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## **Legal review of local government procurement of goods or services based on Presidential Instruction No. 1 Of 2025 (Study of the 2025 household budget of the Governor and Deputy Governor of Aceh)**

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### **ABSTRACT**

Presidential Instruction No. 1 of 2025 represents a government initiative to enhance fiscal discipline and reduce the projected deficit of IDR 616.2 trillion (2.53% of GDP). The policy emphasizes budget efficiency through reductions in ministerial and agency spending by IDR 256.1 trillion and regional transfers by IDR 50.9 trillion, as outlined in Minister of Finance Letter No. S-37/MK.02/2025. This study examines the alignment between the 2025 Fiscal Year budget allocation for the household expenditures of the Governor and Deputy Governor of Aceh and the mandate of the Instruction. Using a normative juridical method with a regulatory approach, it analyzes relevant laws on regional financial management and government procurement. The findings reveal that the allocation by the General Affairs Bureau of the Aceh Provincial Secretariat has not fully reflected the principle of efficiency, as ceremonial and consumptive expenditures remain dominant and provide limited public benefit. From an administrative law perspective, this indicates inconsistency with principles of good governance, including efficiency, effectiveness, transparency, accountability, and public interest orientation. Such misalignment may lead to risks of administrative liability and abuse of authority. Strengthening oversight and reorienting budgeting toward public service outcomes are therefore essential.

**Keywords:** Presidential Instruction no. 1 of 2025; spending efficiency; governor's household budget

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RESEARCH & PUBLISHING



## 1. INTRODUCTION

The government is the holder of governmental office to exercise the authority inherent in that office. In exercising its authority, the government must be guided by the principles of good governance. The principle of good governance is a concept that encompasses all actions and behaviors that are directed, controlled, and influenced by public affairs to realize good values in everyday life. It can be said that the concept of good governance is a collective concept that encompasses all actions and behaviors. Clean government is a model of government that is effective, honest, efficient, transparent, and accountable. A government can be said to be good if its productivity is in line with improvements in indicators of the economic capacity of the people, both in terms of productivity, purchasing power, and spiritual well-being.

Specifically in Aceh, as a region with special characteristics and privileges, it is led by a Governor and assisted by a Deputy Governor as stipulated in Law No. 11 of 2006 concerning the Government of Aceh. The Governor, assisted by the Deputy Governor, is mandated to run and manage the provincial government. In carrying out their duties and authorities, the Governor and Deputy Governor require a budget to support their activities. To realize this budget so that it can support activities in carrying out their duties and authorities, a mechanism for the procurement of goods/services is required. The Governor, assisted by the Deputy Governor as the party mandated to run and manage the provincial government, is required to carry out the procurement of goods/services efficiently and effectively to support the implementation of their duties and authorities, avoiding budget waste and providing a positive impact on the economic progress of the region (Saptanita et al., 2023).

In 2025, the President of the Republic of Indonesia issued Presidential Instruction No. 1 of 2025 concerning Efficiency in Expenditure in the Implementation of the State Budget (APBN) and Regional Budget (APBD). This policy is a concrete step taken by the government to manage finances more effectively and efficiently at both the central and regional levels. The President ordered all ministries, institutions, and regional governments to adjust their budgets in line with this policy, with some expenditure items even having to be reduced by up to 90% (Hartono, 2025). The restrictions on expenditure include official travel, meetings, procurement of goods and services, and training that does not have a direct impact on national priorities. This policy is driven by the increasing burden of state expenditures, both at the central and regional levels. This situation requires adjustments to budget allocations to be more efficient, more targeted, and able to minimize budget waste to support sustainable development efforts.

Recently, there has been controversy surrounding the allocation of the 2025 household budget for the governor and deputy governor of Aceh by the Aceh Regional Secretariat General Bureau. There are 138 activities with a total procurement value of 61.7 billion. This budget is considered too extravagant and has no direct impact on the community amid the efficiency policy issued by the central government, which has cut Aceh's budget by IDR 317 billion. The allocation of the household budget for the Governor and Deputy Governor in 2025 raises legal issues that need to be reviewed comprehensively. Through Presidential Instruction No. 1 of 2025, the central government emphasized efficiency policies, especially regarding expenditures that do not have measurable outputs. In this context, the allocation of the household budget of the governor and deputy governor, which costs IDR 61.7 billion with a total of 138 activities, raises questions about its suitability with the principle of efficiency as mandated in Presidential Instruction No. 1 of 2025. Therefore, a legal analysis is needed to assess whether the allocation of the governor's and deputy governor's household budgets is consistent with the mandate in Presidential Instruction No. 1 of 2025.

