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Reformulation of the Monitoring on Political Party Fund System; A Case of Indonesian Political Party System

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Abstract:
A political party is an entry point to affirm the Democratical State. In order to realize the function, political party needs operational fund so that the state-issued Government Regulation Number 1 of 2018 concerning Financial Aid to Political Party which raised financial assistance to political party from 108 rupiahs per valid vote to 1,000 rupiahs per valid vote. However, it became polemic because of increasing political party aid fund without supervision of the management and reporting of aid fund. As a result of the absence of supervision, there is corruption in political party because the supervision of management, reporting of political party fund and sanction have not been done optimally so that political party is not able to accommodate and realize the principles of Good and Clean Governance as mentioned in Law Number 2 Year 2011 concerning Political Party. The purpose of this research is to answer the polemic of increasing political party budget related to the system of monitoring political party fund comprehensively. The method used is juridical-normative with legislation and conceptual approach.

Keywords: Political Party, Fund System, Democracy

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Reformulasi Sistem Pengawasan Dana Partai Politik Sebagai Upaya Terciptanya Prinsip Demokrasi dan Good Clean Governance

Abstrak:
Partai politik merupakan entry point dalam menegaskan kehidupan Negara Demokrasi. Dalam rangka mewujudkan fungsi tersebut partai politik membutuhkan dana operasional sehingga negara mengeluarkan Peraturan Pemerintah Nomor 1 Tahun 2018 tentang Bantuan Keuangan Kepada Partai Politik yang menaikan bantuan dana partai politik dari Rp.108 per suara sah menjadi Rp.1000 per suara sah. Namun menjadi polemik adalah kenaikan jumlah dana bantuan partai politik tersebut tanpa diimbangi dengan pengawasan terhadap pengelolaan dan pelaporan dana tersebut. Akibat tidak adanya pengawasan tersebut rawan terjadinya praktik korupsi dalam partai politik karena selama ini pengawasan pengelolaan, pelaporan dana partai politik dan sanksi belum dilakukan secara maksimal sehingga belum mengakomodir dan mewujudkan prinsip-prinsip Good and Clean Governance sebagaimana yang diatur dalam Undang-Undang Nomor 2 Tahun 2011 tentang Partai Politik. Tujuan penelitian ini dimaksudkan untuk menjawab polemik kenaikan anggaran partai politik secara komprehensif terkait sistem pengawasan dana partai politik. Metode penelitian adalah yuridis-normatif dengan pendekatan perundangan (statute approach) dan konseptual (conceptual approach).

Kata Kunci: Dana Partai Politik, Demokrasi, dan Good Clean Governance

Изменение системы контроля фонда политических партий как усилия по созданию демократических принципов и честного и надлежащего управления

Аннотация: Политические партии являются отправной точкой в утверждении жизни демократического государства. Чтобы реализовать эту функцию, политическим партиям нужен оперативный фонд. В связи с этим, государство издало Постановление правительства № 1 от 2018 года о финансовой помощи политическим партиям по увеличению фонда политических партий со 108 рупий до 1000 рупий за один действительный голос. Однако, проблемой стало то, что увеличение количества финансовой помощи политическим партиям не было сбалансировано с наблюдением за управлением и отчётностью этих фондов. В результате отсутствия такого наблюдения имеются тенденции к коррупционной деятельности в политических партиях, потому что всё это время наблюдение за управлением, отчётность о фондах политических партий и санкции осуществляются неоптимально. Все вышеперечисленные причины ещё не соответствуют и не реализуют принципы честного и надлежащего управления (Good and Clean Governance), урегулированные в Законе № 2 от 2011 года о Политических партиях. Целью данного исследования является решение вопроса увеличения бюджета политических партий в полном объёме, который связан с системами наблюдения за фондами политических партий. Метод данного исследования - юридическо-нормативный подход, законодательный подход и концептуальный подход.

Ключевые Слова: Фонд политических партий, демократия, честное и надлежащее управление
Introduction

Political party, as one of the democratic fundamental principles in the country, is manifestation of gathering freedom, alliation and expressing opinions which mentioned in Article 28 of 1945 Constitution of Republic of Indonesia. Therefore, political party plays strategic role as a link between community aspirations and government policies (Budiarjo, 1992: 163-164).

Robert Dahl believes that in order to achieve constitutional democracy the role of the political party is necessarily becoming a tool for citizens to organize, express, obtain alternative information, occupy public positions and create the quality of free and fair elections (Asshiddiqie, 2005: xiii). Even Schattscheider told that “political party creates democracy”, then he explained further that “modern democracy is unthinkable save in terms of the parties” (Schattscheider, 1942: 1).

