

Evidentiary Role of APIP Audit Reports in Village Fund Corruption

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Keywords:	Abstract
APIP; Audit Result Report; Village Funds; Corruption; Evidence; State Financial Loss	Corruption of village funds remains a significant problem in Indonesia, largely attributable to weak internal supervision and the limited capacity of the Government Internal Supervision Apparatus (APIP). The enactment of the 2025 Criminal Procedure Code (Law No. 20/2025) marks a fundamental shift from a closed to an open evidentiary system. Concurrently, the material offenses stipulated in Articles 603 and 604 of the 2023 Criminal Code require proof of actual and quantifiable state financial losses. This study examines the legal position and evidentiary strength of the APIP Audit Result Report (LHP) within the corruption evidentiary system under the 2025 Criminal Procedure Code, with particular reference to Corruption Crimes Court Decision Number 18/Pid.Sus-TPK/2025/PN Mam of the Mamuju District Court. This research employs a normative-empirical legal method using a single-case study approach. The findings demonstrate that the APIP LHP constitutes legitimate complementary evidence, supported by the PTPK Law, Constitutional Court Decision No. 31/PUU-X/2012, and SEMA No. 2/2024; however, it does not possess binding evidentiary force over judges. In the Balombong Village case, the court accepted a state financial loss of Rp346,041,702.78 based on the Majene Regency Inspectorate's audit and imposed a sentence twice as severe as the prosecutor's demand. This finding indicates that judicial acceptance of an LHP is determined primarily by the quality, accuracy, and methodological rigor of the audit rather than solely by the institutional status of its issuer. The study concludes that APIP LHPs are essential technical instruments whose probative value depends on compliance with robust audit standards, requiring methodological standardization and greater structural independence of APIP to strengthen corruption eradication.

INTRODUCTION

Corruption remains one of the most formidable challenges to governance and development in Indonesia, with village fund corruption (Yulfani et al., 2024) consistently dominating national corruption statistics. Transparency International's Corruption (Yani et al., 2024) Perceptions Index for 2025 places Indonesia at a score of 34 out of 100, a decline of three points from 2024, indicating that corrupt practices continue at an alarming level and require comprehensive and systematic intervention from all elements of state administration. Among various sectors, the village sector consistently occupies the highest position in national corruption statistics, recording 187 cases in 2023 alone. The most frequently identified modes of operation include fictitious procurement, price mark-ups, manipulation of accountability reports, and the reporting of activities as fully realized despite not being implemented at all.

This persistent dominance reflects deep-rooted structural problems in village financial governance, characterized by weak internal supervision (Mustaufiq et al., 2024) systems, limited human resource capacity, and a lack of transparency in accountability mechanisms.

The Government Internal Supervision Apparatus (APIP), particularly the Regional Inspectorate, serves as the first line of defense in the state's financial supervision system. Based on Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP), APIP is mandated to conduct audits, reviews, evaluations, and other supervisory functions, including investigative (Faculty of Economics and Business, 2021) audits and audits for the Calculation (Kurniawan & Fahmiron, 2024) of State Financial Losses (Perhitungan Kerugian Keuangan Negara / PKKN). However, research on APIP's supervision reveals significant and persistent challenges. Studies conducted in various regions, including Sukabumi Regency, Bolaang Uki District, and Sidrap Regency, consistently identify limited human resources, insufficient operational budgets, low levels of understanding among village officials regarding financial regulations, structural dependence on regional heads that may compromise audit independence, and weak coordination between APIP and village governments as major obstacles. These findings indicate that APIP's capabilities nationally remain highly diverse, creating an uneven landscape of supervisory effectiveness across Indonesia's regions.

