



Establishment of The Principles of Good Corporate Governance (GCG) Accountability Towards State Owned Enterprises in Indonesia

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Abstract

State-Owned Enterprises are business entities whose capital is wholly or substantially owned by the state through direct participation originating from separated state assets. State-Owned Enterprises have an important role in the implementation of the national economy in order to achieve social welfare. Facts on the ground that BUMN are often a source of corruption so that the principle of accountability is not reflected in the management of BUMN. The problems that occur are related to the clarity of organ functions and organ responsibilities in managing the company. The application of the principle of accountability in BUMN must be in line with the principles of Good Corporate Governance (GCG).

Keywords: *State Owned Enterprises; Good Corporate Governance; Accountability Principles*

Introduction

The State of Indonesia is a state of law, this is regulated in the Constitution of the Unitary State of the Republic of Indonesia. In the economic field, increasing people's prosperity that is more evenly distributed is the general goal of development. In achieving this target, various supporting facilities are needed, including a legal order that encourages, mobilizes, and controls various development activities in the economic sector. The Constitution of the Unitary State of the Republic of Indonesia Article 33 paragraph 1 The economy is structured as a joint venture based on the principle of kinship. The principle of kinship is all activities within the family scope that are intended for all family members and from all family members.¹

¹ Komang Ryan Krisna Satriadi, Ni Wayan Yulianita Dewi, Penerapan Asas Kekeluargaan Dalam Sistem Pengendalian Internal Pemberian Kredit Di Koperasi Kredit Swastiastu, JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Universitas Pendidikan Ganesha, Vol : 11 No : 3 Tahun 2020, hlm 509-519

The Constitution of the Unitary State of the Republic of Indonesia Article 33 paragraph 4 The national economy is organized based on economic democracy with the principles of togetherness, efficiency with justice, sustainability, environmental awareness, independence, and by maintaining a balance of progress and national economic unity. One of the ways to advance the national economy is by having a State-Owned Enterprise as an actor in national economic activity. Arrangements regarding State-Owned Enterprises are regulated in Law Number 19 of 2003 concerning State-Owned Enterprises.

State-Owned Enterprises, hereinafter referred to as BUMN, are business entities whose capital is wholly or mostly owned by the state through direct participation originating from separated state assets. State-Owned Enterprises have an important role in the implementation of the national economy in order to achieve social welfare.

In the organs of Persero Companies and Public Companies, there are two different things in BUMN, namely:

1. Limited Liability Companies: Organs of the Limited Liability Company are GMS, Directors and Commissioners.
2. Public Company: Public Corporation organs are the Minister, Directors and Supervisory Board.

Based on the organs of state-owned companies and public companies, there are very basic differences between the two organs.

Public Company, hereinafter referred to as Perum, is a BUMN whose capital is wholly owned by the state and not divided into shares, which aims for public benefit in the form of providing high quality goods and/or services and at the same time pursuing profits based on the principles of company management. Examples of public companies are:

- a. Republic of Indonesia Money Printing Corporation
- b. Public Bureau of Logistics
- c. National Public Housing Corporation
- d. Damri Corporation
- e. Republic of Indonesia State Printing Corporation
- f. Perum Perhutani.

Management of SOEs is carried out by the Board of Directors. The Board of Directors is fully responsible for the management of BUMN for the interests and objectives of BUMN and represents BUMN, both inside and outside the court. Furthermore, BUMN Supervision is carried out by the Commissioners and the Supervisory Board. The Commissioners and the Supervisory Board are fully responsible for the supervision of the BUMN for the interests and objectives of the BUMN.

In improving performance, efficiency and professionalism then emerged a principle that is believed to be able to encourage increased performance of the company, this principle is the principle of Good Corporate Governance (later abbreviated as GCG) or what is known in Indonesian as Good Corporate Governance.² Good corporate governance which refers to a procedure made within the company that gives authority to the Board of Directors to inform the material facts about the condition of investors and other stakeholders and make efficient and accurate decisions within the company. In other

²Myrza Pahlevi, Wilopo Mukhammad Kholid, Mawardi. 2016. Penerapan Prinsip *Good Corporate Governance* (GCG) Pada BUMN Berorientasi Global. (Studi Kasus pada PT. Semen Indonesia (Persero) Tbk. dalam Mengelola *Thang Long Cement Joint Stock Company*). Jurnal Administrasi Bisnis, Vol.37.No.1 Agustus 2016. Hal. 86-96. Diakses tanggal 24 Agustus 2017.

words, good corporate management here describes a series of legal rules governing the authorities and obligations of directors, officers and shareholders.

