

Improving Village Government Performance through Village Financial Management, Good Village Governance, and Knowledge Management

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Abstract

Introduction/Main Objectives: The purpose of this study is to investigate the influence of Village Financial Management (PKD), Good Village Governance (GVG), and Knowledge Management (KM) on Village Government Performance (KPD) from a sharia economic perspective.

Background Problems: Due to the substantial influx of village funds following the introduction of Law No. 6/2014, the Village Government and Village Financial Management Officers (PPKD) must effectively and precisely handle village finances. **Novelty:** This study proves that good PKD, GVG, and KM development as an adaptation to changes in regulations, technology, corruption prevention, and calls for administrative change can enhance the Village Government's effectiveness.

Research Methods: The study takes a quantitative method with simple random sampling procedure. The study's population was all villages in Madiun Regency, totaling 198 villages. Proportionally selected 66 villages from 15 sub-districts and 348 respondents of Village Financial Management Implementers (PPKD). Multiple regression using the SmartPLS 4 test tool was the data analysis method. **Finding/Results:** Multiple regression using the SmartPLS 4 test tool was the data analysis method. **Conclusion:** To implement bureaucratic reform and New Public Management, the Village Government must continue to improve PKD and GVG and foster KM as a way to serve the public, be accountable to the public, and work toward the village's vision and goal.

Keywords: Village Financial Management; *Good Village Governance*; *Knowledge Management*; Village Government Performance

JEL Classification: H30, H72, M48

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INTRODUCTION

The creation of Law 6/2014 has strengthened the position of the local Government and the part that community participation plays in projects aimed at accelerating local development. Additionally, Perpres 59/2017 concerning the Implementation of the Achievement of the

SDGs contains documents that outline global goals and targets for the years 2016–2030. The Village Law's application aligns with the Sustainable Development Goals.

Village governments must develop their organizations in order to meet the demands of enhancing public services and implementing bureaucratic reform. By fostering individual creativity and intrinsic drive, organizational innovation must be increased (Siswanto, 2022). According to Herizal et.al (2020), it is necessary to create regulations for public service accountability that are sensitive to specific local norms as they emerge and are applied in the community. The public sector's performance can be enhanced by applying the New Public Management (NPM) philosophy, which places a higher priority on public services and performance budgeting.

The village government serves as a steward for the community, encouraging public service and achieving shared prosperity. Stewardship theory explains how actors (Village Government) are held accountable to values (Village Communities). Agents simply want to manage the organization well and prioritize its goals over their own, according to Davis et al. (1997) and Donaldson & Davis (1991). Stewardship theory views agents as representatives who put the needs of the collective before their own (Schillemans & Bjurstrom, 2020). Stewardship theory states that in order to achieve organizational goals, village administrators are responsible for managing village money. The government ensures the creation of equitable distribution while simultaneously promoting human development and the creation of communal welfare.

The follow-up to the Village Law is the disbursement of Village Funds which are the main income of the village. Other village incomes are Village Fund Allocations (ADD) sourced from the APBD, grant funds, Village Original Income (PADes), and other legitimate incomes. Village officials must be able to adequately report the Village Fund's administration to the community and the central government due to its substantial worth (Ghozali and Hari, 2017). Welfare and poverty were significantly improved by the Village Fund (Wibisono et al., 2023). development and establishing the well-being of the community. On the other hand, according to ICW since the allocation of the Village Fund in 2015, there has been an increasing trend in corruption cases until 2022. In 2016 there were only 17 corruption cases in the village sector, in 2022 the number jumped to 155 cases. In 2016 the potential state loss was only around IDR 40.1 billion, then in 2022 it swelled to IDR 381 billion (Ahdiat, 2024). Wibisono and Purnomo (2017) found the causes of misuse of Village Funds, weak supervision of the BPD, weak community participation, high non-budgetary costs, as well as incompetence of human resources managing Village Funds and Village Heads.

