PROCEEDINGS OF THE 2ND UNIVERSITAS RIAU INTERNATIONAL CONFERENCE ON EDUCATION SCIENCES

“Striving for a Better Teaching, Learning, and Research in the Digital Era”

October 13th, 2018
Grand Suka Hotel, Pekanbaru
Indonesia

Fakultas Keguruan dan Ilmu Pendidikan
Universitas Riau
PREFACE

The 2nd Universitas Riau International Conference on Educational Sciences (URICES) is conducted and organized by Fakultas Keguruan Dan Ilmu Pendidikan (FKIP), Universitas Riau in Grand Suka Hotel Pekanbaru 13 October 2018.

There are 4 plenary Keynote speakers invited, from Sydney University (Australia), University Kebangsaan Malaysia (Malaysia), Nanyang Technological University (Singapore) and Universitas Riau (Indonesia) that is covering the different education areas. The committee has received of 151 abstracts/fullpapers, after peer review process, there are 128 scientific participants presented and shared their experience in the several of education research. Generous support for the conference is provided by FKIP Universitas Riau and all honorable participants.

A great appreciation is due the spirit and hardworking of our committee during the preparation of the conference since April 2018. The next URICES will be conducted in 2019. Through this conference, we hope we can learn how to improve our research in the near future, we can do the engagement among the researchers, among the universities and we are able to get some new idea from the other side of the research so that we can be Striving for a Better Teaching, Learning, and Research in the Digital Era, as the theme of this conference.

Nur Islami, Ph.D

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The Effectiveness of Using Hand-Out Teaching Materials in the Learning of Microeconomic Theory Courses in the Students of Economic Education FKIP of Riau University
Regional Original Income Management Optimization in Improving Village Economic Development in Rambah Hilir District, Rokan Hulu Regency

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Abstract: The purpose of this study is to analyze the optimization of local revenue management in improving the economy in the village. Based on the research objectives, this research is a type of Mixed Methods research. According to Creswell (2007) research using mixed methods is a research approach by combining qualitative and quantitative research. Data collection methods in this study were conducted with interviews, documentation and questionnaires. The data collected is qualitative data and numbers. Data analysis techniques are the process of simplifying data in a form that is easier to read and implement. Data analysis using multiple regression analysis method with hypothesis testing and descriptive analysis. The form of multiple regression equations is formulated in a regression equation about the management of regional original income abbreviated as PAD village to increase the village economy. The results of the study revealed that the management of village PAD carried out by the Village Government was in accordance with its management procedures. Increased rural economic development due to optimal management of the Village PAD, so that the welfare of the people in the village can increase. In general, the management of PAD Desa is in accordance with management in general, starting from planning, organizing, monitoring and accountability. Based on interviews conducted, the Village Government has always set a strategy to coordinate with all actors, especially managers and the Village Government and BPD. With good coordination and cooperation on the management of the Village PAD, the aim of improving the village economy can be done well.

Keywords: local income, village economy

1. Introduction

The smallest government operational center in Indonesia is in the village. During this time when I heard the word village, people would think, that the village was still an isolated remote area and so on, the village was always neglected by everyone’s eyes fixed on a city that was all there and easily got something desired. All government centers are in the city, this causes the village to always be left behind and ignored. The village paradigm is something that is left behind and is turned into a turn after the birth of Law Number 6 of 2014 concerning the village. All eyes are aimed at advancing the village, and it has been coordinated as a separate ministry. Compared to urban economic growth in villages is often considered slow. Several attempts have been made to improve this, this is as stated by Rutiadi in Bachrein (2010) where two approaches are needed: a) the needs of the community in making changes and preventing undesirable things, and b) political will and the ability of the village government with the community to implement...
the development plans that have been prepared. The development of the economic base in the countryside has long been run by the Government through various programs. But that effort has not produced satisfactory results as desired together. There are many factors that lead to the lack of success of these programs. One of the most dominant factors is that government intervention is too large, as a result it inhibits the creativity and innovation of rural communities in managing and running economic machines in rural areas. The system and mechanism of economic institutions in rural areas do not work effectively and have implications for dependence on Government assistance so as to kill the spirit of independence (PKDSP, 2007).

