

Digitalization of Financial Reports of Village-Owned Enterprises

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Article Info	Abstract
Received : 2022-08-10 Accepted : 2022-09-29 Published : 2022-09-30	This study aimed to describe to the optimization of the role of village-owned enterprises which will increase the village original income. Management of village potential becomes the basic needs of economic growth and equity. Therefore, it is necessary to maximize the role of village-owned enterprises to increase village original income. The research objectives are to design and create a web-based village-owned enterprises governance digitization system and to design and create a web-based village-owned enterprises financial reporting digitization system. The research population is the village-owned enterprises in Siberida District, Indragiri Hulu Regency. The research sample is Berkah Bersama village-owned enterprises. The data collection technique used primary data and secondary data, namely conducting interviews with the directors and employees of village-owned enterprises, as well as the public as users of information. While secondary data are in the form of Standard Operating Procedures (SOP), ministerial regulations, series 7 village fund guidebooks on village-owned enterprises. The conclusion of this study is the achievement of the result of web-based software application to design a financial management application through e-village budgeting that can help village-owned enterprises managers make transparent and accountable financial reporting.
Key words: village-owned enterprises; reporting; finance; digitalization	

INTRODUCTION

The village government established village-owned enterprises on the basis of community initiatives in order to encourage the increase in village original income by empowering and managing village potential as intended in the objectives of village-owned enterprises (Fitriyani et al., 2018). The constitution of village-owned enterprises has encouraged the emergence of various phenomena related to this matter. The rise of various activities that encourage the establishment of village-owned enterprises is expected to be able to encourage the income of village original income which can be used to finance the implementation of village development. This income will help the village government in carrying out development not only depending on budget funds from local and central governments (Adhikari, 2010).

The phenomenon of research during the COVID-19 pandemic has succeeded in destroying various business sectors globally, from large companies to small businesses. This is also felt by a village economic institution called the village-owned enterprises. It is known that during this pandemic it was recorded that of the 51,000 village-owned enterprises that stood, only 10,000 or 2% of village-owned enterprises managed to survive. As many as 40,000 village-owned enterprises died because their businesses were hindered by the impact of COVID-19. The main factor in the death of the village-owned enterprises business was the establishment of the village-owned enterprises did not carry out a business feasibility analysis based on the potential of the village it has. Basically, village-owned enterprises is based on community initiatives by looking at the potential of the village, but most villages establish village-owned enterprises only to imitate other successful village-owned enterprises, especially in the tourism sector (Budiono, 2015).

The management of village-owned enterprises is required to develop village-owned enterprises in the future to become independent village-owned enterprises and the management must be professional for that the quality of human resources is improved and organizational management must be organized following technological developments, one of which is digitalization (Swandari et al., 2017). With this digitization, village-owned enterprises will become transparent and their business data will be safe and secure. Another step to revitalize village-owned enterprises is to facilitate the digitization of village-owned enterprises. Encouraging the replication of village-owned enterprises that have successfully implemented digitization. One of the positive effects of digital villages is the strengthening of village-owned enterprises (Adawiyah, 2018).

The study aimed to design and create a web-based village-owned enterprises governance digitization system. This system can help village-owned enterprises institutions rearrange existing activities. The information access related to capital assistance from the government, assistance in the financial management process, including the reports, preparing business plans (business plans and SOPs with ease). village-owned enterprises have been currently accessing cooperating with other parties.

LITERATURE REVIEW

Social Enterprises Theories

Social Enterprise is seen as an agent of change who can change the way of thinking and behaving through innovative products and services (Byerly, 2014). Social Enterprise exists to address social issues related to poverty, hunger and inequality which are on the rise especially in large numbers (Cholid, 2018). Social enterprise is a problem solving method through a business approach model (Ball & Ball, 2016).

Village-Owned Enterprises

According to article 1 paragraph 6 of Law No. 6 of 2014 concerning villages, village-owned enterprises are business entities whose entire or most of the capital is owned by the village through direct equity participation originating from village assets which are separated to manage assets, services and other businesses for the greatest welfare of the village community. In the Village Minister Regulation Number 4 of 2015 the establishment of village-owned enterprises is intended as an effort to accommodate all economic activities in the economic field and public services managed by the village. Village-owned enterprises was established with the aim of improving services to the community so that their businesses can develop, empowering villages as autonomous regions with regard to productive efforts for poverty alleviation, unemployment and increasing village original income, and increasing independence in strengthening the village economy (Purnomo, 2016).

