

## **Dynamics of Administrative Law, Financial Law, and Government Accountability**

**Muhammad Dzul Ikram, Marta Satria Putra, Abdul Latif**

*Universitas Krisnadwipayana, Indonesia*

*dzulikram1212@gmail.com, martha.satria@gmail.com, prof.abdul.latif59@gmail.com*

### **ABSTRACT**

This study explores the dynamics of administrative law, financial law, and government accountability in Indonesia, focusing on the evolving challenges and reforms in these legal frameworks. Using a normative and empirical approach, the research examines how changes in administrative and financial law have influenced governance, public service delivery, and financial management. The findings reveal that while administrative law has fostered greater transparency and accountability, challenges such as corruption, bureaucratic delays, and overlapping regulations persist. Similarly, financial law reforms have improved financial oversight but require further enhancement in budget planning and fiscal policy implementation. The study highlights the role of judicial control in ensuring that government actions are aligned with the law and prevent abuse of authority. It concludes that strengthening the synergy between administrative and financial law, improving transparency, and enhancing accountability mechanisms are crucial for effective governance. Recommendations include simplifying regulations, enhancing public service systems, and ensuring stronger legal oversight to build public trust and improve state financial management.

Keywords: administrative law, financial law, and government responsibility

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### **INTRODUCTION**

The study of administrative law, financial law has undergone a *diinamika* which includes developments, challenges, and changes that occur in the implementation of contemporary government today, has undergone very rapid developments and changes, this is driven by the democratization process in Indonesia, especially in practice including developments, challenges, and changes that occur in financial governance by the current government. The dynamics of administrative and financial law in its development are very broad in their aspects and therefore in this paper are limited, especially important aspects that can be identified as the main problem in the paractic implementation of government dynamics (Aryani & Chrisbiantoro, 2024).

Administrative law as a branch of legal science that regulates the relationship between the government and citizens as well as regulating the decision-making process and the implementation of government duties has changed in line with the development of government and the needs of the community (Bilyan, 2024). Financial law is the branch of law that regulates the management of state finances, including taxes, budgets, and the management of state wealth, and has also undergone changes along with the development of government, technology, and the needs of society (Jasa & Herawati, 2017).

The two branches of law are required to have government responsibilities which include administrative responsibilities, namely carrying out government duties, providing public services, and regulating government activities. Financial responsibility is managing state finances, regulating taxes, and allocating the budget (Madjid & Akbar, 2023). Legal responsibility is to maintain legal certainty, protect the rights of citizens, and enforce the law.

And what is important is moral responsibility, namely maintaining integrity, transparency, and accountability in decision-making (Aprilla, Wulandari, & Elcaputera, 2024).

The relationship between administrative law, financial law, and government responsibility cannot be separated or interconnected because administrative law regulates the decision-making process or policy actions in the implementation of government duties (Illahi & Haykal, 2021). Financial law regulates the management of state finances to support government activities, therefore government responsibilities include administrative, financial, legal, and moral aspects. Government responsibility refers to the government's obligation to carry out its duties in accordance with the law and the principles of good governance, as well as to account for the actions and policies taken (Rahamaningsih, 2023).

Legal problems that often arise in government practices related to administrative law, namely failure in decision-making, violation of procedures, failure to consider the public interest, corruption and abuse of authority and/or power, collusion, and nepotism. Delays in decision-making are due to slow bureaucratic processes, discrimination and injustice against citizens, as well as failures in the provision of public services, and poor service quality (Sofyanoor, 2022).

Related to financial law as part of public law that regulates everything related to state financial management, including revenue, expenditure, asset management, and budget supervision, as a form of state financial responsibility by the government (Hermawan, Agustin, & Shelomita, 2024). The problem of the dynamics of administrative law, financial law and government responsibility is so broad that the author limits himself in this paper to only describing the influence of changes in administrative law on the efficiency of public services and the influence of changes in financial law on the stability of the country's economy, and how to manage finances and government responsibilities as formulated in the following formulation of problems (Ayuningtiyas, 2022).