The significant role of political party in the democratic system has led the idea of providing political party aid fund from the state budget and expenditure as an effort to maintain good financial stability by a political party (Ohman, 2014: 1-3). The regulation contained in Government Regulation Number 5 of 2009 concerning Political Party Assistance. The coverage of political party fund is intended to support the duties and functions of political parties which is to provide political education, representative and run the organization (Hofmeister & Grabow, 2013: 38).

The policy in the form of state subsidies is regulated in Government Regulation Number 5 of 2009 about Funding Assistance to Political Parties and Decree of Minister of Home Affairs Number 212 of 2010 on Political Party Fund Assistance is considered too low, which is only Rp.108 in every vote at the level of the Republic of Indonesia Parliament.

Those conditions urged the government to reconstruct the nominal financial assistance to a political party. This is supported by the study of The Corruption Eradication Commission (KPK) on 2014-2019 that political party funding needs to be increased. The KPK suggested that ideally 50% of state assistance from the needs of political party and should be increased gradually for 10 years. The purpose of the increase in aid fund is based on data of KPK Watch for 2002-2014 period that political party has high level of corruption and to reduce the possibility of political parties seeking funding to the private sector which has implications for political interest by funding party.
Based on consideration, Regulation Number 1 of 2018 concerning Amendment to Government Regulation Number 5 of 2009 concerning Aid Funding to Political Parties is settled and attributed to Minister of Home Affairs Regulation Number 38 of 2018 concerning Financial Aid to Political Parties whose essence an increase in political party funding to Rp.1,000 per one legitimated vote at the level of the House of Representatives.

The Government Regulation Number 1 of 2018 also has positive impact on the independence and impartiality of political party, in addition it also raises a number of polemics regarding the supervision of the flow of political party fund because the regulation does not determine further monitoring of the accountability of political party financial reports even the Article 39 paragraph 1 The Law on Political Parties states that financial management of political party must be transparent and accountable. In contrast, regarding what and how transparent and accountable are not clearly explained in a quo law (www.nasional.kompas.com).

Transparent and accountable political party on financial management is one of the objectives in Law Number 2 of 2011 concerning Political Party. Based on Article 34 paragraph 1 that there are three funding sources of a political party, first: Party member contribution, second, individual and business entity contribution and third, contribution from the state. However, there are still many political party funds that do not reflect the principle of transparency and accountability in the reporting and management of political party fund. There are even allegations that political party uses illegal fund to run the organization because there is legal gap for political party financial resources that comes from party members, individual contribution and business entities. Related to three financial sources, the reporting provision must be submitted by political party that only source from the state budget however contribution from individuals and business entities are not mandatory for reporting.

The implication from the financial condition of a political party is not open both from the aspect of transparency and accountability related to the donation and who contributes fund to the political party. This is contradiction with the principles of transparency and accountability of the financial statement and political party also are considered betraying the government's intention to raise financial assistance to political party to avoid conflict of interest due to the intervention of financial donors with policies taken by political party (Faisal, 2018: 268). This also contradicts the view that every organization or body financed by the state has the right to know the balance sheet of the agency because it becomes an asset that must be protected by the state.
Good and Clean Governance, Democracy and Political Party Fund

In 1992 at Governance and Development report, the World Bank set one standard of development, which is good governance and defined as "the manner in which power is exercised in the management of a country’s economic and social resources for development".

Based on report issued by the International Fund for Agricultural Development (IFAD), it was explained that the initiative of the world bank in giving birth to the concept of good governance born from the belief that sustainable development can only be realized if there are measurable and transparent regulatory and institutional framework in conducting business both public and private domain. Good governance also becomes a concept that is not merely used to meet the formalistic criteria of the World Bank but rather becomes a concept of governance that is believed be able to encourage the fulfillment of development goals and the enforcement of the rule of law (UNDP, 1994).

The elements must be fulfilled in the concept of good governance and are summarized in the four World Bank reference points in the report "Governance: The World Bank Experience", namely "(a) predictable, open, and enlightened policy-making, (b) a bureaucracy imbued with a professional ethos acting in furtherance of the public good, (c) the rule of law, and (d) a transparent process and a strong civil society participating in public affairs."

