

Analysis Of State Finances Within The Framework Of State Administrative Law

Maria MT Manurung¹ Syifa Fajastia²

¹BPN Deliserdang

²State Islamic University of North Sumatra

E-mail: mariammanurung723@gmail.com syifafajastia02@gmail.com

Info Articles	Abstract
<p>Article History Received : 2021-07-07 Revised: 2021-07-14 Published: 2021-07-30</p> <p>Keywords: <i>State Financial Law, Administrative Law, Financial Supervision</i></p>	<p>This paper discusses state financial law from the perspective of state administrative law, which plays a crucial role in governance. State finance encompasses all state rights and obligations that can be valued in money, and its management must be orderly, transparent, and accountable. This research aims to understand the definition, scope, position, principles, oversight mechanisms, and responsibilities of administrative officials in managing state finances. The discussion results indicate that state financial law is a subset of public law that regulates the acquisition, management, and use of state funds based on principles of good governance, such as transparency, accountability, efficiency, effectiveness, and legal compliance. Oversight is carried out through internal and external mechanisms by authorized institutions, while accountability is manifested in auditable financial reports. Furthermore, state administrative officials have legal responsibilities that include administrative, civil, criminal, and moral liability. Therefore, state financial law is not merely technical but also a crucial instrument in realizing clean, effective, and accountable governance for the benefit of the public.</p>

I. INTRODUCTION

State financial law plays a highly strategic role in modern governance, as it directly relates to the management of financial resources derived from the people and used for the public interest. State finances serve as the primary instrument for the government in carrying out public service functions, national development, and implementing state policies across various sectors of society. Therefore, state financial management cannot be separated from the legal system that regulates the government's limitations, authorities, and responsibilities in using public funds appropriately and legally.

State finances are not merely understood as a technical matter of budget management, but also as an integral part of the state administrative legal system that regulates the legitimate and responsible implementation of government authority. In the practice of governance, every budget policy reflects a form of state administrative action that has legal consequences. This demonstrates that state financial management is a manifestation of the exercise of public authority, which must be carried out based on the principle of legality and subject to applicable laws and regulations. In the context of a state governed by the rule of law, every government action in managing state finances

must be based on clear legal regulations and the principles of good governance.

A state based on the rule of law places law as the primary foundation for all forms of power, thus prohibiting arbitrary use of state funds. The government is obligated to ensure that all processes of planning, implementation, and budget accountability are transparent and subject to public oversight, as holders of sovereignty. From the perspective of state administrative law, state financial management is a form of government administration that requires adherence to the general principles of good governance, such as transparency, accountability, effectiveness, efficiency, and legal certainty. The principle of transparency provides the public with the opportunity to obtain information regarding the use of the state budget openly. Accountability affirms that every public official is obligated to be accountable for the policies and actions taken in managing state funds.

Meanwhile, effectiveness and efficiency emphasize that the state budget must be used optimally to achieve tangible development outcomes that benefit the community. Implementing these principles is crucial to prevent abuse of authority and ensure that the state budget is truly directed towards the welfare of the community. Without these principles, state

financial management has the potential to lead to corruption, budget misappropriation, and weak public accountability, which can ultimately undermine public trust in the government. Therefore, state financial law serves as a control mechanism for administrative power to ensure it continues to operate in accordance with the objectives of state administration.

Furthermore, a system of state financial oversight and accountability is a fundamental element in realizing good governance. Oversight aims not only to identify errors but also to ensure that budget policies are implemented effectively, efficiently, and in accordance with legal provisions. The existence of oversight institutions such as the Supreme Audit Agency (BPK) and the Financial and Development Supervisory Agency (BPKP) plays a crucial role in ensuring that state financial management is carried out in accordance with legal provisions and the principles of public accountability.

Through audit, evaluation, and ongoing oversight mechanisms, state budget use can be controlled transparently and accounted for to the public. This oversight system also creates a balance of power (checks and balances) in government administration, thereby minimizing the potential for abuse of authority. With effective oversight, state financial management not only meets administrative requirements but also reflects the principles of fairness, openness, and public accountability.