Issues that become fundamental problems in the village related to the village economy are: 1) most of the land in the village is not controlled by the villagers, but is controlled by investors who have large capital, usually residents outside the village, city, or province, 2) the village has become a market share in the form of goods/services that come from the city, even in it is the effect of imported commodity policies so that the economic flow that should revolve and prosper the village is absorbed by goods/services produced outside the village. Instead of adding to the economic competitiveness, it actually slumped on the consumption of products from outside, 3) distribution regulations or long logistics flows became the trigger for high staple goods. To overcome the undeveloped economy in the village, the government through regulation has rolled out regulations and laws to advance the economy in the village. The government's seriousness in advancing the village is evidenced by the increasing allocation of village funds each year. The amount of village funds in the 2017 State Budget (APBN) increased to IDR 60 trillion or IDR 800 million per village. The previous year, the village budget was Rp. 46.9 trillion or Rp. 644 million per village. (APBN 2017). The amount of APBN allocation for each village is expected to improve the economy of the village community.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Roadmap for Village Fund Allocation 2015 - 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uraian</td>
<td>2015 APBN</td>
</tr>
<tr>
<td>Transfers to Regions</td>
<td>637,975,1</td>
</tr>
<tr>
<td>% Village Fund</td>
<td>1.4%</td>
</tr>
<tr>
<td>Village Fund (billion)</td>
<td>9,066,2</td>
</tr>
<tr>
<td>Average per village (million)</td>
<td>122,4</td>
</tr>
<tr>
<td>Village Fund Allocation (billion)</td>
<td>33,430,8</td>
</tr>
<tr>
<td>Profit Sharing of PDRD (billion)</td>
<td>2,091,1</td>
</tr>
<tr>
<td>Total (DD+ADD+BH PDRD)</td>
<td>44,580,9</td>
</tr>
<tr>
<td>Average per village (million)</td>
<td>601,8</td>
</tr>
</tbody>
</table>

From the table above the government's seriousness in advancing rural economy can be seen that the percentage of village funds starting in 2015 has increased. Research on Village PAD has been carried out by several researchers including by Gusti Ayu Rani Desi Andari et al (2017) The results of the study show that (1) the management carried out by the Pejarakan Village Government is in accordance with management procedures; (2) BUM Desa Pejarakan plays a role in increasing the Village Original Revenue so that later the Village Government can organize development that impacts the village economy; and 3) the strategy implemented by the Village Government is more on mutual coordination and cooperation between the Village Government, BPD and Management Parties, as well as identification and inventory of the value and potential of village assets, village asset management information systems, supervision and control of village asset utilization, and appraisal services involvement.
While research on PAD management was carried out by Suci Indah Hanifah (2015), the results of his research stated that the Kepatihan Village financial management was based on the Minister of Home Affairs Regulation No. 37 of 2007 which showed accountable and transparent implementation seen from the reporting of Village Expenditure Budget accountability (APBDesa), but in terms of accounting records, further guidance and training is needed, because it is not fully in accordance with the provisions.

The original village income (PAD) in several districts in Rohul in the last 5 years tends to decline, such as the PAD for Rambah Hilir Subdistrict in 2016 decreased (only Rp 133,000,000) very drastically compared to 2012 (from Rp 236,200,000) (BPS Kab Rohul, 2017). This phenomenon is interesting to study, it should be legislated about the Village, the condition of PAD will increase but this is the opposite. The decreasing PAD of the village will influence the economy of the village.

In the law. No. 0.6 / 2014 concerning Villages Article 72 and Paragraph 1, stated that the source of village income is derived from: 1) Village Original Income consists of business results, assets, self-help and participation, mutual cooperation, and other village original income, 2) Allocation of APBN in spending transfers to regions / villages; 3) Part of the results of regional taxes and district / city regional retributions; at least 10% of regional taxes and levies, 4) Village fund locations which are part of the balance funds received by the Regency / City; at least 10% of the balance funds received by the Regency / City in the APBD after deducting the Special Allocation Fund, 5) Financial Assistance from the Provincial APBD and Regency / City APBD; 6) non-binding grants and donations from third parties; and other legal Village income. (Source: http://info- Budget.com/)

As many as 89.5 percent of village funds are spent conventionally on infrastructure development. As a consequence, Rp. 17 trillion in state funds only served as an additional income of Rp. 24 trillion in village income in 2015. Unfortunately, so far the village funds have not been capitalized to increase the assets of the village government and people's welfare. The indications are that village funds meet 40 percent of the village's income budget, but reduce the village's original income (PAD) from 15 percent to 9 percent.