Whereas Democracy is a concept of government that grew in Athenian society in the middle of the 5th century, epistemologically comes from the words kratos (power) and demos (people) (Sinclair, 1988: 1). In its rapid development, the concept of government was later understood by Abraham Lincoln as, "... government of the people, by the people, for the people (Conant, 2015: 40)." In more practical level, David Lehmann defined democracy as a mechanism for choosing political leaders, where citizens have the opportunity to choose one of the political leaders who are competing in giving voice or support (Nugroho, 2012: 2).

In relation to the concept of democracy, David Lehmann said that political party is the channel for the election of political leaders. R.H. Soltau defines as "a group of citizens more organized, who acts as a political unit and who, by the use of their voting power, aims to control the government and carry out their general policies (Budiarjo, 1992: 161)." Sigmund Neumann in Modern Political Parties describes that political parties are important channels in modern political life and the democratic system reaching the point for every
action, reaction, direction, and control exercised that have a more significant effect than the constitutional structure or succession of the governmental cabinet. He stated: “the political parties are lifeline of modern politics and are indeed critically significant in democratic systems. Their actions and reactions, their directions and control become more significant for government at work, than constitutional structures and succession of Cabinets (Neumann, 1966: 1).

The argument for the importance of the role of political parties in modern countries is reinforced by Mac Iver’s opinion which states that without political parties it will be difficult to achieve integrated principles, orderly policy evolution, and regulation towards constitutional parliamentary elections and doesn’t recognize institution to obtain or maintain power. He stated: “without party organizations, there can be no unified statement of principles, no orderly evolution policy, and no regular resort to the constitutional devices of parliamentary elections, nor, of course, any recognized institution by means of which a party seeks to gain or to maintain power (Maciver, 1955: 396).

To make political parties strong, open and competitive in democracy, financing or fund are important to support performance and defense of political party in the pre-election, during, and post-election contestations (Johnston, 2005: 3). This statement was reinforced by Pinto-Duschinsky in Financing Politics research: A Global View that “despite the great variation in political finance between states, money in politics is an essential resource for the continued, effective functioning of both competitive democracies and their governments (Duschinsky, 2014: 4).”

In the contemporary discussion, political party funding experiences shift in patterns to public funding which becomes “a consequence of the decline of memberships and increased need for professionalism (Nassmacher, 2001: 181).” Heidenheimer explained in the initial model of political party organizations that "it could be divided into two polar models on how political parties are financed: mass party and cardre-party (Heidenheimer, 1963: 792). "The shifting of the funding pattern then requires control and control, as James Kerr Pollock stated that "the relationship between money and politics become one of the great problems of democratic government. The good political life is not possible as long as the use of money is unrestrained (Pollockk, 1932: 328)."

The Dynamic of the Report on Political Party Funding as the Democracy Pillar

Political party as a fundamental basis in determining the direction and form of democracy in a country so that it needs to be structured and refined to realize a
modern democratic political system. The arrangement and refinement of political party are directed at reforming the reporting of the use of political party fund.

A political party can be regarded as forming a democracy, thus asserting that political party is the pillars of democracy. If the political party goes well it will also present good form of democracy (Asshiddiqie, 2016: 401). Such a postulate is also confirmed by Schattscheider that "Political parties created democracy (Schattscheider, 1942: 1)."

The absolute obligation possessed in the constellation of modern political life is political Institutionalization party as an autonomous and independent organization (Maiyo: 2008: 25). Samuel Huntington emphasized that the urgency of institutionalizing political party is to create political order because in democratic life it is impossible to realize political stability without harmonization between political party and political participation (Huntington, 1968: 8-9).

Since political party is the tools of the state's superstructure and infrastructure for the growth of democracy, many countries in the world have policies to provide public funding for political parties (Inu, 2005: 75-78). Political party funding is intended to guarantee the process of party independence and reduce all possibilities of political parties getting injections of fund from excessive contribution from the private sector because it risks creating a political intervention in party internal policymaking (Supriyanto, 2012: 29).

In an effort to affect the state to maintain the independence of political party functionally and good democratic pattern, the state answered these problems with the Government Regulation Number 5 of 2009 concerning Financial Aid to Political Party in which the State provides political party fund in the amount of Rp.108 per valid vote taken through the State Expenditure Budget.

The existence of assistance originating from the National State Budget (APBN), Political Party then transformed into a public body that can be qualified in Article 1 number 3 of Law Number 14 of 2008 concerning Public Information Disclosure that:

Public bodies are executive, legislative, judicial and other bodies whose functions and main tasks are related to the administration of the state, in which part or all of the fund comes from the State Revenue and Expenditure Budget and/or Regional Revenue and Expenditure Budget, or partially non-governmental
organizations or all of the fund are sourced from the State Revenue and Expenditure Budget and/or Regional Revenue and Expenditure Budget, community, and/or foreign contributions.