Based on this, state financial law serves not only as a set of administrative regulations regarding financial management, but also as a legal instrument that ensures the creation of clean, efficient, and accountable governance. State financial law is a key pillar in supporting the realization of good governance principles and strengthening the government's legitimacy in exercising its authority.

Therefore, a study of the legal position of state finances from the perspective of state administrative law is important to understand how legal principles can support the achievement of state objectives as mandated in the 1945 Constitution of the Republic of Indonesia, namely realizing general welfare, social justice, and the implementation of democratic and responsible governance.

II. RESEARCH METHODS

This study uses normative legal research with a statutory and conceptual approach to examine the legal standing of state finances from the perspective of state administrative law. The legal materials consist of primary, secondary, and tertiary legal materials obtained through literature review. The analysis is conducted qualitatively, drawing deductive conclusions based on relevant laws and legal concepts.

III. RESULTS AND DISCUSSION

A. Research result

The research results show that state financial law holds a highly strategic position within the government system because it serves as the basis for regulating all state financial management activities, which originate from the people and are used for the public interest. State financial management is not only related to the technical aspects of budget administration, but also constitutes part of the implementation of government authority, which must be implemented based on the principles of the rule of law.

From the perspective of state administrative law, the use of authority by government organs or officials in managing public funds must be carried out legally, orderly, and responsibly in accordance with statutory provisions. This study found that the application of general principles of good governance is the main foundation in managing state finances. The principle of transparency encourages the openness of information to the public, the principle of accountability demands accountability for budget use, while the principles of efficiency and effectiveness ensure that state finances are used optimally to achieve public welfare. Compliance with the law is a crucial factor in preventing irregularities in the management of state funds.

Furthermore, research findings indicate that oversight and accountability are crucial instruments in ensuring the state financial system operates in accordance with the principles of good governance. The role of oversight institutions, namely the Supreme Audit Agency (BPK) as external oversight and the Financial and Development Supervisory Agency (BPKP) as internal government oversight, serves to create an effective control mechanism for the use of the state budget.

Through this oversight system, state financial management can be monitored, audited, and transparently accounted for to the public. Thus, this study confirms that state financial law serves not only as a technical regulation for managing state funds, but also as an administrative legal instrument that supports the realization of clean, efficient, and accountable governance in order to achieve the state's goals as mandated by the 1945 Constitution of the Republic of Indonesia.

B. Discussion

1. Definition of State Finance

State financial law is a crucial instrument in the public legal system, regulating all state financial activities comprehensively and systematically. This law is not merely administrative in nature but also has a constitutional dimension, as it directly aligns with the state's objectives, as stated in the preamble to the 1945 Constitution of the Republic of Indonesia, namely, to realize general welfare and social justice.

Conceptually, state financial law can be understood as a set of legal norms governing how the state obtains, manages, and responsibly uses financial resources. In this context, the state plays a role not only as a holder of power but also as a manager of the people's trust. Therefore, every policy and action in the field of state finances must be legally and morally accountable. (Marbun, 2001)

Based on Article 1 paragraph (1) of Law Number 17 of 2003 concerning State Finance, state finance is defined as all state rights and obligations that can be valued in money, as well as everything in the form of money or goods that can be owned by the state. This definition shows that the concept of state finance has a very broad scope and is not limited to the state treasury alone. It includes all of the country's economic potential, both that which has been realized and that which is still in the form of rights that can be collected.

From an analytical perspective, the broad definition carries significant legal consequences. First, the state has extensive authority to manage various economic resources. However, this authority also opens up opportunities for abuse if not balanced by a strong oversight system. In other words, the broader the scope of state finances, the greater the risk of maladministration and corruption.

The scope of state financial law encompasses the entire state financial cycle, from planning to implementation to accountability. For example, in the state revenue stage, the state has the right to collect taxes, duties, and other revenue sources. However, in practice, problems often arise, such as revenue leakage, tax evasion, and a weak tax administration system. This demonstrates the need for sound regulation to be accompanied by an effective law enforcement system.