To ensure that its administration can follow the regulations and meet goals, the Village Government's performance must be designed from the beginning. Public sector performance can be measured using the input, process, output, and outcome concepts, closely related to performance aspects based on value for money consisting of economy, efficiency and effectiveness (Halim and Kusufi, 2018: 128 and Mardiasmo, 2018: 4). The Islamic or sharia economic system approach can be used to gauge how well the Village Government's public sector is performing. After emerging as a scholarly field, Islamic economics is now a subject of study that is connected to current economic trends (Janwari, 2016).



Falah (happiness, safety in this world and the next), fair and equitable distribution, making basic necessities available, maintaining social justice, emphasizing brotherhood and unity, moral and material development, wealth circulation, and the eradication of exploitation are the primary goals of the Islamic economic system (Chaudry, 2012: 31–41). The goal of the Islamic economic system is in line with the definition of social security, which is stated in Article 1 Number 11 of Law Number 11/2009 concerning Social Welfare as an established program to guarantee that everyone may obtain their basic needs for a respectable living.

To avoid leaks and maintain focus, village financial management must be done correctly and in compliance with the law. Village financial management includes planning, carrying out, administering, reporting, and holding people accountable (Permendagri Number 20/2018). According to the findings of earlier studies, village finance management improves the Village Government's performance (Pasaribu et.al, 2023; Fitria and Wibisono, 2019; and Sunarti et.al, 2018). Since it can improve the performance of the Village Government, the quality of village finance management needs to be consistently enhanced.

Permendagri Number 20/2018 states in Article 2 (1) that “village finances are handled according to the principles of responsibility, transparency, and participation and are carried out in a budget that is disciplined and orderly”. Planning is done by creating the Village Medium-Term Development Plan (RPJMDes) and the Village Government Work Plan (RKPDDes) through the Hamlet Deliberation (Musdus) and Village Development Planning Deliberation (Musrenbangdes), the Village Deliberation for Determining the Village Revenue and Expenditure Budget (APBDes), and socializing the APBDes.

After being supplied by the Head of Financial Affairs and verified by the Village Secretary, the draft Cash Budget Plan (RAK) is approved by the Village Head. Village financial implementation operations include receipts and expenditures through the village cash account. The Head of Affairs and the Head of Section submit the Payment Order (SPP) in compliance with the Budget Implementation Document (DPA), and self-management is prioritized. The General Cash Book (BKU), bank subsidiary book, tax subsidiary book, and down payment subsidiary book contain records of every village financial transaction. Activities related to the Accountability Report (LPJ) are also recorded. Village financial reporting through activity implementation and the realization of the mid-semester and year-end village budgets. Lastly, responsibility is demonstrated by submitting the LPJ, which is created in compliance with rules and guidelines. The Village Government Administration Report (LPPD) and Village Budget Realization are submitted to the Regent/Mayor at the end of the year and informed in the information media.

Good governance (GG) is expected to be the solution to all problems in the implementation of government to improve public services (Harianto and Baru, 2017: 1). Furthermore, GG is transformed into good village governance (GVG) at the village level. "The Village Head is obliged to implement the principles of Village Governance that are accountable, transparent, professional, effective and efficient, clean, and free from collusion, corruption, and nepotism" (Article 26 paragraph [4.f] of the Village Law). The principles of GG based on UNDP (1997) which were also adopted by LAN & BPKP (2000) are “participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, strategic vision”.

The findings of earlier studies indicated that the effectiveness of the village administration can be impacted by good governance (Handayani et al., 2023; Ariawan et al., 2021). The performance of Village Government managers and equipment is positively impacted by GG (Iswara and Putri, 2019; Raheni and Putri, 2019; Maranda et al., 2022). GG has an impact on public sector performance (Taufik and Kemala, 2013; Ambarwati et al., 2019). The degree of subjective individual welfare is positively impacted by government efficiency and governance (Carcaba et al., 2022). So GG or Good Village Governance (GVG) can encourage the creation of performance improvements in the public sector and will encourage the organization's work mechanism to achieve the goals and targets of public service performance.