The postulate emphasized that Political Party has obligation to report the use of political party fund when there is a body that receives assistance in part or entirely from the State budget has consequences to provide information for the public as an important characteristic of democratic countries that uphold people's sovereignty in realizing Good Clean Governance.

But until now the transparency and accountability of political fund are still the homework of the democratic system in Indonesia. Whereas the essence of a political party is the guardian and liaison of the conception of popular sovereignty as contained in the 1945 Constitution of the Indonesian Constitution (Biezen, 2003: 11). Political party translates the values and interests of society in the bottom-up process so that the community becomes draft state laws, binding regulation, and program for the people. If carefully examined, the logical consequence of granting financial assistance to political party is expected able to function as they should, namely improving the quality of democracy and providing a means for people to get political education (Guther, 2001: 8).

This reason is stated in Government Regulation No. 1 of 2018 concerning Political Party Assistance which is a change to Government Regulation No. 5 of 2009 as an answer to Perludem's research that assistance so far provided by the state only accommodates 0.3% of the party's needs. When it viewed in the perspective of other countries, the subsidies provided by Indonesia are still very low. If compare with several countries such as Japan that provide financial assistance around 0.15%, Germany 0.45% and Turkey 90% of the party's own income, because of the purpose of providing assistance to ensure there is no any intervention (Faisal, 2018: 282).

But after the increase in the amount of political party funding, there were various accusations against political parties, one of them was the system of monitoring the fund. The problem is ensuring that the state subsidies are not misused by a political party. Considering the purpose of the presence of assistance from the state is intended to eliminate the inclusion of political party fund from illegal contributions that have an impact on the party's psychology, in addition to creating the independence of political parties (Supriyanto, 2012: 29).

Based on the above problems, other problems may arise when Government Regulation No. 1 of 2018 begins to regulate the obligation to report
the use of assistance from the State Budget and is not balanced with the regulation in the form of political party obligation to report the use of fund source from membership fees and donation.

Such a condition raises concern and presupposition in the form of the emergence of a culture of Collusion, Corruption, Nepotism (KKN) as well as ICW research data (Indonesian Corruption Watch), it is found that there are certain contributions received by a political party from illegal funding or corruption. ICW researcher Donald Fariz referred to a number of cases that had been handled by the Corruption Eradication Commission.

In terms of revenue, there are also cadres who receive illegal money and then donate to political party activities. Ironically, the political party still earn donation from cadres in the legislative or executive. The nominal donation varies from party to party. However, the problem is that there are still many cadres of political party who are reluctant to spend their personal money to fund political party. There are contributions that exceed the rules but are not recorded in the financial books of political party. The donation comes from individual and business entities that enter the accounts of the general chairman, vice-chairman or secretary-general of political party. Sometimes makes the condition a matter of contention for cadres, both at the central and regional level.

The result of the absence of information disclosure regarding political party fund has an effect on the level of public trust, as described in the table below, that the level of public trust in a political party is very low as illustrated in the graph below:

![Table 1 Rate of Public Trust (www.detik.com)](image-url)
The impact of the closed reporting of political party fund today has the possibility and raises a presumption that the income inclusion is only known to a number of elite groups of political parties because political parties have tendency to keep on income from the National State Budget (APBN) or Local State Budget (APBD). Whereas illegal donation and exceeding rules have never been recorded.

As a result of the lack of obligation to report to the public, a political party has the habit of having two books. The first is to record budget expenditures originating from the state budget or regional budget and the second is internal accounting delivered during the national work meeting. Ironically, the majority of parties do not consolidate financial statements and the audit results have never been delivered transparently to the public.

**Political Party Financial Reporting System in the Good Clean Governance Principle**

In the historical context, the conception of good governance departs from the understanding of the compilation of mechanisms for public administration and political science of good governance. The good governance paradigm was first used by the World Bank in 1987 in the United States to improve the quality of public services, degrade corruption and provide guarantee for the protection of the public interest.

United Nation Development Program (UNDP) defines Good Governance as the exercise of political, economic, and administrative authority to manage national affairs at all levels, or synergic and constructive relationship between the state, the private sector, and society. Whereas according to World Bank, Good Governance is defined as good financial governance (Bull, 2000: 11). If using narrow paradigm in clean government affairs, the term used is Good Clean Governance (www.imf.org).