Furthermore, in terms of state expenditure, state financial law regulates how the budget is used to finance government and development needs. Problems that frequently arise at this stage include inefficient budget use, waste, and inaccurate program targeting. Many cases demonstrate that budget size does not always correlate with the quality of results achieved. This indicates weaknesses in planning and oversight.

In terms of state asset management, a common problem is the suboptimal utilization of state assets. Many assets are not properly recorded, are not utilized productively, or are even illegally controlled by certain parties. This situation indicates that the state asset administration and security system still needs strengthening. (Hadjon 2014)

Furthermore, the management of the state budget (APBN and APBD) is also a crucial aspect within the scope of state financial law. In practice, the budget preparation process is often influenced by political interests, potentially reducing objectivity in determining development priorities. This can result in suboptimal use of the budget for the benefit of the wider community. At the accountability and oversight stage, state financial law demands transparency and accountability. Institutions such as the Supreme Audit Agency (BPK) play a crucial role in auditing state financial management. However, audit results are often not fully followed up optimally, thus failing to provide a deterrent effect against violations. (Asshiddiqie, 2005)

From a legal perspective, state financial management should be based on transparency, accountability, efficiency, effectiveness, and compliance with laws and regulations. However, in practice, there remains a gap between norms and implementation. This gap can be caused by various factors, such as weak integrity of the apparatus, inadequate oversight, and a

bureaucratic system that is not yet fully professional.

Thus, it can be analyzed that state financial law holds a very strategic position in ensuring good governance. However, its effectiveness depends heavily on the quality of implementation and enforcement. Therefore, ongoing efforts are needed to strengthen the state financial management system, both through regulatory reform, increasing the capacity of the apparatus, and strengthening supervisory institutions.

Ultimately, the primary goal of state financial law is to ensure that all state financial resources are used to the maximum extent possible for the prosperity of the people. If this principle can be consistently implemented, state financial law will not only serve as a regulatory tool but also as a means to achieve social justice and the overall well-being of society.

2. The legal position of State Finance in State Administrative Law

State financial law holds a crucial position within state administrative law because it serves as the basis for regulating all government financial activities. Every government action fundamentally involves the use of public funds, and therefore must be legally regulated to ensure orderly, legitimate, and accountable operations. (Djarmiko, 2015)

From the perspective of state administrative law, state financial law serves as a guideline for government officials and organs in exercising their authority. State financial management must be based on the principle of legality and general principles of good governance (AUPB), such as transparency, accountability, efficiency, and effectiveness. These principles aim to prevent abuse of authority and ensure that all budget allocations are truly in the public interest.

Furthermore, oversight and accountability are crucial components of the state's financial legal system. The roles of the Supreme Audit Agency (BPK) as external oversight and the Financial and Development Supervisory Agency (BPKP) as internal oversight are crucial to ensuring financial management complies with applicable regulations.

Thus, state financial law is not only technical in nature, but is also an important administrative legal instrument in realizing transparent,

accountable and responsible governance, and supporting the achievement of state goals.

3. State Financial Supervision and Accountability

State financial oversight and accountability are crucial elements of the state's financial legal system. Both serve to ensure that all state financial management is conducted legally, orderly, transparently, and in accordance with the principles of good governance. (Anggara, 2018)

From the perspective of state administrative law, oversight is carried out to prevent misuse of public funds. Every official or government agency managing state finances is obliged to carry out their duties based on the principle of legality and general principles of good governance, such as transparency, accountability, efficiency, and effectiveness. Through effective oversight, the potential for abuse of authority, corruption, and budget waste can be minimized.

State financial oversight is implemented through two mechanisms: internal and external oversight. Internal oversight is carried out by the government itself through institutions such as the Financial and Development Supervisory Agency (BPKP), which is tasked with ensuring financial management complies with applicable regulations. Meanwhile, external oversight is carried out by the Supreme Audit Agency (BPK), an independent institution that audits and assesses state financial management and accountability. (Tjokroamidjojo, 2007)

In addition to oversight, accountability plays an equally important role. Every use of the state budget must be administratively, legally, and morally accountable to the public. This accountability is demonstrated through transparent and verifiable financial reports and through audit mechanisms conducted by authorized institutions.

