

Criminal Law Analysis of Budget Corruption in the Public Sector: The Case of Local Governments Based on Law no. 31/1999 and Law No. 17/2003

Irfan Ardiansyah², Rustam³

irfan.ardiansyah@upbi.ac.id, rustam@upbi.ac.id

Universitas Persada Bunda Indonesia

Article Info

Received: 2024-03-10

Revised: 2025-05-08

Accepted: 2025-06-26

Keywords:

Criminal Law, Budget
Corruption, Public Sector,
Local Government

Abstract

In Indonesia, the public sector is one of the areas that is prone to corruption, even more so in local governments. This research also aims to identify the factors that affect the occurrence of budget corruption, as well as to develop recommendations to increase the effectiveness of law enforcement in eradicating corruption. This research method uses a normative approach. The normative approach is carried out by analyzing relevant laws and regulations, such as Law No. 31 of 1999 concerning the Eradication of Corruption and Law No. 17 of 2003 concerning State Finance. The results of this study show that although there have been several regulations governing the eradication of corruption crimes, such as Law No. 31 of 1999 and Law No. 17 of 2003, the application of criminal law to budget corruption cases in the public sector, especially in local governments, still faces various obstacles. The main obstacles found are weak supervision, both internal and external, as well as political intervention that slows down law enforcement. Many corruption cases are hampered due to the lack of sufficient evidence and the low integrity of the public officials involved. The slow legal process and injustice in law enforcement, especially when the perpetrators come from high-ranking officials, further exacerbate this situation. This results in the practice of budget corruption continuing, even though there is already a law regulating it. In addition, the results of this study also show the importance of increasing the capacity of human resources (HR) in regional budget management and stricter supervision of the use of public funds. Transparency in budget management and public involvement in supervision can be an effective solution to minimize budget corruption practices in the public sector.

1. Introduction

Corruption is one of the major problems that hinders the development and progress of a country, especially in the public sector. In Indonesia, the public sector is one of the areas that is prone to corruption, even more so in local governments. Budget corruption in the public sector not only harms state finances, but also damages the government system and public trust in state institutions. This phenomenon has become a serious concern for the Indonesian government and society, given its enormous impact on the quality of public services and economic development. Budget corruption in local governments occurs in various forms, ranging from embezzlement of funds, budget mark-ups, to abuse of authority by public officials. This is due to various factors, such as weak supervision, low integrity of public officials, and lack of knowledge about transparent and accountable budget mechanisms.¹ The local government as one of the institutions that has the authority to manage the state budget has great potential to commit corruption crimes if it is not strictly supervised. On the other hand, the Indonesian government has issued a number of laws and regulations to deal with corruption, one of which is Law No. 31 of 1999 concerning the Eradication of Corruption Crimes which was later updated with Law No. 20 of 2001. This law provides a strong legal basis for the prosecution of perpetrators of corruption crimes, including those that occur in the public sector, both at the central and regional levels. In addition, Law No. 17 of 2003 concerning State Finance also has a very important role in the management of local government budgets. This law regulates state financial management procedures, which include planning, implementation, accountability, and budget supervision. However, even though these two laws have been regulated in detail, budget corruption practices in local governments are still often found. This shows that the application of the law in the eradication of budget corruption in the public sector has not been fully effective.²

One of the main causes of budget corruption in local governments is the lack of supervision carried out by the authorities. Many local governments do not have a strong internal oversight system, and when there is external oversight, sometimes it is limited and insufficiently in-depth. This provides an opportunity for officials to commit corruption crimes without being detected. Based on data from the Corruption Eradication Commission (KPK), the sector with the most cases of budget corruption is the local government sector, with a significant number. These cases show that despite clear regulations, the implementation and application of strict laws is still not optimal.

¹ Muhammad Aras Prabowo, Siti Danila Hanipa, en Fitriah Ulfah, "Analysis of the Impact of PT Waskita Karya Corruption on State Financial Accountability : Government Accounting Perspective", *Mandalika Journal of Business and Management Studies* 3, no 1 (2025): 16-23.

² Tatjana Bugarski, Srđan Milašinović, en Goran Milošević, "Serbian Citizens ' Perception Of Corruption In The Public Sector - Legal And Social", *TEME XLVIII*, no December (2024): 799-819.