KM is required to enhance the Village Government's performance. "KM in higher education aims to increase the effectiveness of knowledge and intellectual capital by accomplishing three main goals: increasing task quality and efficiency, training human resources at all levels of operation, and expanding an organization's field knowledge base" (Bui Thanh and Tran Trong, 2023). Based on Permenpan-RB Number 14 of 2011, the definition of "knowledge management is a structured and systematic effort in developing and using existing knowledge to assist the decision-making process for improving organizational performance". Knowledge management can be defined as what actions are needed to get the most out of knowledge resources. According to Becerra and Sabherwal (2010), KM is a field that is becoming more and more significant in fostering the development, exchange, and use of organizational knowledge.

KM includes knowledge identification activities, knowledge creation, knowledge sharing, knowledge use (Soleh, 2011: 33; Nonaka and Takeuchi (1995) in Lumbantobing (2016: 15); Gonzalez and Martins, 2017). In the KM system provides the right and accurate information to the appropriate individual at the appropriate moment, and provides the media to analyze the information. Furthermore, providing responsiveness to the results they obtain from the information. KM can transform experience and information into a result (Honeycutt, 2000: 3). According to Souza et al. (2016), the systematic literature review (SLR) study found that most articles indicated specific gains in the financial performance (FP) of businesses that significantly support knowledge management.

Therefore, the objective of KM implementation is to be able to collect and manage all of the existing knowledge in order to improve public services and work efficiency. the importance of producing, acquiring, conserving, and using knowledge to enhance public services by increasing the accountability and transparency of village governance (Purwanto et al., 2018). The best information management techniques from a managerial standpoint to enhance organizational innovation performance (Susanty et.al, 2018). An investigation of the factors that contribute to the need for more empowering leadership is required (Yingying, 2015).

The Village Financial Management Implementation (PPKD) collects village apparatuses, which are resources that need to keep learning and adjusting to new scientific and technological advancements. According to the Resource Based View (RBV) philosophy, a business can gain a competitive edge by depending on its resources in order to guide it toward sustainability (Barney, 1986). To fulfill the challenges of delivering public services and enacting bureaucratic reform, the village administration must reorganize. By fostering



individual creativity and intrinsic drive, organizational innovation must be increased (Siswanto, 2022). According to earlier studies, knowledge management (KM) affects government organization performance (Puryantini et al., 2017), firm performance (Kusa et.al, 2024), and the role of job crafting is positively impacted by knowledge sharing (Supriyanto et.al, 2020). The formulation of the research hypothesis based on the background and problems is:

- H1: Village Financial Management has a positive and significant effect on Village Government Performance.
- H2: Good Village Governance has a positive and significant effect on Village Government Performance.
- H3: Knowledge Management has a positive and significant effect on Village Government Performance.
- H4: Village Financial Management, Good Village Governance, and Knowledge Management simultaneously have a positive and significant effect on Village Government Performance.

RESEARCH METHOD

This study employs a quantitative methodology. The goal of quantitative research, which is grounded in positivism, is to test a hypothesis by studying a certain population or sample, gathering data with research tools, and analyzing the data quantitatively or statistically (Sugiyono, 2017: 35–36). Simple random sampling is used in the sampling procedure. All 198 villages in Madiun Regency make up the research population. 66 villages were chosen proportionately from 15 subdistricts, and 348 Village Financial Management Implementers (PPKD) responded. Multiple regression using the SmartPLS 4 test tool is the data analysis method. Respondents were given questionnaires with a series of statements on a Likert scale numbered 1 through 5 in order to collect primary data.

