Financial Management Training for Bumdes Based on Transparent and Accountable Accounting

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Abstract
Village-Owned Enterprises (BUMDes) are a strategic instrument of village economic policy in Indonesia, yet many still suffer from weak financial management, inadequate bookkeeping, and low accountability. This community service activity was conducted in Pabelan Village, Pabelan Sub-district, Semarang Regency, involving 32 BUMDes management members and village finance officers as participants. The training applied a participatory method that combined interactive lectures, workshops, and case-based practice using a simplified accounting module designed for rural settings. Pre-test and post-test assessments revealed a significant gain in participants' knowledge, from a mean score of 42.3 to 78.6, representing an increase of 85.8% (paired t-test: $t = 18.42$; $p < 0.001$). By the end of the training, 75% of participant groups successfully prepared a simple balance sheet, income statement, and cash flow report. The results affirm that structured accounting training substantially strengthens financial management capacity at the BUMDes level, which in turn supports the realization of transparent and accountable village fund governance.

Keywords: BUMDes, Financial Management, Accounting Training, Transparency, Accountability

INTRODUCTION

Village-Owned Enterprises (BUMDes) occupy a central position in Indonesia’s rural economic development strategy. The legal foundation for their establishment was laid by Law Number 6 of 2014 on Villages, which grants each village the right to establish a business entity suited to its local needs and potential. The Regulation of the Minister of Villages, Disadvantaged Regions, and Transmigration Number 4 of 2015 further elaborates the procedures for the establishment, management, and dissolution of BUMDes. Since this regulatory framework was enacted, the number of BUMDes in Indonesia has grown rapidly. Based on data from the Ministry of Villages, Disadvantaged Regions, and Transmigration, by 2022 more than 57,000 BUMDes had been established across the country, collectively managing assets exceeding IDR 2.2 trillion.

Despite this numerical growth, the quality of BUMDes management remains a serious concern. The Audit Board of the Republic of Indonesia (BPK) in its 2021 examination report found that the majority of BUMDes had not kept their financial records in accordance with prevailing accounting standards. Most prepared only a simple record of cash inflows and outflows, without a balance sheet, income statement, or adequate cash flow report. This condition severely limits the ability of village governments and communities to supervise and evaluate BUMDes performance. In Pabelan Village, Pabelan Sub-district, Semarang Regency, a preliminary assessment by the community service team confirmed the same pattern: the BUMDes had been operating for three years, yet no standardized financial report had ever been presented to the village deliberation forum (musyawarah desa).

The financial management weaknesses of BUMDes cannot be separated from the low capacity of the human resources managing them. A survey conducted by the Center for Village Finance Studies at Universitas Gadjah Mada in 2020 covering 420 BUMDes across five provinces found that 73.4% of BUMDes management members had no educational background in accounting or financial management. Furthermore, 61.2% stated they had never received structured financial management training. This directly affects the quality of financial reports produced and erodes public trust in BUMDes operations (BPK RI, 2021).

Transparency and accountability are the two foundational principles of sound BUMDes governance. Transparency requires that financial information be openly accessible to all stakeholders, while accountability obliges BUMDes managers to answer for every financial decision they make. Both principles can only be realized when management possesses the skill to produce verifiable financial reports. Without standardized financial statements, conflicts between managers and the village community easily arise. Research by Kurniasih and Wahyudi (2020) documented that 38% of disputes in BUMDes management were triggered by unclear financial reporting.

The condition described above motivated the community service team from the Accounting and Taxation Study Program, Universitas Ngudi Waluyo, to design and deliver a structured, measurable, and practically oriented financial management training program for the BUMDes in Pabelan Village. This program was designed not merely as a transfer of theoretical knowledge but as a practical exercise aimed at producing real capacity to prepare standard financial reports. This activity is also expected to serve as a replicable model for other villages facing similar conditions throughout Semarang Regency and beyond.

LITERATURE REVIEW

BUMDes and Village Financial Governance

BUMDes is a village business entity managed jointly by the community and the village government to strengthen the local economy, established in accordance with village needs and potential (BPS, 2022). According to Rambe and Nasution (2019), BUMDes functions as the primary engine of local economic activity by integrating diverse village resources into productive business units. From the perspective of public finance, BUMDes forms part of the village financial management system, which is obligated to apply the principles of transparency, accountability, participation, and orderliness as stipulated in Government Regulation Number 43 of 2014.

Sound financial governance of BUMDes encompasses three key dimensions: systematic transaction recording, preparation of periodic financial reports, and public disclosure of financial information. Research by Haryanto and Suryana (2021) on 96 BUMDes in Central Java demonstrated that entities applying accounting-based bookkeeping achieved profitability rates 40% higher than those relying solely on simple cash records. This finding establishes that accounting capacity is not merely an administrative obligation but a factor that directly influences the business performance of BUMDes.