Several previous studies have examined government procurement from legal and administrative perspectives. Syafar & Ramadhan (2025) examined "Government Procurement of Goods and Services from the Perspective of Administrative Law." They found that although the regulatory framework governing procurement activities is relatively comprehensive, there are many obstacles to its implementation, ranging from oversight, limited institutional capacity of law enforcement agencies, and potential irregularities in practice. This study highlights the importance of strengthening institutional governance and legal compliance in the public procurement process. Similarly, Malynda (2026) examined

“The Dynamics of Government Goods and Services Procurement in Indonesia: A Legal Study on Budget Management and Procedural Compliance within the Langkat Regency UKPBJ.” As a result, this study reveals that procurement management at the local level often leads to discrepancies between regulatory standards and actual implementation, particularly in public budget management and procedural compliance. Additionally, research conducted by Putra et al., (2024), titled “Administrative Law and Criminal Law Aspects in Goods and Services Procurement: Their Role in Achieving Accountable Procurement of Goods and Services.” They emphasize that deviations in government procurement can result in administrative and even criminal liability for public officials when procurement practices deviate from legal provisions and principles of accountability. Furthermore, a study conducted by Rini Maisari (2024) titled “Government Accountability Regarding State Financial Management in the Procurement of Goods and Services During the Covid-19 Pandemic.” The study’s findings reveal numerous instances of deviant government procurement practices. Transparency and accountability in public financial management remain major challenges in the implementation of government procurement policies. Low transparency in the allocation of operational budgets and procurement processes fuels the abuse of authority and inefficiency in public financial management.

The study provides a foundation for the governance of government procurement activities. Most of these studies focus on general procurement regulations, institutional accountability, and the potential for corruption in procurement practices. Research specifically examining the balance between local budget allocations and efficiency policies issued by the central government remains limited, particularly those outlined in Presidential Instruction No. 1 of 2025 on Expenditure Efficiency in the Implementation of the State Revenue and Expenditure Budget (APBN) and the Regional Revenue and Expenditure Budget (APBD).

This study aims to bridge that gap by providing a normative legal analysis of the alignment of procurement practices in local budget allocations with the efficiency policies mandated in Presidential Instruction No. 1 of 2025, with a focus on the budget allocations for the Governor and Deputy Governor of Aceh for the 2025 fiscal year. By examining the legal implications of regional budget allocations that may conflict with the efficiency directives issued by the central government, this study contributes to the development of scholarly research in the fields of public procurement law, administrative law, and regional financial management.

## **2. LITERATURE REVIEW**

### **2.1. Presidential Instruction (Inpres)**

Inpres is an abbreviation for presidential instruction. Presidential Instruction (Inpres) is a form of state administrative action issued by the President, who is the highest authority in the government. Inpres itself is a regulation that only governs within government organizations, namely, the relationship between superiors and subordinates. This means that Inpres is a regulation that applies internally, including as a policy regulation (*beleidsregels*) (Hidayatulloh, 2023). Policy regulations are formed by government organs and applied to government organs to carry out governmental authority. (Marwan, 2019). Inpres is not a legal norm that is binding on the public, but rather is binding internally administratively and operationally. Therefore, even though Inpres are issued by the President and are official in nature, they are not part of legislation in the formal sense as referred to in Law No. 12 of 2011 concerning the Formation of Legislation (Salsabil et al., 2025).