Law is a mirror that reflects the interests of the people. Because the interests of the community are always changing, so the law is also required to always change. Viewed sociologically, the rule of law has transformed into responsive law and progressive law. The implementation of Good Corporate Governance is inseparable from companies having legal legal entities in accordance with the provisions of the Act. The legal entity includes those who support rights and obligations.³

Good Corporate Governance or GCG is definitively a "system that regulates and controls the company to create added value (value added) for all stakeholders". The concept of GCG in Indonesia can be interpreted as a concept of good corporate management. Two things are emphasized in the GCG concept. First, the importance of the right of shareholders to obtain information correctly (accurately) and in a timely manner. Second, the company's obligation to make accurate, timely and transparent disclosures of all information on company performance, ownership and stakeholders.

In Indonesia, a State-Owned Enterprise is a state-owned company that is not divided into shares, but whose capital is wholly owned by the Republic of Indonesia. State-Owned Enterprises develop because SOEs act as business actors as well as regulators.

Facts in the field of BUMN are often a source of corruption. BUMN until now has not been able to carry out its functions properly as an economic unit or public service, various complaints about the inconvenience of service to BUMN. In the management of BUMNs, for example PT Pertamina, until now there are still complaints from the public that they are holding Peralite and Pertamax motor vehicle fuel from PT. Pertamina is too expensive, so the increase in fuel prices has resulted in the quality of petroleum fuel, according to the public, more and more wasteful. Apart from that, the service is of poor quality, unprofessional in service and there are still reports of state-owned enterprises experiencing huge losses in their operations.

The obstacle that often hinders BUMN from functioning economically is the Government itself. Apart from that, the poor quality of human resources and a corporate culture that tends to be KKN have also contributed to the loss of BUMN. To avoid greater losses, it is necessary to apply the principles of Good Corporate Governance in BUMN management. The role of BUMN is felt to be increasingly important as reporting in business sectors that are not yet attractive to private businesses. Besides that, SOEs also have a strategic role as executors of public services, balancing private forces, and helping develop small businesses/cooperatives. The importance of restructuring the implementation of the role of SOEs in the national economic system, especially efforts to increase the performance and value of companies, especially those whose business is related to the public interest.

Conflicts can occur anywhere and anytime, including in SOEs. Poor corporate governance practices are often characterized by ineffective board of directors, weak internal controls, poor auditing, lack of balanced disclosure and lack of law enforcement. The essence of the corporate governance policy is that the parties who play a role in running the company understand and carry out their functions and roles according to their authority and responsibility. Parties involved include shareholders, the board of commissioners, committees, directors, unit heads and employees.

The problems that occur in society are a lot of corruption in BUMN. Furthermore, intervention from the ruling party related to the implementation of the internal organs of BUMN. Poor corporate governance practices are often characterized by ineffective board of directors, weak internal controls, poor auditing, lack of balanced disclosure and lack of law enforcement.

³ Chaidir Ali, Badan Hukum, Penerbit PT Alumni Bandung, 2005 hal 18

Based on the background above, related to the problems experienced by SOEs in realizing the principles of Good Corporate Governance, the legal issue is that there is unclear norms in Law Number 19 of 2003 concerning State-Owned Enterprises and Article 2 letter g of Law Number 17 of 2003 concerning State Finance, includes state assets that are separated from SOEs and continue to be recognized as state finances. Whereas Article 4 paragraph 1 and its explanation of Law Number 19 of 2003 concerning State-Owned Enterprises states that state assets are separated only to the extent of capital in BUMN, BUMN assets are not State assets both in terms of material (substance) law, legal structure and culture law.

Results and Discussion

Principles of Accountability for Good Corporate Governance of State-Owned Enterprises in Indonesia

Corporate governance was first introduced by the Cadbury Committee in 1992 which used the term in their report (Cadbury Report). This report is seen as a decisive turning point for corporate governance practices around the world. The definition of good corporate governance according to the Cadbury Committee (1992) is a system that directs and controls the company in order to achieve a balance between the power and authority of the company to ensure its continued existence and accountability to stakeholders. This is related to the regulatory authority of owners, directors, managers, shareholders, and so on.