Previous research on APIP's role in village fund corruption cases, while valuable, exhibits several limitations that this study seeks to address. Boboy, Yohanes, and Sinurat (2021) discussed the authority (Dandapala, 2024) of BPKP in determining state losses but did not analyze how audit results are implemented in trial practice. (Nugroho, 2021) research on proving unlawful elements in village fund corruption (Chazawi, 2006) provides important insights but does not specifically examine the position of the APIP LHP within the hierarchy of evidence. (Rahmadani, 2022) identified the practice of using the Inspectorate's LHP but conducted the study before the enactment of the 2025 Criminal Procedure Code. (Mumu et al., 2023), Anis, and Worung (2023) focused more on audit methodology than on the legal force of audit results in their study of investigative audits. (Dudy & Ashady, 2023) examined APIP's role in corruption enforcement but did not concretely analyze how judges assess LHPs in their decisions. Collectively, these studies have not fully integrated the normative dimensions of the new evidentiary framework with empirical analysis of judicial practice (Pratama, 2025).

The most significant academic gap lies in the absence of research that comprehensively examines the interplay between three critical developments: the fundamental shift in Indonesia's criminal procedural law from a closed to an open evidentiary system under the 2025 Criminal Procedure Code, the affirmation of material offenses in the 2023 Criminal Code requiring proof of actual state losses, and the practical implementation of APIP audit reports as evidentiary instruments in corruption trials. The 2025 Criminal Procedure Code, through Article 235 paragraph (1), expands the categories of evidence into eight forms, including evidence, electronic evidence, and judicial observations, while incorporating an open clause that recognizes "everything that can be used for the purpose of proof as long as it is obtained unlawfully." Simultaneously, Articles 603 and 604 of the 2023 Criminal Code, effective January 2, 2026, affirm corruption offenses as material offenses requiring proof of actual and quantifiable state losses, as well as a direct causal relationship between the defendant's actions and such losses. These normative changes have profound implications for the evidentiary role

of APIP audit reports; however, their practical implementation in judicial proceedings remains insufficiently studied.

The urgency of this research is underscored by multiple converging factors. First, the enactment of both the 2025 Criminal Procedure Code and the 2023 Criminal Code represents a paradigm shift in Indonesia's criminal justice system that demands immediate scholarly attention to understand its practical implications. Second, the persistent high rate of village fund corruption cases, with potential state losses reaching IDR 381 billion in 2022, necessitates effective evidentiary instruments to support prosecution and conviction. Third, the strengthening of APIP's role through SEMA Number 2 of 2024, which affirms that judges are not absolutely bound by a single source for calculating state losses but may use LHPs from BPKP, the Inspectorate, and certified public accountants, creates new opportunities and challenges for integrating audit reports into corruption trials. Fourth, cases such as the Balombong Village corruption case (Yin, 2018) at the Mamuju District Court (Decision Number 18/Pid.Sus-TPK/2025/PN Mam), in which the judge accepted a state loss figure based on the Majene Regency Inspectorate's audit and imposed a sentence twice as severe as the prosecutor's demand, provide empirical evidence that APIP LHPs are being implemented in practice. Nevertheless, the legal and methodological standards governing their use remain insufficiently examined.

The novelty of this research lies in its comprehensive integration of normative and empirical analyses within a unified framework, addressing a gap that previous studies have not holistically examined. Specifically, this research offers several original contributions. First, it systematically analyzes the normative position of the APIP LHP within the hierarchy of evidence under the open evidentiary system of the 2025 Criminal Procedure Code, examining how the expansion of admissible evidence categories and recognition of an open clause provide legal legitimacy for APIP audit reports. Second, it empirically examines the implementation of the APIP LHP in a specific court decision by analyzing how judges assess audit methodology, cross-validate findings with other evidence, and establish judicial conviction based on the overall evidentiary construction. Third, it analyzes the phenomenon of disparity between prosecutorial demands and judicial decisions, revealing how the quality and completeness of audit evidence may influence judicial assessments of culpability beyond prosecutorial arguments. Fourth, it provides a temporal analysis directly relevant to the post-2025 legal regime, unlike previous research conducted under the former Criminal Procedure Code framework.