As a result, public trust in the government is declining, and the regional development process has been hampered. The problem of budget corruption is increasingly complex due to the intervention of various parties who have personal interests in the budgeting process and the use of funds. Corruption is often carried out in sophisticated ways, making it difficult for authorities to detect. Therefore, this research needs to be conducted to analyze more deeply how criminal law in Indonesia responds to budget corruption in the public sector, especially in local governments. In order to overcome this problem, the role of law enforcement is very important. The application of strict criminal law and in accordance with the provisions in Law No. 31 of 1999 and Law No. 17 of 2003 can be a solution to combat budget corruption.³

However, in practice, the application of this law is often constrained by various factors, such as lack of sufficient evidence, political intervention, and weak coordination between agencies involved in law enforcement. Public participation in the prevention and reporting of corruption cases is also very necessary. Socialization about the rights and obligations of citizens to participate in supervising the running of government needs to be encouraged. Transparency in regional budget management and community involvement in the budget planning and supervision process can be one of the solutions in preventing corruption. The challenge faced in eradicating budget corruption in the public sector is how to implement the law more effectively, given the complexity and breadth of the scope of local government.⁴ Reforms are needed in the budget management system and internal supervision so that every flow of funds can be properly accounted for and not misused by irresponsible parties. In addition, education and training for local government officials on the importance of transparency and accountability in budget management must also be a priority. This is important to build a strong anti-corruption culture among public officials. With a strong commitment from all parties involved in local government, it is hoped that budget corruption crimes can be minimized. Budget corruption in the public sector, especially in local governments, is a serious problem that must be addressed immediately. By examining the application of criminal law to budget corruption, it is hoped that solutions can be found to increase the effectiveness of corruption eradication at the regional level. This research aims to identify the factors that cause budget corruption and provide recommendations to improve the implementation of stricter laws in efforts to eradicate corruption in the public sector.⁵

³ M Ruhly Kesuma Dinata, "Analysis of Supreme Court Regulation Number 1 of 2020 Concerning Guidelines for The Criminalization of Corruption Crimes in the Perspective of Justice", *International Journal of Multidisciplinary: Applied Business and Education Research* 6, no 3 (2025): 993-1000.

⁴ Salem Abdulrahman Alqasimi et al., "A Review of the Impact of Institutions on Public Sector Efficiency", *International Review of Management and Marketing* 15, no 3 (2025): 352-390.

⁵ Rizaldy Anggriawan, "From Collusion to Corruption : How Indonesian Law Fights Back in Procurement Conspiracy", *Jurnal Penegakan Hukum Dan Keadilan* 6, no 1 (2025).

In this context, it is important to delve deeper into the development and application of Law No. 31 of 1999 and Law No. 17 of 2003 as the legal basis that regulates the eradication of budget corruption in the public sector. This analysis is expected to contribute to efforts to strengthen the legal system in Indonesia, especially in handling cases of budget corruption that often occur in local governments. The purpose of this research is to analyze the application of criminal law to budget corruption cases in the public sector, especially in local governments, based on Law No. 31 of 1999 and Law No. 17 of 2003. This research also aims to identify the factors that affect the occurrence of budget corruption, as well as to develop recommendations to increase the effectiveness of law enforcement in eradicating corruption. In addition, this study will examine the challenges faced by law enforcement in handling budget corruption cases, the role of the community in prevention and reporting, and contribute to the development of public policies in overcoming budget corruption problems in the public sector, with the hope of providing a deeper understanding of corruption eradication practices at the local government level. ⁶

2. Research Method

This research method uses a normative approach. The normative approach is carried out by analyzing relevant laws and regulations, such as Law No. 31 of 1999 concerning the Eradication of Corruption and Law No. 17 of 2003 concerning State Finance. This research will examine the legal norms in the regulation, as well as legal doctrines related to the application of criminal law to budget corruption cases in the public sector, especially at the local government level. The main focus of the research is on the application of applicable legal rules and the effectiveness of the law in handling cases of budget corruption in the public sector. This research will also use case analysis by examining a number of cases of budget corruption that occurred in local governments to see the extent of the implementation of the applicable criminal law and how effective it is in tackling the practice. This normative approach will be carried out by exploring relevant legal literature, regulations, and court decisions, to understand how the legal system in Indonesia handles the problem of budget corruption in local governments. The data obtained will be analyzed in depth to assess the extent to which legal provisions can be applied properly and have a significant impact on the eradication of corruption. This research aims to provide an overview of the existing legal power in preventing