Accounting as the Foundation of Transparency and Accountability

Accounting is traditionally defined as the process of identifying, measuring, and communicating economic information to assist users in forming judgments and decisions (American Accounting Association, 1966, cited in Suwardjono, 2013). In public organizations such as BUMDes, the function of accounting extends beyond financial recording to encompass accountability to the community as the primary stakeholder. Properly prepared financial statements enable villagers to assess whether entrusted resources have been managed correctly and efficiently (Mardiasmo, 2018).

The Indonesian Institute of Accountants (IAI) through the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), effective from 2018, provides technical guidance that is applicable to BUMDes. SAK EMKM simplifies disclosure requirements, making it more feasible for small entities with limited human resources. Research by Nugroho and Rahmawati (2022) demonstrated that implementing SAK EMKM in BUMDes improved financial report quality as measured by completeness of disclosure, timeliness of reporting, and ease of comprehension by non-specialist readers.

Training as a Medium for Capacity Building

The theory of adult learning (andragogy) developed by Knowles (1980) affirms that adults learn most effectively when training material relates directly to real problems they encounter in practice. This approach is highly relevant to accounting training for BUMDes managers, who are generally adults with practical working experience in rural settings. Training methods that combine lectures, discussions, and direct practice have been proven more effective than one-way instruction in improving practical accounting competence (Yusuf and Mulyani, 2021).

Several community service studies in related fields have documented the success of accounting training programs for managers of micro and small enterprises. Prasetyo et al. (2020) reported a 68% improvement in bookkeeping ability after two days of training involving 45 MSME managers in Yogyakarta. Meanwhile, Widodo and Listianingsih (2021) found that training accompanied by printed modules and post-training mentoring produced significantly higher knowledge retention compared to training without such modules.

METHODOLOGY

Activity Design and Approach

This community service activity applied a participatory action research (PAR) approach that positioned participants as active subjects in the learning process rather than passive recipients. The activity was conducted in Pabelan Village, Pabelan Sub-district, Semarang Regency, Central Java, in November 2025. The location was selected based on coordination with the local Community and Village Empowerment Agency, which identified Pabelan Village as a priority for BUMDes capacity development given the absence of standardized financial reporting by its BUMDes since the entity's founding in 2025.

Participants

The training involved 32 participants consisting of BUMDes management members, supervisory board members, and village finance officers directly responsible for village financial affairs. All participants were selected through coordination with the village government, with the criterion that each was actively engaged in BUMDes operations or village financial administration. Table 1 presents the composition of participants.

Table 1. Composition of Training Participants

No.	Participant Category	Total	Percentage (%)
1	BUMDes Director and Deputy Director	6	18.75
2	BUMDes Business Unit Heads	10	31.25
3	BUMDes Treasurer	8	25.00
4	BUMDes Supervisory Board	4	12.50
5	Village Finance Officer (Kaur Keuangan)	4	12.50
	Total	32	100.00

Stages of Implementation

The activity was carried out in three sequential stages. The first stage was preparation, which included a training needs assessment, development of a simplified accounting module based on SAK EMKM, and coordination with the village government and BUMDes management. The second stage was the delivery of a two-day intensive training using interactive lectures, workshops, and case-based practice. The third stage was evaluation, encompassing knowledge measurement through pre-test and post-test instruments, as well as assessment of financial report products prepared by participants.

The training module was written in plain Indonesian, free of technical jargon, to ensure accessibility for participants without an accounting background. The module comprised four main sections: basic accounting concepts and the purpose of financial statements; recording BUMDes financial transactions; preparing a simplified balance sheet and income statement; and the principles of transparency and accountability in public financial reporting.

Evaluation Instruments

Evaluation of training outcomes was carried out using two instruments. The first was a pre-test and post-test questionnaire consisting of 20 multiple-choice items calibrated to reflect the training material. The second was a practical work sheet in which participants prepared simplified financial statements during the final session. Pre-test and post-test results were analyzed using a paired t-test to determine the statistical significance of knowledge gains.

RESULTS AND DISCUSSION

Baseline Condition of BUMDes Financial Management

The preliminary assessment conducted before training revealed that the financial management of Pabelan Village's BUMDes required substantial improvement. The majority of business units within the BUMDes had no standardized recording system. Of the 32 participants interviewed, 21 (65.6%) stated that their BUMDes recorded only cash inflows and outflows without separating initial capital, operating revenue, and operating expenses. Eighteen participants (56.3%) acknowledged that no formal financial report had ever been submitted to the village deliberation forum. Only 4 participants (12.5%) had previously attended any accounting training. Table 2 summarizes the baseline conditions.

