and origins recognized by the

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national governance system. This provision signifies a major paradigm shift from treating villages as passive recipients of development to empowering them as autonomous actors.

As a manifestation of this autonomy, the central government has allocated Village Funds (Dana Desa) since 2015 through the State Budget (APBN). These funds are intended to accelerate rural development, support community empowerment, and strengthen village governance capacity. Due to the scale of these allocations, Village Funds serve as a critical fiscal instrument managed directly by village governments. However, the large volume of Village Funds has increased expectations for effective and accountable financial governance at the village level. The government emphasizes principles of transparency, accountability, participation, and fiscal discipline, as mandated in regulations such as Ministry of Home Affairs Regulation (*Permendagri*) No. 113 of 2014, later revised by Regulation No. 20 of 2018 on Village Financial Management.

*Permendagri* No. 20 of 2018 comprehensively outlines the financial management cycle, from planning and execution to bookkeeping, reporting, and responsibility fulfillment. The regulation stresses transparency and public participation throughout all budgeting stages, aiming to ensure that the process reflects community needs and aspirations. At the regional level, this national regulation is reinforced through local policy. The Government of Bantul Regency, for example, issued Regent Regulation No. 59 of 2022 as a technical guideline for village-level budgeting (*kalurahan*). It emphasizes results-based budgeting, efficiency, and compliance with applicable laws. Furthermore, *Kalurahan Pleret*, the subject of this study, has also enacted its regulation: *Kalurahan Pleret* Regulation No. 07 of 2024, which governs the structure and execution of the 2025 Village Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Kalurahan*; APBKal). This regulation provides a legal basis tailored to local administrative and social realities.

Despite this layered regulatory framework, various studies show that practical implementation often encounters challenges. Many villages struggle to interpret and operationalize regulations due to limited human resources, lack of technical understanding, and inadequate digital infrastructure—particularly in operating systems like SISKEUDES (Village Financial System). Kusuma & Riharjo (2019) noted that in many cases, villages prepare Village Revenue and Expenditure Budget in formal compliance with regulations, yet without genuine public engagement. Village forums intended for deliberation frequently serve only as administrative routines, resulting in budgets that do not fully reflect local aspirations.

Additionally, data from Indonesia's Corruption Eradication Commission (KPK) indicates a troubling number of misuse cases related to Village Funds since the program's inception. Most cases involve village officials, suggesting that internal and external oversight mechanisms remain weak and ineffective. Considering these issues, a critical evaluation is needed to assess how well actual village budgeting practices align with regulatory frameworks. This study focuses on *Kalurahan Pleret*, Bantul Regency, as a case study to examine how the budgeting process follows the national regulation (*Permendagri* No. 20 of 2018), regional policy (Regent Regulation No. 59 of 2022), and local regulation (*Pleret* Regulation No. 07 of 2024).

In contrast to previous studies that often focus on technical or general accountability aspects of village budgeting process, this research offers novelty through a regulatory analysis approach that closely examines the consistency between formal legal instruments and real-world practices at the village level. It also contextualizes how local dynamics interact with changing national policies while simultaneously exploring the roles of digital systems and community participation in village budgeting. The selection of *Kalurahan Pleret* is based on its relatively strong institutional structure and its adoption of internal regulations governing the APBKal. Therefore, this study is expected to offer a concrete picture of how well the legal framework is applied in the village budgeting process.

## Research Question

This study addresses the challenges and gaps in village budgeting process, particularly focusing on the alignment between regulatory frameworks and actual budgeting practices at the village level. Specifically, the study seeks to answer the following questions:

1. What are the key regulatory instruments governing the budgeting process in *Kalurahan* Pleret at the national, regional, and local levels?
2. How is the financial management process in *Kalurahan* Pleret carried out step by step, in accordance with the procedures set out in *Permendagri* No. 20 of 2018?
3. To what extent does the formulation of the Village Budget (APBKal) in *Kalurahan* Pleret comply with the principles of transparency, accountability, participation, and fiscal discipline as mandated by *Permendagri* No. 20 of 2018?

