

RIGHTS AND OBLIGATIONS OF STAKEHOLDERS IN THE LOCAL FINANCIAL LEGAL SYSTEM

Yohanes D. Resi¹, Henrikus Renjaan²

^{1,2} Sekolah Tinggi Ilmu Hukum (STIH) Caritas Papua, Indonesia

Email: yohanesdresi@gmail.com, henrikusrenjaan@gmail.com

ABSTRACT

The financial relationship between the central and local governments is a mandate of the law. In the implementation of regional autonomy, regional financial management is fully given to local governments. So that local governments are stakeholders in the regional financial legal system. This study aims to determine the rights and obligations of stakeholders in the regional financial legal system. The method in this research is a literature review method with a qualitative approach. So that data is obtained through the results of various sources such as scientific books, research reports, scientific essays, theses and dissertations, regulations, decrees, yearbooks, encyclopedias, and other printed and electronic written sources. The results of the study found that the rights of stakeholders in the regional financial legal system are to plan and compile regional budgets, manage regional finances to meet community needs, and establish regional financial policies. While their obligations are to comply with laws and regulations related to regional financial management, submit financial reports in a transparent and accountable manner, and manage regional finances efficiently and effectively.

KEYWORDS *Rights, Obligations, Stakeholders, Legal System, Regional Finance*



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International

INTRODUCTION

Article 18A paragraph (2) of the 1945 Constitution of the Republic of Indonesia mandates that the financial relations, public services, as well as the utilization of natural resources and other resources between the Central Government and Regional Governments be regulated and implemented fairly and in harmony based on the law (Surjono, et al., 2017). As one form of accountability in the governance stipulated by Law Number 17 of 2003 concerning State Finances and Law Number 32 of 2004 concerning Regional Governments (Leunupu et al., 2022). Through the implementation of regional autonomy by the Indonesian government, regulations related to the direct management of regional finances will be entirely delegated to

Yohanes D. Resi, Henrikus Renjaan. (2024). Rights And Obligations Of Stakeholders In The Local Financial Legal System. *Journal Eduvest*. 4 (1): 1935-1945
How to cite: 1935-1945
E-ISSN: 2775-3727
Published by: <https://greenpublisher.id/>

the autonomous regional government. Given the delegation of authority and responsibility from the central government, it is necessary to have a program or system capable of effectively regulating and overseeing financial management (Khairunnas et al., 2021).

According to Regulation of the Minister of Home Affairs No. 59 of 2007 regarding guidelines for regional financial management, Article 232 paragraph (3) states that the regional financial accounting system is a series of procedures starting from the process of data collection, recording, summarizing, to financial reporting for accountability of the implementation of the Regional Budget (APBD), which can be done manually or using computer applications (Widiawati et al., 2018). The government has issued Government Regulation Number 12 of 2019 concerning the management of regional finances as an update and improvement of the previous government regulation, instructing Regional Governments and all its elements to immediately formulate and implement an accounting system to record and report financial transactions (Baso et al., 2021).

Previous research conducted by Muin (Muin, 2014) explained that one source of regional development funding comes from the State Budget (APBN), so the process of preparing the Regional Budget (APBD) is also regulated in Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regions. The novelty in this research is that no previous research has been conducted on the rights and obligations of stakeholders in the local financial legal system. Thus, this research is considered new.

The importance of state financial management makes it an interesting subject for research. The delegation of authority for the management of state finances to regional governments makes them stakeholders with rights and obligations in their responsibility to manage finances. Therefore, this research aims to present the rights and responsibilities of stakeholders in the local financial legal system.

RESEARCH METHOD

This study employs a literature review method with a qualitative approach. A literature review is any effort made by researchers to gather information relevant to the topic or issue being studied. Information can be obtained from scientific books, research reports, scientific articles, theses and dissertations, regulations, resolutions, yearbooks, encyclopedias, and other written sources, both printed and electronic (Widiarsa, 2019). Meanwhile, the quantitative approach is research that uses measurements, calculations, formulas, and numerical data certainty in planning, processes, hypothesis building, techniques, data analysis, and drawing conclusions (Waruwu, 2023).

The data analysis performed is through triangulation analysis. Triangulation helps identify different perspectives from various types of information, and information about the same issue can be obtained using triangulation (Kaharuddin, 2021).

RESULT AND DISCUSSION

The management of state finances is one part of the implementation of national and regional development. The management of state finances is reflected in the preparation and execution of the national budget down to the regional budget (Sukhoya, 2023). State finances, broadly defined, encompass the State Budget (APBN), Regional Revenue and Expenditure Budget (APBD), state finances in State-Owned Enterprises, and so on. The narrow definition includes any legal entity authorized to manage and be accountable for it (Permaqi, 2018). The organization of state governance, both at the central government institutions and local governments, to achieve national goals, must provide rights and obligations of the state that need to be managed and accounted for in a financial management and accountability system (Rahim et al., 2023).