The main purpose of the birth of Law No. 6 of 2014 concerning Village (Village Law) is a prosperous village community. The potential and resources in the village are not exploited by people from outside the village, but are enjoyed by the villagers themselves. Based on the above problems, to improve the economy in the village, one way is to manage the economic potential in the village optimally in accordance with the applicable rules and regulations, with optimal management will be able to move smoothly and is expected to increase village income (PAD).

**Framework**

A lot of research has been carried out on the management of the village's original income and village business entities, this research tries to present the optimization of the management of the village's original income and village business entities in improving the economic development of the village. Several studies on the optimization of PAD have been carried out by several researchers including; Gusti Ayu RDA, Ni Luh GES, Anantawikrama TA. (2017), Putri Nugrahaniingsih, Falikhatun, Jaka Winarna. (2016), Maria Rosa Ratna Sri Anggraini. (2016), and Suci Indah Hanifah and Sugeng Praptoyo. (2015).

Research conducted by Azwardi Sukanto, (2014) on the Effectiveness of Village Fund Allocation (ADD) and Poverty in the Province of South Sumatra, states that several things
related to the problems in this study are: the distribution of ADD funds is not in accordance with the applicable regulations. When viewed from the amount disbursed until 2012, none has fulfilled the applicable provisions (minimum 10% of revenue sharing plus tax minus employee expenditure). However, regions that have made ADD distribution show an increase, if in 2006 it was 35.71%, increasing to 90% in 2012.

Then Ayu Komang Dewi Lestari et al. (2014) Dissecting Accountability of Financial Management Practices in Pakraman Kubutambahan Village, Kubutambahan District, Buleleng Regency, Bali Province. The results of his research show that; 1) The process of financial management and accountability in the village of Pakraman Kubutambahan does not involve the entire Krama Desa Pakraman but only through representatives. 2) Accountability of financial management takes place consistently every month using a simple accounting system (three-column system, namely debit, credit and balance). 3) With the existence of social capital, especially trust, the Pakraman Kubutambahan Village Management realizes that accounting is an instrument of accountability and transparency in financial management in Pakraman Village.

Based on theoretical studies, previous research and the frame of mind described earlier, it can be hypothesized as follows: Rural economic development can be improved by optimizing village fund financial management.

To see the framework of this research, here is a description of the framework of thinking based on theoretical studies, previous research and the framework of thought described above, as shown in Figure 1.

![Figure 1 Framework](image)

2. Methodology

Research Design

Based on the research objectives, this research is a type of Mixed Methods research. According to Creswell (2007) research using mixed methods is a research approach by combining qualitative and quantitative research.

Qualitative descriptive research tells and interprets data relating to the current situation. Descriptive study activities include data collection, data analysis, data interpretation, and conclude with a conclusion based on analyzing the data. The location of the research is villages in the Rambah Subdistrict, Rokan Hulu Regency. Respondents in the study were administrators in the office of the village head and the village community, which consisted of the village head,
the bpdp chairman, the village secretary and the business actors. Whereas the object of this research is the management of the original village income and the village business entity.

Sampling Method

The population of this study was the respondents, namely the personalities involved in the management of PAD Desa in Rambah Sub-district, Rokan Hulu Regency.

In accordance with the problems, research objectives. Researchers need to interview several informants who are considered to be really knowledgeable or directly involved in activities related to PAD Desa in Rambah Subdistrict, Rokan Hulu Regency.