## LITERATURE REVIEW

### **Compliance Theory**

Compliance theory provides an essential conceptual foundation for explaining the behavior of *kalurahan* government officials in adhering to financial management regulations. In this context, compliance reflects the extent to which *kalurahan* apparatuses fulfill administrative obligations and public accountability in accordance with applicable laws and regulations. Generally, compliance is divided into two main dimensions: instrumental compliance, which is driven by sanctions or incentives, and normative compliance, which is rooted in the belief in the importance of good governance. In practice, the level of compliance among *kalurahan* can influence the effectiveness of financial reporting, budget transparency, and the prevention of irregularities.

A study by Wijasri et al. (2022) shows that compliance with financial reporting significantly affects the prevention of misappropriation of Dana Desa. This strengthens the argument that the instrumental dimension of compliance plays a strategic role in encouraging administrative behavior aligned with regulation. Meanwhile, Saida et al. (2023) found that a well-ordered reporting system and a high level of compliance with procedures for managing Dana Desa effectively reduce the potential for fraud, indicating the importance of integrating internal control systems with normative values of compliance. Another study by Attaqy & Khairudin (2022) also emphasizes that the success of Dana Desa management is greatly influenced by strong transparency and accountability, which reflect a deeply embedded culture of compliance within the institutions of the *kalurahan*.

### **Kalurahan and APBKal in the Governance Framework**

A village is the lowest level of government entity that plays a strategic role in supporting national development. This role is particularly significant in the context of rural area development and the sustainable empowerment of communities. Generally, a village is a legal community unit that has a defined territorial boundary and is granted authority to manage and administer governmental affairs and the interests of the local community. This authority originates from community initiatives, customary rights, and traditional rights recognized and respected within the national governmental system. This aligns with *Undang-Undang Nomor 6 Tahun 2014 tentang Desa*, which defines a village as a “legal community unit with territorial boundaries that is authorized to regulate and manage governmental affairs and the interests of the local community based on community initiatives, original rights, and/or traditional rights recognized and respected within the governmental system of the Unitary State of the Republic of Indonesia.” Village governance is interpreted as the “administration of governmental affairs and the interests of the local

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community within the governmental system of the Unitary State of the Republic of Indonesia.”

In the context of the special status of the Special Region of Yogyakarta, the term "village" is adapted into *kalurahan* as a form of nomenclature adjustment reflecting the uniqueness of the governance system in DIY. This is regulated under Regional *Perda DIY Nomor 3 Tahun 2024 tentang Peningkatan Pembangunan dan Pemberdayaan Kalurahan dan Kelurahan*, which affirms that *kalurahan* holds equal legal standing with a village as referred to in *Undang-Undang Nomor 6 Tahun 2014 tentang Desa*. As a consequence, various aspects of village governance in Special Region of Yogyakarta, including financial management, have undergone terminological adjustments. One example is the replacement of the Village Revenue and Expenditure Budget, formerly known as *Anggaran Pendapatan dan Belanja Desa (APBDes)* with *Anggaran Pendapatan dan Belanja Kalurahan (APBKal)*.

### **Regulations on *Kalurahan* Financial Management**

Village financial management encompasses a series of activities including planning, implementation, administration, reporting, and accountability carried out by the *kalurahan* in managing its revenues and expenditures. The aim of village financial management is to establish the village as a progressive government unit that is close to the people, independent, democratic, and capable of delivering governance and development that ensures justice and prosperity for its citizens (Basri et al., 2021). Within the regulatory framework, *Permendagri Nomor 20 Tahun 2018 tentang Pengelolaan Keuangan Desa* defines village financial management as the entire set of activities that cover planning, implementation, administration, reporting, and responsibility fulfillment. Accordingly, every stage from the preparation of the APBKal to reporting and final accountability must be carried out in accordance with sound financial principles.

In the specific context of the Special Region of Yogyakarta, the implementation of village financial management is further guided by *Perda DIY Nomor 3 Tahun 2024 tentang Peningkatan Pembangunan dan Pemberdayaan Kalurahan dan Kelurahan*, which mandates that all governance processes at the *kalurahan* level, including financial management, must align with the regional regulatory framework that reflects DIY's special administrative status.

### ***Kalurahan* Financial Planning and Budgeting**

Planning and budgeting represent the initial and most strategic phase in the village financial management cycle, as they form the foundation for program development and the allocation of village financial resources. According to *Permendagri No. 20 of 2018*, this stage begins with the submission of the Draft Village Regulation on the APBKal by the Village Secretary to the Village Head (*Kepala Kalurahan*).