Good Governance that United Nation Development Program (UNDP) mentioned above established the main characteristic of the establishment of Good Clean Governance in 4 (four) basic foundations namely Transparency, Accountability, Participation and Coordination (Gisselquist, 2010: 6). Without the existence of a fundamental aspect of utopianism, it should create good governance. Moreover, the aspect of transparency and accountability are considered as the gateway to the creation of Good Clean Governance (Dam, 2001: 5).
The principle of Good Clean Governance is a role model in realizing good governance. The current system of unprofessional reporting of political party funding is urgent to implement transparent and accountable for good political party governance in accordance with the principles of Good Clean Governance.

Good political party management and reporting system are characterized by the existence of an open management system and accessibility for the community. The purpose of the mechanism is transparent and accountable to open all information so that the community easy to obtain relevant information. In addition, with the implementation of transparent and accountable management system for political parties, it facilitates the Financial Supervisory Agency (BPK) to analyze the financing of political party from the accountability report on the use of political party fund (www.unpad.ac.id).

The regulation of financial report transparency will help monitor the negative influence of money, but this regulation also needs to be prepared and implemented properly because effective supervision does not only depend on the activities of interaction among stakeholders, such as regulators, civil society organizations, and the mass media, but also the implementation of the principle of transparency. Increasing public awareness about the importance of preventing and eradicating corruption in political party finance also greatly determines the functioning of a democratic institution.

In addition, the political party is manifestation of state asset that has fundamental entity in a democratic country. So, in accordance with article number 3 of Law Number 14 of 2008 concerning Open Public Information, political party must open all reports relating to themselves as consequence the party receives an injection fund through the National State Budget (APBN).

Open public information is an effort for optimizing public supervision of the administration of the state and other public bodies and everything that results in public order. For this reason, a political party must prioritize the principles of Good Clean Governance related to the obligations of reporting political party accountability.

The obligation of Non-State Budget Financial Report for Political Parties
As an effort to improve the quality of democracy through political party clean, independent, honest, preventive and repressive efforts are needed to ensure the
purpose of the birth of political party as a means of connecting public participation and modern political system.

These forms of preventive and repressive efforts are manifested in the form of improved management of political party financial management and reporting for transparent and accountable manner. The principle of transparency requires a political party to open in the process of managing party finances (Mardiasmo, 2006: 17). Obligations of political parties, such as opening the identity of donors of fund to political party and fixing routine and periodic financial liabilities include cash flow activities in and out of fund for one year. This open principle is intended to test the principle of accountability, the responsibility of political parties rationally regarding report on the receipt and use of political party fund.

Article 39 of Law number 2 of 2011 concerning Political Party and Government Regulation No. 5 of 2009 about Political Financial Assistance has actually obliged a party to make financial reports. However, the regulation is implemented not properly and firmly.

Based on the problems, there needs to be a new idea regarding the financial arrangements of political party going forward:

First, both at central and regional levels political party are required to make an annual financial report that is announced to the public and audited by external auditors. The financial report must be separated both from inside and outside National State Badget (APBN)/Local State Badget (APBD) such as contribution from the private sector. In addition, as an effort to realize transparent financial reporting mechanism, it is also necessary to make detail of the standard of political party financial report in professional and integrity manner. Actually, Act number 2 of 2011 has mandated political party to provide report of revenues and expenditures from the National State Badget (APBN) and Local State Badget (APBD) assistance to the Audit Board of Indonesia periodically 1 (one) year to be audited no later than 1 (one) month after fiscal year ends.

This was also applied by many countries on the world such as the United Kingdom which made detailed arrangements to require a donation for political party to be reported. The UK Political Party Law in the Political Party Act 2009 Section Part of Accountability section 29 requires political party to announce list of contributors to financial assistance so that the public can access information about the accountability of party finance.
It is different from the standard rules of political party financial statements in Indonesia which do not specify the provisions of a report on the management of political party fund in the Political Party Law so that if political parties want to make a report, they will be difficult because there is no standard financial report format. This is different from the order of Law number 2 of 1999 and Law number 31 of 2002 that has been formatted with guidelines for the preparation of annual political party financial report prepared by the Supreme Court and the General Election Commission.

The Political Party Law states that political party is obliged to make a financial report for the purpose of funding audit, including: (a) report on the realization of political party budgets; (b) balance sheet, and; (c) cash flow statement. In order to implement accountable financial report, there needs standard system. At the very least, the standard of party financial report must contain: (a) source of party revenue (complete identity of each source of income, type and number of sources of income), (b) development of business unit, (c) limit on the amount of campaign cost, (d) separation of routine and campaign fund, (e) routine fund arrangement, (f) disclosure of financial statement, (g) open of party fund, and (h) sanction for violating the rules.