<table>
<thead>
<tr>
<th>No</th>
<th>Desa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rambah Muda</td>
</tr>
<tr>
<td>2</td>
<td>Pasir Jaya</td>
</tr>
<tr>
<td>3</td>
<td>Sei Sitolang</td>
</tr>
<tr>
<td>4</td>
<td>Lubuk Kerapat</td>
</tr>
<tr>
<td>5</td>
<td>Muara Musu</td>
</tr>
<tr>
<td>6</td>
<td>Sungai Dua Indah</td>
</tr>
<tr>
<td>7</td>
<td>Rambah</td>
</tr>
<tr>
<td>8</td>
<td>Sejati</td>
</tr>
<tr>
<td>9</td>
<td>Rambah Hilir</td>
</tr>
<tr>
<td>10</td>
<td>Sirombou Indah</td>
</tr>
<tr>
<td>11</td>
<td>Pasir Utama</td>
</tr>
<tr>
<td>12</td>
<td>Rambah Hilir Timur</td>
</tr>
</tbody>
</table>

Sumber : BPS Rohul, 2017

Types of Research Data

The type of data used in this study is primary and secondary data. Primary data is data obtained directly from the original source. The data can be obtained directly from the subjects in this study by interviewing. Secondary data is a complement to primary data. Secondary data from this study are population data, documents related to the administration of the village government, legislation and other literature studies to support this research.

Data collection technique
Data collection methods in this study were carried out with questionnaires, observation and documentation studies. The data collection techniques are carried out by: interview, observation, documentation and questionnaire.

**Data Quality Test**

Data quality testing is done to determine the validity and reliability of the instruments used. Validity test The analytical tool used to measure the level of data validity is the correlation coefficient. Reliability test using Cronbach alpha technique, a variable or construct is said to be reliable if it gives croanbach's alpha value > 0.60 (Imam Ghozali, 2009).

**Data analysis method**

This research data was analyzed using multiple regression analysis method with hypothesis testing and descriptive analysis. The form of multiple regression equations is formulated in the regression equation. Classic assumption test is done to find out whether the regression model made can be used as a good predictor. The classic assumption test that will be carried out is multicollinearity test, heteroscedasticity test, and normality test. Normality tests are carried out by the Kolmogorov-Smirnov test, taking into account the significance probability of the residual data. Heteroscedasticity test with Gletjser test, the results of Gletjser test which states that heteroscedasticity does not occur if the value of t count < t table. For multicollinearity test using the cut-off value of the tolerance value < 0.10 or equal to the value of Variance Inflation Factor (VIF) above 10 (Ghozali, 2011).

The following is a guideline in conducting interviews with research informants as in table 2 below.

**Table 2**

<table>
<thead>
<tr>
<th>Dimensi</th>
<th>Kisi Kisi Pertanyaan</th>
<th>Informan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pengelolaan PAD</td>
<td>1. Village Financial Management Principles</td>
<td>Village Secretary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Village Staff</td>
</tr>
<tr>
<td></td>
<td>2. Village Government Financial Organization</td>
<td>Head of Community Empowerment</td>
</tr>
<tr>
<td></td>
<td>Structure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Village Financial Planning and Budgeting</td>
<td>Village Financial Planning Budgeting Process (APB Desa)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Village APB Structure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Village Income</td>
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<tr>
<td></td>
<td></td>
<td>Village Shopping Financing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changes in Village APB</td>
</tr>
<tr>
<td></td>
<td>4. APBDesa Implementation</td>
<td>Principles of Village Financial Implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation of Revenue Revenues</td>
</tr>
</tbody>
</table>

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### Dimensi Kisi Kisi Pertanyaan Informan

<table>
<thead>
<tr>
<th>Dimensi</th>
<th>Kisi Kisi Pertanyaan</th>
<th>Informan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenditures / Expenditures Financing Implementation</td>
<td></td>
</tr>
<tr>
<td>7. Village Economic Development Improvement</td>
<td>Village Secretary Village Staff Head of Community Empowerment</td>
<td></td>
</tr>
</tbody>
</table>

3. Results and Discussion

Validity and Reliability Test Results

Before the data from the research questionnaire were analyzed further, first tested the validity and reliability of the research measuring instrument to prove whether the measuring instrument used has validity and reliability to measure what should be the measuring function, namely to test whether The questionnaire has measured carefully and precisely what you want to measure in this study. Validity testing uses product moment correlation where the statement item is declared valid if the statement correlation coefficient is $0.30$ (Barker et al, 2016; 70). Then reliability testing uses the alpha-cronbach method and the results are declared reliable if the reliability coefficient is greater than $0.70$ (Barker et al, 2016; 70). Validity test results indicate...
that the correlation coefficient of each statement item greater than 0.3 indicates that the questionnaire used is valid in measuring each variable so that it can be used in the next analysis. Then the reliability coefficient value of each variable is also greater than 0.70 so it can be concluded that the questionnaire has reliability in measuring their respective variables.