Definition of Corporate Governance There are various definitions of corporate governance which have been explained by various parties and experts, depending on their respective understandings as concluded by Sutedi defining corporate governance as a set of rules governing the relationship between shareholders, management (managers) of the company, government creditors, employees and other internal and external stakeholders relating to their rights and obligations or in other words a system that regulates and controls the company. With the aim of creating added value for all interested parties. Haruman believes that corporate governance is corporate governance that explains the relationship between various participants in a company that determines the direction of company performance.

Lukviarman defines corporate governance as a mechanism for doing the right things right (doing the right things right). Corporate governance places an emphasis on the right things before doing them correctly. According to Effendi, corporate governance is a set of systems that regulate and control companies to create added value for stakeholders. This is because good corporate governance can encourage the formation of clean, transparent and professional management work patterns.

The World Bank defines corporate governance in the international context as bringing together appropriate private sector laws, regulations and practices. Corporate governance enables companies to attract human and capital resources, perform efficiently, so that in the long term it will generate continuous economic value for shareholders and society as a whole. The Forum for Corporate Governance in Indonesia (FCGI) defines corporate governance as a set of regulations that stipulate the relationship between shareholders, management (managers) of the company, creditors, government, employees and other internal and external stakeholders with respect to their rights and obligations. or in other words a system that regulates and controls the company. Besides that, FCGI also explains that the purpose of corporate governance is to create added value for all interested parties (stakeholders).

The Institute of Corporate Governance (IICG) defines corporate governance as a series of mechanisms to direct and control a company so that the company's operations run according to the expectations of stakeholders and the processes and structures implemented in running the company with the main objective of increasing shareholder value. in the long term while taking into account the interests

of other stakeholders. The Indonesian Institute for Corporate Governance (IICG) is one of the bodies that pays special attention to the implementation of corporate governance in Indonesia.

Supatmi said that so far IICG has conducted research related to the implementation of corporate governance in companies in Indonesia, especially public companies listed on the Jakarta Stock Exchange and compiled a ranking called the Corporate Governance Perception Index (CGPI). The concept of corporate governance is put forward in order to achieve more transparent company management for all users of financial reports. According to the Organization for Economic Co-operation and Development (OECD) corporate governance is a system used to direct and control a company's business activities. Corporate governance regulates the distribution of duties, rights and obligations of those with an interest in the life of the company, including shareholders, the board of directors, managers and all members of non-shareholder stakeholders.

The Organization for Economic Cooperation and Development (OECD) also states that corporate governance is a relationship structure that has links with responsibilities among related parties consisting of shareholders, members of the board of directors and commissioners including managers formed to encourage the creation of a performance that is competitive advantage needed to achieve the main goals of a company. Corporate governance arises because there is a separation of interests between ownership and control of the company which is often referred to as an agency problem, as well as efforts to overcome management behavior from selfish attitudes aiming to create oversight within the company which ensures optimization of the fulfillment of stakeholder interests and creates efficiency for the company.

Corporate governance shows the difference in interests between managers and owners of a company related to the good or bad condition of a company's governance with its tax decision-making actions. Based on some of the definitions above, corporate governance can be interpreted as a company's internal control system which has the main goal of managing significant risks so that companies can fulfill their business objectives through good governance and systems working within the company, securing company assets and increasing investment value in the long term. medium and long term.

Corporate governance is also one of the key elements in increasing economic efficiency, which includes a series of relationships between company management, the board of commissioners, shareholders and other stakeholders or stakeholders. In other words, corporate governance is a process and structure used by corporate organs (shareholders or capital owners, board of commissioners or supervisory board, and directors) to enhance business success and corporate accountability in order to realize or increase long-term shareholder value while maintaining pay attention to the interests of other stakeholders, based on laws and ethical values. Of course corporate governance is enforced with the aim of creating added value (value added) for all stakeholders. The acquisition of this added value is due to the fact that CG can encourage the formation of clean, transparent and professional management work patterns.

Corporate governance is a system that aims to manage and regulate every aspect related to the company, especially in terms of differences in interests so that it can be managed properly and properly without conflicting with applicable laws and of course the goal is to create added value for all interested parties.