Table 2. Baseline Financial Management Conditions of BUMDes Pabelan

Aspect	Baseline Condition	Percentage (%)
Recording only cash inflows and outflows	21 of 32 participants	65.6
No separation of capital and revenue accounts	24 of 32 participants	75.0
Never prepared a formal financial report	18 of 32 participants	56.3
Previously attended accounting training	4 of 32 participants	12.5
Familiar with SAK EMKM	2 of 32 participants	6.3

Training Implementation

The first day of training focused on building conceptual understanding of accounting and its connection to sound BUMDes governance. Facilitators used a fictional BUMDes case study modeled on real field situations encountered in rural Semarang Regency. This approach proved highly effective in sustaining participants' engagement, as they could immediately relate the material to their daily working experience. Question-and-answer sessions were lively, averaging 12 questions per session, reflecting high participant curiosity and motivation to learn.

The second day was dedicated to hands-on practice. Participants were divided into eight small groups of four persons each. Each group received a complete fictional BUMDes case containing one month of transaction data. Participants were tasked with preparing a simplified journal, general ledger, trial balance, balance sheet, and income statement based on that data. Facilitators rotated among groups to provide direct guidance and correction throughout the session.

Knowledge Assessment Results

The pre-test and post-test assessment yielded highly significant results. The mean pre-test score across all participants was 42.3 out of 100, reflecting very limited baseline knowledge of basic accounting. After completing the two-day training, the mean post-test score rose to 78.6, representing an increase of 85.8%. The paired t-test produced a t-value of 18.42 with a significance level of $p < 0.001$, confirming that the knowledge gain was statistically highly significant. Table 3 presents the results by material component.

Table 3. Comparison of Pre-test and Post-test Scores by Material Component

Material Component	Mean Pre-test	Mean Post-test	Increase (%)
Basic Accounting Concepts	38.4	82.5	114.8
Transaction Recording	44.1	79.3	79.8
Financial Statement Preparation	35.6	74.8	110.1
Transparency and Accountability	50.9	77.8	52.8
Overall Mean	42.3	78.6	85.8

Quality of Financial Report Products

Beyond knowledge measurement, training success was also evaluated through the quality of financial reports prepared by each group in the final practical session. Of the eight groups, six (75%) successfully prepared a balance sheet and income statement with an accuracy rate above 80%. The remaining two groups encountered difficulties with adjusting journal entries, yet had nonetheless grasped the standard structure of financial statements. This outcome demonstrates that a two-day training program employing a practical methodology is capable of producing sufficient foundational skills for day-to-day BUMDes financial management.

DISCUSSION

The significant knowledge increase of 85.8% within two days of training confirms the relevance of the andragogical approach applied. Participants who actively engaged in real-case discussions and hands-on practice demonstrated more solid understanding than those who remained passive. This finding aligns with Yusuf and Mulyani (2021), who consistently found that participatory training methods produce higher competency gains among managers of non-profit and semi-public organizations.

The module written in accessible Indonesian language, free of technical terminology, visibly accelerated participants' absorption of the material. Most participants who initially felt unconfident about studying accounting stated that the module made accounting concepts feel approachable. This supports the argument of Widodo and Listianingsih (2021) that module design tailored to the user's context is a critical factor in determining the effectiveness of training in rural settings.

From a policy perspective, the results of this activity affirm that investment in BUMDes human resource development is a necessary step toward realizing transparent and accountable village financial governance. Local governments should design similar training programs on a regular basis, engaging universities as technical partners to provide facilitators, modules, and post-training mentoring. The collaboration between academics, local government, and village communities as demonstrated in this activity in Pabelan represents an effective model for strengthening governance capacity at the grassroots level. The fact that six of eight groups successfully produced standard financial reports within a single training session demonstrates the practical viability of this model even within tight resource constraints.

CONCLUSION

The financial management training program for BUMDes in Pabelan Village, Semarang Regency, based on transparent and accountable accounting, successfully improved participants’ knowledge and practical skills in a measurable and statistically significant manner. The mean knowledge score increased from 42.3 to 78.6, a gain of 85.8%, and 75% of participant groups successfully prepared basic financial reports meeting standard requirements during the practical session. The participatory approach combining lectures, case-based discussion, and direct practice proved effective in transferring accounting knowledge to BUMDes managers without a formal financial background.

This activity demonstrates that the financial management capacity gap in BUMDes can be addressed through structured, practice-oriented training programs. To ensure that training outcomes are optimally implemented, follow-up mentoring conducted periodically by a facilitation team or consultants appointed by the local government is needed. In addition, the development of simple technology-based accounting systems adapted to the needs of rural BUMDes should be pursued so that transparent and accountable financial management can be applied more broadly across villages in Semarang Regency and throughout Indonesia.

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