**Hypothesis testing**

Descriptive analysis of respondents’ responses is presented in the form of average values, and standard deviations, the categorization of the average score of respondents’ responses to the nearest integer. The following is an overview of respondent response data regarding the management of PAD Desa.

**Table 3**
**Descriptive Analysis of PAD Management**

<table>
<thead>
<tr>
<th>Dimensi</th>
<th>Item</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Kriteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Village Financial Management Principles</td>
<td>1</td>
<td>3.92</td>
<td>0.29</td>
<td>Good</td>
</tr>
<tr>
<td>2. Village Government Financial Organization</td>
<td>2</td>
<td>3.92</td>
<td>0.29</td>
<td>Good</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Village Financial Planning and Budgeting</td>
<td>3</td>
<td>3.92</td>
<td>0.29</td>
<td>Good</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>3.58</td>
<td>0.51</td>
<td>Good</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>3.50</td>
<td>0.52</td>
<td>Enough</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>3.67</td>
<td>0.49</td>
<td>Good</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>3.58</td>
<td>0.51</td>
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<td>8</td>
<td>8</td>
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<td>0.67</td>
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</tr>
<tr>
<td>9</td>
<td>9</td>
<td>3.67</td>
<td>0.49</td>
<td>Good</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td></td>
<td><strong>3.64</strong></td>
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<td>Good</td>
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<tr>
<td>4. APBDesa Implementation</td>
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<td>0.39</td>
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<tr>
<td>11</td>
<td>3.58</td>
<td>0.67</td>
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<td></td>
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<tr>
<td>12</td>
<td>3.75</td>
<td>0.45</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>3.25</td>
<td>0.62</td>
<td>Enough</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td></td>
<td><strong>3.60</strong></td>
<td></td>
<td>Good</td>
</tr>
<tr>
<td>5. Village Finance Administration</td>
<td>14</td>
<td>3.75</td>
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<td>15</td>
<td>3.58</td>
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<tr>
<td>16</td>
<td>3.17</td>
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<td></td>
</tr>
<tr>
<td>Dimensi</td>
<td>Item</td>
<td>Mean</td>
<td>Std. Dev.</td>
<td>Kriteria</td>
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<td>----------</td>
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<td></td>
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<td></td>
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<td>Good</td>
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<tr>
<td></td>
<td>23</td>
<td>3.58</td>
<td>0.51</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>3.25</td>
<td>0.62</td>
<td>Enough</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>3.83</td>
<td>0.39</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>26</td>
<td>3.50</td>
<td>0.67</td>
<td>Enough</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>3.33</td>
<td>0.49</td>
<td>Enough</td>
</tr>
<tr>
<td></td>
<td>28</td>
<td>3.17</td>
<td>0.58</td>
<td>Enough</td>
</tr>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>3.25</td>
<td>0.75</td>
<td>Enough</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>2.00</td>
<td>0.85</td>
<td>Less</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>2.83</td>
<td>0.58</td>
<td>Enough</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>2.75</td>
<td>0.75</td>
<td>Enough</td>
</tr>
<tr>
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<td></td>
<td></td>
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<tr>
<td></td>
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</tbody>
</table>

Table 3: Table showing the principle of financial management of villages in the sub-district of Rambah Hilir, Rokan Hulu Regency, Riau is always adhered to. Likewise, the structure of the financial administration of the village government is adequate, then village financial planning and budgeting, and the implementation of the Village APB have also been good. However, the administration of village finances and reporting and accountability of village finances are still quite good. With the village’s original income, the village’s economic development has increased considerably, it’s just that it is not clearly seen the difference in the amount of income received by the community in the Rambah Hilir Subdistrict, Rokan Hulu Regency, Riau.