The purpose of this study is twofold. First, it aims to normatively analyze the position and probative strength of the APIP LHP within the system of proving corruption crimes based on the 2025 Criminal Procedure Code, examining its legitimacy, evidentiary hierarchy, and methodological standards. Second, it seeks to empirically examine the implementation of the APIP LHP in the Balombong Village corruption case by analyzing how the judge assessed the element of state losses based on the LHP and how the evidentiary construction influenced judicial decision-making. The research contribution is significant in several dimensions: theoretically, it advances scholarly understanding of the intersection between administrative audit mechanisms and criminal evidentiary law; practically, it provides guidance for prosecutors, judges, and auditors regarding the standards for utilizing and assessing APIP LHPs in corruption trials; and institutionally, it offers policy recommendations for strengthening

APIP's role in supporting corruption eradication through improved audit quality, methodological standardization, and structural independence.

This research is formulated around two main research questions: First, what is the position and probative strength of the APIP LHP within the system of proving corruption crimes under the 2025 Criminal Procedure Code? Second, how is the APIP LHP implemented in the corruption case involving the management of the Balombong Village Fund, and how does the judge assess the element of state losses based on this LHP? The research objectives are to: (1) systematically analyze the normative legitimacy of the APIP LHP as evidence under the open evidentiary system of the 2025 Criminal Procedure Code; (2) empirically examine the implementation of the APIP LHP as an instrument of proof in the Balombong Village corruption case; (3) analyze judicial considerations in assessing the APIP LHP and establishing judicial conviction; and (4) provide recommendations for strengthening the evidentiary role of APIP LHPs through improved audit quality and methodological standards. The benefits of this research extend to providing a comprehensive framework for understanding the evidentiary role of APIP LHPs in the post-2025 legal regime; offering empirical evidence regarding judicial practices in assessing APIP LHPs; contributing to the development of national standards for PKKN audit methodology by the Regional Inspectorate; informing policy development to strengthen the structural independence of APIP; and providing technical guidance for judges in assessing APIP LHPs as evidence in corruption trials.

METHOD

This research employed a normative-empirical legal research approach that combined the examination of legal norms (law in books) with an analysis of their implementation in legal practice (law in action). The normative approach was used to examine the evidentiary system under the 2025 Criminal Procedure Code, the position of APIP under Government Regulation Number 60 of 2008, SEMA Number 2 of 2024, and Constitutional Court Decision Number 31/PUU-X/2012 through a systematic and hierarchical analysis. The empirical approach was conducted through a single case study of Corruption Crimes Court Decision Number 18/Pid.Sus-TPK/2025/PN Mam at the Mamuju District Court to examine the application of these legal norms in judicial practice. This approach was selected because the research aimed to analyze both the normative framework and its practical implementation within the criminal justice system.

This study applied qualitative legal research using a case study strategy. Case Number 18/Pid.Sus-TPK/2025/PN Mam was selected because it involved a village fund corruption case that utilized the Regional Inspectorate's LHP as an evidentiary instrument, occurred after the enactment of the 2025 Criminal Procedure Code, and reflected differences between prosecutorial demands and judicial decisions. The case provided empirical insight into the implementation of APIP LHPs within the current legal framework. Although the single-case approach limited generalizability, it enabled an in-depth examination of the interaction between legal norms and judicial practice regarding the evidentiary role of APIP reports.

The primary data sources consisted of Corruption Crimes Court Decision Number 18/Pid.Sus-TPK/2025/PN Mam at the Mamuju District Court and related trial documents, including the indictment, the public prosecutor's letter from the Majene District Prosecutor's Office, and the Report on the Results of the State Financial Loss Calculation (Laporan Hasil

Pemeriksaan Perhitungan Kerugian Keuangan Negara / LHP PKKN) issued by the Majene Regency Inspectorate Number 700.110/XI/2025 dated November 24, 2025. Secondary data sources included relevant laws and regulations, including Law No. 20 of 2025 concerning the Criminal Procedure Code, Law No. 1 of 2023 concerning the Criminal Code, Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 concerning the Eradication of Corruption Crimes (PTPK Law), Government Regulation No. 60 of 2008 concerning SPIP, relevant court decisions, SEMA No. 2 of 2024, Constitutional Court Decision No. 31/PUU-X/2012, legal literature, and scientific publications related to criminal procedure and evidentiary law.