Presidential Instructions essentially have limited internal binding force within the executive branch, particularly with regard to ministers, heads of institutions, and regional heads, and are not intended to be binding on the public or the legislature. This position is in line with Hans Kelsen's principle of normative hierarchy, which places administrative instructions as the lowest level of norms in the legal system. Therefore, Presidential Instructions cannot be used as a basis to add to, reduce, or change legal obligations that have been established by law, because such actions have the potential to cause normative conflicts in the national legal system. (Prayitno & Aqqad, 2025)

## **2.2. Procurement of Goods/Services**

According to Christopher and Schooner, procurement is the process of acquiring goods and services in a transparent, effective, and efficient manner in accordance with the needs and preferences of the users. (Irham et al., 2024). In addition, Presidential Regulation (PP) Number 46 of 2025, which amends Presidential Regulation Number 16 of 2018 about Government Goods/Services Procurement, Article 1 regulates the Procurement of Goods/Services, which refers to the process of Procurement of Goods/Services by Ministries/Institutions/Regional Apparatus/Other Institutions/Village Governments financed by the State Budget/Regional Budget/Village Budget, from the identification of needs to the handover of work results.. When the government buys goods or services, it has to follow certain important rules. These include being efficient, doing things well, being open and transparent, allowing fair competition, making sure things are fair, and being accountable. These rules are important guidelines that need to be followed to stop money from being wasted, prevent misuse of power, and stop unfair practices in how the government buys things and services (Firdaus & Susanto, 2023).

## **2.3. Local Government Financial Management**

Local financial management is a form of state financial management intended to support the implementation of local government and improve public welfare. Local financial management involves the entire process, from planning, budgeting, and implementation to the oversight of budget utilization using funds from the Regional Budget (APBD). Pursuant to Law of the Republic of Indonesia No. 17 of 2003 on State Finance, the management of state finances—including local finances—must be conducted in an orderly manner, in compliance with laws and regulations, and must be efficient, economical, effective, transparent, and accountable, while upholding principles of fairness and propriety. Regional heads are granted the authority to manage local finances. Regional heads are obligated to ensure that the allocated Regional Budget is utilized as intended and prioritized according to regional development priorities. Therefore, every budgeting policy implemented by local governments must consider the principles of efficiency and accountability. This is particularly important when the central government issues specific policies regarding the control of budget usage.

## **2.4. Household Budget of the Governor and Deputy Governor**

The household budget of the Governor and Deputy Governor is part of the operational support costs for the Governor and Deputy Governor. Based on Government Regulation No. 109 of 2000, which regulates the financial conditions of regional heads and their deputies, operational support costs are expenditures that help carry out the duties and responsibilities of these officials. In addition, Article 10 states that the operational costs of the Governor and Deputy Governor are covered by the Regional Revenue and Expenditure Budget (APBD). Therefore, the household budget of the Governor and Deputy Governor comes from APBD funds used to assist them in carrying out their duties and authorities as Governor and Deputy Governor.

## **2.5. The Concept of Good Governance**

Good governance can simply be defined as sound management. In this context, the word "sound" refers to adherence to certain rules based on the fundamental principles of good governance. Some describe good governance as the tangible manifestation of democracy, ensuring the presence of a culture of virtue as the guarantor of democracy's sustainability (Moenek & Suwanda, 2019). Conceptually, good governance indicates that the term "good" in this context has two meanings. First, it encompasses values that support the common good of society, which can be realized through enhancing the public's capacity to achieve national objectives such as self-reliance, sustainable development, and social justice. Second, it emphasizes the functional aspects of government, which must operate effectively and efficiently in fulfilling its duties to achieve these objectives (Qhofifah & Rahmawati, 2025). Good governance is based on the following principles: a) Community Participation, b) Upholding the Rule of Law, c) Transparency, d) Support for the Business Sector, e) Consensus-Oriented, f) Equality, g) Effectiveness and Efficiency, h) Accountability, i) Strategic Vision.

### 3. METHOD

This study employs a normative legal research methodology. The normative legal approach focuses on an in-depth analysis of various legal aspects, including legal rules, laws, regulations, and court decisions (Qamar & Rezah, 2020). This study employs a statutory approach to determine whether the procurement practices of goods and services during the efficiency period carried out by the Government of Aceh, particularly within the 2025 Budget of the Governor and Deputy Governor of Aceh, comply with the provisions outlined in Presidential Instruction No. 1 of 2025. Data analysis was conducted using a qualitative descriptive method, specifically by interpreting the processed legal materials (Muhaimin, 2020). This analysis also involves a comparison between the provisions of Presidential Instruction No. 1 of 2025 and the actual methods by which regional budgets are allocated, to identify potential inconsistencies with applicable legal regulations and their legal implications from an administrative law perspective.