Sutedi believes that the elements of corporate governance that come from within the company (and are always needed within the company) as well as elements that exist outside the company (and are always needed outside the company) that can ensure the functioning of corporate governance are:

1. Elements that come from within the company: shareholders, directors, board of commissioners, managers, employees/labor unions, performance-based remuneration system and audit committee.
2. The elements that are always needed in a company include: openness and confidentiality, transparency, accountability, fairness, the rules of the code of conduct.
3. Elements originating from outside the company: adequacy of laws and legal instruments, investors, information provider institutions, public accountants, institutions that have non-group public interests, lenders, institutions that certify legality.
4. Elements that are always needed outside the company include: the rules of the code of conduct, fairness, accountability, legal guarantees.

The implementation of corporate governance is to minimize agency conflicts. Agency conflicts arise when the goals to be achieved by company managers are not in line with the interests of shareholders. Shareholders expect maximum income (dividends) for the funds they invest. Meanwhile, management is more concerned with the company's operational activities by not distributing dividends and allocating them as retained earnings. Harmonious relationship between shareholders and company managers will influence the tax policy to be used.

The characteristics of corporate governance are divided into two parts, namely internal governance and external governance as explained by Andayani. Internal governance includes the structure of the board of directors, managerial ownership and executive compensation. Meanwhile, external governance consists of institutional ownership, markets and levels of debt financing. Good corporate governance mechanisms are related to the prosperity of the company and shareholders, so that its implementation is expected to make a positive contribution to the company as a whole.

Mechanism of Corporate Governance According to the Big Indonesian Dictionary, mechanism is how something works according to what has been determined. The mechanism of corporate governance is how the organization works according to established procedures to align the interests of management and the interests of shareholders. The corporate governance structure is formed by internal mechanisms and external mechanisms, namely:

1. Internal mechanisms: Internal mechanisms or internal mechanisms are ways to manage, direct, and monitor company activities to create sustainable value for all stakeholders (stakeholders). Internal mechanisms such as the general meeting of shareholders (GMS), the composition of the board of directors, the composition of the board of commissioners and meetings with the board of directors (Rezaee, 2009:43). In order for an effective internal company mechanism to be realized, it is necessary to pay attention to supporting elements from within including shareholders, directors, board of commissioners, audit committee, managers, employees and work unions.
2. External mechanisms: External mechanisms or external mechanisms are ways to monitor the activities, affairs and performance of the company and ensure that the interests of insiders (managers, directors and officers) are aligned with the interests of outsiders (shareholders and other stakeholders). External mechanisms usually come from the capital market, company control market, labor market, state status, court decisions, shareholders and the practice of investor activity.

Juwitasari said that one form of supervision is the existence of a good corporate governance mechanism which is divided into two groups, namely internal mechanisms and external mechanisms. Internal mechanisms are mechanisms designed to equate the interests of managers and shareholders. Internal mechanisms within the company include managerial ownership and control exercised by the board of commissioners, in this case the composition of the board. While external mechanisms are ways to influence companies other than internal mechanisms, such as markets for corporate control,

institutional ownership, foreign ownership and levels of funding with debt. In order for an effective external mechanism to materialize, it is necessary to pay attention to supporting elements from outside the company including adequacy of laws and legal instruments, investors and information provider institutions, public accountants, institutions that favor the public interest, not groups, lenders. To be able to implement good corporate governance, a company must have a corporate governance mechanism such as independent commissioners, audit committees, institutional ownership, and managerial ownership. Where each is related to each other, each has its own duties and responsibilities and can be accounted for.

To find out the meaning of the Principles of Accountability for Good Corporate Governance of State-Owned Enterprises. So it is necessary to look at the applicable laws and regulations, namely the Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises. The basis for the formation of laws and regulations in Indonesia is regulated in Law Number 12 of 2011 concerning the Formation of Legislation. Laws and Regulations are written regulations that contain legally binding norms in general and are formed or stipulated by state institutions or authorized officials through procedures stipulated in Laws and Regulations. The 1945 Constitution of the Republic of Indonesia is the basic law in the Laws and Regulations.

The definition of legislation according to the experts themselves is very diverse. According to Attamimi, these are state regulations, at the Central level and at the Regional level, which are formed based on statutory authority, both attribution and delegation. Another understanding of laws and regulations, such as the opinion of Bagir Manan, that laws and regulations are written decisions of the state or government which contain instructions or patterns of behavior that are general and binding.⁴

According to Bagir Manan about wet in materiel zin describes the meaning of legislation in the material sense, the essence of which is as follows:

- a. Laws and regulations are in the form of written decisions. Because it is a written decision, statutory regulations as written law rules (*geschrevenrecht*, written law)
- b. Laws and regulations are formed by officials or positions (bodies, organs) who have the authority to make "regulations" that apply or bind the general public (*algemeen*).
- c. Legislation is generally binding, not meant to always be binding on everyone. General binding only shows that laws and regulations do not apply to concrete events or certain individuals.