Previous studies have examined the dynamics of administrative law, financial law, and government accountability in Indonesia, particularly in the context of transparency and public service. For instance, Aryani & Chrisbiantoro (2024) analyzed the role of administrative law in enhancing public transparency, while Jasa & Herawati (2017) explored the impact of financial law on state financial management, emphasizing the importance of audit institutions like BPK in ensuring accountability. Both studies underline the importance of improving governance systems to foster public trust and efficiency in state management.

The urgency of this study is grounded in the growing need for efficient governance in Indonesia, particularly in the aftermath of the democratization process. Challenges such as bureaucratic inefficiencies, corruption, and poor financial management have impeded the country's progress. Given the increasing complexity of state administration and financial management, understanding the dynamic relationship between administrative and financial law and their impact on government accountability is critical for improving public services and governance.

Although there is significant literature on administrative and financial law, there is a lack of comprehensive studies that connect these two branches of law directly with government accountability. Many studies focus on isolated aspects of governance, but few have explored how changes in administrative and financial law interact to impact the efficiency and accountability of the government. This research aims to bridge this gap by providing a detailed examination of these interconnections in the context of Indonesian governance.

The novelty of this study lies in its integrated approach to examining both administrative and financial law in relation to government accountability. By analyzing their combined effects on governance, public service efficiency, and financial stability, this study provides new insights into the evolving dynamics of legal frameworks in Indonesia. The exploration of

judicial control and its role in preventing abuse of authority offers a unique contribution to understanding the practical implications of these laws in contemporary governance.

The purpose of this study is to examine the dynamics of administrative and financial law in Indonesia and their implications for government accountability. The research aims to provide recommendations for improving legal frameworks to enhance transparency, efficiency, and public service quality. The benefits of this study include offering insights for policymakers to strengthen governance, reduce corruption, and improve financial management practices, ultimately contributing to the development of a more accountable and effective government in Indonesia.

## **METHOD**

The study approach to these problems is carried out by legal studies in the form of normative juridical analysis of laws and regulations, and empirical legal sociological analysis in the practice of government administration, on the development and dynamics of administrative law, financial law and government responsibility that are contemporary.

## **RESULTS AND DISCUSSION**

### **Development and Dynamics of Administrative Law**

As previously stated, the dynamics in administrative law are often related to how arrangements or decisions are translated into administrative actions and how legal protection for the community in the face of government actions (Hadjon, 2015). Related to this, briefly some explanations of the development and dynamics of administrative law, namely.

- Transparency and Accountability, there is a trend towards increased transparency in administrative decision-making, which requires the government to be more open and accountable in making regulations or decisions. For example, Law Number 14 of 2008 concerning Public Information Disclosure in Indonesia encourages transparency among public institutions.
- Good Governance, good governance principles such as transparency, community participation, effectiveness, and fairness play an important role in modern administrative law. This dynamic is reflected in bureaucratic reform and the implementation of a public service system that is more responsive and oriented to the interests of the community.
- Judicial control, the State Administrative Court (PTUN) plays an important role in supervising administrative decisions that are considered detrimental to the community. The PTUN provides an opportunity for citizens to challenge adverse administrative decisions as a result because they are not in accordance with applicable law.

The latter is interesting to examine because control or supervision in the judicial field over the use of authority by government agencies and/or officials is very important in relation to law enforcement and justice in the perspective of administrative law, in order to make law the *supreme* in an effort to realize the essence of the state of law, including providing preventive and repressive legal protection for the people in the implementation of government, so that law and justice must really be felt by the people seeking justice in a democratic state of law, and on the other hand, law enforcement and justice are carried out based on judicial power through judicial institutions, in this case the State Administrative Court and the Corruption Crimes Court in the General Court.