Data were collected through library research and document analysis. Legal materials were selected and categorized based on their relevance to the research questions. The data were analyzed using legal interpretation, systematic analysis, and comparative analysis. Legal interpretation was applied to examine the provisions of Article 235 of the 2025 Criminal Procedure Code and related regulations to determine the evidentiary position of APIP LHPs. Systematic analysis was used to examine the relationship between legal norms governing APIP's authority, while comparative analysis was conducted to assess changes between the previous Criminal Procedure Code and the 2025 Criminal Procedure Code, as well as differences in the evidentiary roles of audit institutions. The validity of the findings was ensured through source triangulation by comparing normative analysis with factual findings from the examined court decision.

RESULTS AND DISCUSSION

The Position and Strength of Evidence of the APIP LHP in the Corruption Crime Proof System.

Paradigm Shift in the Proof System in the 2025 Criminal Procedure Code.

Proof is at the heart of a criminal justice process because it determines whether a person can be found guilty or not. Law Number 20 of 2025 concerning the Criminal Procedure Code presents a fundamental paradigm shift from a closed system of evidence to an open system of evidence. In the old Criminal Code based on Articles 183 and 184 of Law No. 8 of 1981, only five types of evidence were admitted that were limiting: witness statements, expert statements, letters, instructions, and defendant statements. Judges are not allowed to use evidence outside the list, so administrative documents such as the APIP LHP can only fall into the category of letter evidence with strict requirements and narrow interpretations. On the other hand, the 2025 Criminal Code through Article 235 paragraph (1) presents a broader and exemplary list of evidence, so that it does not rule out the possibility of other forms of evidence that are relevant and scientific. This expansion indicates a paradigm shift towards conviction *raisonnée* or rational beliefs, in which judges gain a wider space but with the consequence that any beliefs formed must be based on reasonable, rational, and juridically accountable considerations.

The evidentiary system of the 2025 Criminal Procedure Code still maintains the principle of *negatief wettelijk bewijstheorie* as well as the evidentiary parameters in the criminal procedure law which include *bewijstheorie* (Hiariej, 2012), *bewijsmiddel* (evidentiary tools), *bewijsvoering* (how to find and present evidence), *bewijslast* (burden of proof), *minimum evidence* (minimum evidence), and *bewijskracht* (power of proof). The two cumulative elements in the *negatief wettelijk* system are at least two valid pieces of evidence and the judge's conviction cannot be separated, there is evidence without conviction that cannot

convict, and vice versa. What is new and very significant in the 2025 Criminal Procedure Code is the clause of Article 235 paragraph (1) letter h which recognizes "everything that can be used for the purpose of proof as long as it is obtained unlawfully" as valid evidence. This open clause textually opens the door to the recognition of the APIP LHP as evidence in corruption cases, as long as it meets the requirements for the validity of the acquisition, relevance to the criminal facts, and does not violate the law in the issuance process.

Table 1. Comparison of Old Criminal Procedure Evidence and 2025 Criminal Procedure Code

No.	Old Criminal Procedure Code (Law No. 8/1981) – Article 184	New Criminal Procedure Code (Law No. 20/2025) – Article 235 paragraph (1)
1	Witness Statements	Witness Statements
2	Expert Description	Expert Description
3	Letter	Letters (including digital documents)
4	Instructions	Defendant's Statement
5	Defendant's Statement	Evidence (new)
6	—	Electronic Proof (new)
7	—	Judge's Observations (new)
8	—	Everything is acquired unlawfully (open clause – new)

APIP Functional Position and Normative Legitimacy of APIP Examination Result Report.