Subsequently, the draft is submitted by the *Kalurahan* Consultative Body (BPKal) for discussion and mutual agreement in a BPKal forum. The formal agreement on the draft APBKal must be completed no later than October of the current year. This regulation ensures that budget implementation for the following fiscal year can proceed on time and align with the village's planning document, *Kalurahan* Government Work Plan (*RKPKal*). If an agreement is not reached between the BPKal and the Village Head regarding the draft APBKal, the implementation of village government activities is restricted only to essential and routine operations. These activities are conducted based on the previous year's budget ceiling. In such cases, the head of *Kalurahan* Regulation as the legal basis for the implementation of such activities until a mutual agreement on the new APBKal is achieved.

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## Principles of *Kalurahan* Financial Management

Village financial management must be carried out based on the principles of transparency, accountability, participation, as well as orderliness and budgetary discipline, as stipulated in *Permendagri* No. 20 of 2018. These four principles serve as the foundation for sound financial governance and must be consistently applied throughout each stage of *kalurahan* financial management from planning and implementation to administration, reporting, and responsibility fulfillment. These principles are thus used as an analytical framework in evaluating the effectiveness of the planning and budgeting stages in the APBKal management cycle.

### 1. Transparency

Transparency refers to the openness in managing village finances. According to Kasanah (2020), "*Transparency means the openness of the government in providing information regarding the management of public resources to those who need it.*" In other words, villages are required to make financial information publicly accessible so that all stakeholders understand how village funds are planned and utilized. The underlying assumption is that the more transparent the financial management, the more effective public oversight becomes. Kasanah (2020) further emphasizes, "*The more transparent financial management is, the more enhanced public oversight of policies becomes, due to increased community involvement in monitoring.*" This is consistent with legal mandates, as *Permendagri* No. 20 of 2018 stipulates that village financial management must be transparent.

### 2. Accountability

Accountability refers to the obligation to be answerable for the use of village funds. Basri et al. (2021) explains that accountability is the obligation to provide answers and justifications concerning the performance and actions of the leadership of an organizational unit to parties entitled to receive such accountability. Thus, every Rupiah spent by the village government must be clearly accountable to the public and regional government.

### 3. Participatory

According to Law No. 6 of 2014, participatory governance involves the engagement of village institutions and community elements. The participatory principle reflects the active involvement of the community in the village budget cycle, especially in planning and monitoring (Kusuma & Riharjo, 2019). Therefore, villages hold public consultations to draft the APBKal, empower civil society organizations in discussions, and provide opportunities for citizens to monitor fund utilization. Public participation also acts as a social control mechanism, where citizens help prevent abuses such as corruption, collusion, and nepotism and assist in determining development priorities, making the village budget more targeted and effective.

### 4. Order and Budgetary Discipline

This principle obliges villages to comply with established financial rules and schedules. According to the Financial and Development Supervisory Agency, "village financial management must be based on the relevant rules or guidelines." This means that all income and expenditure processes must adhere to existing legal and regulatory frameworks.

## RESEARCH METHODS

### Research Method

This study employs a case study design using a descriptive qualitative approach. According to Herdiansyah (2020), a case study design is a research plan that is

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comprehensive, intensive, detailed, and in-depth, and seeks to examine a specific event or reality that is limited in scope and time. The type of research used in this study is qualitative research. According to Moleong (2017), qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from observed individuals and behaviors. As supported by Sugiyono (2017), qualitative research is a research method based on post-positivist philosophy, used to examine natural objects, where the researcher is the key instrument. The data collection techniques used include triangulation, data analysis is inductive/qualitative, and the results emphasize meaning rather than generalization.

### **Research Instrument**

This research involved analyzing the preparation of village budgets based on principles of transparency, accountability, participation, orderliness, and budget discipline in *Kalurahan* Pleret. In this study, the researcher applied qualitative research techniques including interviews, observations, and documentation. The researcher explored the extent of government efforts in involving the community, the level of public accountability and government accountability to the community, as well as the transparency of public involvement in village financial management. Furthermore, the researcher observed whether the village financial management process adhered to and was aligned with the existing rules and regulations.

### **Data Sources and Data Collection Techniques**

In this study, the researcher utilized a single data source also known as primary data. The primary data for this research were obtained through interviews and direct observations conducted by the researcher.