According to Maria Farida Indrati, the term legislation (*legislation*, *wetgeving*, or *gesetzgebung*) has two different meanings, namely:

- a. Legislation is the process of forming/forming state regulations, both at the central and regional levels;
- b. Legislation is all state regulations, which are the result of the formation of regulations, both at the central and regional levels.

In Indonesian positive law, the meaning of legislation is stated in Article 1 paragraph (2) of the Constitution of the Republic of Indonesia Number 10 of 2004 concerning the formation of statutory regulations are written regulations formed by state institutions or authorized officials and are generally binding. . The formation of Legislation must be carried out based on the principle of Forming good Legislation, which includes:

- a. Clarity of purpose;
- b. Proper forming institutions or officials;
- c. Suitability between types, hierarchies, and payload materials;

⁴ Bagir manan, 1992, *Dasar-Dasar Perundang-Undangan Indonesia*, Ind-Hill-Co, Jakarta, hlm.18.

- d. Can be implemented;
- e. Usability and effectiveness;
- f. Clarity of formulation; and
- g. Openness.

The material content of Legislation must reflect the principles of:

- a. Protection;
- b. Humanity;
- c. Nationality;
- d. Kinship;
- e. Archipelago;
- f. Unity in Diversity;
- g. Justice;
- h. Equal position in law and government;
- i. Law order and certainty; and/or
- j. Balance, harmony, and harmony.

In Article 7 paragraph (1) of Law Number 10 of 2004 it is stated that the types and hierarchies of laws and regulations are as follows:

- a. The 1945 Constitution of the Republic of Indonesia;
- b. Decree of the People's Consultative Assembly; The 1945 Constitution of the Republic of Indonesia
- c. Laws/Government Regulations in Lieu of Laws;
- d. Government regulations;
- e. Presidential decree;
- f. Provincial Regulation; and
- g. District/City Regional Regulations.

Content Material of Laws and Regulations Materials for content of laws and regulations, the benchmarks can only be conceptualized in general. The higher the position of a statutory regulation, the more abstract and fundamental the content is. Vice versa, the lower the position of a statutory regulation, the more detailed and concrete the content is. Based on the hierarchy of laws and regulations, Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises, it is in the 3rd position of the hierarchy.

The Meaning of the Principles of Accountability for Good Corporate Governance of State-Owned Enterprises. So it is necessary to look at the applicable laws and regulations, namely the Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises. BUMN consists of Persero and Perum.

Accountability, namely the clarity of functions, implementation and accountability of the Organs so that the management of the company is carried out effectively. In SOEs there are organs.

The Minister acts as a GMS in the event that all of the Persero's shares are owned by the state and acts as a shareholder in the Persero and limited liability companies in the event that not all of the shares are owned by the state.

The minister can give power of attorney with substitution rights to individuals or legal entities to represent them at the GMS. The party receiving the power of attorney must first obtain approval from the Minister to make decisions at the GMS regarding:

- a) Changes in the amount of capital;
- b) Changes to the articles of association;
- c) Profit utilization plan;
- d) Merger, consolidation, acquisition, separation and dissolution of Persero;
- e) Investment and long-term financing;
- f) Persero cooperation;
- g) Establishment of a subsidiary or equity participation;
- h) Transfer of assets.

Board of Directors: The Board of Directors is an organ of BUMN that is responsible for managing BUMN for the interests and objectives of BUMN, as well as representing BUMN both inside and outside the court.

The Board of Directors consists of more than one member, one member of the Board of Directors is appointed as the main director.