Normatively, APIP's position in the government's internal supervision system is affirmed in Government Regulation Number 60 of 2008 concerning SPIP, which mandates APIP to carry out audit, review, evaluation, and other supervision functions. Based on Article 50 paragraph (3) of Government Regulation 60/2008, investigative audits and audits of the Calculation of State Financial Losses (PKKN) outlined in the LHP are categorized as audits with a specific purpose. The investigative audit conducted by APIP uses the Fraud (Wicaksono & Bakri, 2024) Theory Approach which includes identification of potential fraud, evidence collection, causal analysis, and document-based loss calculation . APIP's implementation of the fraud theory approach includes the stages of data analysis, hypothesis formulation, hypothesis testing, and hypothesis refinement—a series of methodological steps that produce audit conclusions that are not only numerically accurate but also legally relevant in the context of criminal evidence

The normative legitimacy of the APIP LHP as evidence in corruption cases comes from three mutually reinforcing pillars of law. First, the explanation of Article 32 paragraph (1) of the PTPK Law which emphasizes that state financial losses are considered real if the amount can be calculated based on the findings of the authorized agencies—without limiting the agency to the BPK. Second, the Constitutional Court Decision Number 31/PUU-X/2012 which explicitly states that the KPK and other law enforcers can coordinate with various agencies including the Inspectorate General or bodies that have similar functions in the context of proving a criminal act of corruption. Third, SEMA Number 2 of 2024 concerning the Implementation of the Results of the Plenary Meeting of the Supreme Court Chamber in 2024 as a Guideline for the Implementation of Duties for the Court, which emphasizes that judges are not absolutely bound by one source of calculating state losses, but can judge themselves

based on the facts revealed at the trial—including LHPs from the BPKP, the Inspectorate, and certified public accountants. The convergence of these three normative pillars puts the APIP LHP in a position as valid complementary evidence, not as a perfect evidence (volledig bewijs) that binds the judge absolutely.

It is important to understand that APIP's position in the calculation of state financial losses is complementary, not substitute for the authority of the BPK. The BPK obtained constitutional legitimacy from Article 23E of the 1945 Constitution and Law Number 15 of 2004 which gives the authority to declare state losses definitively. Meanwhile, APIP has attributive authority based on PP 60/2008 to conduct PKKN audits within the framework of internal supervision and support the law enforcement process. The process of calculating state losses by the Inspectorate auditor at the investigation stage is carried out through a series of technical steps that include the identification of unlawful acts, the determination of the causal relationship between the act and the loss, to the quantification of the value of losses specifically per activity. This methodology combines forensic accounting expertise with an understanding of public financial regulations, resulting in legally relevant conclusions even though it is not absolutely binding on judges

Table 2. Authority of the Audit Institution in the Calculation of State Financial Losses

Institutions	Legal Basis	Types of Authority	Declarative Power
CPC	Article 23E of the 1945 Constitution; Law No. 15 of 2004	Constitutional/Attributive	Full – can definitively declare state losses
BPKP	Presidential Regulation No. 192 of 2014	Attributive – President	Partial – as a basis/reference; judges are not bound by absolute (SEMA 2/2024)
Regional Inspectorate	Law No. 23 of 2014; PP 60/2008	Attributive – Regional Head	Partial – can be used as the basis for judge's assessment; not declaring definitive (SEMA 2/2024)

Material Delik Character and Implications for the Burden of Proof

The affirmation of the character of material delicacies in Articles 603 and 604 of the Criminal Code, which is effective from January 2, 2026, has direct implications for the burden of proof in corruption cases. Previously, under the regime of the PTPK Law, there was a long debate about whether the formulation "can harm the state's finances" makes corruption offenses formal or material. The Constitutional Court's Decision Number 25/PUU-XIV/2016 has shifted this interpretation in the direction that actual state losses must be proven, and now the Criminal Code emphasizes this position textually. Satjipto (Rahardjo, 2014) emphasized that material offenses have the requirement of empirical proof of the consequences caused by the perpetrator's actions, so that proof is not enough only to prove the existence (Tarigan et al., 2023) of an unlawful act, but must also prove the occurrence of consequences in the form of real and definite state losses and a direct causal relationship between the two.