### **Data Analysis Techniques**

This study begins by describing the budgeting process in *Kalurahan* Pleret to define the context about how village budgeting is structured and implemented in practice. The next part focuses on the collection and analysis of qualitative data obtained through interviews with key village officials, particularly those involved in planning and budgeting. These interviews are complemented by field observations conducted at the Village Hall, capturing daily administrative activities and interactions related to budget execution. In addition, various documents—such as local regulations, written records, and visual materials—are reviewed to strengthen the empirical foundation of the study. The final stage involves a comparative analysis of the data gathered through interviews, observations, and documentation. This analysis is framed by the principles of village financial management as outlined in *Permendagri* No. 20 of 2018.

## **RESULTS AND DISCUSSION**

### **Regional Description**

*Kalurahan* Pleret is one of the administrative areas within Pleret Sub-district, Bantul Regency, Special Region of Yogyakarta. This area consists of 11 hamlets and 79 neighborhood units, and is traversed by two main rivers, namely the Opak River and the Gajahwong River, with Sentono Hill located in the southern part. *Kalurahan* Pleret has a land area and population density that support the social and economic activities of the community. According to data from the official *kalurahan* website, most of the public service

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facilities at the sub-district level, such as the police office, military command post (koramil), community health center, and educational institutions ranging from elementary to secondary levels, are located within *Kalurahan* Pleret. The *kalurahan* government is led by a *lurah* (head of *kalurahan*) who performs administrative functions in accordance with regional regulations and *Kalurahan* regulations. The vision of *Kalurahan* Pleret is "A Digital *Kalurahan* that is Independent, Cultured, Prosperous, and Religious," with a mission that includes transparent governance, improving human resource quality, and developing public services based on information technology. This *kalurahan* has also been designated in several regency-level programs, such as Cultural Village, Tourism Village, and Digital Village, whose implementation refers to regional regulations and policies.

## Legal Basis

Law plays a crucial role in the implementation of institutional authority, including in the governance structure from the central government down to the *kalurahan* level. Therefore, law forms the foundation of governmental administration. In the implementation of governance and financial management at the *kalurahan* level, the *Kalurahan* Pleret government of Kapanewon Pleret, Bantul Regency, adheres to various laws and regulations as guidelines, namely: Law No. 6 of 2014 concerning Villages; PP No. 60 of 2014 and its amendment through PP No. 8 of 2016; *Permendagri* No. 20 of 2018 concerning Village Financial Management; Bantul Regent Regulation No. 59 of 2022 on *Kalurahan* Financial Management; *Kalurahan* Pleret Regulation No. 07 of 2024 on APBKal 2025; *Kalurahan* Pleret Regulation No. 03 of 2024 on RKPKal 2025; *Kalurahan* Pleret Regulation No. 06 of 2021 on RPJMKal 2021–2026; *Kalurahan* Pleret Regulation No. 13 of 2021 and its amendment through No. 06 of 2023; Bantul Regent Regulation No. 1 of 2025 as amended by Bantul Regent Regulation No. 52 of 2024 on Guidelines for the Preparation of APBKal for Fiscal Year 2025.

## General Overview of *Kalurahan* Pleret Financial Management

Based on interview results, financial management in *Kalurahan* Pleret is carried out in accordance with the stages regulated in *Permendagri* No. 20 of 2018 concerning Village Financial Management. These stages include planning, implementation, administration, reporting, and responsibility fulfillment. Each stage is carried out sequentially and involves various *kalurahan* government elements as well as community participation, with supervision from the sub-district government. The implementation of financial management is also supported by the utilization of digital information systems to enhance accountability and transparency.

Table 1. General Overview of *Kalurahan* Pleret Financial Management

Stages	Description
Planning and Budgeting	Preparation begins with the <i>Kalurahan</i> Medium-Term Development Plan (RPJMKal, 6 years), derived from the vision and mission of the elected <i>Kalurahan</i> head. Each year, the RPJMKal is translated into the <i>Kalurahan</i> Work Plan (RKP <i>Kalurahan</i> ), prepared by the RKP Team. Community aspirations are gathered through hamlet deliberations, agreed upon in <i>Kalurahan</i> Deliberation ( <i>muskal</i> ), and formulated into the Draft <i>Kalurahan</i> Revenue and Expenditure Budget (RAPBKal).
Implementation	After the RAPBKal is approved and enacted as the APBKal, activities are carried out by the assigned implementation teams according to their respective fields (governance, development, empowerment, community guidance, etc.). Activities proceed according to priorities and budget provisions.
Administration	The administration process is carried out by the financial officer, which includes recording, storing transaction evidence, and managing cash. Each