Thus, state financial oversight and accountability serve not only as a control tool but also as a means to achieve clean, accountable, and trustworthy governance. The existence of these two aspects is key to maintaining public trust and ensuring that state finances are truly used for the greatest prosperity of the people.

4. Principles of State Financial Management

State financial management is a crucial component of governance and must be implemented in an orderly manner, in compliance

with laws and regulations, and oriented toward the public interest. From the perspective of state administrative law, every action by government officials in managing state finances must not only be legally valid but also reflect the principles of good governance. Therefore, the application of the principles of state financial management is fundamental.

One of the main principles is transparency, which requires openness in every process of state financial management. The government is obliged to provide clear, accurate, and easily accessible information to the public regarding budget planning, implementation, and accountability. This transparency is crucial for preventing irregularities and increasing public trust in the government.

Furthermore, the principle of accountability emphasizes that every use of state funds must be legally and administratively accountable. Every official or agency managing the state budget is required to provide clear and verifiable reports. In this regard, institutions such as the Supreme Audit Agency (BPK) play a crucial role in auditing state financial management and accountability to ensure that the budget is used in accordance with applicable regulations.

Furthermore, there are the principles of efficiency and effectiveness, which require optimal use of state finances to achieve maximum results. Efficiency relates to the efficient and effective use of resources, while effectiveness relates to the achievement of planned goals. These two principles are crucial to ensuring that every state expenditure provides tangible benefits to the public.

The next principle is the principle of compliance with the law, which emphasizes that all state financial management processes must be based on laws and regulations. This includes budget planning, implementation, and reporting and accountability. Compliance with the law is the basis for preventing abuse of authority and corrupt practices in state financial management.

Furthermore, the principle of oversight also plays a crucial role. Oversight is carried out to ensure that all state financial management processes are carried out in accordance with established principles. In addition to external oversight by the Supreme Audit Agency (BPK), internal oversight is also carried out by the

Financial and Development Supervisory Agency (BPKP), which is tasked with overseeing budget implementation to ensure it remains in line with legal provisions and development objectives. (Wahyudi, 2024)

By implementing these principles, state financial management is expected to create a transparent, accountable, efficient, and responsible government system. This aligns with the mandate of the 1945 Constitution, which emphasizes that state governance must be directed toward achieving general welfare. Therefore, the principles of state financial management are not merely normative but also serve as practical guidelines for realizing a clean government oriented toward the interests of the people.

IV. CONCLUSION AND SUGGESTIONS

A. Conclusion

The conclusion of this study is that state financial law holds a very strategic position within the government system because it serves as the basis for regulating all state financial activities used for the benefit of the people. From the perspective of state administrative law, state financial law serves as a guideline for the government in exercising its authority legally, orderly, and responsibly.

The application of general principles of good governance, such as transparency, accountability, efficiency, and effectiveness, is key to ensuring proper state financial management and preventing misuse. Furthermore, oversight and Accountability carried out by institutions such as the Audit Board of Indonesia (BPK) and the Financial and Development Supervisory Agency (BPKP) plays an important role in creating effective control over the use of the state budget.

Thus, state financial law not only functions as a technical regulation, but also as an administrative legal instrument that supports the realization of clean, transparent and accountable governance, and is oriented towards achieving public welfare as mandated by the 1945 Constitution.

B. Suggestion

Based on the research findings, strengthening the state financial oversight system is necessary to ensure effective, transparent, and accountable financial management. Optimizing the roles of the Financial and Development Supervisory Agency (BPKP) as internal supervisor and the Supreme Audit Agency (BPK) as external supervisor needs to be continuously enhanced, particularly in ensuring follow-up on audit findings.

Furthermore, the government is expected to increase transparency and accountability in state financial management by providing more open access to information for the public. Improving the quality of human resources is also crucial to ensure that civil servants possess the competence and integrity to carry out their duties.

Furthermore, law enforcement against any violations in state financial management must be carried out firmly and consistently to prevent irregularities. The use of information technology also needs to be optimized to support a more efficient, accurate, and modern state financial management system.

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