**Analysis of PAD Management on the Village Economy.**

The management of the village's original income is expected to improve the village's economy,
to prove whether the village’s original management is significant in improving the village’s economy, it is tested using multiple linear regression analysis. Before testing the hypothesis, the classical assumption is first tested to test the validity or validity of the regression model. In this study there are three assumptions that will be tested, because the data collected does not contain time series elements so that the autocorrelation test is not carried out. The results of the normality test using the Kolmogorov-Smirnov test obtained a significance value of 0.387. Because the significance value in the Kolmogorov-Smirnov test is still greater than the error rate of 5% (0.05), it is concluded that the regression model is normally distributed. Then the results of the multicollinearity test showed that there was no strong correlation between the independent variables, where the VIF value of the six dimensions of PAD management was still smaller than 10 with a tolerance value greater than 0.1 so that it could be concluded that there were no multicollinearity symptoms among the six dimensions of PAD management. Finally, heteroscedasticity test results using Spearman rank test shows that the residual (error) that emerges from the regression equation has the same variance (no heteroscedasticity), this is indicated by the significance value of the correlation of each dimension with absolute residuals still greater than 0.05.

Based on the results of data processing using SPSS 20 for windows software, the regression results of the six dimensions of PAD Villagemanagement were obtained for improving the village economy in Table 4.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-9.921</td>
<td>2.210</td>
<td>-4.488</td>
</tr>
<tr>
<td></td>
<td>X1</td>
<td>1.294</td>
<td>.425</td>
<td>.642</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>.474</td>
<td>.372</td>
<td>.235</td>
</tr>
<tr>
<td></td>
<td>X3</td>
<td>.095</td>
<td>.328</td>
<td>.060</td>
</tr>
<tr>
<td></td>
<td>X4</td>
<td>.640</td>
<td>.220</td>
<td>.445</td>
</tr>
<tr>
<td></td>
<td>X5</td>
<td>.450</td>
<td>.254</td>
<td>.337</td>
</tr>
<tr>
<td></td>
<td>X6</td>
<td>.426</td>
<td>.357</td>
<td>.289</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Y

Through the unstandardized coefficients value found in table 4.3, the regression equation for PAD Village management can be established to improve the village economy as follows.

\[ Y = -9.921 + 1.294 X1 + 0.474 X2 + 0.095 X3 + 0.640 X4 + 0.450 X5 + 0.426 X6 \]

Information:
Y = Improvement of the village economy
X1 = The principle of village financial management
X2 = Village government financial organizational structure
X3 = Village financial planning and budgeting  
X4 = Implementation of APBDesa  
X5 = Administration of village finance  
X6 = Village financial reporting and accountability  

*Partial Test of PAD Management*

In the partial test, each dimension of PAD management will be tested for improving the village economy. Test statistics used in partial testing are the t test found in Table 4.

1. **Village Financial Management Principle**
   Based on the results of processing as contained in table 4.3 obtained the tcount of the principle dimensions of village financial management is 3.045 with a significance value of 0.029. Because the significance value is less than 0.05, then at the 5% error rate it is decided to reject Ho so that Ha is accepted. Thus it can be concluded that the principle of village financial management can improve the village economy in the Rambah Hilir District, Rokan Hulu Regency, Riau. The results of this test provide empirical evidence that the better the village financial management will improve the village economy.

2. **Village Government Financial Organization Structure**
   Based on the results of processing as contained in table 4.7 obtained tcount of the dimensions of the village government financial organizational structure of 1.275 with a significance value of 0.258. Because the significance value is greater than 0.05, then the error rate of 5% is decided to accept Ho so that Ha is rejected. Thus it can be concluded that the structure of the village government's financial organization cannot improve the economy of the villages in the Rambah Hilir sub-district, Rokan Hulu district, Riau.

3. **Village Financial Planning and Budgeting**
   Based on the results of processing as contained in table 4.7 obtained the tcount of the dimensions of village financial planning and budgeting of 0.288 with a significance value of 0.785. Because the significance value is greater than 0.05, then the error rate of 5% is decided to accept Ho so that Ha is rejected. Thus it can be concluded that village financial planning and budgeting cannot improve the economy of villages in Rambah Hilir sub-district, Rokan Hulu district, Riau.