In addition to the obligation party financial report, it is also necessary for parties to make donation list and display the report to the website so that it can be accessed by the public. This should not only apply to revenue from National State Badget (APBN) and Local State Badget (APBD) but also other contributions received by the party. In addition, also in Article 28 F of the 1945 Indonesian Constitution, it is stated that everyone has the right to communicate and obtain information to develop their personal and social environment, and has the right to seek, obtain, possess and store information using all available channels. The right to obtain information is human rights as one manifestation of the life for democratic nation and state.

The mechanism for the obligations of political party financial report from the National State Badget (APBN)/Local State Badget (APBD) and the private sector can be explained through the scheme below:
Table 2 Obligation of financial reports for Political Parties fund

Second, sanction is needed for political parties that do not make financial report sourced outside the National State Budget (APBN)/ Local State Budget (APBD) or sourced from the private sector. This is actually regulated in Article 47 of the Law on Political Party concerning sanction for not submitting accountability report on financial receipt and expenditure from the state and regional budget for periodic 1 (one) year, namely administrative sanction in the form of termination of National State Budget (APBN) and Local State Budget (APBD) assistance until the report is received by the government in the next fiscal year. However, unfortunately, the sanction only applies to party finance from National State Budget (APBN) and Local State Budget (APBD) fund. Whereas the sources of political party fund originating from membership and contribution from private sector have not been regulated.

According to Jimly Asshiddiqie, the management of political party fund not only open but also must be accompanied by binding sanction. The sanction for freezing and dissolution of parties must be applied to violations of party reports that are not transparent (www.nasional.kompas.com). Even Saldi Isra said the most effective sanction was administrative sanction such as being banned from taking part in the next election.

This is a paradox when most countries have imposed administrative sanction on political party that violates the rules of disclosure of party fund financial report. Setting sanction for political party can be divided into three (3) classifications, those are:

1. Severe Administrative sanction; the dissolution of the party.
2. Moderate administrative sanction; not being allowed to take part in the election

3. Mild administrative sanctions such as not getting subsidies from the state.

If we reflect in several countries, the majority impose criminal sanction on violation of financial report that culminates in court. Among them are the United States, Britain, Germany, Czech, Canada, Portugal, the Philippines and Thailand (Hafild, 2003: 11-20).

Such a thing is relevant in Indonesia, namely, sanction for political party that does not make party financial report and late in making financial report. Criminal sanction can be applied to political party that does not implement transparency in the use of fund. Moreover, Indonesia has regulation that includes criminal sanction against legal entities (corporations) including political party as public legal entities because they have received fund from the state budget.

In the German legal system, Article 2 clause 1 of the Law on German Political Parties (Act on Political Parties of the Federal Law Gazette) is also determined "Parties are associations of citizens ..., Party members may only be natural persons". The juridical consequences of the legal entity require political parties to provide management report to relevant Government Agency.

Therefore, as a legal entity, political parties can be imposed to criminal sanction if they violate applicable legal norm related to party fund transparency, so that the government must continue to disseminate information to member of political parties, especially political party official regarding the essential of the principle of transparency and accountability in financial management party. The government is obliged to provide sanction in the form of violation of reporting political party fund. Thus, the realization of these rules will give confidence to stakeholders especially to the public so that political parties become strong.

Conclusion

Referring to review of the content of the law number 2 of 2011 concerning Political Party and Government Regulation number 1 of 2018 about Financial Aid to Political Parties, the conclusion is that the current political party financial reporting system is only required for fund originating from the State Budget. While fund or donation coming from a private individual and legal entities, a
political party is not required to provide management reports. Ironically, Law number 1 Year on Political Parties does not regulate clearly and rigidly regarding the detail of financial report of political party fund. The content of the law also does not regulate the provision of strict sanction against political parties that violate the provision of reporting in transparent and accountable manner.

The weakness of regulation in Law number 2 of 2011 concerning Political Party, the reporting system of political party fund currently does not meet the transparent and accountable aspect which have implications for the refinement of the political parties as democracy pillar. Thus, to answer the problematic report and supervision of political party fund is the implementation of the mandatory financial report for political parties both from membership contribution and private companies. Therefore, revision must be done to Law number 2 of 2011 on Political Party, Election Law to establish technical rules for reporting and managing political party.

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