Primary data was obtained from legislation, namely Presidential Instruction No. 1 of 2025, Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, Presidential Regulation (PP) No. 46 of 2025 on the Second Amendment to Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, Law No. 17 of 2003 on State Finance, Law No. 23 of 2014 on Regional Government, and Law No. 30 of 2014 on Government Administration. Secondary data was obtained from legal literature, such as legal books or articles on government procurement of goods and services and regional budget management, while tertiary data was obtained from legal dictionaries or legal encyclopedias.

### 4. RESULT AND DISCUSSION

#### 4.1. Presidential Instruction No. 1 of 2025

On January 22, 2025, the President of the Republic of Indonesia released Presidential Instruction No. 1 of 2025, which focuses on making government spending more efficient when implementing the APBN and APBD. Presidential Instruction No. 1 in 2025 is a government plan to control spending better and lower the fiscal deficit, which is expected to be IDR 616.2 trillion, or 2.53% of GDP. In 2025, the government's budget efficiency involves reducing spending by ministries and agencies by IDR 256.1 trillion and decreasing regional transfers by IDR 50.9 trillion, as stated in Minister of Finance Letter Number S-37/MK.02/2025 (Hartono, 2025).

Budget efficiency is one way to utilize financial resources as economically as possible without compromising the quality of an organization's performance. Meanwhile, in the context of state governance, the government implements budget efficiency to utilize funds appropriately. Presidential Instruction (Inpres) 2025 outlines the policy of expenditure efficiency in the State Revenue and Expenditure Budget (APBN) and Regional Budget (APBD) to ensure more effective and targeted use of the budget (Sapay et al., 2025). The benefits of budget efficiency are avoiding waste, ensuring that every expenditure provides optimal results, ensuring that financial resources are used optimally, increasing the effectiveness of fund use, and supporting shared prosperity (Budiman et al., 2025).

Presidential Instruction No. 1 of 2025 on Budget Efficiency is a government policy that aims to strengthen state financial management to be more transparent, accountable, and oriented towards budget effectiveness and efficiency. This instruction applies to all ministries, state institutions, and local governments, with an emphasis on controlling expenditures through the evaluation of programs and activities that are considered non-priority, do not have a direct impact on public services, and have the potential to be wasteful. Therefore, the budget efficiency policy is not intended to make across-the-board budget cuts, but rather an effort to regulate state expenditures so that they are more targeted and effective (Khoir & Ramadhan, 2026). The reasons for issuing Presidential Instruction No. 1 in 2025 were several. Among them were to pay off maturing foreign debt, the Free Nutritious Food (MBG) program, which consumed a large portion of the budget, and the flexible work system implemented in several ministries and institutions (Saputri et al., 2025).

Presidential Instruction No. 1 of 2025 clearly establishes the legal and operational framework for expenditure efficiency, which is crucial given the magnitude of planned budget cuts. The explicit designation of ministries and supervisory agencies underscores the government's intention to establish accountability mechanisms. However, the ambitious savings targets require a balance of policies to avoid negative impacts on public services or economic growth. This institutional arrangement forms the basis for efficiency policies but also presents challenges for coordination and law enforcement. From a public policy perspective, this Presidential Instruction represents a top-down policy characterized by direct instructions from the president. According to Dunn, a policy does not stop at normative decisions but requires implementation capabilities supported by institutional capacity. This means that the effectiveness of Presidential Instructions is highly dependent on cross-sectoral bureaucratic coordination and support from the oversight system. If coordination is weak, the potential for deviation from efficiency goals will increase, especially at the regional implementation level (Martarech et al., 2025).