Village-Owned Enterprises Digitalization

The village-owned enterprises digitalization is a step to revitalize the government in entering the pandemic era or the new normal. It is a breakthrough in increasing the Village Fund Allocation program both in the primary and secondary scope (Widiastuti et al., 2019). It is the government's long-term target to accelerate towards digital village-owned enterprises, of which 28,000 village-owned enterprises have entered the digital world. To accelerate digitalization, the Ministry of Village, Development of Disadvantaged Regions and Transmigration has provided various digital applications that can be used by all village-owned enterprises for free. The government also facilitates discussions, communication, knowledge transformation about digitalization, from theory, practice, to simulation. Digitalization affects the strategy used by village-owned enterprises to maintain business continuity amid the COVID-19 pandemic (Agunggunanto et al., 2016).

The Financial Management of Village-Owned Enterprises Digitalization

Finance is one of the vital keys to the progress of an organization. Therefore, the finances of an organization, be it a business organization or a non-business organization, must be managed in a

good and right way. However, with poor financial management, not only has the potential to cause losses, but can also bring the organization to ruin (Zulkarnaen, 2016). It can be said that the basis of good financial management is the orderly administration of recording income and expenses, from the planning period to the evaluation stage. So, it can be said, financial management is a continuous activity that summarizes the activities of recording, classifying, summarizing, reporting, and analyzing financial data. With a good and complete record, it is hoped that the analysis carried out will produce the right decisions so that the direction of the company can be controlled properly. For village-owned enterprises, financial management can be divided into 7 (seven) levels (Suryanto, 2018). 1) Recording of income, 2) Recording of expenses, 3) Management of non-cash income - debts, 4) Management of inventory, 5) Management of assets, 6) Summary, 7) Reports.

The Financial Management of Village-Owned Enterprises Localization (Local Wisdom)

Localization in the scope of geography means the concentration of an activity in a limited area. In the context of regional planning, the word localization can mean the localization of several similar or interrelated activities in an area. The localization of industrial activities will result in industrial agglomeration. Through local regulations, this agglomeration will give birth to industrial centers in rural areas. The existence of the role or function of the region will encourage population concentration and can develop into a new growth center. The localization of village-owned enterprises is an effort to prioritize the potential of resources in the region to optimize its management. Localization with a creative economy pattern that is adaptive to the times can boost people's economic growth. This localization is one of the factors that can determine the sustainability of a business in village-owned enterprises. (Suwecantara et al., 2018).

METHODOLOGY

The location of this research is in Berkah village-owned enterprises with Seresam Village, Siberida District, Indragiri Hulu Regency. The research was conducted on March until November 2021. The population of this research is in Siberida District. While the research sample is Berkah Bersama village-owned enterprises. Sources of data used are primary and secondary data. The Primary data of the research were interviews with directors and employees of village-owned enterprises, as well as the public as users of information. The secondary data of the research were regulations of Standard Operating Procedures (SOP) , manual book series 7 about village funds of village-owned enterprises.

Technique of Data Analysis

The technique of data analysis used *Software Development Life Cycle (SDLC)* method with *waterfall* model. In carrying out data analysis techniques, the researcher referred to several phases, including: (1) The planning, that involves a study of user needs, technical and technological feasibility. Phase (SDLC) waterfall model is planning about the system to be built; (2) the analysis, is a process of deepening about all problems and risks to users; (3) the designing, concerning the system design which will provide a solution plan for the problems that arise in the analysis stage; (4) The implementation is the phase where the system is implemented in a real situation with hardware selection and design preparation (coding). For implementation, namely by informing the user, training the user, installing the system; (5) The testing, it is for testing the system has been running according to the previously agreed plan, including testing each menu whether there are still errors or not. The purpose of this test is to minimize web design defects so that the system developed can actually run as well as possible. This test will be conducted by interviewing several people who will be related to the web; (6) Maintenance, it is the phase where maintenance and maintenance of the web is carried out. If necessary, minor repairs will be made, then if the system period is up, it will enter again at the planning phase.

In conducting this research, the researcher required tools to support the website design and implementation, they were:

1. Hardware

Personal Computer (PC)/Laptop

- a. 32/64-bit *architecture processor*
- b. 4 GB *Random Access Memmory* (RAM)

2. Software

- a. *Php Designer*, *php Designer* software is the main tool in implementing the Complaint Handling *website* for the Faculty of Engineering.
- b. *MySql*, as a tool used to create and manage databases and their contents.
- c. *Xampp*, As a tool used to become a stand-alone server (*localhost*), which consists of the *Apache HTTP Server* program, *MySQL database*, and language translator written in PHP and Perl programming languages.
- d. *Bootstrap*, As a tool used to create a website page display that can speed up the work of a *website* developer or *website* designer.
- e. *Windows 8 Operating System*. *Windows 8* is the name of the latest version of Microsoft Windows, a series of operating systems manufactured by Microsoft for use on personal computers, including home and business computers, laptops, *netbooks*, *tablet PCs*, *servers*, and media center PCs. This operating system uses an ARM microprocessor in addition to the traditional x86 microprocessors made by Intel and AMD.