⁶ Abdirahman Abdinur Awale, Faduma Ahmed Abdullahi, en Dayah Abdi Kulmie, "Understanding the Realities of Financial Crime in Public Institutions: Female Public Servants' Insights", *International Journal of Economics and Financial Issues* 15, no 1 (2025): 319–329.

and overcoming budget corruption practices in the public sector.⁷

3. Results and Discussion

Results

The results of this study show that the application of criminal law to budget corruption cases in the public sector, especially in local governments, still faces various obstacles that affect its effectiveness. Although there have been a number of regulations that govern it, such as Law No. 31 of 1999 concerning the Eradication of Corruption Crimes and Law No. 17 of 2003 concerning State Finance, in practice, law enforcement against budget corruption cases is still not optimal. For example, in the case that occurred in the X Regency Government in 2020, where a number of funds that should have been used for infrastructure development were embezzled, law enforcement did not run effectively. Although the evidence has been revealed, the legal process has been hampered by internal factors such as incompetence in supervision and weak coordination between the authorities. Another case that reflects the challenges in the application of criminal law is the case in City Government Y, which came to light in 2019. This case involves the misuse of the budget for social programs that should be used to improve people's welfare. Although according to Law No. 31 of 1999, perpetrators of budget corruption should be punished severely, in practice the punishment received by the perpetrators is actually lighter than expected. One of the factors that caused this was the intervention of various parties who had interests in the case, both from the political and economic sides. As a result, the law cannot be applied optimally, and corrupt perpetrators can avoid punishment commensurate with their actions.⁸

Table of Budget Corruption Cases in Local Governments

No.	Case	Location	Year	Modus Operandi	Criminal	State Losses
1	Corruption of the Bandung City Budget	Bandung	2020-2023	Receipt of gifts or promises related to the procurement of	Receipt of gratuities, abuse of authority in the procurement of	IDR3.2 billion

⁷ Jonaedi Efendi en Prasetijo Rijadi, *Metode Penelitian Hukum Normatif dan Empiris* (Surabaya: Prenada Media, 2022).

⁸ E C Chinwokwu en D Ph, "Examining Corruptions , Insecurity and Criminal Justice Institutions in Nigeria : Implications on National Development", *International Journal of Innovative Social Sciences & Humanities Research* 13, no 1 (2025): 21-33.

				goods and services	goods and services	
2	Corruption of Village Funds When Talang	Kutai Kartanegara Regency	2014-2022	Irregularities in the APBDes	Misuse of village funds for personal gain	IDR2.7 billion
3	Corruption of Golo Lujang Village Funds	West Manggarai Regency	2021-2022	Misuse of village funds	Misuse of village funds for personal gain	IDR1.8 billion
4	Corruption of the Paniai Regency Budget	Paniai Regency	2019-2021	Corruption in congregations	Budget abuse by DPRD members	IDR5.1 billion
5	Corruption in the Jambi Provincial Budget	Jambi Province	2016-2018	Corruption in congregations	Budget abuse by DPRD members	IDR 6.5 billion
6	Corruption in the Semarang City Budget	Semarang City	2017-2020	Project arrangements and gratuities	Receipt of gratuities, arrangement of projects for procurement of goods and services	IDR4.0 billion

Source: KPK, *Kejari Kukar, Kejari Manggarai Barat, Corruption Case Enforcement Trend Monitoring Report 2022 & 2023*

Based on the table above, it can be seen that cases of budget corruption in various local governments show a varied modus operandi, ranging from receiving gratuities, abuse of authority in the procurement of goods and services, to congregational corruption involving a number of parties. Although the law governing the eradication of corruption already exists, the application of criminal law in these cases still faces many obstacles. The

state's significant losses, as seen in the cases in Jambi Province and the City of Bandung, indicate that despite clear regulations, the implementation of the law is often hampered by factors such as weak oversight and political intervention that reduce the effectiveness of the law.