#### **4.2. Household Budget of the Governor and Deputy Governor of Aceh 2025**

The household budget of the Governor and Deputy Governor of Aceh is part of regional financial management. This includes all stages, such as planning, budgeting, implementation, and supervision of budget use, in accordance with regulations stipulated by law (Majid, 2019). Law Number 17 of 2003 concerning State Finances states that both state and regional funds must be managed in an orderly manner, in accordance with laws and regulations. This management must be carried out efficiently, economically, effectively, transparently, and responsibly. In addition, fairness and good conduct must always be considered. This rule is also supported by Article 284 (1) of Law Number 23 of 2014 concerning Regional Government, which states that regional leaders are responsible for managing regional funds in the context of administering regional government affairs.

The Governor and Deputy Governor of Aceh's household budget is closely connected to the procurement of goods/services and services. The process of meeting the needs for the governor's and deputy governor's activities is done by using the government's system for buying goods/ services. When the government buys goods or services, its goal is not to make a profit, but to offer services that benefit the public. So, the government needs goods and services to keep working on making public services better (Ariyoga et al., 2021).

In 2025, the General Bureau of the Aceh Provincial Secretariat set aside IDR 61.7 billion for the Governor and Deputy Governor's household expenses, covering 138 procurement activities. In connection with this, the President of the Republic of Indonesia released Presidential Instruction No. 1 in 2025 about making spending more efficient when carrying out the state budget and regional budgets. As a result, Aceh had its budget reduced by IDR 317 billion. Presidential Instruction No. 1 in 2025 is a government plan to control spending better and lower the fiscal deficit, which is expected to be IDR 616.2 trillion, or 2.53% of GDP. In 2025, the government's budget efficiency involves reducing spending by ministries and agencies by IDR 256.1 trillion and decreasing regional transfers by IDR 50.9 trillion, as stated in Minister of Finance Letter Number S-37/MK.02/2025.

In line with this, all purchases made from the household budget of the Governor and Deputy Governor of Aceh must follow the principles of acquiring goods and services. These principles include efficiency, effectiveness, transparency, openness, fair competition, fairness, and accountability. These principles are crucial and should be followed carefully to avoid unnecessary spending, misuse of power, and unethical behavior in the government's process of acquiring goods and services (Firdaus & Susanto, 2023).

The procurement process for goods/ services obtained from the household budget of the Governor and Deputy Governor of Aceh should be carefully supervised due to the significant risk of irregularities that could occur throughout the planning and execution phases. Therefore, during the procurement process, all parties involved must perform their responsibilities professionally and ethically to prevent any instances of corruption, collusion, and nepotism (KKN) (Adri, 2024). In addition, every procurement carried out must be based on real benefits and needs and be able to produce measurable outputs, so that procurement is not merely aimed at spending or pursuing budget absorption targets. Thus,

accountable procurement management based on needs provides tangible contributions to the community. Good governance will have an impact on improving the performance of local governments and increasing public trust in regional budget management.

#### **4.3. Compliance of the Budget Allocation for the Governor and Deputy Governor's Household with the Implementation of Presidential Instruction No. 1 of 2025**

In 2025, the Aceh Regional Secretariat General Bureau allocated a budget for the Governor and Deputy Governor's household expenses, covering 138 activities with a total budget of 61.7 billion. The detailed data on funds that are considered inconsistent with the implementation of Presidential Instruction No. 1 of 2025, obtained by from the General Procurement Plan Information System (SIRUP) website of the Government Goods/Services Procurement Policy Agency (LKPP), includes the procurement of vehicles in the form of operational cars worth 3.5 billion, Toyota Zenix cars worth 1.87 billion, Pajero Sport official vehicles worth IDR 3.85 billion, and Toyota Alphard official vehicles worth IDR 1.7 billion. Not only vehicles, but the government also allocated a budget for electronic devices for leaders, amounting to IDR 140 million for iPhones, IDR 60 million for iPads, IDR 120 million for tablets, IDR 120 million for MacBooks, the procurement of communication devices for leaders amounting to IDR 199 million, and the procurement of cameras for leadership documentation worth IDR 200 million. Additionally, there are other procurements, including curtains for the governor's and vice governor's offices, each budgeted at IDR 300 million. Meanwhile, meeting food and beverage expenses amount to IDR 6.6 billion, field activity food and beverage expenses reach IDR 3.7 billion, and the procurement of suits and safari attire amounts to IDR 1.2 billion.