Everything that the state can own in the form of money or tangible goods related to the implementation of its rights and obligations. Furthermore, the impact of regional autonomy, defined as the authority and responsibility of autonomous regions to manage their own governance affairs and the interests of the local community within the framework of governance, is enshrined in Law No. 23 of 2014 on Regional Governments (Erdianti & Ramadhan, 2023). Regional governments carry out and run government affairs based on the authority granted by the central government. The authority to manage regional finances is part of the delegation of authority to carry out local government affairs stipulated in the Regional Revenue and Expenditure Budget (APBD). Compiling a report on the implementation of the APBD is a regional obligation that will be examined by the Supreme Audit Agency (BPK) and reported to the Regional Representative Council (DPRD) (Susanti, 2022).

Financial balance, according to Article 1 paragraph (3) of Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, explains that financial balance between the central government and regional governments is a fair, proportional, democratic, transparent, and efficient financial distribution system for the financing of decentralization, considering the potential, conditions, and needs of the regions, as well as the amount of funding for the implementation of deconcentration and assistance tasks (Sulistiawan et al., 2019). Other laws regarding state finances include Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury, Law Number 15 of 2004 concerning the Examination of the Management and Accountability of State Finances, and for regions, Government Regulation Number 58 of 2005 concerning Regional Financial Management, Government Regulation Number 39 of 2007 concerning State/Regional Financial Management, and Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management as implementation instructions. Since the enactment of these regulations, they have brought fundamental changes in the governance relationship and significant changes in financial management at the regional level (Sugianto, 2019).

In the regional financial system, there are stakeholders. Stakeholders are individuals or groups with interests who can influence an object (Hidayah et al.,

2019). Stakeholders in the legal system of regional finance are the regional government (local government) itself. The management of regional finances is a subsystem of the State Financial Management system and is a fundamental element in the organization of local governments. The management of regional finances must also be done in a good and wise manner so that regional finances can be used efficiently in accordance with the needs of the region (PP 58 of 2005). The rights and obligations borne by regional governments are due to the implementation of Fiscal Decentralization Policy as a logical consequence of the application of decentralization in the field of governance. The holder of the authority to manage regional finances is the regional head, who, due to their position, has the authority to carry out the overall management of regional finances (Edward & SH, 2016).

As a stakeholder, one certainly has rights and obligations, including stakeholders in the legal system of regional finance. The following are the rights and obligations of stakeholders in the legal system of regional.

The following are the rights of local governments as stakeholders in the regional financial legal system:

1. Plan and prepare regional budgets

Budget planning is the initial stage for the running of government activities. Budget planning is an instrument or tool in evaluating and monitoring government performance to achieve the intended vision and mission (Ramadhani et al., 2022).

2. Managing regional finances to meet community needs

According to (Moenek & Suwanda, 2019), local government financial management is the entire agenda of activities covering budgeting, planning, implementation, reporting, administration, accountability and supervision of regional finances related to the Regional Budget or Regional Revenue and Expenditure Budget.

3. Establish regional financial policies

Financial management policy as a public policy must be implemented in accordance with Law Number 17 of 2003, concerning State finance, must be implemented in accordance with the principles of good governance, especially the principles of transparency, accountability and participation. In relation to regional financial management issues, Government Regulation Number 58 of 2005 concerning Regional Financial Management Guidelines has been issued which applies the principles of effective and efficient, transparent, accountable and participatory regional financial management. Regional financial management policies are policies that must be implemented, and policies that are regulatory in nature are top down, even coercive, because these policies must be guided in regional financial management (Maldun, 2015).

The obligations of local governments as stakeholders in the regional financial legal system.

1. Comply with laws and regulations related to regional financial management

The implementation of Law Number 23 of 2014, especially related to regional financial management, the government issued Government Regulation (PP) Number 12 of 2019 concerning Regional Financial Management. In this PP, it is

stated that Regional Finance is all regional rights and obligations in the context of organizing regional government that can be evaluated through all forms of property that can be used as regional property, and determined every year and then managed systematically by each region (Gusti et al., 2022). Thus, in its financial management, local governments need to comply with laws and regulations regarding regional financial management where the rules regarding regional financial management are clearly contained in Law Number 2 of 2014.

2. Deliver financial statements in a transparent and accountable manner

The concept of accountable, effective, efficient, participatory, and transparent regional financial management is an integral part of the implementation of regional autonomy in Indonesia (Indah et al, 2017). The seriousness of the Government in creating good governance through transparency and accountability in state financial management. The emergence of demands for transparency and accountability in the state financial management system has led the government to fix the old system that is oriented towards the interests of the ruler and affects changes in the implementation and evaluation mechanisms (Fajaruddin, 2021).

3. Manage regional finances efficiently and effectively

One indicator that can be used in managing regional budgets and development success is using the ratio of efficiency and effectiveness of regional financial management. In managing regional finances consists of regional financial management authority, general principles and structure of the Regional Revenue and Expenditure Budget (APBD). To find out that an area manages finances well, it can be seen using the ratio of efficiency and effectiveness (Rahman & Saputra, 2022).

CONCLUSION

Based on the results of the study, it was found that state financial management is crucial because it is a form of national and regional development. Local governments also have authority over financial management in the regions given by the central government. So that local governments can be called stakeholders in the regional financial legal system. As stakeholders, local governments have rights and obligations in managing their finances. These rights are to plan and compile regional budgets, manage regional finances to meet community needs, and determine regional financial policies. Meanwhile, its obligations are to comply with laws and regulations related to regional financial management, submit financial statements in a transparent and accountable manner, and manage regional finances efficiently and effectively.