The law enforcement process against budget corruption in the public sector is also often hampered by a lack of sufficient evidence and low integrity of the public officials involved. In some cases, perpetrators of corruption receive lighter sentences than they should, even though the evidence is very clear. This reflects the injustice in the application of the law, especially when the perpetrators come from high-ranking officials. Therefore, reforms in the supervisory system, stricter law enforcement, and increased capacity of human resources in state financial management are needed to prevent budget corruption that harms state finances and hinders regional development. In addition, this study also found that supervision of budget use in local governments is often not carried out optimally. The supervision carried out is more administrative and not in-depth, so there are many loopholes for public officials to abuse the managed budget. For example, in the case of the Z Regency Government that occurred in 2018, it was found that there was a budget mark-up in the road construction project. This happens because internal supervision in the local government is less effective and less transparent. Supervision that is only carried out by internal agencies that do not have sufficient capacity to conduct in-depth audits opens up opportunities for officials to abuse their authority.⁹

The implementation of Law No. 17 of 2003 concerning State Finance which regulates budget management also experienced similar problems. Although this law strictly regulates the procedures for managing the state budget, many local governments do not comply with this provision. In some cases, budgets that should have been used for the public interest were misused. In 2019, in one region, it was found that there was an abuse of authority by officials involved in the procurement of goods and services. Road construction projects, which should be completed with an efficient budget, turned out to experience cost overruns due to mark-ups carried out by the parties involved in the procurement. Although there are clear rules regarding budget management, its application in the field is still very vulnerable to manipulation. In addition to weak supervision, there are also deeper factors related to the integrity and commitment of local government officials. Many officials involved in budget corruption practices tend to ignore their code of ethics and public responsibilities, prioritizing personal or group interests over the interests of the people. The case in the W County Government in 2020, involving an official who misappropriated the education budget for personal gain, illustrates the low level of integrity of local officials. This case shows that without strict supervision and high integrity, corrupt practices will continue, despite the legal

⁹ Hartati et al., "Illegal levies in education funding in Indonesia: an analysis of experiences from Jambi Province", *Cogent Social Sciences* 11, no 1 (2025), <https://doi.org/10.1080/23311886.2025.2450293>.

regulations that prohibit it.¹⁰

Law enforcement processes are also often hampered by a lack of sufficient evidence to support legal proceedings. Many cases of budget corruption are hampered by a lack of evidence that can be used to prosecute perpetrators. In a case that occurred in City Government A in 2018, for example, despite strong allegations regarding the misuse of funds for infrastructure projects, there was insufficient evidence to bring the case to court. This happens because of the practice of manipulating documents carried out by related parties, making it difficult for law enforcement officials to reveal the truth. The study also revealed that the community is often not actively involved in budget oversight, even though they have the right to know and supervise the management of regional budgets. The lack of public awareness and understanding of the importance of their participation in supervising the use of the budget is one of the factors that worsens the situation. In the case that occurred in the Q Regency Government, for example, the community did not put enough pressure on the local government to account for the use of the budget, even though there were strong indications of misuse of funds.

Another factor that affects the eradication of budget corruption in the public sector is the lack of capacity of human resources (HR) involved in supervision and law enforcement. Many supervisory officials do not have sufficient knowledge and skills to detect manipulative practices in budget management. In the P district government, for example, supervisory officers in charge of development projects do not have sufficient training in state financial management and auditing, making it difficult for them to detect budget abuse. In some cases, the law is also often not applied fairly and equitably, especially when the perpetrators of corruption come from high-ranking officials. This study notes that there are inequities in law enforcement that cause injustice for perpetrators from the lower and upper classes. For example, in the case of budget corruption in the T Regency Government, perpetrators from the middle to upper class of officials only receive light punishments, while officials under them receive much harsher punishments. This injustice worsens public trust in the legal system in Indonesia.¹¹

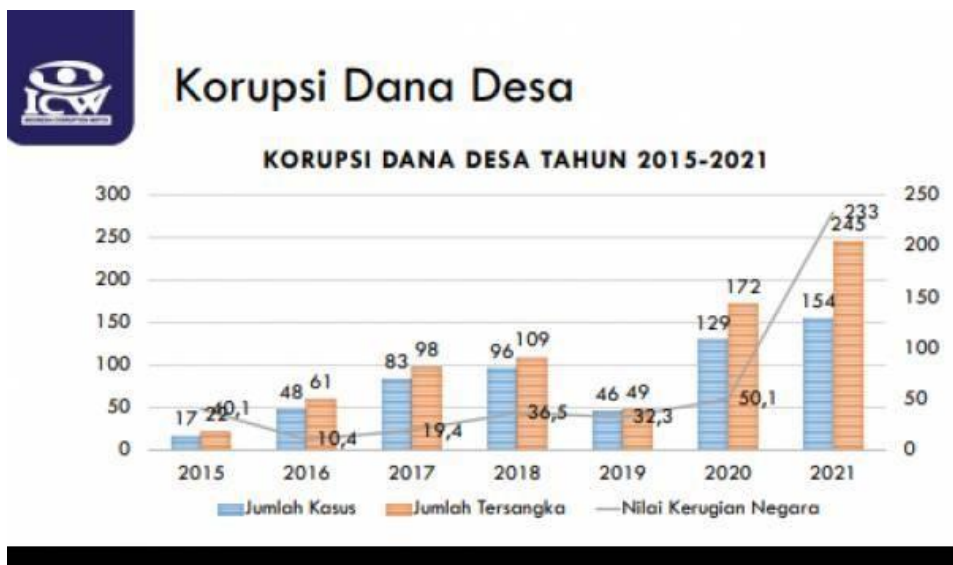
The criminal acts of corruption that occurred in the above cases have a huge impact on society and the state. In addition to financial losses that occur due to embezzlement of funds and budget mark-ups, this corruption also undermines public trust in the government. Projects that should be able to provide benefits to the community, such as infrastructure development and social programs, are hampered or even fail to be