The variables in this study have the following operational definitions:

1. Village Government Performance (KPD) is the achievement of results based on the main objectives of the Islamic economic system, namely the achievement of *falah*, fair and equitable distribution of wealth, the availability of basic needs, prioritizing brotherhood and unity, upholding social justice and circulation of wealth (preventing hoarding), and eliminating exploitation.
2. Village Financial Management (PKD) is the planning, execution, administration, reporting, and responsibility of village funds are all included in this financial management activity.
3. Good Village Governance (GVG) is an evolution of good governance, specifically good village government governance founded on the following principles: accountability, transparency, responsiveness, equity, rule of law, openness, a focus on consensus, responsibility, efficacy and efficiency, and a strategic outlook.
4. Knowledge management (KM) is an endeavor to enhance organizational and personal knowledge via the phases of creation, exchange, application, and recognition.

Multiple linear regression using the SmartPLS 4 test tool is the method of data analysis. Multiple linear regression tests and descriptive statistics (F test, termination coefficient test,

and t test), and traditional assumption tests (multicollinearity and heteroscedasticity tests) are all included in statistical data testing.

RESULTS AND DISCUSSION

Descriptive Statistics

Table 1. Respondents' Gender Frequency Distribution

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Man | 194 | 55.6% |
| Woman | 154 | 44.1% |
| Amount | 348 | 100% |

Source: Processed data, 2024

According to Table 1, there were 348 study participants in total, 194 of whom were men (55.7%) and 154 of them were women (44.1%). There are 11.5% more male respondents (PPKD) than female respondents.

According to Table 2, the majority of respondents (133, or 38.22%) are in the 35–45 age range. Next, respectively 46 - <55 years as many as 90 people (25.86%). Age 25 - <35 years as many as 79 people (22.7%). Age >55 years as many as 37 people (10.63%). Finally <25 as many as 9 people (2.59%). The young age group dominates PPKD members, namely the age group <45 as many as a total of 221 people (63.51%). This is quite advantageous since it can promote enhancements in PPKD and Village Government performance. Young people are productive and can still be encouraged to learn and adjust to new rules, technology, and other advancements.

Table 2. PPKD Respondents' Age Frequency Distribution

| Age | Frequency | Percentage (%) |
|----------|-----------|----------------|
| <25 | 9 | 2.59% |
| 25 - <35 | 79 | 22.70% |
| 35 - <45 | 133 | 38.22% |
| 46 - <55 | 90 | 25.86% |
| >55 | 37 | 10.63% |
| Total | 348 | 100% |

Source: Processed data, 2024

According to Table 3, the majority of respondents with the greatest degree of education—211 individuals, or 60.63 percent—are high school graduates or equivalent. Next, in order, there are Bachelor's (S1) graduates as many as 107 people (30.75%), Diploma graduates (D3 and D4) as many as 17 (4.89%), Postgraduate (S2) as many as 5 (1.44%), Diploma graduates (D1 and D2) as many as 4 people (1.15%), Junior High School graduates/equivalent is 4 people (1.15%). Senior High School graduates/equivalent dominate the number of PPKD (60.63%) in Madiun Regency. To raise the caliber of human resources in the Village Government, senior high school graduates and their equivalents



must participate in a variety of training programs, take courses, and pursue further education. There are still 4 junior high school graduates/equivalent (1.15%) who are old Village Apparatus who are approaching retirement.

Table 3. Frequency Distribution of PPKD Respondents' Education

| Level of education | Frequency | Percentage (%) |
|-------------------------------|-----------|----------------|
| Junior High School/Equivalent | 4 | 1.15% |
| High School/Equivalent | 211 | 60.63% |
| Diploma (D1 and D2) | 4 | 1.15% |
| Diploma (D3 and D4) | 17 | 4.89% |
| Bachelor degree) | 107 | 30.75% |
| Postgraduate (S2) | 5 | 1.44% |
| Total | 348 | 100% |

Source: Processed data, 2024

Table 4. Length of Service Frequency Distribution of Respondents

| Length of work | Frequency | Percentage (%) |
|----------------|-----------|----------------|
| <5 | 73 | 20.98% |
| 5 - <10 | 31 | 8.91% |
| 10 - <15 | 121 | 34.77% |
| 15 - <20 | 48 | 13.79% |
| >20 | 75 | 21.55% |
| Total | 348 | 100.00% |