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Stages	Description
	fund disbursement begins with the submission of a Payment Request Letter. An integrated digital system, namely Village Financial System (SISKEUDES) and <i>Kalurahan</i> websites ( <a href="https://pleret.id/">https://pleret.id/</a> ) is used to facilitate accountability and real-time tracking.
Reporting	Reports include the Budget Realization Report and Activity Report, compiled based on data from activity implementers and the financial officer. These reports form the basis for drafting the <i>Kalurahan</i> Regulation on the Accountability of the APBKal and are published openly through the official <i>kalurahan</i> website.
Responsibility Fulfillment	Responsibility fulfillment is conducted through the <i>muskal</i> , which approves the report on budget realization and usage. The documents are submitted to the sub-district head for evaluation. After passing the evaluation, a Registration Number is assigned, followed by promulgation as a <i>Kalurahan</i> Regulation and public announcement to the community.

### Evaluation of the Planning and Budgeting Process Based on *Permendagri* No. 20 of 2018

Drawing on the key budgeting components outlined in *Permendagri* No. 20 of 2018, along with indicators derived from prior research and theoretical frameworks, this section presents the results of the analysis conducted in *Kalurahan* Pleret.

#### Transparency

Budget planning at the *kalurahan* government level is conducted by involving various community elements through the *muskal*. This forum is attended by neighborhood heads, community unit heads, youth organizations or Karang Taruna, Family Welfare Movement or PKK, *Kalurahan* Community Empowerment Institutions or LPMK, and other community organizations. This process serves as a medium for gathering community aspirations, which are then accommodated in the annual work program draft. A key informant stated, “*We involve everyone, both internal and external, such as neighborhood heads, PKK, Karang Taruna, LPMK—all participate in the planning process*” (Pangripta *Kalurahan* Pleret, personal interview, May 14, 2025).

In addition to the planning process, transparency in budget implementation is achieved through the integration of the SISKEUDES with the official *kalurahan* website. The community can access budget realization information online through this platform. The informant noted, “*It is already open; the website shows the absorbed budget amount, and this is accessible to the public*” (Pangripta *Kalurahan* Pleret, personal interview, May 14, 2025). Furthermore, budget information is disseminated through conventional media such as banners or announcement boards, periodically installed in strategic locations. The provision of these information channels aims to reach residents who lack access to technology-based services. This practice aligns with transparency indicators as described by Zeyn’s opinion in Aditya (2018), emphasizing the importance of financial openness and decision-making transparency.

#### Accountability

Based on interview data, the preparation of the APBKal is carried out through *muskal* involving community representatives. The draft is then jointly agreed upon and submitted to the subdistrict head for evaluation. This procedure complies with the provisions of the *Permendagri* No. 20 of 2018, Article 20 paragraph (1), which mandates subdistrict evaluation of the village budget draft prior to its enactment. An informant explained, “*After the draft is agreed upon together and there is a decision letter from the kalurahan deliberation forum, it is then sent to the higher level at the subdistrict head office. There, an evaluation team reviews the draft*” (Pangripta *Kalurahan* Pleret, personal interview, May 14, 2025).

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Budget implementation uses a Payment Request Letter or SPP mechanism, with all transactions recorded through the SISKEUDES. The informant clarified, “*In previous years, we realized about 88% of fund usage. Although some expenditures were not as planned, we still use SPP—payment request letters, which record the dates of submission*” (personal interview, May 14, 2025). Additionally, budget adjustments are made to comply with central government directives, such as the 20% allocation for food security as stipulated in Article 40 of *Permendagri* No. 20 of 2018. This was illustrated in the interview: “*When we receive instructions from central government, such as this year’s requirement to allocate 50% for food security, we have to amend our APBD regulations*” (Pangripta Kalurahan Pleret, personal interview, May 14, 2025).

Such adjustments require precision in amending budget regulations, including through APBKal modifications that must undergo *muskal* and sub-district head approval before enactment. This process must comply with the stipulated enactment timeline as regulated by the Ministry of Home Affairs to avoid disrupting previously planned programs. Thus, despite policy dynamics from the central government, *kalurahan* financial management can continue within the framework of established accountability.