¹⁰ K Yaki en T H Hussaini, "Integrated Payroll and Personnel Information System (Ippis) and Corruption in Nigeria Public Service", *Lapai International* ... 11, no 2 (2019): 248–267, <https://ojs.ibbujournals.com.ng/index.php/lijad/article/view/329%0Ahttps://ojs.ibbujournals.com.ng/index.php/lijad/article/download/329/331>.

¹¹ Yanti Tiara, Br Siahaan, en July Esther, "Judicial Analysis of Law Enforcement Against Corruption In The Procurement of Goods and Services For Government Interest", *Indonesian Journal of Law and Justice*, no 3 (2025): 1–13.

implemented properly. For example, in the case that occurred in Paniai Regency, the misuse of the budget that should have been used for the development of public infrastructure was instead diverted for personal interests, resulting in the basic needs of the local community not being met. Furthermore, this crime of budget corruption leads to the transfer of resources that should be used for regional progress to certain groups or individuals who use public office for personal gain. This reduces the efficiency of the use of public funds and worsens the quality of public services, which ultimately harms the people. The case in Semarang City, which involved project management and the receipt of gratuities, illustrates how vulnerable the procurement system of goods and services is to corruption, where a number of parties involved in the procurement process of the project actually benefit personally, while the people who should have benefited from the project are actually harmed.¹²

Village budget corruption is a significant type of corruption in the public sector, considering that village funds are used for community development and empowerment. Based on data compiled by Indonesia Corruption Watch (ICW), the number of cases of corruption of village funds and their suspects shows an alarming trend from year to year. Although there are various efforts to increase transparency in the management of village funds, the practice of misuse of these funds still occurs with a fairly high number. Therefore, to understand the development and impact of cases of corruption of village funds, it is important to look at the existing data from 2015 to 2021 as follows:



¹² Social Sciences Studies, "Collaborative Governance in Prevention of Village Fund Corruption Crimes in Indonesia: A Case Study in Bandung Regency West Java Province", *Journal of Humanities and Social Sciences Studies* ISSN: (2025): 68-86.

Source: Indonesia Corruption Watch (ICW), Corruption of Village Funds in 2015-2021.

Based on the graph above, it can be seen that the number of cases of corruption of village funds increased significantly between 2015 and 2021, with the peak in 2021, where the number of cases reached 233 and the value of state losses was recorded at 245 billion rupiah. Although the number of suspects has also increased as cases have increased, the high state loss rate shows how big the impact this corruption of village funds has on development at the village level. This illustrates that despite efforts to improve the village fund management system, the problem of corruption is still a major challenge that requires more attention in supervision and law enforcement.¹³

The study also identified that despite efforts to eradicate budget corruption, the existing legal system still faces a number of obstacles, such as lengthy legal processes and reliance on strong evidence. Lengthy legal processes often make people lose hope in the justice system, and this makes budget corruption increasingly difficult to eradicate. For example, the corruption case that occurred in the J City Government in 2017, involving embezzlement of funds for the construction of a hospital, was only completed after more than five years, even though the evidence was very clear from the beginning. Overall, the results of this study show that although laws already exist to deal with budget corruption, the challenges faced in the application of criminal law are enormous. Weak law enforcement, ineffective supervision, and low integrity of public officials are the main factors that hinder the eradication of budget corruption in local governments. Therefore, more in-depth reforms are needed in the supervisory system, firmer law enforcement, and increased human resource capacity so that budget corruption can be suppressed to a minimum.