The use of authority, government agencies and/or officials without judicial control or supervision will give birth to actions of government agencies and/or officials, both in the form of acts of abuse of authority and arbitrary actions as government acts that violate the law (Abdul Latif, Maftuh Effendi, Muhammad Dzul Ikram, & MH, 2021), in the realm of government administrative law, or in acts of abuse of authority in the realm of criminal law (corruption) committed by government agencies and/or officials or other state administrators, which are

now felt to be reaping controversy in the implementation of their law enforcement through judicial means. The last point is still a debate among experts regarding the abuse of authority of government agencies and/or officials in the concept of administrative law, and the act of abuse of authority by government agencies and/or officials in the realm of criminal law, from the perspective of the Corruption Crime Law (Latif & Halim, 2023).

Abuse of authority in the concept of administrative law is always paralleled with the concept of '*de tornement de pouvoir*' that the use of authority is not as it should be. In this case, the official uses his authority for other purposes that deviate from the purpose that has been given to that authority. Thus the official violates the principle of specialization or the principle of purpose. Meanwhile, abuse of authority by government agencies and/or officials in the concept of criminal law from the perspective of the corruption law in the provisions of Articles 17 and 18 of Law Number 30 of 2014 concerning Government Administration. In Law Number 31 of 1999 concerning the Eradication of Corruption, it has been regulated to prohibit the abuse of authority, opportunities or means available to him because of his position or position that can harm the state finances or the country's economy.

Elements of abuse of authority regulated by the Corruption Law have the potential to occur or be carried out by government administrators related to certain positions or positions. The benchmark is used for the act of "the element of abuse of authority must have a causal relationship with the consequences of "harming the state finances" or "the state economy". Thus, the existence of the state's financial losses is the result of abusing authority that gives birth to an unlawful act in a general sense (genus) and abusing the authority (species) of unlawful acts.

In line with the birth of Law No. 30 of 2014 concerning Government Administration, the regulation of elements that can harm state finances or the state economy resulting from acts or acts of abuse of authority is no longer purely seen through the approach of administrative law, but also through acts of abuse of authority by government agencies and/or officials in the realm of criminal law in the perspective of the law on corruption. However, what needs to be noted as a change now is the action of bodies and/or officials who abuse their authority because it is contrary to the provisions of laws and regulations as a type of criminal act, is no longer qualified as a violation and/or unlawful act, as referred to in Article 18 Paragraph (1) of the Government Administration Law (UUAP), this is no longer valid since the promulgation of the Job Creation Law.

From the development of administrative law as described, there are challenges in administrative law, including:

- Corruption in public administration: Despite the existence of regulations and anti-corruption institutions, such as the Corruption Eradication Commission (KPK), corruption in public administration is still a major challenge in Indonesia. Cases of abuse of authority by public officials are a crucial issue in the dynamics of administrative law.
- Decentralization and Regional Autonomy: Decentralization gives greater authority to local governments, but it also poses problems in coordination between central and regional governments, especially in effective policy formulation and supervision of the implementation of regional policies.
- Complex Regulations: The large number of overlapping administrative regulations often results in confusion in implementation in the field. This requires regulatory reform and simplification of administrative procedures.

### **Development and Dynamics of Financial Law**

As has been stated, financial law is a part of public law that regulates everything related to financial management, including revenue, expenditure, asset management, and financial supervision, audit and accountability through budget calculations, considering that the scope

of financial law aspects of study is very broad, so this paper is limited to discussion *supervision, audit, and financial accountability through budget calculations.*

The development and dynamics of financial law related to financial management in Indonesia are regulated in Law No. 17 of 2003 concerning State Finance, which establishes the principles of transparent, accountable, and results-oriented financial management. One of the main instruments in state financial supervision is the role of BPK and BPKP in auditing state budget management. Dynamics related to budget reform and fiscal policy, in recent years, Indonesia has tried to improve budget efficiency and transparency through performance-based state budget policies, the use of information technology has also been expanded to support budget preparation and implementation processors.

### **Financial Supervision**

Government expenditure from year to year is increasing so that if the implementation of Government tasks is not carried out in an efficient and economical way, then the amount leaked due to inefficiency will also increase in number. In this regard, the Government is trying to prevent and even eradicate leakages or misappropriations that occur by increasing supervision in state financial administration. The supervision not only includes financial supervision and compliance with applicable laws and regulations, but also supervision of the economy, utility, and program results of government and development activities.