The consequence of this material delicacy is that the PKKN LHP is functionally irreplaceable evidence in the corruption trial, because it is the most reliable technical instrument for quantifying state losses in a measurable manner. In the study on the assessment

of state financial losses in corruption cases, it is emphasized that the report on the results of the state loss audit must always be tested and confirmed by other supporting evidence before it can form the judge's full conviction, because the probative power of the LHP is not automatic and is not binding absolutely. The BPKP (2024) evaluation of 519 corruption decisions in 2022–2023 shows that judges generally accept the results of PKKN audits without objection if the methodology used is consistent and logical and supported by comprehensive audit evidence and is not refuted by the defendant through a counter-expert. These findings confirm that the quality of the substance and methodology of the APIP LHP is more decisive than simply the institutional identity that publishes it in the context of judge assessment.

The study of the existence of the prosecutor's authority in determining the elements of state financial losses as evidence in the corruption case states that in law enforcement practice, the public prosecutor has the freedom to choose the audit institution that will be used as the basis for calculating state losses of the BPK, BPKP, or the Inspectorate and this choice does not automatically determine the acceptance or rejection of the loss figure by the judge. What is more decisive is the extent to which the number of losses presented can be verified, cross-tested with other evidence, and not successfully broken by the defendant's defense. The results of the audit of the Majene Regency Inspectorate in the Balombong Village case as discussed in the next sub-chapter show that the Inspectorate LHP can obtain strong judicial acceptance if it meets good methodological standards and is strengthened by the construction of comprehensive and interrelated evidence.

Implementation of the APIP LHP in the Balombong Village Corruption Case and the Judge's Consideration

Overview of Corruption Cases and Modus Operandi

The case of corruption in the management of Village Funds and the Allocation of Village Funds in Balombong Village for the 2022–2023 Fiscal Year was decided by the Corruption Crimes Court at the Mamuju District Court with Decision Number 18/Pid.Sus-TPK/2025/PN Mam. The defendant Napsir as the Head of Balombong Village was charged with abusing his authority in the management of village funds sourced from the Village Fund (DD) and the Village Fund Allocation (ADD) with a total budget of more than Rp3 billion for two consecutive fiscal years. Balombong Village represents a typical village in the district area with limited apparatus capacity but receives a significant flow of funds, conditions that structurally create space for misappropriation due to weak internal accountability systems. The management that should have been carried out by the Activity Implementation Team (TPK) in a participatory manner was actually controlled dominantly by the defendant, closing the check and balance mechanism that should apply in village financial management.

In his indictment, the public prosecutor of the Majene District Prosecutor's Office postulated that the defendant used village funds not according to his intended purpose through various modus operandi. In the procurement of coffee seeds for the 2022 Fiscal Year, the defendant was responsible for 2,785 seeds worth IDR 27,850,000, but the facts of the trial showed that only 655 seeds were actually distributed worth IDR 6,550,000 with a difference of IDR 21,300,000 for only one activity. A similar pattern was found in the procurement of chocolate seeds, mango seeds, katinting machine assistance, goat seed assistance, procurement of carpentry tools, and village physical development, where the defendant accounted for the activities administratively as if they were 100% realized, even though factually there was a

lack of volume of work and activities that were not carried out at all. (Andriani Naftali et al., 2024) et al. in a study on the return of state financial losses in corruption crimes by village heads emphasized that such a mode of abuse (Tumuhulawa et al., 2024) is common due to low external supervision and the lack of community participation mechanisms in planning and accountability of village activities.