4. **Implementation of Village APB**
   Based on the results of processing as contained in table 4.7 obtained the tcount of the dimensions of the implementation of the village APB is 2.908 with a significance value of 0.033. Because the significance value is less than 0.05, then at the 5% error rate it is decided to reject Ho so that Ha is accepted. Thus it can be concluded that the implementation of village APB affects the economic improvement of villages in the sub-district of Rambah Hilir, Rokan Hulu regency, Riau. The results of this test provide empirical evidence that the better the implementation of the village APB will improve the village economy.

5. **Village Finance Administration**
   Based on the results of processing as contained in table 4.7 obtained tcount of the dimensions of the village financial administration of 1.771 with a significance value of 0.137. Because the significance value is greater than 0.05, then the error rate of 5% is decided to accept Ho so that Ha is rejected. Thus it can be concluded that the administration of village finance cannot improve the economy of villages in the sub-district of Rambah Hilir, Rokan Hulu district, Riau.
a) Village Finance Reporting and Accountability

Based on the results of processing as contained in table 4.7 obtained tcount of the dimensions of reporting and village financial accountability of 1.192 with a significance value of 0.287. Because the significance value is greater than 0.05, then the error rate of 5% is decided to accept Ho so that Ha is rejected. Thus it can be concluded that the reporting and accountability of village finance cannot improve the economy of villages in the Rambah Hilir sub-district, Rokan Hulu district, Riau.

Simultaneous Test of PAD Management

To prove whether the six dimensions of PAD management simultaneously influence the improvement of the village economy, simultaneous testing is done using the F test through the Anova table.

| Table 5  |
| Anova for simultaneous testing of PAD management |
| ANOVA |  |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 53,067 | 6 | 8,845 | 6,701 | .027 |
| | Residual | 6,599 | 5 | 1,320 |  |  |
| | Total | 59,667 | 11 |  |  |  |

* a. Dependent Variable: Y

b. Predictors: (Constant), X6, X4, X5, X3, X2, X1

Based on the results of processing as presented in table 9 can be seen the value of Fcount of 6.701 with a significance value of 0.027. Because because the significance value is less than 0.05, then the error rate of 5% is decided to reject Ho so that Ha is accepted. Thus it can be concluded that the management of village original income can improve the economy of villages in the sub-district of Rambah Hilir, Rokan Hulu district, Riau.

Coefficient of Determination of PAD Management

After being tested and proven that the management of PAD has an effect on improving the economy of the village, then it will be calculated how much influence the management of PAD on improving the village economy. The coefficient of determination obtained from the processing using SPSS 20 for windows software as presented in the following table:

| Table 6  |
| Coefficient of Determination of PAD Management |
| Model Summary |  |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .943* | .889 | .757 | 1.14885 |

* a. Predictors: (Constant), X6, X4, X5, X3, X2, X1

b. Dependent Variable: Y
In table 6 above can be seen the coefficient of determination (adjusted R Square) of 0.757 indicates that 75.7% of the improvement of the village economy can be explained or caused by the management of PAD. In other words, the management of PAD has an influence of 75.7% on improving the economy of villages in the Rambah Hilir sub-district, Rokan Hulu district, Riau. While the remaining 24.3% is the influence of other factors outside the management of PAD.

4. Conclusion

Based on the results of research and pemabahsan it can be concluded that village financial management in Rambah Hilir Subdistrict, Rokan Hulu District, which consists of village financial administration and village financial reporting and accountability is still quite good. With the village's original income, the village’s economic development has increased considerably, it's just that it is not clearly visible the difference in the amount of income received by the community. Based on interviews conducted, the Village Government has always set a strategy to coordinate with all actors, especially managers and the Village Government and BPD. With good coordination and cooperation on the management of the Village PAD, the aim of being able to improve the village's economy can be carried out regularly and structured in each of its management.

Recommendations

1. There needs to be an optimization of the potential that exists in the Village in the Subdistrict of Rambah in increasing village income, and coordination between the village government and village management officials.
2. There is support and encouragement from the government to find and explore the original sources of village income in the village.

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Law No. 6 of 2014 concerning Village Governance


Republic of Indonesia Law No. 6 of 2014 concerning Villages.