The Republic of Indonesia now has an increasingly complete government internal supervisory apparatus with the birth of Presidential Decree No. 31 of 1983 concerning the Position of the Financial and Development Supervisory Agency (BPKP) as an effort to improve the supervisory function, in addition to other supervisory apparatus such as the Financial Audit Agency (BPK), the Inspectorate General of Departments, the Inspectorate of Provinces/Regencies/Municipalities and others that already exist. The existence of these supervisory institutions shows the government's strong will to create a clean and authoritative government as mandated in the State Expenditure Budget.

Supervision of state expenditure is more complex than state revenue, because the supervision is not only carried out in the medium/after expenditure operations, but also at the time before such expenditures are held.

- a. Supervision is carried out during expenditure planning, such as the preparation of the Project Proposal List (DUP) and the Activity Proposal List (DUK) until it becomes the Project Entry List (DIP) and the Activity Entry List (DIK). This supervision is carried out by direct superiors from the Department/Institution that submitted the DUP and DUK.
- b. Supervision carried out at the time of issuing money and disbursement, this is carried out by the ordinator (Office Per State Treasury) on bills submitted to him through the Money Payment Request Letter (SPMU) carried out by the general treasurer who will issue money physically.
- c. Supervision is carried out at the time of payment of payments, where payments to be made by the treasurer must be approved by the Head of Office/direct supervisor of the treasurer.
- d. Supervision carried out by the Finance Bureau of the Department/State Institution on the letter of responsibility made by the treasurer from the relevant Department/State Institution.
- e. Supervision carried out by the Financial Audit Agency (BPK) on the accountability letter that has been examined by the ordinator, where the accountability letter will be examined later by the Financial Audit Agency (BPK). The results of this examination will be seen whether the treasurer made a mistake or not.

The supervision of Routine Budget Expenditure is carried out as follows:

***Supervision of Non-Tax Receipts***

Non-tax receipts such as legalization money, fines and other legal levies. Those who receive non-tax receipts are the treasurers who pay the fixed deposits in each Department or Agency. The treasurer of this fixed depositor takes care of its administration and is obliged to deposit the money into the state treasury continuously. Deposits are made usually once a month.

Presidential Decree No. 29/1984 in Article 9 paragraph 2 stipulates that every beneficiary/depositor treasurer must still deposit all budget revenues that he has collected within a predetermined time, at least once a week. This deposit is carried out to the state treasury office or into the state cash account at Bank Indonesia.

The Treasurer of the periodic recipient/depositor no later than the 10th of each month shall convey his/her responsibility to the respective Department/Institution regarding the receipt of the budget in the preceding month for which he or she is responsible, and the ransom shall be submitted to the Inspectorate General of the Department concerned and the Regional Office of the local Directorate General of Budget.

Supervision of non-tax receipts is carried out by the Office of the State Treasury (KPN) on the amount of deposits that have been received by the special treasurer. This supervision is carried out through a fixed depositing treasurer supervision card for each State Department/Institution that controls a type of non-tax revenue. If within the specified period of time there is no deposit into the state treasury. The amount of arrears in the work with an explanation of the reasons for the arrears. Tax collection with a "self-assessment" system (self-calculation and deposit into the state treasury) where taxpayers are given the trust to calculate their own taxes and deposit them into the state treasury. In this system, the tax inspector needs to carry out intensive supervision. Without precise supervision, taxpayers always try to reduce the amount of tax that should be paid. For the type of Customs and Excise revenue (Excise tax), supervision is carried out, namely:

- a. The supervision carried out by the Head of the Customs and Excise Inspection Office itself on the deposits that have been made by people/companies who are required to hand over money to the treasurer of the fixed depositor at the office. If the amount of the deposit is below the specified quantity, then permission will not be given to the goods at the port, both the goods to be circulated in the market and the goods sent to the orderer abroad (export goods).
- b. Supervision carried out by the Office of its superiors (Regional Office of the Directorate General of Customs and Excise), the following actions are taken: "Regulating the implementation and supervising the course of work in the field of calculation, receipt and accountability of customs and excise revenues and other state levies:"

If you pay attention to the supervision carried out by the Head of the Customs and Excise Inspection Office with the supervision carried out by the Head of the Regional Office of the Directorate General of Customs and Excise, then the supervision carried out by the Customs and Excise Inspection Office is active supervision, because if people/business entities do not comply with it, then respect will not be given permission for goods in the port.