Source: Processed data, 2024

Table 4 shows that the length of service of PPKD respondents is dominated by the duration of 10 - <15 years as many as 121 (34.77%). Next, in order, the length of service >20 years as many as 75 (21.55%), <5 years as many as 73 (20.98%). And finally 5 - <10 years as many as 31 people (8.91%). The composition of the length of service is influenced by the need for new Village Apparatus positions and filling the positions of Village Apparatus who have retired. This composition is ideal because it is dominated by the length of service group 10 - <15 years as many as 121 people (34.77%). This indicates that youthful, industrious people make up the majority of the PPKD respondents' age group.

Classical Assumption Test Results

VIF value <10 indicates that there is no multicollinearity (Ghozali, 2016). This indicates that the independent variables in the study data do not have a strong linear relationship with one another.

Table 5. Multicollinearity Test

| Variable | VIF |
|----------|-------|
| PKD (X1) | 2.915 |
| GVG (X2) | 3.794 |

| | |
|---------|-------|
| KM (X3) | 2.149 |
|---------|-------|

Source: Data processed from SmartPLS Regression 4, 2024

The results of the heteroscedasticity test P value > 0.5. This means that there is no heteroscedasticity in the research data or the data distribution is spread out and does not show similarities between one and another.

Table 6. Heteroscedasticity Test Results

| | Test-Statistic | df | P value |
|--------------------|----------------|----|---------|
| Breusch-Pagan Test | 2.190 | 3 | 0.534 |

Source: Data processed from SmartPLS Regression 4, 2024

Testing for Multiple Linear Regression

Table 7. P Value and t-Test Outcomes

| | Unstandardized coefficients | Standardized coefficients | SE | T value | P value | 2.5 % | 97.5 % |
|-----------|-----------------------------|---------------------------|-------|---------|---------|-------|--------|
| PKD (X1) | 0.257 | 0.272 | 0.065 | 3.938 | 0.000 | 0.129 | 0.386 |
| GVG (X2) | 0.296 | 0.309 | 0.075 | 3.924 | 0.000 | 0.148 | 0.445 |
| KM (X3) | 0.113 | 0.142 | 0.047 | 2.398 | 0.017 | 0.020 | 0.206 |
| Intercept | 1.407 | 0.000 | 0.185 | 7.589 | 0.000 | 1.043 | 1.772 |

Source: Data processed from SmartPLS Regression 4, 2024

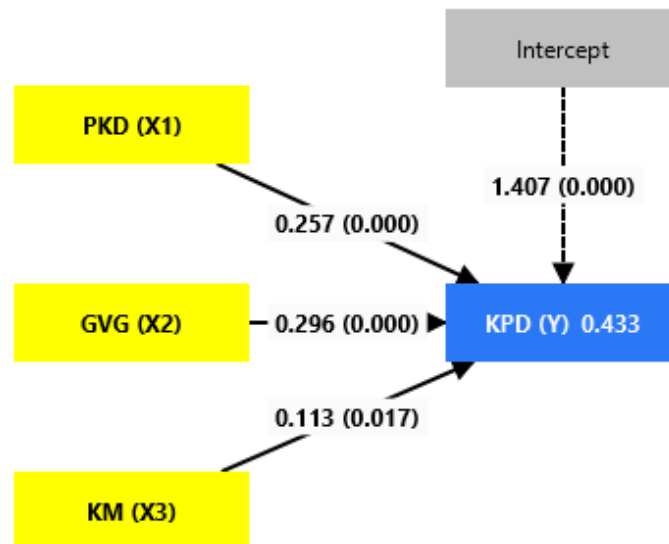


Figure 1. Results of P Value and Unstandardized Coefficients Tests

Source: Data processed from SmartPLS Regression 4, 2024

Information: PKD: Village Financial Management (X1); GVG: *Good Village Governance* (X2); KM : *Knowledge Management* (X3); KPD: Village Government Performance (Y)



As seen in Figure 1, the results of the Hypothesis 1 test demonstrate that H1 is accepted with a P value of $0.000 < 0.05$ and a T value of $3.3938 > 1.967$ (T table). This demonstrates that Village Government Performance (KPD) is positively and significantly impacted by Village Financial Management (PKD). With a coefficient value of 0.257, KPD will rise by 25.7% for every unit increase in PKD.