Referring to Presidential Instruction No. 1 of 2025, the Presidential Instruction explicitly directs governors to impose restrictions on expenditures listed in Presidential Instruction No. 1 of 2025 in the fourth dictum, namely: (1) Limiting spending on ceremonial activities, reviews, comparative studies, printing, publications, and seminars/focus group discussions, (2) Reducing official travel expenditures by 50%, (3) Limiting honorarium expenditures by restricting the number of teams and the amount of honorarium in accordance with the Presidential Regulation on Regional Unit Price Standard, (4) Reducing expenditures that are supportive in nature and do not have measurable outputs, (5) Focusing budget allocations on public service performance targets rather than on equal distribution among regional agencies or on budget allocations from the previous fiscal year, (6) Being more selective in providing direct grants in the form of money, goods, or services to ministries/institutions, (7) Adjusting the 2025 Regional Budget expenditure sourced from transfers to the regions.

The fourth dictum of the first point of Presidential Instruction No. 1 of 2025 clearly shows the difference between what is mandated by the Presidential Instruction and the actual procurement practices for the 2025 Household Budget of the Governor and Deputy Governor of Aceh. The Presidential Instruction explicitly requires the Governor to limit ceremonial expenditures. The procurement of official uniforms worth IDR 1.2 billion and the procurement of curtains for the governor and deputy governor's office, each costing IDR 300 million, which are included in the 2025 budget plan for the Governor and Deputy Governor of Aceh, are categorized as ceremonial expenditures. Items such as these are decorative and consumptive in nature, offering no tangible contribution to public service performance targets. This type of expenditure is difficult to categorize as a priority, especially now that regional budgets have been cut due to efficiency policies issued by the central government.

Points 2-3 of Presidential Instruction No. 1 of 2025 stipulate a 50% reduction in official travel expenses and limit honorarium spending by restricting the number of teams and the amount of honorarium in accordance with the Presidential Regulation on Regional Unit Price Standards. Regional Unit Price Standards are regulated in Presidential Regulation No. 72 of 2025 on Regional Unit Price Standards, specifically Article 3, which states that the determination of regional unit prices must consider the principles of efficiency, effectiveness, appropriateness, and fairness. However, the budget for the governor and deputy governor's households still includes an allocation of IDR 6.6 billion for meeting meals and drinks and IDR 3.7 billion for field maintenance. These procurement items should be targets for efficiency, but the figures do not reflect commensurate adjustments amid regional fiscal constraints

due to budget cuts by the central government. The gap between the central government's directives and regional practices is very clear. Even though policies have been issued, spending patterns have not changed significantly. Funds that should be focused on improving the quality of public services to the community are still largely absorbed to meet the operational and consumptive needs of regional leadership offices.

The procurement of vehicles in the form of operational cars worth IDR 3.5 billion, Toyota Zenix worth IDR 1.87 billion, Pajero Sport official vehicles worth IDR 3.85 billion, and Toyota Alphard official vehicles worth IDR IDR billion, even though the Governor and Deputy Governor already have Toyota Alphard and Toyota Camry official vehicles. Furthermore, the procurement of electronic devices listed in the Governor and Deputy Governor's household budget allocation includes iPhones worth IDR 140 million, iPads worth IDR 60 million, tablets worth IDR 120 million, MacBooks worth IDR 120 million, communication devices for leaders worth IDR 199 million, and documentation cameras for leaders worth IDR 200 million. This procurement is not in accordance with the mandate of the Presidential Instruction, particularly the fourth point of the Presidential Instruction, which instructs a reduction in expenditures that are supportive in nature and do not have measurable outputs. Upon further review, this procurement is indeed beneficial for the operations of the Governor and Deputy Governor, but such expenditures raise questions about their effectiveness and relevance to the needs of the wider community.

The fifth point of the fourth dictum clearly emphasizes that budget allocations should be focused on public service performance targets. This emphasis is important so that budget allocations truly respond to the needs of the community and produce tangible impacts for the community itself. The community has the right to receive services from the government in the form of quality services. Public services are intended to improve the welfare of the community itself (Akmul et al., 2024). The absorption of budget allocations is still largely absorbed by consumptive expenditures that are not directly related to improving service quality, indicating a discrepancy between the budget allocation practices of the Governor and Deputy Governor of Aceh and those mandated by Presidential Instruction No. 1 of 2025.