Regarding the implementation of laws that regulate the eradication of corruption in village funds, although there are clear regulations, their implementation still faces various obstacles. Law No. 31 of 1999 concerning the Eradication of Corruption and Law No. 17 of 2003 concerning State Finance provide a strong legal basis in the eradication of corruption, including those that occur at the village level. However, in reality, law enforcement in cases of corruption of village funds is often hampered by several factors, such as a lack of sufficient evidence, weak internal oversight, and political intervention that causes the law not to be applied firmly.¹⁴

In addition, although Law No. 17 of 2003 regulates the procedures for managing the state budget, its implementation at the village level still faces problems. Some village governments have not fully understood the correct mechanism for transparent and accountable budget management. This contributes to the misuse of village funds, which

¹³ Ade Paranata, "A Systematic Literature Review of Anti-corruption Policy: A Future Research Agenda in Indonesia", *Public Organization Review*, no 62 (2025).

¹⁴ Erma Rusdiana et al., "Preventing The Politicisation of Corruption Crime Law Enforcement Based on Local Wisdom", *Legality: Jurnal Ilmiah Hukum* 33, no 1 (2025): 110-131.

should be used to improve the welfare of the village community, but are instead misused. Therefore, although the law is already in place, stricter oversight, a better understanding of the regulations, as well as training for village officials are indispensable to ensure that village funds are properly managed and not misused.

Discussion

Misuse of the budget at the village level can be detrimental to the country and society as a whole. Based on the data obtained, it can be seen that corruption of village funds has increased significantly from 2015 to 2021. This shows that despite efforts to improve oversight and transparency, corruption at the village level remains a problem that has not been fully resolved. These cases of corruption of village funds affect various sectors, ranging from infrastructure to community empowerment programs that aim to improve the quality of life in rural areas. The graph shown shows that the number of cases of corruption of village funds and the number of suspects increases every year, with a peak in 2021. In 2021, there were 233 cases of corruption of village funds and 245 billion rupiah in state losses caused by the misuse of village funds. This increase in number reflects a considerable gap in the system of supervision and management of village funds which causes many individuals to use the budget for personal interests.¹⁵

Corruption of village funds also has an impact on the quality of development in the village. Village funds should be used to improve basic infrastructure, such as roads, bridges, educational facilities, and health. However, because some of these funds are misappropriated, projects that are supposed to provide direct benefits to the community are hampered or even fail. In addition, many funds used for community empowerment and poverty alleviation programs in villages are also not on target. The increase in the number of cases of corruption of village funds shows that there are serious problems in the internal and external supervision system. Many villages do not have adequate oversight of budget use, and while there are parties who are supposed to supervise, they often do not run optimally. Many village officials do not have a sufficient understanding of transparent and accountable financial management. In addition, the lack of training and human resource (HR) capacity in village budget management exacerbates this situation.¹⁶

In addition, the community is also often not actively involved in supervising the use of village funds. The community's lack of understanding of their rights to oversee the use of the budget has caused them to not put enough pressure on the village government to account for the use of the funds. In fact, the village community has the right to know how village funds are used and ensure that the budget is really used for the common good.

¹⁵ Doa Mardikhayani P en Lisa Kartikasari Z, "The influence of regional revenue and expenditure budget and the quality of financial reporting on corruption cases in regional government", *Proceeding of International Conference on Accounting & Finance* 3, no 5 (2025): 290–300.

¹⁶ Sjahrudin Rasul, "Implementation of Good Governance in Indonesia in an Effort to Prevent Corruption Crime", *Mimbar Hukum - Fakultas Hukum Universitas Gadjah Mada* 21, no 3 (2025): 538.