With a T value of $3.924 < 1.967$ and a P value of $0.000 > 0.05$, the findings of the Hypothesis 2 test show that H2 is accepted (T table). This demonstrates that KPD is positively and significantly impacted by Good Village Governance (GVG). According to the coefficient value of 0.296, KPD will rise by 29.6% for every unit increase in GVG.

With T values of $2.398 > 1.967$ (T table) and P values of $0.017 < 0.05$, testing for Hypothesis 3 shows that H3 is accepted. This indicates that KM significantly and favorably affects KPD. According to the coefficient value of 0.113, KPD will rise by 11.3% for every unit increase in KM.

The F test findings (Table 8) indicate a P value < 0.05 . This indicates that Village Financial Management, Good Village Governance, and Knowledge Management all have a good and significant impact on Village Government Performance simultaneously. H4 is therefore approved.

Table 8. F Test Results

| | Sum square | df | Mean square | F | P value |
|------------|------------|-----|-------------|--------|---------|
| Total | 41.979 | 347 | 0.000 | 0.000 | 0.000 |
| Error | 23.604 | 344 | 0.069 | 0.000 | 0.000 |
| Regression | 18.374 | 3 | 6.125 | 89.261 | 0.000 |

Source: Data processed from SmartPLS Regression 4, 2024

The amount that endogenous constructs may be explained by external constructs is measured using adjusted R square. R Square values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak (Hair et al., 2017). Exogenous factors, including those in the moderate category, can have a 43.3% impact on the KPD variable, according to the R-squared adjusted KPD (Y) value of 0.433.

Table 8. R Square Adjusted

| | KPD (Y) |
|-------------------|---------|
| R-square adjusted | 0.433 |

Source: Data processed from SmartPLS Regression 4, 2024

The Influence of Village Financial Management on Village Government Performance

According to the current study's findings, village financial management significantly and favorably affects village government performance from an Islamic economics standpoint. According to Chaudhry (2012: 31–41), the performance of village governments is founded on the primary goals of Islamic/Islamic Economics, which include the attainment of falah, just and equitable distribution, the provision of necessities, maintaining social justice, emphasizing fraternity and unity, moral and material development, wealth circulation, and the eradication of exploitation.

Law Number 11/2009 about Social Welfare, which established Social Security as a

formal program to guarantee that everyone can meet their fundamental needs for a respectable existence, aligns with the goals of the Islamic economic system. The results of this study are in line with other studies showing that village finance management enhances village government performance (Pasaribu et al., 2023; Fitria and Wibisono, 2019; and Sunarti et al., 2018).

The quality of village finance management must be continuously improved since it can enhance the functioning of the village government. The outcomes of coaching by the Madiun Regency PMD Service and Sub-district, as well as mentoring by the Village Local Companion (PLD) and the Village Companion Expert Team (TAPD), are inextricably linked to the effective administration of village finances. PLD and TAPD are also called Village Companions. The Village Government is required to follow the Annual Work Mechanism of the Village Government and Smart Village Development Planning by the Madiun Regency PMD Service.

TAPD conducts annual training attended by PPKD. Furthermore, monitoring and evaluation of desk evaluation are carried out collaboratively by the Madiun Regency PMD Service, Sub-district, and Village Companions. To help the Village Government manage and use the budget in an orderly manner, both from Village Funds and from Village Fund Allocations, TAPD and PLD offer coaching in village financial administration, using the Village Financial System application, and reporting (SPJ). Information technologies such as E-Musrenbangdes, Siskeudes, the Cash Management System (CMS-Bank Jatim) linked to Siskeudes-link, and Omspan (Online Monitoring System for Treasury and State Budget) have been utilized by the Madiun Regency Village Government.