The most central aspect in terms of proof is the use of the Report on the Results of the Calculation of State Financial Losses (PKKN) of the Majene Regency Inspectorate Number 700,110/XI/2025 dated November 24, 2025 which concluded that there was a state loss of Rp346,041,702.78. The LHP was issued on the basis of an investigative audit assignment to the Inspectorate as APIP within the Majene Regency Government. The qualification of the village head as an official subject to Article 3 of the PTPK Law is undoubted, because the village head as the organizer of village government affairs has a position that contains elements of position and authority so that he meets the conditions of "abusing the authority, opportunity or means available to him because of his position or position". Indriyanto Seno Adji in his fundamental study of corruption and criminal law emphasized that the element of abuse of authority must be seen from the existence of an irregular use of power that results in state losses, not solely as an administrative violation.

Implementation of the HPP APIP: Legitimacy and Technical Function in Proving

From the perspective of proof law, the use of the Majene Regency Inspectorate's LHP in this case shows that the results of the APIP audit have been factually implemented as an integral part of proving the elements of state losses. This implementation has normative legitimacy sourced from three legal frameworks that have been described previously: Explanation of Article 32 of the PTPK Law, Constitutional Court Decision Number 31/PUU-X/2012, and SEMA Number 2 of 2024. The Inspectorate's LHP in this case has a dual position: as evidence of a letter containing a technically measurable loss figure, and as a basis for the auditor's expert testimony that can be presented to the trial to explain the methodology and findings of the audit. Rahmadani stated that the LHP produced by the Regional Inspectorate is generally accepted by judges as valid letter evidence, but it is not perfect and always requires testing through cross-examination with other evidence.

(Centralpublisher, 2025) in its study of the position of the BPK LHP as evidence in criminal cases emphasized that the LHP produced by the audit institution has valid evidentiary power as letter evidence, but it is not binding on the judge absolutely and must be supported by other evidence. Based on this principle, the construction of proof in the Balombong Village case shows a normatively appropriate pattern, the public prosecutor does not stop at the APIP LHP alone, but builds an overall evidentiary construction that integrates various types of evidence systematically. The evidentiary value of an evidence cannot be separated from its logical relationship with other evidence in forming the judge's belief. The PKKN audit methodology used by the Majene Regency Inspectorate follows risk-based audit standards with a fraud theory approach, where each finding is supported by verifiable evidence documents, a characteristic that strengthens the position of the LHP as a reliable technical instrument in the trial.

In this case, there is no indication that the defendant presented a counter expert or questioned the Inspectorate's calculation methodology, so that the APIP LHP is *de facto* accepted by all parties as a valid technical reference. This condition is in line with the findings

of the BPKP Evaluation (2024) that judges generally accept the results of the PKKN audit without objection if the methodology used is consistent and not successfully broken by the defendant's defense. In the study on the misuse of village fund management from a criminal law perspective, it is emphasized that the administrative documents that are the basis of the APIP LHP such as purchase memorandums, accountability reports, and fund disbursement warrants are the most relevant and verifiable sources of evidence in the construction of proving the corruption of village funds. These sources of documents methodologically became the foundation for the calculation of state losses carried out by the Inspectorate, and which were then confirmed by witness statements and technical expert statements at the trial.

Judges' Considerations and the Phenomenon of Decision Disparity

The judge's consideration in this case shows several important characteristics that reflect the effective functioning of the 2025 Criminal Procedure Code open evidentiary system. First, the judge received substantially the state loss figure of Rp346,041,702.78 as stipulated in the LHP of the Majene Regency Inspectorate and made this figure the basis for determining compensation in the verdict. This acceptance confirms that the APIP LHP has sufficient legitimacy as an instrument for calculating state losses even though it is not sourced from the BPK, in line with SEMA Number 2 of 2024. Second, the judge cross-validated the LHP figure with the facts of the trial through witness statements, expert testimony, and examination of activity administration documents. Third, the 2025 Criminal Procedure Code explicitly recognizes "judge's observation" as independent evidence based on Article 235 paragraph (1) letter g, which strengthens the position of judges as a central actor who is active in evaluating evidence, including the APIP LHP .