REFERENCES

Baso, R., Suriyanto, S., & Asmelisa, A. (2021). Penerapan Sistem Akuntansi Keuangan Daerah Dalam Mewujudkan Transparansi Keuangan Pemerintahan

- Daerah Pada Kantor Camat Bungin Kabupaten Enrekang. *YUME: Journal of Management*, 4(1), 83–94.
- Edward, H., & SH, M. (2016). Perimbangan Keuangan Antara Pemerintah Pusat Dengan Pemerintah Daerah Salam Pengelolaan Keuangan Daerah. *Jurnal Ilmu Pemerintahan Widyapraja*, XLII (1).
- Erdianti, N., & Ramadhan, M. R. H. I. (2023). Analisis Pengawasan Pengelolaan Keuangan Negara Terhadap Prinsip Transparansi dan Akuntabilitas Pada Dana Desa Berdasarkan Regulasi Pengelolaan Keuangan Desa. *Jurnal Beleid*, 1(1), 1–16.
- Fajaruddin, F. (2021). Konsep Transparansi Dalam Pengelolaan Keuangan Daerah. *Seminar Nasional Teknologi Edukasi Sosial Dan Humaniora*, 1(1), 662–671.
- Kaharuddin, K. (2021). Kualitatif: Ciri dan Karakter Sebagai Metodologi. *Equilibrium: Jurnal Pendidikan*, 9(1), 1–8.
- Khairunnas, K., Erawati, T., & Primastiwi, A. (2021). Pengaruh Sistem Informasi Pengelolaan Keuangan Daerah (SIPKD), Pengendalian Intern, Kompetensi Sumber Daya Manusia Dan Good Governance Terhadap Kualitas Laporan Keuangan Daerah. *INVOICE: JURNAL ILMU AKUNTANSI*, 3(2), 483–497.
- Maldun, S. (2015). *Analisis implementasi kebijakan pemekaran daerah di kabupaten Mamuju Utara*.
- Moenek, R., & Suwanda, D. (2019). *Good Governance Pengelolaan Keuangan Daerah*. PT Remaja Rosdakarya.
- Muin, F. (2014). Otonomi daerah dalam perspektif pembagian urusan pemerintah-pemerintah daerah dan keuangan daerah. *Fiat Justisia*, 8(1), 69–79.
- Permaqi, F. (2018). E-Budgeting Dalam Keuangan Negara Dan Keuangan Daerah (E-Budgeting On State Budget And Regional Budget). *Jurnal Legislasi Indonesia*, 12(3).
- Rahim, A., Hakim, A. F., Purnama, A., Al Hafitsyah, E., & Zahira, F. (2023). Pengelolaan Keuangan Negara Berdasarkan Hukum Administrasi Negara Ditinjau dari Undang-Undang Nomor 17 Tahun 2003. *JHIP-Jurnal Ilmiah Ilmu Pendidikan*, 6(9), 7012–7018.
- Ramadhani, R. D., Abdillah, W. S., & Farida, A. S. (2022). PERENCANAAN ANGGARAN BELANJA PADA BADAN PERENCANAAN PEMBANGUNAN, PENELITIAN DAN PENGEMBANGAN (BAPPELITBANG) KOTA BANDUNG TAHUN 2019-2020. *Publik: Jurnal Manajemen Sumber Daya Manusia, Administrasi Dan Pelayanan Publik*, 9(3), 460–476.
- Sugianto, S. (2019). PROBLEMA KEBIJAKAN PENGELOLAAN KEUANGAN DAERAH YANG BERIMPLIKASI PIDANA ADMINISTRASI YANG BERDAMPAK PADA UU NOMOR 20 TAHUN 2001 TENTANG TINDAK PIDANA KORUPSI. *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah*, 4(2), 234–247.
- Sukhoya, W. (2023). Keuangan Pusat dan Daerah: Aspek Hukum Hubungan Dalam Peraturan Perundangan. *PROGRESIF: Jurnal Hukum*, 17(2), 144–160.
- Sulistiawan, A., Ispriyarso, B., & Ristyawati, A. (2019). Bentuk dan mekanisme perencanaan keuangan daerah yang partisipatif guna mewujudkan akuntabilitas publik. *Jurnal Pembangunan Hukum Indonesia*, 1(2), 146–157.

- Susanti, A. D. (2022). Perspektif Hukum Keuangan Negara Terhadap Mekanisme Pertanggungjawaban Pengelolaan Anggaran Pendapatan dan Belanja Daerah. *El-Dusturie: Jurnal Hukum Dan Perundang-Undangan*, 1(2).
- Widiawati, W., Utary, A. R., & Musviyanti, M. (2018). Pengaruh pemahaman sistem akuntansi keuangan daerah dan komitmen organisasi terhadap pengelolaan keuangan pada SKPD kota Samarinda. *Jurnal Ilmu Akuntansi Mulawarman (JIAM)*, 3(4).