The budget allocation for the governor and deputy governor's luxurious household needs, which have no direct impact on the community, amid the central government's budget cuts to Aceh amounting to IDR 317 billion. Several procurement items are not in line with Presidential Instruction No. 1 of 2025. According to Nasruddin Bahar, Coordinator of Tender Transparency Indonesia (TTI), as quoted from the Faksi Nasional website, the people of Aceh still face various urgent problems that directly affect their daily lives, such as damaged roads in rural areas, inadequate housing, and a shortage of subsidized fertilizer. This situation shows that the basic needs of the community are far more important to address immediately than ceremonial and consumptive expenditures. The community needs adequate infrastructure to support community activities, such as good roads, functioning irrigation channels, and adequate access to agricultural roads. If only 30% of the budget is cut, savings of more than IDR 18 billion can be diverted to sectors that truly address the needs of the community. Such funds would be far more beneficial if used for sectors that benefit the people.

Adequate infrastructure is also an important foundation for supporting economic activity, especially in remote areas that are often marginalized in the distribution of development funds. Not only infrastructure, but if the budget is allocated to sectors such as education and health, it will have a significant contribution to improving the quality of life of the community (Budiman et al., 2025). Education is a long-term investment for human development and the progress of a nation. Education plays a very important role in improving the quality of human resources. Education is essential for creating a decent life (Khoir & Ramadhan, 2026). On the other hand, health is very important in people's lives. Quality and affordable health facilities that are easily accessible to the community play a very important role in improving people's welfare. Health facilities include several things, ranging from community health centers, hospitals, clinics, and pharmacies (Tambaip et al., 2023). If the budget is allocated to these strategic sectors, it can have a greater impact on the community than allocation to ceremonial and consumptive spending. Thus, the principle of efficiency as mandated by Presidential Instruction No. 1 of 2025 can be implemented and strengthen the orientation of regional spending on improving the quality of human resources and community welfare.

#### **4.4. Legal Implications of the Allocation of the 2025 Budget for the Governor and Deputy Governor of Aceh from the Perspective of Administrative Law**

From an administrative law perspective, the policy regarding the allocation of the Governor's and Deputy Governor's household budget constitutes an administrative action undertaken by the local government in the management of local finances. The local government has the authority to formulate and implement the Regional Revenue and Expenditure Budget (APBD), which serves as the primary tool for carrying out the functions of local government. However, this authority must be grounded in the principles of sound financial management. These principles have been established by the central government and are regulated in Law No. 23 of 2014 on Regional Government, which emphasizes that regional financial management must be conducted in an orderly, efficient, economical, effective, transparent, and accountable manner as part of the state financial system. In line with this, Law No. 17 of 2003 on State Finance also emphasizes that state finances must be managed in an orderly manner, in accordance with laws and regulations, and based on the principles of efficiency, economy, effectiveness, transparency, and accountability.

In the context of administrative law, every policy issued by a government official must be based on the General Principles of Good Governance (AUPB) as outlined in Law No. 30 of 2014 on Government Administration. This Law stipulates that every government action must comply with the principles of legal certainty, utility, impartiality, diligence, non-abuse of authority, transparency, public interest, and good service. In the management of local budgets, applying the general principles of good governance serves as a crucial foundation for every policy adopted by the government, ensuring that such policies do not deviate from the principles of good governance.

In the context of local government procurement of goods and services, the allocation of the Governor's and Deputy Governor's budget involves procurement stages. These stages include planning, budgeting, implementation, and oversight. Therefore, the use of these budgets must comply with the provisions of Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, which emphasizes the principles of efficiency, effectiveness, transparency, openness, fair competition, fairness, and accountability. This aligns with Presidential Instruction No. 1 of 2025, which underscores the importance of efficiency in national and regional spending, particularly regarding ceremonial budgets that do not directly benefit the public.