The supervision carried out by the Regional Office of the Directorate General of Customs and Excise is passive, because the supervision is not carried out directly, but the supervision is based on the study of documents and documents that it receives both from the state treasury and from the Inspection Office and excise is carried out/directed against the Treasurer of the fixed depositor who is within the customs and excise office. This fixed depositor treasurer receives payments from every person or entity that uses the services of customs and excise.

The supervision carried out by the Tax Inspection is aimed both at individual taxpayers and to corporate taxpayers appointed by the tax law to deduct or collect taxes on other people as stipulated in articles 21 and 22 of the Law. No. 7 of 1983 concerning Income Tax as amended for the third time, the last with Law No. 17 of 2000 concerning Amendments to the Income Tax Law. This supervision is carried out by examining all deposits from taxpayers, both deposits from individual taxpayers and deposits from corporate taxpayers that have been deposited into the state treasury. The supervision is in the form of examining the amount that has been deposited by the taxpayer/collector whether the amount is in accordance with the obligations that must be completed. If the amount that has been deposited by the taxpayer/collector is in accordance with the amounts that should be paid, then Fiskus (head of tax inspection) will send a letter of reprimand accompanied by a *clan clenda* sanction, if at the specified deadline it is not fulfilled by the taxpayer/obligor gut.

Supervision is carried out by the regional office of the Directorate General of Taxes, which oversees several heads of tax inspection offices. Supervision is carried out to thoroughly examine the amount that must enter the state treasury with existing realizations. If the amount is below the existing quantity, a reprimand will be issued. For this reason, it is necessary to conduct research both regarding planning and its realization. In complying with the planning regarding the implementation of minimum duties, it is necessary to pay attention to whether the inventory has been carried out in an orderly manner. The inventory is mainly aimed at the number of taxpayers in their jurisdiction, both registered and those who have actually started their obligations as taxpayers.

In terms of its nature, state financial supervision can also be distinguished between preventive supervision and repressive supervision. Preventive supervision is supervision that emphasizes prevention so that there are no mistakes in the future, while repressive supervision is correcting mistakes that have occurred, so that in the future they do not recur. In terms of the relationship between the inspector and the inspected, this supervision can be in the form of internal and external supervision. Supervision can be said to be internal if the supervisor and the supervised person have a hierarchical or still in a working relationship (in the executive group itself). The external supervision occurs if the supervisor and the supervised person do not have a hierarchical relationship or are outside the executive.

### **Financial Responsibility and Accountability**

The country's financial responsibility and accountability can be seen from two views, namely horizontal and vertical state financial responsibility. Horizontal state financial responsibility is the accountability of the state budget given by the government to the House of Representatives because our constitutional system based on the 1945 Constitution has determined the position of the government and the House of Representatives are equal. State Financial Responsibility horizontally at this time is poured into the Law on State Budget Calculation.

Meanwhile, vertical state financial accountability is financial accountability carried out by every authority or ordonator from every department or non-departmental state institution that controls part of the budget, including the responsibility of the treasurer to his superiors and the accountability of project leaders. This financial responsibility is ultimately conveyed to the President, who is represented by the Minister of Finance as the highest official of the sole holder of state finances.