DISCUSSION

The overview of the research area

This research was conducted in Seresam Village, Siberida District, Indragiri Hulu Regency with the aim of building a system to make it easier for village-owned enterprises to manage the data. Profile of Berkah Bersama village-owned enterprises in Seresam Village, Siberida District, Indragiri Hulu, was established on July 14th, 2012 by village regulation. The second was on September 28th, 2012, in Seresam Village, Seberida District with the village boundary east of Pangkalan Kasai, west of Bandar Padang, north Base Kasai and south of Bandar Padang. Rural potentials include oil palm, rubber, clean water, areca nut, agriculture and rental.

The types of business activities currently running are: 1) Savings and loan business units, products/activities carried out by savings and loans; 2) Depot Business Unit, products/activities carried out by drinking water ready for consumption. 3) Clean Water Business Unit, products/activities carried out by distribution of clean water; 4) Rental Business Units, products/activities carried out by renting village-owned enterprises tents and stalls; 5) The Areca Seedling Business Unit, the products/activities carried out by superior seeds ready for planting.

Meanwhile, the businesses that are planned to be developed are: 1) Desaku/Serving water depot, the products/activities to be implemented provide clean water for daily necessities; 2) Desaku/Brokering Market, the products/activities that will be implemented to market products produced by the community; 3) Desaku/Renting Services, products/activities that will be carried out for party equipment, car rental, meeting halls etc.

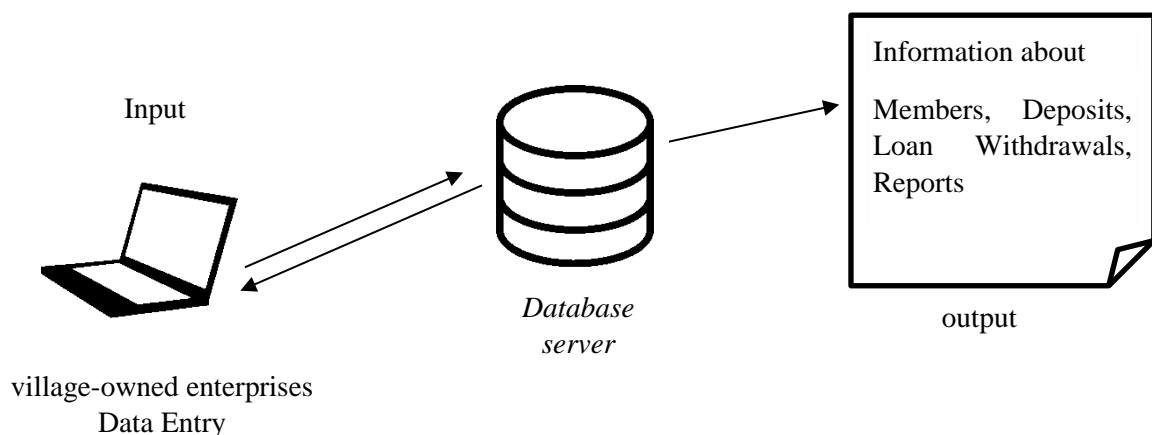


Figure 1. Application

Data analysis is an analysis that analyzes situation and condition analysis, solution analysis and system requirements analysis. The design or system design will be carried out to create a new system or which will be proposed to complement the existing system. After the system design is complete, the system will be created along with the program. The programming language used is the PHP programming language with web applications. System testing will be carried out in a real environment with a TKT level of 7, namely in Seresam Village, then this application will be submitted to village-owned enterprises so that it is used for the savings and loan process.

CONCLUSION AND SUGGESTION

Conclusion

This research produces a Web-based software application to design a financial management application through e-village budgeting that can help make financial reporting easier. With this application, the village-owned enterprises admin or manager is very helpful in managing village-owned enterprises finances such as a recap of village-owned enterprises financial usage reports, member lists, savings and others, so that admin work will be easier, faster and more thorough. In addition, it can find out the possibility of errors during the preparation of financial reporting earlier and maximize the use of information technology as a supporting pillar of public services.

Suggestion

Village-owned enterprises managers should periodically hold training on digitalization management procedures. village-owned enterprises financial reports should be transparent and accessible to village communities.

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