

# Governance And Administrative Policy In Village Financial Management

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**Abstract:** Speaking of corruption in Indonesia seems to be an endless problem to be eradicated in the use of state wealth both for personal and group interests. So many cases of corruption that occur at all levels both in state institutions, central and regional government agencies, including the village government conducted privately or jointly with corporations. There were five sources of problems that could potentially interfere with the corporation's ability to achieve its goals, so that it could produce pressure to rationalize the competition, in the face of new technological invention techniques, efforts to expand and control the market, bribe or price plots. The government, in securing its economic policies, enforces strict law enforcement against existing regulations. Meanwhile, employees, ignoring demands for improving employee salaries, giving salaries below the minimum; consumer demand for elastic production which is always changing due to increased activity of the consumer protection movement; and public, increasing awareness of environmental protection such as conservation of clean water, air and safeguarding of natural resources.

**Keywords:** governance, administration, measures, political corruption, village contexts.

## 1. INTRODUCTION

IN the midst of uncertainty both in the economic, social, and legal fields, it is always too late to anticipate the coming of disasters in these two areas of life because legal certainty in developing countries is especially swaying with bribery or corruption and even very sad to the fact that there has been a miscarriage of justice. The situation in developed countries is not as severe as in developing countries, including in Indonesia. Global economic power has also never succeeded in increasing the welfare of developing countries in particular, so that the strength of law in the country loses a strong tie in people's lives. National and international economic strength supported by a healthy multinational corporation does not always become a reality, often even the opposite where the corporation in question is part of a national/international problem, one of the problems thereof is a legal entity or corporation (Rodriguez et al., 2006; Rose-Ackerman, 1996). Speaking of corruption in Indonesia seems to be an endless problem to be eradicated in the use of state wealth both for personal and group interests. So many cases of corruption that occur at all levels both in state institutions, central and regional government agencies, including the village government conducted privately or jointly with corporations. There were five sources of problems that could potentially interfere with the corporation's ability to achieve its goals, so that it could produce pressure to rationalize the competition, in the face of new technological invention techniques, efforts to expand and control the market, bribe or price plots (Box, 1983). The government, in securing its economic policies, enforces strict law enforcement against existing regulations. Meanwhile, employees, ignoring demands for improving employee salaries, giving salaries below the minimum; consumer demand for elastic production which is always changing due to increased activity of the consumer protection movement; and public, increasing awareness of environmental protection such as conservation of clean water, air and

safeguarding of natural resources (Noga & Wolbring, 2013). Several studies have highlighted the role of law and governance in various aspects of social, political and economic (Santoso, 2020; Mukhlis et al., 2020; Yunanto, & Turisno, 2020; Wahanisa et al., 2019; Herawati & Sukma, 2019; Farida et al., 2019; Indreswari, 2019; Priyono et al., 2019). Hence, this paper aims to analyze the governance policy of administration and measures of political corruption in village contexts.

## 2 METHOD

This study used a descriptive analysis which is a study that is intended to provide data as thoroughly as possible about a criminal event corruption, circumstances, or other symptoms, especially emphasizing hypotheses in order to help strengthen old theories or within the framework of preparing a new framework (Soekanto, 2006). To obtain a complete and clear picture of the criminal liability policy for criminal acts committed by corporations. Taking into account the formulation of a criminal act of corruption, in Law Number 31 of 1999 which has been amended by Law Number 20 of 2001 concerning eradication of corruption, seen in article 1 point 1 of the Eradication of Corruption. In this law, corporations is a collection of people or assets which are organized, whether they are a legal entity or not a legal entity.

## 3 GOVERNANCE OF ADMINISTRATION AND THE LEGAL MEASURES TOWARD POLITICAL CORRUPTION

In a corporation, directors and commissioners as one of the main organs in the legal entity are fiduciary holders, and therefore must behave as befits the trust holders. This relationship, according to common law understanding is based on the theory of fiduciary duty. This fiduciary duty relationship is based on trust and confidentiality, which in this role includes scrupulous, good faith and candor. In understanding this relationship must be based on high standards (Scott, 1989). To stipulate criminal sanctions in corruption/corporation criminal acts that the formulation of criminal acts of corruption in the Eradication of Corruption (Law Number 31/1999 amended by Law Number 20/2001) is regulated in Chapter II concerning corruption acts article 2 through article 20 of Eradication of Corruption Law and Chapter III concerning other criminal offenses relating to corruption, articles 21 through article 24.

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Legal measures were drawn in New penal code. The drafting of the New Criminal Code concept is an indication of the realization of the National Criminal Law System. In the research, the substance of the National Criminal Law System is stated that the purpose of making the National Criminal Law System is to develop a criminal system that is suitable for the conditions of the Indonesian people. The compilation of the concept of the New Criminal Code at this time needs to be done to assess how far the new principles and norms in the concept cause problems from the perspective of criminal procedure law. How far the concept of the New Criminal Code requires support, new rules in the field of Criminal Procedure. There are some formulations of types/forms of criminal sanctions/actions oriented both for individuals and corporate corruption. Provisions of article 67 (1) stated that that additional crimes consist of fulfilling local customary obligations/according to the law that lives in the community. Provisions of article 67 (2) stated that additional crimes can be imposed together with the principal criminal as an independent crime or can be imposed together with other research. Provisions of article 67 (3) stated that additional penalties in the form of fulfilling legal obligations that live in the community or revocation of rights obtained from corporations can be dropped even if it is not listed in the formulation of criminal acts. The formulation of criminal objectives and guidelines contains criminal guidelines which greatly assist the judge in considering the dosage or severity of the criminal to be imposed. This means that the judge can add other considerations than those listed in paragraph (1), besides this provision does not exist in the Criminal Code. Moreover, provisions of article 132 letter e. Factors that alleviate crime include the provision of appropriate compensation or repairs, damage as a result of a criminal offense committed. Provisions of article 145 stated that the authority of the prosecution has been dropped, if the settlement is out of process". The concept of the new Criminal Code does not provide an explanation of efforts to resolve criminal acts of corruption/corporation outside the legal process, so that an understanding of it is sought from the views of scholars and other law enforcement officers.

#### 4 CONCLUSION

Speaking of corruption in Indonesia seems to be an endless problem to be eradicated in the use of state wealth both for personal and group interests. So many cases of corruption that occur at all levels both in state institutions, central and regional government agencies, including the village government conducted privately or jointly with corporations. This paper aims to analyze the governance policy of administration and measures of political corruption in village contexts.. The results showed that descriptive analysis which can be concluded that in a company of directors and commissioners as one of the main organs in legal entities who are trust holders, according to the common law that trust holders naturally also have the potential to deviate. Therefore this relationship must be based on high standards. That the formulation of a criminal act of corruption in law number 31 of 1999 which has been amended and supplemented by law number 20 of 2001 is formulated not formally and materially so that restoring state financial losses does not erase the prosecution of the accused criminal corruption. The formulation of the subject matter of each person, if related to the provisions of article 1 point 3, it is clear that everyone is a broad understanding, including in the sense of every person

according to the Eradication of Corruption Law is individual or includes a corporation. Thus according to article 1 point 3 of law number 31 of 1999 amended by Law No. 20 of 2001.

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