### Participation

The community participation process in *kalurahan* budget preparation is explained through systematic stages. Community aspirations are gathered starting from the hamlet level through hamlet deliberations, then compiled by the RKP Team and discussed in the *muskal*. At the initial stage, the community is provided with proposal guidelines aligned with the *kalurahan* head’s vision and mission. This was directly conveyed by the informant: “*Community members are given guidelines, which correspond to what can be included in the work program for the upcoming year*” (Pangripta Kalurahan Pleret, personal interview, May 14, 2025). This statement indicates a mechanism for aligning community proposals with *kalurahan* government policies.

These findings are consistent with the studies of (Arifai & Mattarima, 2022; Rochmah et al., 2024; Wardani & Wahidahwati, 2024), which state that community involvement throughout all stages of the *kalurahan* budget cycle plays a critical role in supporting transparency and accountability in *kalurahan* financial management. *Muskal* serve as forums for collecting aspirations, setting program priorities, and supervising budget implementation. Through community participation, direct oversight of *kalurahan* fund usage can be performed, thereby minimizing potential budget misuse.

### Orderliness and Budget Discipline

Interviews reveal that *Kalurahan Pleret* has prepared its APBKal according to the established schedule. Budget approval must occur no later than December 31 each year, supervised by the sub-district head. Failure to approve on time can result in administrative sanctions. The informant stated, “*The deadline for promulgating a draft regulation, especially concerning the Regional Revenue and Expenditure (APBD), is typically December 30–31. If not promulgated by then, a penalty is usually imposed*” (Pangripta Kalurahan Pleret, personal interview, May 14, 2025). In practice, funds are disbursed through the Payment Request Letter mechanism, recorded systematically, and reported using IT-based systems. However, under certain circumstances, such as the COVID-19 pandemic or sudden directives from the central government, the *kalurahan* may have to amend the budget more than once annually, which is considered less ideal under the principle of budget orderliness.

This condition corresponds with Kasanah (2020) assertion that a good budget, according to the Gunan village government, is one that is sufficient in amount, targeted

appropriately, accountable, efficiently used, and implemented following procedures. Therefore, discipline in budget approval timing, procedural compliance in implementation, and flexibility in responding to policy dynamics remain essential components of effective *kalurahan* financial management.

## CONCLUSIONS AND SUGGESTIONS

### Conclusions

The budgeting process in Kalurahan Pleret is regulated through a layered set of legal instruments at national, regional, and local levels. At the core is Permendagri No. 20 of 2018, supported by Law No. 6 of 2014 and other regulations from both the central and Bantul Regency governments, including specific Kalurahan regulations. This legal framework ensures that budgeting aligns with national policy while allowing adaptation to local governance needs.

Financial management in Kalurahan Pleret follows the five stages outlined in Permendagri No. 20 of 2018: planning, implementation, administration, reporting, and responsibility fulfillment. These stages are executed systematically with stakeholder involvement and are supported by digital systems such as SISKEUDES and the Kalurahan website, which enhance efficiency, transparency, and real-time financial tracking.

Kalurahan Pleret's budgeting practices reflect a high level of compliance with the principles of transparency, accountability, participation, and fiscal discipline. Open access to financial data, community involvement through muskal, structured reporting, and timely budget approvals all indicate a governance system that is both participatory and responsive. Although adjustments are sometimes needed due to external policy shifts, the Kalurahan has shown the capacity to maintain orderly and accountable financial management.

### Suggestion

Future studies are encouraged to adopt a comparative approach by involving multiple villages or regions to obtain more generalizable results and better reflect the diversity of financial management practices across different social and administrative contexts. In addition, regulatory analysis should not be limited to *Permendagri* No. 20 of 2018 but should also include other relevant sectoral regulations to provide a more comprehensive legal and policy framework. The use of quantitative methods or mixed-method approaches is recommended to measure the level of effectiveness and compliance with normative indicators in a more objective and measurable way. For village governments, it is essential to continue strengthening community participation in all stages of financial management and to utilize digital platforms to enhance transparency and public accountability. Meanwhile, policymakers at both central and regional levels are advised to harmonize existing regulations and provide clearer and more practical guidelines to support village governments in implementing the principles of good financial governance.

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