Legally, the allocation of the Governor's and Deputy Governor's household budgets has the potential to result in legal implications if not carried out in accordance with the principles outlined above. One such legal implication is the potential for abuse of authority. Abuse of power is a type of administrative violation that can lead to corrupt practices, such as collusion, nepotism, extortion, and the acceptance of gratifications by government officials. Such actions harm the state and the public and erode public trust in the government (Husnah et al., 2025). The abuse of authority is explicitly addressed in Law No. 30 of 2014 on Government Administration. Article 17 states that government agencies and/or officials are prohibited from abusing their authority. Abuse of authority occurs when administrative authority is used not for the public interest but for personal gain or the benefit of a specific group. Consequently, budget allocation policies must demonstrate that such allocations are genuinely used to support the implementation of local government duties.

Other legal implications relate to administrative accountability. In the event that deviations are found in budget allocation, the relevant official may be subject to administrative sanctions ranging from mild reprimands to severe penalties such as removal from office, as stipulated in Article 81 of Law No. 30 of 2014 on Government Administration. The imposition of such sanctions is not based solely on procedural violations but also takes into account the severity of the error and the consequences caused by the relevant official.

Administrative accountability has mechanisms for determining the accountability of government officials. These accountability mechanisms include oversight and control processes carried out by various state institutions, such as the Regional People's Representative Council (DPRD), the State Audit Board (BPK), and the Ombudsman. The DPRD is tasked with carrying out oversight functions through the oversight and budgetary systems, while the BPK is tasked with auditing the management of state finances

and examining government financial reports. The Ombudsman plays a role in receiving public complaints regarding maladministration and abuse of power (Raden, 2025).

On the other hand, the allocation of the regional head's budget must also be viewed within the framework of good governance. According to the UNDP (1997), good governance encompasses a set of fundamental principles, including public participation, the rule of law, transparency, responsiveness, consensus-building, justice, effectiveness, efficiency, accountability, and the presence of a strategic vision in governance. These principles form a crucial foundation for creating government financial management that upholds integrity and prioritizes public interests (Sari & Aisyah, 2025). Therefore, every budget allocation must be transparent and accountable to the public. Lack of transparency in budget management has the potential to lead to maladministration and erode public trust in local governments.

## **5. CONCLUSION**

The research findings indicate that the budget allocation carried out by the General Affairs Bureau of the Aceh Provincial Secretariat for the Governor and Deputy Governor's household budgets does not yet fully reflect the spirit of efficiency as mandated by Presidential Instruction No. 1 of 2025. Several procurement items that are ceremonial and consumptive in nature and have no tangible impact on the public, which should be the focus of efficiency, still receive a significant portion of the budget. This indicates that the implementation of the spirit of efficiency mandated by Presidential Instruction No. 1 of 2025 has not been carried out optimally.

From the perspective of administrative law, the allocation of the Governor's and Deputy Governor's household budget is an administrative action that must be carried out in accordance with the principles of public financial management and the provisions of applicable laws and regulations. Every budgeting policy must be based on the General Principles of Good Governance (AUPB) and the principles of goods and services procurement to ensure efficiency, effectiveness, transparency, accountability, and a focus on the public interest. Non-compliance with these principles has the potential to result in legal implications such as abuse of authority and administrative liability, the oversight of which is carried out by institutions such as the Regional People's Representative Council (DPRD), the Supreme Audit Agency (BPK), and the Ombudsman. Therefore, the application of good governance principles is crucial to ensure that budget management not only meets formal legal requirements but also upholds the integrity of government and enhances public trust.

Therefore, it is necessary to strengthen local governments' commitment to adjusting their budgeting policies in the future so that they are more focused on the actual needs of the community and public service performance targets. Optimizing oversight and applying the principles of good governance are essential to ensure that budget management not only meets formal legal requirements but also provides clear and substantive benefits to the community and effectively supports the achievement of budget efficiency goals.

### **Ethical Approval**

Not Applicable

### **Informed Consent Statement**

Not Applicable

### **Authors' Contributions**

Not Applicable

## Disclosure Statement

No potential conflict of interest was reported by the author(s).

## Data Availability Statement

The data presented in this study are available on request from the corresponding author due to privacy reasons.

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