The most prominent aspect of this case is the significant disparity between the public prosecutor's demands and the judge's decision. In his demand, the public prosecutor of the Majene District Prosecutor's Office demanded a prison sentence of 2 years based on Article 3 of the PTPK Law. However, the panel of judges actually sentenced him to 4 years in prison, double the prosecutor's demands. In the *negatief wettelijk* system, the judge is not bound by the prosecutor's criminal charges, but is free to assess all evidence as long as it remains within the limits of the indictment and the provisions of the law . The MaPPI FHUI study (2017) shows that the disparity between prosecutors' demands and judges' decisions is a prevalent phenomenon in the practice of criminal justice, and generally reflects differences in assessments of the severity of the act based on the facts revealed at trial . The increase in the crime shows that the judge considers that the acts were carried out repeatedly and systematically during the two budget years, that the defendant actively controlled the entire financial management chain, and that there was a strong element of intentionality through the manipulation of fictitious reports and notes.

This phenomenon of disparity in decisions has important implications for understanding the role of the APIP LHP in shaping judges' beliefs. The fact that the judge actually increased the sentence to double the prosecutor's demands indicates that the APIP LHP in combination with other evidence has succeeded in describing the magnitude of the defendant's guilt more comprehensively than constructed by the prosecutor. The true value of the APIP LHP does not only lie in the number of losses set, but also in its ability to provide a systematic picture of the pattern of irregularities committed by the defendant in a repeated and planned manner. The Balombong Village case thus becomes a valuable empirical precedent regarding how the APIP

LHP can be effectively implemented in the system of proving corruption crimes after the enactment of the 2025 Criminal Procedure Code, as well as showing that the quality of the audit methodology and the completeness of evidence documentation determine the acceptance of judges rather than the institutional status of the LHP issuer alone

CONCLUSION

First, under the open evidentiary system of the 2025 Criminal Procedure Code, APIP's LHP constitutes valid complementary evidence, supported by three legal foundations: the Elucidation of Article 32(1) of the PTPK Law, Constitutional Court Decision No. 31/PUU-X/2012, and SEMA No. 2/2024. APIP has attributive authority to conduct PKKN audits under Government Regulation No. 60 of 2008, although BPK retains constitutional authority in determining state financial losses. The LHP does not possess absolute binding force over judges; however, it plays an important role in objectively and measurably calculating losses as required under Articles 603 and 604 of the Criminal Code. Furthermore, Article 235 paragraph (1) of the Criminal Procedure Code, which adopts an open evidentiary system by recognizing additional forms of evidence beyond those expressly listed, further strengthens the legitimacy of APIP LHPs as evidentiary instruments.

Second, the Balombang Village case demonstrated an integrative evidentiary pattern in which the Majene Regency Inspectorate's LHP functioned as the primary technical instrument, supported by witness testimony, documentary evidence, banking records, expert testimony, and judicial observations. The court's acceptance of the state financial loss amounting to Rp346,041,702.78 and the increase in the sentence from two to four years reflected a rational and accountable judicial assessment based on the principle of free evaluation of evidence. The difference between the prosecutor's demand and the court's decision indicated that a methodologically sound and unchallenged APIP LHP could provide a more comprehensive basis for assessing criminal responsibility than prosecutorial arguments alone. Thus, the quality and substance of the audit, rather than merely the institutional identity of the issuing body, became the primary factor influencing judicial acceptance.

Four recommendations are proposed. First, the Central Government should establish national PKKN audit methodology standards for Regional Inspectorates to reduce variations in audit quality and improve the reliability of audit reports. Second, the independence of Regional Inspectorates from regional heads should be strengthened through institutional reforms, accreditation mechanisms, or other safeguards to minimize potential conflicts of interest. Third, the Supreme Court should issue technical guidelines regarding the assessment of APIP LHPs as evidence to provide greater legal certainty for prosecutors, defendants, and judges. Fourth, future research should examine the consistency of APIP LHPs as evidentiary instruments across different regions in Indonesia under the legal framework effective from 2026 to support the development of consistent jurisprudence regarding acceptable audit quality standards.

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