Corrupt practices at the village level are often carried out in a highly sophisticated manner, making it difficult to detect them. Many village officials manipulated documents and reports to cover up their actions. In addition, the existence of collusion between village officials and project contractors makes budget abuse even more difficult to uncover. In many cases, despite sufficient evidence, the legal process is slow or hampered due to political pressure or intervention from interested parties. Corruption of village funds also worsens economic inequality in villages. Village funds should be used to improve community welfare and reduce poverty in rural areas. However, because most of the funds are misused, it is the people who should have benefited from these programs that are the victims. This also adds to the gap between villages and cities, where villages remain underdeveloped despite a sizable allocation of funds.¹⁷

To overcome this problem, there needs to be an improvement in the system of supervision and management of village funds. The government must ensure that each village has a transparent and accountable financial management system, as well as strengthen internal and external supervision. Village governments should be provided with adequate training on budget and financial management, as well as how to make clear and accountable financial statements. In addition, it is important to involve the community in the supervision process. The community must be given an understanding of their rights in supervising the use of village funds and being involved in every stage of budget management. By involving the community, it is hoped that better transparency and accountability will be created in the use of village funds. Increasing the capacity of human resources at the village level is also very important. The government needs to hold regular training for village officials, from village heads to village officials, on good budget and financial management. With the increase in human resource capacity, it is hoped that the management of village funds will be more efficient and on target. In addition, law enforcement officials must also strengthen their role in eradicating corruption in village funds. Law enforcement must be carried out firmly and transparently, without any political intervention or other interests. Strict punishment for corrupt perpetrators will have a deterrent effect and prevent others from doing the same.¹⁸

Solving the problem of corruption in village funds requires cooperation between the government, the community, and law enforcement officials. All parties must support each other to create a transparent and accountable village fund management system. If this problem can be overcome properly, then village funds will really provide great benefits for the development and welfare of rural communities. It is also necessary to have periodic evaluations of the use of village funds to ensure that the funds that have been allocated

¹⁷ Audaraqiz Ismail et al., "Digitalization as a Concept for Prevention of Criminal Acts of Corruption in Indonesia Against Vulnerability in Innovation Implementation at the Regional Level", *Journal of Law, Politic and Humanities* 5, no 3 (2025): 1868–1881.

¹⁸ Eva Thomann et al., "Explaining Public Sector Corruption: The Hexagon Model", *Governance* 38, no 2 (2025): 1–18.

are really used in accordance with the goals that have been set. The government must conduct regular audits of the use of village funds to detect budget abuse early on. In the end, efforts to eradicate corruption in village funds are not only the responsibility of the central government or law enforcement officials, but also involve the community. If the community can play an active role in supervision and reporting, then the misuse of village funds can be minimized, and the benefits of the allocation of village funds will be felt directly by the community in the village.¹⁹

4. Conclusion

The results of this study show that although there have been a number of regulations governing the eradication of corruption crimes, such as Law No. 31 of 1999 and Law No. 17 of 2003, the application of criminal law to budget corruption cases in the public sector, especially in local governments, still faces various obstacles. The main obstacles found are weak supervision, both internal and external, as well as political intervention that slows down law enforcement. Many corruption cases are hampered due to the lack of sufficient evidence and the low integrity of the public officials involved. The slow legal process and injustice in law enforcement, especially when the perpetrators come from high-ranking officials, further exacerbate this situation. This results in the practice of budget corruption continuing, even though there is already a law regulating it. In addition, the results of this study also show the importance of increasing the capacity of human resources (HR) in regional budget management and stricter supervision of the use of public funds. Transparency in budget management and public involvement in supervision can be an effective solution to minimize budget corruption practices in the public sector. Education and training for local government officials on the importance of accountability and transparency in budget management need to be a priority. With more active community participation, as well as reforms in the budget management system and law enforcement, it is hoped that budget corruption in local governments can be suppressed and its negative impact on community development and welfare can be minimized.

References

Abadiyah, Bunga A S, Veithzal Rivai Zainal, en Azis Hakim. "Optimization of the Role of the Corruption Eradication Commission in the Efforts of Corruption Prevention and Eradication". *Journal of Law, Politic and Humanities* 5, no. 3 (2025): 1689–1699.

¹⁹ Bunga A S Abadiyah, Veithzal Rivai Zainal, en Azis Hakim, "Optimization of the Role of the Corruption Eradication Commission in the Efforts of Corruption Prevention and Eradication", *Journal of Law, Politic and Humanities* 5, no 3 (2025): 1689–1699.