In carrying out their duties, members of the Board of Directors must devote their full energy, thought and attention to the duties, obligations and achievement of the goals of the Perum. By taking into account the special characteristics of each Persero, the Board of Directors may appoint a company secretary. The duties and responsibilities of the directors are as follows:

- a) The Board of Directors is required to prepare a draft work plan and company budget which is an annual elaboration of the long-term plan.
- b) The Board of Directors is required to submit a draft work plan and company budget to the Minister for approval.
- c) Within 5 (five) months after the closing of the Perum's financial year, the Board of Directors must submit an annual report to the Minister for approval. The annual report is signed by all members of the Board of Directors and Supervisory Board. In the event that a member of the Board of Directors or Supervisory Board does not sign the annual report, the reasons must be stated in writing.
- d) The Board of Directors is obliged to maintain the minutes of meetings and maintain the Persero's bookkeeping. **Komisaris :** Komisaris adalah organ Persero yang bertugas melakukan pengawasan dan memberikan nasihat kepada Direksi dalam menjalankan kegiatan pengurusan Persero.

Commissioners consist of more than one member, one member of the Board of Commissioners is appointed as the main commissioner.

The commissioner is tasked with supervising the Directors in carrying out the management of the Persero and providing advice to the Directors.

While the Public Corporation Organs are:

- a. **Minister:** The Minister gives approval for the Perum's business development policy proposed by the Board of Directors.

The business development policy is proposed by the Board of Directors to the Minister after obtaining approval from the Supervisory Board.

The Minister is not responsible for all the consequences of legal actions made by Perums and is not responsible for Perum losses exceeding the value of state assets that have been separated into Perums, unless the Minister:

- a) Either directly or indirectly using Perum solely for personal gain in bad faith;

- b) Involved in unlawful acts committed by Perum; or
- c) Directly or indirectly unlawfully using Perum assets.

Board of Directors: The Board of Directors is an organ of BUMN that is responsible for managing BUMN for the interests and objectives of BUMN, as well as representing BUMN both inside and outside the court.

In carrying out their duties, the Board of Directors must fully devote their energy, thoughts and attention to the duties, obligations and achievement of the goals of the Perum. The duties and responsibilities of the directors are as follows:

- a. The Board of Directors is required to prepare a draft long-term plan which is a strategic plan that contains the goals and objectives of the Perum to be achieved within a period of 5 (five) years. The draft long-term plan that has been signed together with the Supervisory Board is submitted to the Minister for approval.
- b. The Board of Directors is required to prepare a draft work plan and company budget which is an annual elaboration of the long-term plan.
- c. The Board of Directors is required to submit a draft work plan and company budget to the Minister for approval.
- d. Within 5 (five) months after the Perum's financial year is closed, the Board of Directors must submit an annual report to the Minister for approval. The annual report is signed by all members of the Board of Directors and Supervisory Board. In the event that a member of the Board of Directors or Supervisory Board does not sign the annual report, the reasons must be stated in writing.
- e. The Board of Directors is obliged to maintain the minutes of meetings and maintain Perum's bookkeeping.

The responsibility of the Board of Directors is only if the Perum is declared bankrupt. In the event that bankruptcy occurs due to the fault or negligence of the Board of Directors and the assets of the Perum are not sufficient to cover losses due to the bankruptcy, each member of the Board of Directors is jointly and severally responsible for the loss. Members of the Board of Directors who can prove that bankruptcy was not due to their fault or negligence are not jointly and severally responsible for the loss. In the event that the actions of the Board of Directors cause losses to the Perum, the Minister represents the Perum to make claims or lawsuits against the Directors through the courts.

Supervisory Board: The Supervisory Board is a Perum organ in charge of supervising and providing advice to the Directors in carrying out Perum management activities.

The Supervisory Board is tasked with supervising the Directors in carrying out the management of the Perum and providing advice to the Directors.

The articles of association may stipulate the granting of authority to the Supervisory Board to give approval to the Board of Directors in carrying out certain legal actions. Based on the articles of association or Ministerial Decree, the Supervisory Board can take action to manage Perum under certain conditions for a certain period of time

Based on BUMN Perum, the organs have their respective functions. Therefore the principle of accountability regarding the clarity of functions, implementation and accountability of Organs has been regulated in the Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises.

Conclusion

The meaning of the Principle of Good Corporate Governance (GCG) Accountability for State-Owned Enterprises in Law Number 19 of 2003 concerning State-Owned Enterprises, namely the meaning of the Principle of Accountability (accountability), namely the clarity of functions, implementation and accountability of the Organs so that the management of the company is carried out effectively . The author suggests to the government to revise the BUMN law by clarifying the Principles of Accountability and the Principles of independence of Good Corporate Governance because it is in accordance with the times and has clarity in carrying out all actions in the organs of both Persero or Perum within BUMN.

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