"From 2019 to 2024, Madiun Regency has consistently ranked first in the fastest distribution of Village Funds in Indonesia and during his tenure as Regent of Madiun for the 2018-2023 period, the Village Fund Allocation (ADD) from the APBD was increased by 20 percent" (Rahayu, 2024). This shows the consistency and commitment of Madiun Regency in village development.

New Public Management (NPM) requires the Village Government to improve its performance, reform itself into a public servant. Furthermore, village financial managers must be able to manage each village budget item in accordance with planning and budgeting, prevent manipulation and leakage, and be accountable for their work in accordance with public sector accounting reporting standards accompanied by sufficient evidence. According to the resource-based view theory, village financial managers' proficiency in carrying out their duties—from planning and execution to reporting and accountability—is crucial.

The Influence of Good Village Governance (GVG) on Village Government Performance

According to the current study, GVG significantly and favorably affects village government performance from a sharia economic standpoint. The results of this study are in line with previous studies showing that excellent governance can affect government performance (Handayani et al., 2023; Ariawan et al., 2021). The effectiveness of Village Government managers and staff is positively impacted by good governance (Iswara and Putri, 2019; Raheni and Putri, 2019; Maranda et al., 2022). The public sector's performance is impacted by good governance (Taufik and Kemala, 2013; Ambarwati et al., 2019).



The implementation of bureaucratic reform with the application of New Public Management encourages the Village Government to improve and organize itself to provide public services like private companies/organizations. The Village Government's execution of GVG aligns with the goals and directives of the State Apparatus Empowerment and Bureaucratic Reform Minister. The Village Government's improved performance is a sign that GVG has been implemented.

The Influence of Knowledge Management on Village Government Performance

According to the current study's findings, KM significantly and favorably affects village government performance from a sharia economic standpoint. At the Village Government level, KM research is scarce. The present study's findings corroborate those of earlier research, which found that knowledge management (KM) influences government organization performance (Puryantini et al., 2017), KM influences business performance (Kusa et al., 2024), and knowledge sharing enhances the function of job crafting (Supriyanto et al., 2020).

In his Resource Based View theory, Barney (1986) asserts that a business or organization can gain a competitive edge by depending on its resources in order to guide it toward sustainability. It is crucial to establish the competitive edge that village government employees and officials/civil servants have in the development of knowledge management (KM). This is to enhance public service by improving the Village Government's performance. The organization will gain a competitive edge through innovative capabilities resulting from knowledge management (Muluk, 2007).

To facilitate their job and improve their competency advantages in the context of public service and enhancing the Village Government's performance, village officials must develop knowledge management. This aligns with the resources-based view (RBV) hypothesis, which posits that by comprehending the interplay of resources, capabilities, competitive advantage, and profitability, one can get insight into the mechanisms that sustain competitive advantage across time.

CONCLUSION

The results of the study demonstrate that PKD has a large and positive impact on KPD. The Village Financial Management Implementer (PPKD) must implement good village financial management from the beginning of planning in order to facilitate reporting and accountability. GVG has a large and positive impact on KPD. GVG is a call for bureaucratic reform because the Village Government is responsive to the community. KM has a positive and considerable impact on KPD.

To make work easier and enhance community services, KM development at the village level is essential. In Madiun Regency, the village government has generally put strong village finance management, GVG, and KM into practice. In order to achieve the village's vision and goal, the PPKD and village administration must continue to improve PKD, GVG, and KM as part of their duties as community agents and stewards.

The Village Government as a steward for the community must strive to improve its performance. The Village Government and Village Financial Management Implementers (PPKD) need to be encouraged to develop KM as an effort to adapt to technological developments, regulations, and improving public services. Information technology

developed by the Village Government must be incorporated into the Village Information System. Enhancing PPKD's capacity to handle village finances should focus on quality of work and measures to stop unethical practices in addition to orderly administration and reporting. Implementation of GVG is needed to improve public accountability and public service.

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