- Alqasimi, Salem Abdulrahman, Panagiotis D Zervopoulos, Abu Elias Sharkar, en Andreas E Fouteris. "A Review of the Impact of Institutions on Public Sector Efficiency". *International Review of Management and Marketing* 15, no. 3 (2025): 352–390.
- Anggriawan, Rizaldy. "From Collusion to Corruption : How Indonesian Law Fights Back in Procurement Conspiracy". *Jurnal Penegakan Hukum Dan Keadilan* 6, no. 1 (2025).
- Awale, Abdirahman Abdinur, Faduma Ahmed Abdullahi, en Dayah Abdi Kulmie. "Understanding the Realities of Financial Crime in Public Institutions: Female Public Servants' Insights". *International Journal of Economics and Financial Issues* 15, no. 1 (2025): 319–329.
- Bugarski, Tatjana, Srđan Milašinović, en Goran Milošević. "Serbian Citizens ' Perception Of Corruption In The Public Sector - Legal And Social". *TEME XLVIII*, no. December (2024): 799–819.
- Chinwokwu, E C, en D Ph. "Examining Corruptions , Insecurity and Criminal Justice Institutions in Nigeria : Implications on National Development". *International Journal of Innovative Social Sciences & Humanities Research* 13, no. 1 (2025): 21–33.
- Dinata, M Ruhly Kesuma. "Analysis of Supreme Court Regulation Number 1 of 2020 Concerning Guidelines for The Criminalization of Corruption Crimes in the Perspective of Justice". *International Journal of Multidisciplinary: Applied Business and Education Research* 6, no. 3 (2025): 993–1000.
- Efendi, Jonaedi, en Prasetijo Rijadi. *Metode Penelitian Hukum Normatif dan Empiris*. Surabaya: Prenada Media, 2022.
- Hartati, Sukanto Satoto, Ratna Dewi, en Adithiya Diar. "Illegal levies in education funding in Indonesia: an analysis of experiences from Jambi Province". *Cogent Social Sciences* 11, no. 1 (2025). <https://doi.org/10.1080/23311886.2025.2450293>.
- Ismail, Audaraqiz, Febby Mutiara Nelson, Basuki Rekso Wibowo, en Stanislaus Riyanta. "Digitalization as a Concept for Prevention of Criminal Acts of Corruption in Indonesia Against Vulnerability in Innovation Implementation at the Regional Level". *Journal of Law, Politic and Humanities* 5, no. 3 (2025): 1868–1881.
- P, Doa Mardikhayani, en Lisa Kartikasari Z. "The influence of regional revenue and expenditure budget and the quality of financial reporting on corruption cases in regional government". *Proceeding of International Conference on Accounting & Finance* 3, no. 5 (2025): 290–300.
- Paranata, Ade. "A Systematic Literature Review of Anti-corruption Policy: A Future Research Agenda in Indonesia". *Public Organization Review*, no. 62 (2025).
- Prabowo, Muhammad Aras, Siti Danila Hanipa, en Fitriah Ulfah. "Analysis of the Impact of PT Waskita Karya Corruption on State Financial Accountability : Government Accounting Perspective". *Mandalika Journal of Business and Management Studies* 3, no. 1 (2025): 16–23.
- Rasul, Sjahrudin. "Implementation of Good Governance in Indonesia in an Effort to Prevent Corruption Crime". *Mimbar Hukum - Fakultas Hukum Universitas Gadjah Mada*

21, no. 3 (2025): 538.

Rusdiana, Erma, Nurus Zaman, Lindra Darnela, en Uswatun Hasanah. "Preventing The Politicisation of Corruption Crime Law Enforcement Based on Local Wisdom". *Legality: Jurnal Ilmiah Hukum* 33, no. 1 (2025): 110–131.

Studies, Social Sciences. "Collaborative Governance in Prevention of Village Fund Corruption Crimes in Indonesia: A Case Study in Bandung Regency West Java Province". *Journal of Humanities and Social Sciences Studies ISSN: (2025):* 68–86.

Thomann, Eva, Giuliana Ioannidis, Tiziano Zgaga, en Frederic Schwarz. "Explaining Public Sector Corruption: The Hexagon Model". *Governance* 38, no. 2 (2025): 1–18.

Tiara, Yanti, Br Siahaan, en July Esther. "Judicial Analysis of Law Enforcement Against Corruption In The Procurement of Goods and Services For Government Interest". *Indonesian Journal of Law and Justice*, no. 3 (2025): 1–13.

Yaki, K, en T H Hussaini. "Integrated Payroll and Personnel Information System (Ippis) and Corruption in Nigeria Public Service". *Lapai International ...* 11, no. 2 (2019): 248–267.

<https://ojs.ibbujournals.com.ng/index.php/lijad/article/view/329%0Ahttps://ojs.ibbujournals.com.ng/index.php/lijad/article/download/329/331>.