As for the accountability for the implementation of the State Budget and Regional Budget, the President, and the Governor/Regent/Vice President, submitted the draft State Budget law and draft regional regulations on the responsibility for the implementation of the State Budget and Regional Budget to the House of Representatives and the House of Representatives in the form of financial statements that have been examined by the BPK no later than 6 (six) months after the end of 1 fiscal year. The financial statements in question at

least include the State Budget and Balance Sheet Budget Realization Report, Cash Flow Statement, and notes on financial statements, which are attached to the financial statements of state companies and other entities. For the responsibility for the implementation of the State Budget and Regional Budget mentioned above, Ministers/Heads of Institutions/Governors/Regents/Mayors who are proven to have committed policy deviations that have been stipulated in the law on the State Budget and Regional Regulations on the Regional Budget are threatened with imprisonment and fines in accordance with the provisions of the law as applicable in the law on corruption in the event of state financial losses.

The calculation of the state budget, which is a manifestation of state financial responsibility, also contains the determination of the balance from the calculation of the entire amount of expenditure and revenue for each fiscal year. The budget balance can be in the form of an over-budget balance or a low-budget balance. In the event of a surplus budget balance, the budget surplus allocation is determined in accordance with the agreement between the government and the legislature in the form of its determination with the law on state budget calculation.

From various laws related to the issue of state budget calculation, it turns out that the time for preparing the calculation is not always right in accordance with the provisions of the law that require after the expiration of the relevant fiscal year. However, in reality, we can still see the government's sincere desire to account for the trust given by the people to manage and manage state finances, namely by the calculation of the state budget that has been accepted by the DPR.

Compared to the Old Order government as expressed in the BPK's 25 Years book, which states that other governments have never succeeded in compiling budget calculations that can be accounted for to be submitted to the DPR. Although since then decades have passed and have been warned every time. However, there was no sign that the government was really in good faith and tried to order and improve financial administration, so as to produce revenue and expenditure figures that could be accounted for to be included in the budget calculation.

In addition to state financial accountability through budget calculations, the revenue treasurer or expenditure treasurer is also responsible. Although there is no firm legal basis in the 1945 Constitution, the issue of budget calculation in the form of a law is still very important, especially for the House of Representatives in seeing how much expenditure has been made by the Government. In addition, the involvement of the House of Representatives in approving the budget calculations proposed by the government will be able to affect the House itself in determining the amount of the State Budget set each year.

It should be noted that government financial responsibility in the form of budget calculations is the work of the bookkeeping section of the Finance Bureau from each Department/Non-Departmental Institution. The bookkeeping materials are obtained from agencies that carry out expenditures and receipts in all corners of the country, even from representatives from abroad.

The budget calculation in addition to containing the number of estimates as stipulated by the State Budget law, additional budgets and others, also contains the actual amount that has been issued and received accompanied by explanations and the actual amounts. If in fact the amount of receipts and expenditures is appropriate, then it will be poured into the form of law.

The implementation of the Budget Calculation Law is carried out in accordance with the implementation of state revenue and expenditure. If due to circumstances of unavoidable matters, the submission cannot be carried out before or at that time, then it must be notified to the House of Representatives. Thus, the budget calculation is carried out from the closing

date of the current fiscal year. This is also not always on time. Historically, the course of our constitutional life since independence, especially during the Old Order and New Order governments, has not been able to prepare a proper budget calculation in relation to the challenges or difficulties faced by the government.

Arifin P. Soeriaatmadja, who is of the view that (Atmadja & Arifin, 2005):

1. The calculation of the state budget (PAN) is a logical consequence of the implementation of the State Budget. The State Budget must be approved by the House of Representatives, as well as PAN, which is a logical consequence of the implementation of the State Budget, also needs to be approved by the House of Representatives. The form of the DPR's approval of the State Budget is a form of law, therefore it is logical that the DPR's approval of PAN is also stipulated in the form of a law;
2. The government should not increase the permitted credits (tigestane kredieten) either directly or indirectly, or the benefit to the state except as provided by law. In reality, these provisions cannot be strictly implemented, considering the needs and smooth running of the Government wheel, which is essentially the need of the community, needs to be overcome. The reality of deviations from these provisions by the Government needs to be accounted for to the DPR. The calculation of the State Budget (PAN) proposed by the Government, if stipulated in the form of the PAN Law, can prevent or approve deviations from the increase in credit or profits for the state specified in the law that has been approved.
3. Historically, PAN or (Slot de rekening) which is based on Law No. 1 of 2004 concerning the State Treasury (formerly the Indonesian Treasury Law *Indische Compatabiliteitswet* IeW Staatsblad of 1925), then with the enactment of a law, this means that the lawmakers who agree to the responsibility for the implementation of the budget carried out by the Government through the state treasury and the law on state finance.

According to A. Hamid A. Attamimi, he argued that: "The inclusion of the last part of each State Budget Law that mentions the existence of a budget calculation and the notification of the budget calculation to the House of Representatives (even though it has been examined by the BPK), is unnecessary because the budget calculation system and the responsibility for the use of state finances in the state government system based on the 1945 Constitution are not the same as the system used by the 1949 RIS Constitution and the 1950 Constitution. Even the existence of such a budget calculation may be able to reduce the meaning of the BPK's function in accordance with the 1945 Constitution in order to inform the House of Representatives of the results of the examination of state financial responsibility used by the Government (Hamid & Attamimi, 1990).

So it is clear that the government in the implementation of the State Budget has an obligation to be responsible for it, although it is not clear which agency the government is responsible for managing state finances. The problems that arise are related to the government's responsibility in the implementation of the State Budget,<sup>4</sup> which is outlined in the form of a law on the calculation of the state budget to the House of Representatives, which is not in accordance with our system of government which adheres to the presidential system, as referred to in the 1945 Constitution.

In addition to the President, the House of Representatives must get a joint agreement to form a law (*gesetzgebung*) and to determine the state budget (*staatsbegroting*) therefore, the President must work together with the Council, but the president is not responsible to the Council. This means that the position of the President does not depend on the Council.' Thus, the House of Representatives cannot sanction the President, but it does not mean that the government is not relieved of its responsibility as the manager of the State Budget, because the House of Representatives has the authority to assess the extent of the implementation of the approved State Budget.

In a modern welfare state, the function of the state is so broad that it is imperative for the Government to involve itself in all aspects of the lives of its people in an effort to create a prosperous order of life for all its citizens. With the involvement of the government, it does not mean that the Government deviates from the applicable regulations, but rather participates in all areas of the people's lives based on the laws and regulations.

The supervisory policy is held by the president and his daily duties are carried out by the Vice President. Therefore, every year the Vice President sets the objectives of the examination and matters related to supervision that must be carried out by all functional supervisory apparatus. The Vice President's policy is elaborated by the ministers to be implemented by the respective Inspectorate General, and the head of the BPKP to be implemented by his own apparatus and coordinated by the Coordinating Minister for Economic Finance, Finance and Development Supervision (Coordinating Minister for Equities clan Wasbang).

## **CONCLUSION**

Based on the discussion presented, several conclusions can be drawn regarding the development and dynamics of administrative and financial law in Indonesia. Firstly, administrative law emphasizes principles of transparency and accountability, reflecting a shift towards greater openness in decision-making, as exemplified by Law Number 14 of 2008 concerning Public Information Disclosure. Good governance principles, including community participation and fairness, are crucial in modern administrative law, evident in bureaucratic reforms and responsive public service systems. The State Administrative Court (PTUN) plays a vital role in judicial control, allowing citizens to challenge administrative decisions that are deemed unlawful. Secondly, financial law, governed by Law No. 17 of 2003 concerning State Finance, establishes principles of transparent, accountable, and results-oriented financial management, with BPK and BPKP overseeing state budget audits. Recent reforms have aimed to enhance budget efficiency and transparency, utilizing performance-based policies and information technology in financial processes. Lastly, the government's responsibility in administrative law requires that office actions adhere to proper procedures and substance, while personal accountability addresses maladministration and abuse of authority. State financial accountability is categorized as horizontal, relating to the government's reporting to the House of Representatives, and vertical, involving accountability from various authorities to their superiors, culminating in the Minister of Finance representing the President as the highest authority in state financial accountability.

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